Wake County
North Carolina

Comprehensive Annual Financial Report

for the fiscal year ended June 30, 2012

Prepared by the Wake County Finance Department

Wake County Board of Commissioners

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Chair

Joe Bryan

Phil Matthews
Vice Chair

Tony Gurley

Ervin Portman

James West

Betty Lou Ward

David Cooke	*County Manager*
Scott W. Warren	*County Attorney*
Susan J. Banks	*Clerk to the Board*
Johnna Rogers	*Deputy County Manager/ Chief Financial Officer*
Joe Durham	*Deputy County Manager*

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for the fiscal year ended June 30, 2012

Prepared by the Wake County Finance Department:

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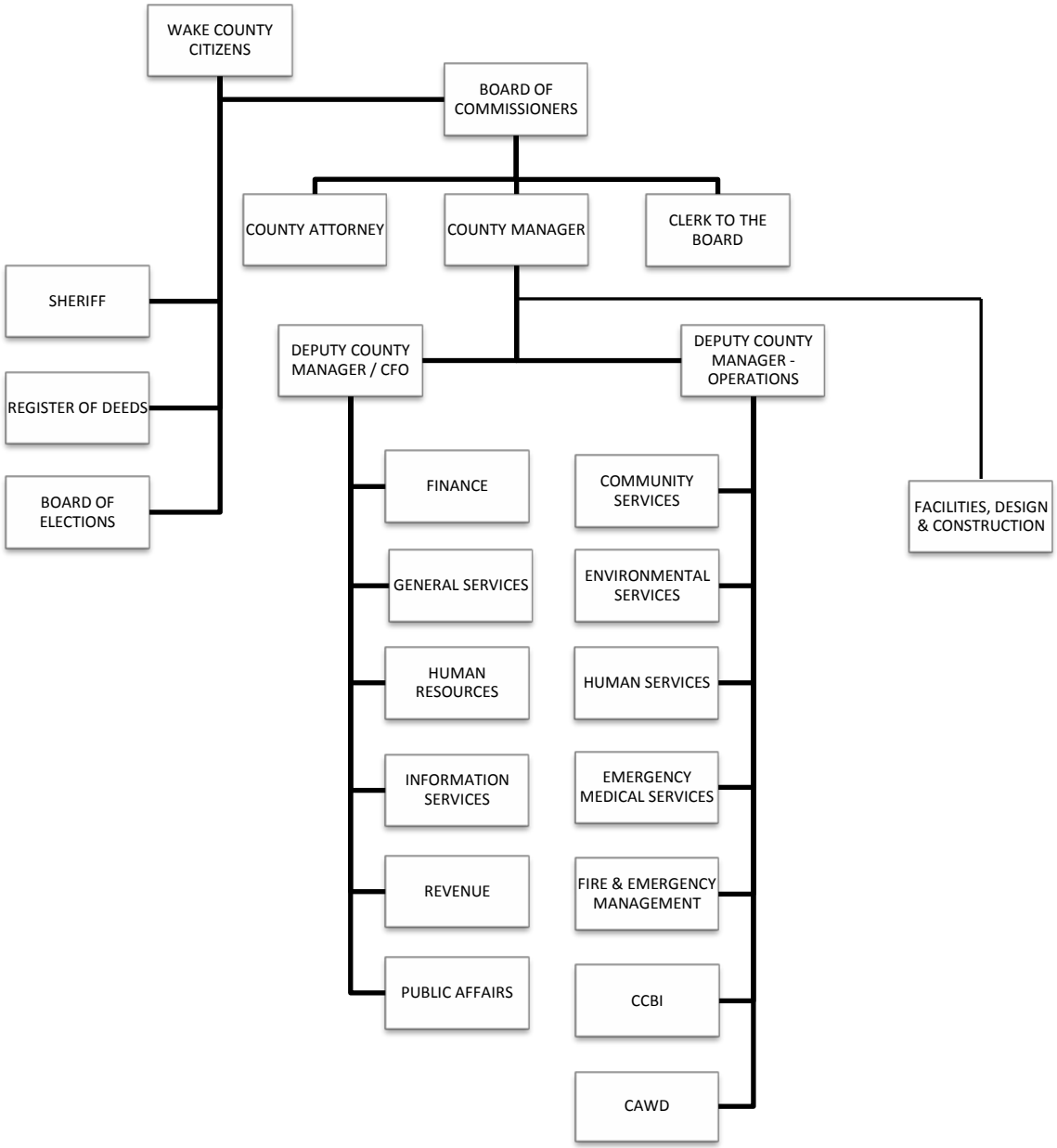
WAKE COUNTY ORGANIZATION



November 30, 2012

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

Continuing Wake County's history as a county of fiscal strength and stability is a primary goal of the Wake County Board of Commissioners. This Comprehensive Annual Financial Report (financial statements) of Wake County, North Carolina, for the fiscal year ended June 30, 2012, reflects the achievement of that goal. Each year this document is prepared to provide details about how the County receives, spends and accounts for its money, as well as key indicators of its financial strength. The County's Finance Department prepares the financial statements and assumes all responsibility for the accuracy of the data, the completeness and fairness of the presentation, and all disclosures. Wake County officials believe the data and presentation are fair and accurate, and that everything necessary is included in this document to gain an understanding of the County's financial activities over the last fiscal year.

Wake County Government's financial statements have been audited by Cherry, Bekaert & Holland, L.L.P., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

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

Wake County is required to present a Management's Discussion and Analysis (MD&A) section as an introduction to the financial information. This section immediately follows the auditor's opinion and provides an overview and analysis of the County's significant transactions in fiscal year 2012, to aid readers in understanding the financial impact and the relationship to the financial statements and schedules provided. This letter of transmittal is written to complement the MD&A.

FINANCIAL REPORTING ENTITY

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

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

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

PROFILE OF WAKE COUNTY

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

- **#1 Best Place to Live** (Raleigh-Wake County, NC) Bloomberg-Businessweek.com America's Best Cities January 2012
- **#5 Best City for Raising a Family** (Raleigh, NC) Forbes, April 2012
- **#5 Most Cost-Attractive Business Location** (Raleigh, NC) KPMG, March 2012
- **#2 Best Place for Business and Careers (**Raleigh, NC) Forbes.com, June 2012
- **#1 Healthiest County in NC** (Wake County, NC) CountyHeatlthRankings.org, March 2012
- **#1 Real Estate Market to Watch in 2012 (**Raleigh-Cary, NC) Inman News, February 2012
- **#7 Metro with Most College-Educated Residents** (Raleigh-Cary, NC) Brookings Metropolitan Policy Program, May 2012
- **#1 Healthiest City for Women** (Raleigh, NC) Women's Health, January 2012
- **#5 Most Eco-Friendly City** (Raleigh, NC) Thumbtack.com, July 2012
- **#6 Hottest American City of the Future** (Raleigh, NC) Yahoo Finance, June 2012

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

FACTORS AFFECTING FINANCIAL CONDITION

Economic Diversity

Wake County's economic diversity provides a strong foundation for the area's economy. On June 30, 2012, the unemployment rate was 7.7%, compared with 9.4% for the state and 8.2% for the nation. A sampling of the area's industry and services includes:

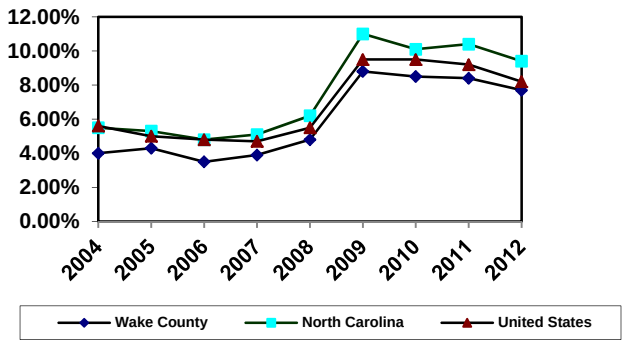
- manufacturing (including light manufacturing of pharmaceuticals, telecommunications equipment, electrical and machine parts, and electrical components)
- service industries
- many public and private institutions of higher education, including North Carolina State University, recognized as a national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

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

To date, over 30 companies have located in the Wake County portion of RTP, occupying nearly 4.3 million sq. ft. of space for biotechnology and information technology purposes. Of the approximately 42,000 people

currently employed in RTP, the Research Triangle Foundation estimates that 68 percent reside in Wake County, which adds significantly to the County's economy.

Unemployment Rates



Long-Term Planning

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

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

Wake County broke ground on the new Justice Center in May 2010, one of five projects established in the County's long-term Justice Facilities Master Plan. The steel frame of the building was completed in February 2011. The Justice Center project is ahead of schedule and expected to be completed in the summer of 2013. The 577,000 square-foot facility is expected to meet the growing needs of the court system and other public services for the next 30 to 50 years. The last courthouse built in Wake County was completed in 1969. The Wake County Justice Center will efficiently accommodate growth in the County. It will have the capacity for 22 new criminal courtrooms, two court hearing rooms, as well as more space for required court support. The Clerk of Superior Court, District Attorney, Public Defender, Superior and District Court Judges, and Community Corrections will be housed in the new building. It will also house all of Wake County's criminal courtrooms.

Wake County continued its commitment to mental health reform and joined with Durham County to create Alliance Behavioral Healthcare to manage behavioral health services in Durham, Cumberland, Johnston and Wake counties. This transition requires Wake County to stop offering federally-funded behavioral health services currently provided by Wake County staff by January 2013. The partnership seeks to strengthen essential services, address service gaps, and optimize resources for efficient and effective delivery of services throughout the community, while ensuring continuity of service to consumers in Wake County.

Public Safety is a priority for Wake County. The County opened the Hammond Road Detention Center in April 2012. The new Wake County Detention Center provides services administered by three groups: the Wake County Sheriff's Office, the City-County Bureau of Identification and the Wake County Magistrate's Office. The project was completed at a cost of $151 million, $35 million less than the original project budget. Construction was completed three months ahead of schedule. The County facility is Leadership in Energy and Environmental Design (LEED) Certified.

The County is collaborating with municipal governments, Triangle Transit, regional transportation agencies and the business community to begin discussions about long-term transportation needs. In 2011, Wake County worked with partners to develop a draft plan for providing efficient and effective modes of transportation for our citizens. The county prepared the plan in partnership with regional transit and planning organizations and all municipalities.

Community Improvement Plan

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

In June 2011, Commissioners adopted a seven-year, $429.3 million CIP for fiscal years 2012-18 in connection with Wake County's capital planning.

The current CIP totals $429.3 million of initiatives to improve the capital infrastructure of the County, of which $96.8 million is dedicated to the Wake County Public School System. The remaining $332.5 million would be invested in several areas of capital need, including criminal justice ($31.7 million), County building improvements ($28.0 million), community college facilities ($10.5 million), fire/rescue ($26.9 million), economic development ($12.4 million), open space ($34.6 million), solid waste operations ($21.6 million), investments in libraries ($44.7 million), public safety ($17.1 million), and automation ($35.1 million). The entire FY2012-18 CIP document can be viewed within the FY12 Budget Document at http://www.wakegov.com/budget/past/Documents/Budget%20Fiscal%20Year%202012/Fiscal%20Year%202012%20Adopted%20Budget.pdf.

Wake County's capital funding program leverages debt financing to expand the County's ability to support capital projects. The County's triple-A bond rating allows the County to receive lower interest rates on debt issued for capital expenditures. Two fundamental strategies are key to the success of the program: 1) dedicating a funding stream specifically to capital, and 2) maintaining a financing ratio of 80% debt and 20% cash.

Dedicating annual revenue streams for a capital program requires a great deal of fiscal discipline. It also is essential for the success of the long-term capital program and to deliver quality services to the current and future residents of Wake County. This means setting aside a percentage of the property and sales tax proceeds each year to fund current and future capital payments. The dedicated stream of revenue is critical to the integrity of the debt and capital financial model, as it ensures that funds are available to pay for additional debt service payments. Funding is set aside each year in the debt service fund as it is incurred in the future years of the CIP planning period. This strategy was a key component of bond referenda for schools, jail facilities, and open space passed in 2000. This key policy has continued as voters have approved additional referenda for schools in 2003 and 2006, referenda for Wake Technical Community College in 2004 and 2007, for Libraries in 2003 and 2007, and Open Space in 2003 and 2007.

At present, the two primary funding sources for the CIP are dedicated property tax revenue (policy to fund at 15.50 cents) and a percentage of the sales tax receipts to the capital program. The sales tax percentage is based upon legislation codified in the North Carolina General Statutes.

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

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

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

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

Investment Earnings: Cash in the capital projects and debt service funds can be invested in money market securities. As bonds are sold, transfers from other funds occur, and actual expenditures occur at a slower pace than

anticipated. The investment earnings in capital funds are used toward debt service. These earnings can be a viable funding source in the capital investment model as they pay for debt service projects funded by prior year CIPs. Beginning in fiscal year 2004, General Fund investment earnings were added to the model to leverage the variable-rate debt, as both are interest rate-sensitive.

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

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

OTHER ACCOMPLISHMENTS

In January 2012, Wake became one of the North Carolina counties to be accredited by the North Carolina Local Health Department Accreditation Board. North Carolina is the first state in the country to mandate accreditation for its local health departments to assure a basic level of capacity and services essential to public health. The process included three major components – a self-assessment completed by the agency, a site visit by a multidisciplinary team of peers to review performance standards and determination of status by an independent Accreditation Board.

Every county in North Carolina is a member of the North Carolina Association of County Commissioners. Two large NCACC events were held in Wake County: the Clerks conference in early 2011 and the Annual Conference in the summer of 2012. Commissioner Joe Bryan served as President of the NCACC last year, and Commissioner Betty Lou Ward was one of seven members inducted into the inaugural class of the NCACC Hall of Fame.

The county worked with Wake Technical Community College, the Wake Economic Development Program, the Raleigh Chamber and other partners to attract new jobs. Red Hat moved its headquarters to downtown Raleigh, and will add 540 new positions in addition to the 750 that were created during the last few years. NetApp is expected to bring 460 new jobs over the next four years to downtown Raleigh, while WakeMed brought 461 positions to three locations, Strategic Behavioral Health brought 250 positions, Biogen brought 300 positions and LORD Corporation brought 117 positions in the last year. To make it easier to do business in Wake County, commissioners amended the County Unified Development Ordinance, including sections dealing with the Group Homes and Airport District Regulations, commercial recreation facilities, accessory buildings, structures and breezeways, and residential watershed districts.

Wake County Human Services continued its transformation from a traditional social services model to a human capital development model – focusing on the human side of the economy. Based on these efforts, Wake County was presented with an Achievement Award from the National Association of Counties. The Human Services Academy is a virtual training model for staff development and training that maximizes the use of current staff's skills, talents and experience to provide training. The program received an achievement award from the National Association of Counties (NACo) for innovation. The Academy offers training opportunities and life coaching to Human Services staff, while assisting them in becoming self-sufficient; as well as lifestyle and behavioral training to staff.

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, 2011. This marks the 28th consecutive year in which the County has received this recognition. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The GFOA award is valid for a period of one year.

Acknowledgments

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

Respectfully submitted,

David Cooke
David Cooke
County Manager

Johnna Rogers
Johnna Rogers
Deputy County Manager/
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Wake County
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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

President

Executive Director

CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Wake County ABC Board (the "Board"). Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the Board, is based solely on the reports of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison of the general and major facilities funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2012, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, combining and individual fund statements and schedules, schedules of capital assets and general obligation indebtedness, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund statements and schedules and schedules of capital assets and general obligation indebtedness are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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.

Cherry Bekaert & Holland L.L.P.

Raleigh, North Carolina
November 30, 2012

WAKE COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2012

As the management of Wake County, North Carolina, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2012. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages **IX – XIV** in the Introductory section of this report.

Financial Highlights for Wake County, North Carolina

The County has maintained an "Aaa" bond rating from Moody's Investors Service since 1973, an "AAA" rating from Standard & Poor's Corporation since 1983, and an "AAA" rating from Fitch since 2000. These bond ratings are clear indications of the sound financial condition of the County. The County is one of the few counties in the country that maintains the highest financial rating from all three major rating agencies. This achievement is a key factor in keeping interest costs low on the County's outstanding general obligation debt. These ratings were reaffirmed most recently in January 2012.

Wake County prides itself on its strong financial management and governance. The County maintains a seven-year capital improvement plan (CIP) developed within the context of debt policies and targets necessary to maintain its Aaa bond rating. The plan is funded through dedicated revenue sources and the County maintains a target of no more than 80 percent debt in any given year. The County's policy is to maintain a minimum fund balance of 19 percent in the debt service fund and models forecast revenues and expenditures to assure that the dedicated portions of property and sales tax are sufficient for funding the debt. The County's repayment schedule meets the standards of Aaa rated counties.

We clearly demonstrated that Wake County has low linkages to the U.S. sovereign credit rating, and in December 2011, Moody's revised the financial outlook for Wake County's rating to "stable" from "negative". Moody's released a report stating that Wake County, along with other named entities revised to stable, were considered to have fewer financial and economic linkages to the U.S. government. Of the 87 counties rated Aaa by Moody's in the United States, 53 were assigned a negative outlook by Moody's in August 2011, including all of the Moody's Aaa rated counties in North Carolina except Forsyth County. In addition to Wake, the outlook of five other counties in North Carolina rated Aaa by Moody's, and 35 nationwide, were revised to stable in December 2011.

Wake County competitively bid and sold $96.79 million in fixed-rate general obligation bonds in January 2012 to support Wake County Public School System (WCPSS) projects. In November 2006, Wake County voters had authorized $970 million of general obligation bonds

to support the WCPSS CIP 2006 building program. All of the general obligation bonds authorized in November 2006 in support of the WCPSS building program have now been issued.

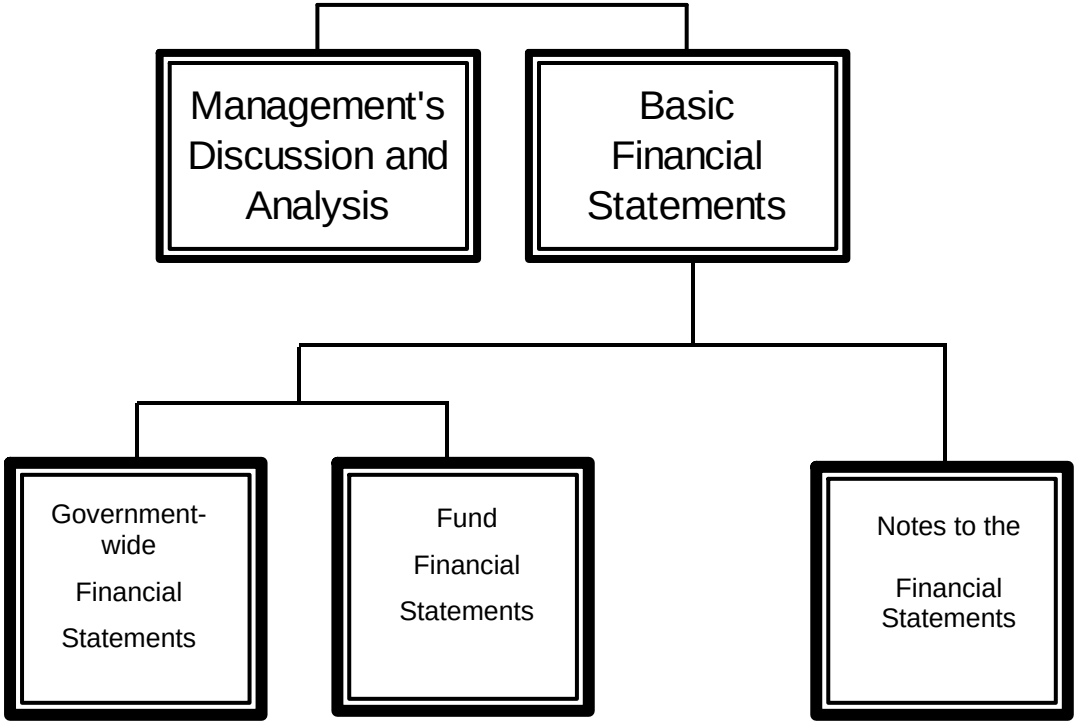
The County also reviewed its variable debt portfolio in fall 2011 and, in January 2012, the County competitively bid and sold refunding bonds in order to refund $124 million of variable rate debt. As part of the transaction, the County used $30 million of cash to reduce the amount of total debt outstanding. This transaction reduced the County's overall amount and percentage of variable rate debt in the debt portfolio from $324 million to $200 million or from 15.3% percent to 9.3% percent of the total debt portfolio.

The County measures its financial health and flexibility to meet operating needs as a ratio of fund balance as a percentage of expenditures, transferring significant resources from its General Fund into the Debt Service Fund to meet those future commitments. As a result, the combined General Fund and Debt Service Fund balances are measured together to assess the County's overall fiscal health. At the end of the 2012 fiscal year, the fund balances for the County's General Fund and the Debt Service Fund were $175.7 million and $169.3 million, respectively; compared with both funds reporting fund balances of $159.5 million and $166.2 million respectively in the prior fiscal year. The total fund balances of both funds compared as a percentage of the subsequent year's budgeted appropriations in both funds was 35.02% as of the end of fiscal year 2012, compared with a combined total of 32.72% as of the end of the 2011 fiscal year.

The County uses a long-term financial planning model for capital budgeting purposes. The capital and debt component of the model help evaluate the impact of capital funding decisions on the County's financial condition and to ensure policy targets are maintained. In accordance with its financial model, the County allocates a portion of property taxes specifically for debt service and cash funding for its capital program. The tax rate for fiscal year 2012 was 53.4 cents, of which, 15.5 cents are dedicated to capital and debt service. For the fiscal year 2012, the County transferred $182.6 million from the General Fund to fund the Debt Service component of its capital model and a total of $25.6 million to County capital.

Overview of the Financial Statements

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


Management's Discussion and Analysis
Basic Financial Statements
Government-wide Financial Statements
Fund Financial Statements
Notes to the Financial Statements

Basic Financial Statements

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

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

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

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

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

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

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

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

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

Proprietary Funds – For the fiscal year ended June 30, 2012, the County had three proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for solid waste operations that are County funded as well as the South Wake Landfill Partnership Fund that accounts for the activities associated with the South Wake landfill that is a partnership between the County and eleven municipalities within the County. The enterprise funds are consolidated into the business-type activities that are presented in the Statement of Net Assets and the Statement of Activities. *Internal service funds* are used to account for goods or services provided to one department by another on a cost reimbursement basis. The County also reports the activities associated with the Corporate Fleet Fund within an Internal Service Fund. Because Corporate Fleet Fund activities are primarily related to governmental activities, it is consolidated primarily into the governmental activities that are presented in the Statement of Net Assets and the Statement of Activities.

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

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

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

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

Government-wide Financial Analysis

The County's liabilities exceeded assets by $874.6 million as of June 30, 2012. Net assets are reported in three general categories: invested in capital assets, net of related debt of $353.5 million, restricted amounts totaling $198.4 million, and unrestricted net deficit of $1,426.5 million.

One portion of Wake County's net assets reflects its investment in capital assets (e.g., land, buildings, vehicles, and equipment); less any related debt still outstanding that was issued to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The amount reported as invested in total capital assets decreased from $370.9 million in the prior year to $353.5 million at June 30, 2012. The largest portion of the decrease relates to the County's governmental activities. None of the County's school-related debt is included in this calculation as it is not considered capital related debt for Wake County.

The largest category of net assets is unrestricted net assets. This balance may be used to meet the government's ongoing obligations to citizens and creditors. At June 30, 2012, the unrestricted deficit of $1,425.8 million is attributable primarily to the general obligation bonds issued by Wake County for the school system within the governmental activities. Even though the debt issued has been issued to finance capital outlay and construction for the School System, the Governmental Accounting Standards Board has determined that it is not capital debt for the County since it is not financing assets that are owned by the County. As a result, the school debt is reportable within the unrestricted category of net assets rather than as part of the category invested in capital assets, net of related debt. The breakdown of the unrestricted portion of net equity is defined as follows:

School System Debt	$ (1,548,706,165)
All other unrestricted	122,878,694
Total unrestricted (Deficit)	$ (1,425,827,471)

The amount reported in the total unrestricted category decreased from $(1,501.2) million as of June 30, 2011 to $(1,425.8) million as of June 30, 2012. This decrease reflects an increase in School Capital Fund expenses, required by accounting standards to be treated as operating

expenses, that increased from $95.4 million during fiscal year 2011 to $135.0 million during fiscal year 2012. This increase in expenses was more than offset by ending school bond proceeds on hand at June 30, 2012 of $153.6 million. School–related debt, and the associated capital expenses, is not considered capital debt for the County since the School System, not the County, holds title to the assets purchased or constructed with the debt proceeds. Therefore, the debt, the capital expenses, and the associated bond proceeds are reported as part of the unrestricted component net assets.

Wake County's Net Assets:

	June 30, 2012 Governmental Activities	June 30, 2011 Governmental Activities	June 30, 2012 Business-type Activities	June 30, 2011 Business-type Activities	June 30, 2012 Total	June 30, 2011 Total
Current and other assets	$ 892,924,016	$ 1,015,801,608	$ 54,099,316	$ 51,818,593	$ 947,023,332	$ 1,067,620,201
Capital assets	667,108,076	638,356,699	11,757,227	11,980,636	678,865,303	650,337,335
Total assets	1,560,032,092	1,654,158,307	65,856,543	63,799,229	1,625,888,635	1,717,957,536
Long-term liabilities/schools	1,724,223,227	1,763,979,035	-	-	1,724,223,227	1,763,979,035
Long-term liabilities/other	618,368,563	626,168,391	18,640,244	17,293,481	637,008,807	643,461,872
Other liabilities	135,064,621	118,396,037	4,201,877	5,518,296	139,266,498	123,914,333
Total liabilities	2,477,656,411	2,508,543,463	22,842,121	22,811,777	2,500,498,532	2,531,355,240
Net assets:						
Invested in capital assets, net of related debt	341,795,093	359,018,373	11,757,227	11,980,636	353,552,320	370,999,009
Restricted/various	193,631,239	313,308,968	4,034,015	3,515,460	197,665,254	316,824,428
Unrestricted	(1,453,050,651)	(1,526,712,497)	27,223,180	25,491,356	(1,425,827,471)	(1,501,221,141)
Total net assets	$ (917,624,319)	$ (854,385,156)	$ 43,014,422	$ 40,987,452	$ (874,609,897)	$ (813,397,704)

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 98.83%.

- Planning and management of revenues and expenditures through the use of financial models for the capital, debt service, and various operating budgets.

- Continued low cost of bonded debt that is a direct result of the County's high bond rating by each of the three major rating agencies. As noted earlier, we consider this unique achievement to be a key factor in keeping the interest costs low on the County's general obligation debt outstanding of $1.935 billion at June 30, 2012.

Wake County's Changes in Net Assets:

	For the Year Ended June 30, 2012 Governmental Activities	For the Year Ended June 30, 2011 Governmental Activities	For the Year Ended June 30, 2012 Business-type Activities	For the Year Ended June 30, 2011 Business-type Activities	For the Year Ended June 30, 2012 Total	For the Year Ended June 30, 2011 Total
Revenues:						
Program revenues:						
Charges for services	$ 76,514,608	$ 61,818,669	$ 22,322,650	$ 22,512,763	$ 98,837,258	$ 84,331,432
Operating grants and contributions	142,473,712	157,524,209	1,688,916	1,621,434	144,162,628	159,145,643
General revenues:						
Property taxes	666,196,637	658,044,349	-	-	666,196,637	658,044,349
Sales taxes	120,834,877	114,034,923	-	-	120,834,877	114,034,923
Grants and contributions not restricted to specific programs	9,500,462	8,179,519	-	-	9,500,462	8,179,519
Other general revenues	48,663,001	51,642,316	2,140,954	1,466,675	50,803,955	53,108,991
Total revenues	1,064,183,297	1,051,243,985	26,152,520	25,600,872	1,090,335,817	1,076,844,857
Expenses:						
General administration	59,589,399	61,575,688	-	-	59,589,399	61,575,688
Human services	235,196,110	225,731,230	-	-	235,196,110	225,731,230
Education	467,744,519	457,469,350	-	-	467,744,519	457,469,350
Community development and cultural	72,248,767	62,457,707	-	-	72,248,767	62,457,707
Environmental services	12,948,713	10,700,438	-	-	12,948,713	10,700,438
Public safety	181,695,236	186,460,283	-	-	181,695,236	186,460,283
General services administration	21,913,044	24,364,454	-	-	21,913,044	24,364,454
Interest on long-term debt	76,490,672	77,008,686	-	-	76,490,672	77,008,686
Solid waste	-	-	23,721,550	24,521,783	23,721,550	24,521,783
Total expenses	1,127,826,460	1,105,767,836	23,721,550	24,521,783	1,151,548,010	1,130,289,619
Increase (decrease) in net assets before transfers	(63,643,163)	(54,523,851)	2,430,970	1,079,089	(61,212,193)	(53,444,762)
Transfers	404,000	404,000	(404,000)	(404,000)	-	-
Change in net assets	(63,239,163)	(54,119,851)	2,026,970	675,089	(61,212,193)	(53,444,762)
Net assets, beginning of year	(854,385,156)	(800,265,305)	40,987,452	40,312,363	(813,397,704)	(759,952,942)
Net assets, end of the year	$ (917,624,319)	$ (854,385,156)	$ 43,014,422	$ 40,987,452	$ (874,609,897)	$ (813,397,704)

Governmental activities. Governmental activities decreased the County's beginning net assets by $63.2 million or more than 100% of the total decrease in the net assets of the County. As in prior fiscal years, the decrease is due primarily to increasing and continued capital spending in the school construction program. Since the School System, not the County, capitalizes these construction costs, they are included in the County's statement of changes as operating expenses within the education function. For the fiscal year ended June 30, 2012, these noncapital school capital expenditures incurred by the County in the School Capital Fund totaled $135.0 million.

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

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 eight major funds, as defined by GAAP for the fiscal year ended June 30, 2012, were the General Fund, the Affordable Housing Fund, the Major Facilities Fund, the Debt Service Fund, the County Capital Projects Fund, the School Capital Fund, the Solid Waste Operating Fund, and the South Wake Landfill Partnership Fund, the last two of which are enterprise funds.

As of the close of the 2012 fiscal year, the County's governmental funds reported combined ending fund balances of $759.5 million, down $138.7 million from the $898.2 million for the prior fiscal year. The County's governmental fund balance decreased because, during the fiscal year ended June 30, 2012, the County issued a total of $172.08 million in long-term bonds to finance $96.79 million of capital expenditures for the school system and to advance refund $75.29 million of prior debt, receiving premiums on the debt issuance of $34.93 million, compared with total capital expenditures of $212.20 million in the capital projects funds. A total of $286.0 million of bond proceeds were still on hand at June 30, 2012, compared with $359.0 million at the end of the prior fiscal year.

At June 30, 2012, the governmental funds of Wake County reported a consolidated fund balance of $759.5 million, a decrease of $138.7 million, from the prior fiscal year's balance of $898.2 million. The fund balance of the County's General Fund increased by $16.2 million during fiscal year 2012; this increase in the fund balance in the General Fund was substantially more than the amount planned of $(5.0) million. The $21.2 million difference between planned usage of fund balance and the increase in the fund balance of the General Fund resulted from property tax, sales tax, and real property tax collections for the year being $17.4 million higher than expected. These increases in tax collections were offset by reduced intergovernmental revenues of $3.7 million for intergovernmental revenues related to the County's merger of the Wake County Local Management Entity with Durham County as of July 1, 2012 to form Alliance Behavioral Healthcare. Further, expenditures within the General Fund were less than anticipated by $6.9 million.

The largest portion of the governmental fund balance decrease resulted from a net decrease in fund balance of $(88.9) million in the County Capital Projects Fund. A significant amount of this decrease resulted from bond proceeds that were spent down from $140.9 million at the end of the fiscal year to $83.2 million at the end of fiscal year 2012. These changes were in accordance with the County's capital

improvement plan, which provides for capital needs for the county, the school system and the community college system by dedicating revenue sources to provide a stable financial model by which the County can meet its capital and debt service needs.

For the County Capital Project Fund, transfers into the fund from the General Fund were $25.6 million, compared with $23.2 million in the prior fiscal year. Of the total amount available for capital and debt service funding, the amount needed to maintain the County's target debt service balance at no less than 19% of the subsequent year's debt service is funded first with the remaining funds transferred to the capital fund for pay-as-you-go capital funding. As a result, the amount of transfers into the County's Capital Projects Fund can fluctuate from year to year as the Debt Service Fund's needs change.

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the County's financing requirements. The General Fund is the chief operating fund of the County. At the end of the 2012 fiscal year, the total fund balance of the General Fund was $175.7 million, compared with $159.5 million at the end of the prior year. The Board of County Commissioners has adopted a General Fund balance policy that requires the County to maintain a total General Fund balance of at least fifteen percent (15%) and an amount committed for working capital of at least ten percent (10%) of the following fiscal year's General Fund adopted budget in order to provide the County with adequate working capital and investment income. For the fiscal year ended June 30, 2012, the General Fund balance was 18.72% of the adopted budget for fiscal year 2012, compared with 16.75% at the end of the prior fiscal year. For the fiscal year ended June 30, 2012, the amount committed to working capital on the General Fund Balance Sheet was $109.6 million, compared to $102.3 million in the prior fiscal year.

General Fund Budgetary Highlights:

During the fiscal year ended June 30, 2012, 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.

Actual revenues in the General Fund were more than the amounts projected in the final budget by $14.3 million for fiscal year 2012. The revenue overages occurred primarily in property taxes, sales taxes and real property transfer taxes as the Wake County economy began to recover from the recent recession. Total taxes were greater than the final budgeted amount by $17.4 million. A recovering housing market and improved consumer spending increased property tax collections by $7 million more than budgeted and sales taxes more than $8.9 million over the final amount budgeted. Real property transfer taxes also showed signs of improvement with a $1.3 million increase over the amount budgeted for the year. These increases in tax collections were offset by reduced intergovernmental revenues of $3.7 million for intergovernmental revenues.

Actual expenditures and transfers out in the General Fund were $6.9 million less than budgeted amounts largely resulting from lower than projected spending by all of the County's departments, particularly Human Services and General Administration. In the Human Services department, the $2.4 million budget difference primarily resulted from contracted services payments to providers for Mental Health Local Management Entity, Social Services Economic Self Sufficiency and Child Welfare being lower than budgeted. The General Administration departmental budget was underspent by $2.0 million; $.98 million of this difference was due to revaluation expenditures that were budgeted in fiscal year 2012 that will actually need to be spent in a subsequent year. A change in accounting standards implemented in the prior fiscal year required a non-major special revenue fund, the Revaluation Reserve Fund, be reported as other than a special revenue fund for the fiscal year ended June 30, 2011. During 2011, the Revaluation Reserve Fund was closed into the General Fund.

Proprietary Funds. The County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets in the proprietary fund statement of net assets for the Solid Waste Operating Fund at the end of the fiscal year amounted to $26.7 million, an increase of $1.1 million from the $25.6 million reported at the end of fiscal year 2011. In addition, the South Wake Landfill Fund, reported net assets of $.91 million for the fiscal year 2012, an increase from the deficit of $(55.6) thousand reported at the end of the prior fiscal year.

Capital Asset and Debt Administration

Wake County Capital Assets
(net of Amortization and Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	$ 110,138,651	$ 92,901,383	$ 1,875,253	$ 1,875,253	$ 112,013,904	$ 94,776,636
Landfills	-	-	8,226,645	8,674,134	8,226,645	8,674,134
Buildings	258,599,018	262,105,975	767,654	796,898	259,366,672	262,902,873
Machinery and equipment	3,314,414	3,958,689	530,525	263,581	3,844,939	4,222,270
Vehicles and motorized equipment	11,665,952	12,792,863	-	-	11,665,952	12,792,863
Improvements other than Buildings	18,610,167	18,650,011	357,150	370,770	18,967,317	19,020,781
Software	9,978,797	-	-	-	9,978,797	-
Infrastructure	11,112,915	11,396,408	-	-	11,112,915	11,396,408
Construction in progress	243,688,162	236,551,370	-	-	243,688,162	236,551,370
Total	$ 667,108,076	$ 638,356,699	$ 11,757,227	$ 11,980,636	$ 678,865,303	$ 650,337,335

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2012, totals $678.9 million (net of amortization and depreciation). These assets include buildings, vehicles, software, equipment, infrastructure, as well as land and landfills.

Major capital asset transactions during 2012 fiscal year included continued construction of the justice center and the continuation of improvements to county buildings.

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

Long-term Debt. As of June 30, 2012, the County had total general obligation bonded debt outstanding of $1.935 billion, $1.723 billion of which was issued to help meet the capital outlay needs for the School System. In addition to general obligation bonded debt, the County also has outstanding limited obligation bonds, qualified zone academy bonds, capital leases, and installment purchases. A summary of total outstanding debt associated with governmental activities is shown below.

Wake County's Outstanding Debt - Governmental Activities

	2012	2011
General Obligation bonds (schools)	$ 1,723,405,916	$ 1,762,998,263
General Obligation bonds (other)	211,263,457	228,298,165
Capital leases	132,027	173,449
Limited obligation bonds	316,910,261	323,883,480
Qualified zoning academy bonds (schools)	817,311	980,772
Installment purchases	5,693,721	6,961,421
Total	$ 2,258,222,693	$ 2,323,295,550

Wake County's total general obligation debt decreased by $56.6 million during the fiscal year ended June 30, 2012. This planned decrease occurred because the amount of additional general obligation bonds issued by the County during the 2012 fiscal year were exceeded by the amount of debt service principal payments paid by the County during the year.

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate in the Raleigh-Cary Metropolitan area in which the county is located was 7.7% (percent) at June 30, 2012, compared with 7.8% at the end of the previous fiscal year.

- The County has an eight year revaluation cycle for residential property. In the most recent revaluation at January 1, 2008 that was effective for fiscal year 2009, the total assessed value of property in the County continued to increase, although at a slower pace than experienced in the recent past. From fiscal year 2011 through fiscal year 2012, the total assessed value increased from $119.5 billion to $120.5 billion, an increase of .85%.

- Sales tax collections increased to $120.8 million for the fiscal year ended June 30, 2012 from $114.0 million in the prior fiscal year, a 6% increase. Likewise, property tax collections were up for the fiscal year by 1.5% over last year's collections and exceeded the amount budgeted by the County by $7 million. Occupancy and prepared food and beverage taxes collections increased from the 2011 fiscal year by $2.8 million or 8.3%.

- Wake County continues to grow but at a much slower rate than in the recent past, adding an estimated 15,000 to its population over the past year and 3,690 new children to its public school system.

- The average yield on investments was 1.12% for fiscal year 2012, compared to 1.27% for fiscal year 2011. As in prior years, the County has continued to utilize detailed cash flow planning which has allowed us to keep cash invested until it was needed for expenditure, maximizing the maturity on our investments and our earnings on our portfolio. The County realized investment earnings on all funds of $6.5 million for the fiscal year ended June 30, 2012, on an average portfolio balance of more than $583 million. This compares to 2011 earnings of $7.3 million on an average portfolio balance of more than $564 million.

- While the yield on investments continued to fall significantly during FY 2012, this low rate remained offset by historically low interest costs for the County's variable rate portfolio. The variable rate is reset weekly by the remarketing agent based on the minimum rate of interest necessary to enable the remarketing agent to remarket all of the weekly rate bonds in the secondary market. The rate ranged from 0.05% to 0.23% during the period July 1, 2011 through June 30, 2012. Lower costs in this portion of the County's portfolio helped offset lower investment earnings because the County's unrestricted interest earnings are budgeted and posted in the Debt Service Fund.

Some of these factors and others were considered when management prepared Wake County's budget ordinance for the 2013 fiscal year.

Budget Highlights for the Fiscal Year Ending June 30, 2013

Governmental Activities: The County approved an original budget of $933.5 million for the General Fund budget for fiscal year 2013, which represents a $13.6 million decrease over the original budget adopted for the fiscal year 2012 of $952.1 million. The General Fund budget for 2013 is $13.6 million lower than the prior year's budget because it reflects a realignment of fiscal resources due to the mental health merger with Durham County. While the total budget declined for fiscal year 2013, the budget included an additional $22 million in new revenues over the prior year budget. The recommended budget for fiscal year 2012 continued to maintain the current tax rate of 53.4. The 2013 original budget did not include any appropriation of fund balance. In the General Fund, original budgeted expenditures for Education funding increased by $4.1 million to a total of $334.5 million from the prior fiscal year's adopted budget. This increase is shared by the Wake County Public School System and Wake Technical Community College. The County also funded an additional $5.9 million for criminal justice and public safety, including $2.1 million for the first full year of operations at an expanded jail facility, $1.1 million in operating funds related to a new justice center scheduled to open in June 2013, and $2.1 million for additional EMS expenditures. In addition, County employees received a performance pay increase averaging 2% of salary levels.

Business – type Activities: For the 2013 fiscal year, the County's budgeted amounts were broken out into two funds, the Solid Waste Management Fund and the South Wake Landfill Partnership Fund. The total amount budgeted for business-type activities for fiscal year 2013 is substantially the same as the amount adopted for FY 2012.

Requests for Information

This report is designed to provide a general overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Deputy County Manager/Chief Financial Officer, Wake County, North Carolina, 336 Fayetteville Street, Raleigh, NC 27602. Additional information concerning Wake County can also be obtained by referring to the County's website at http://www.wakegov.com. Copies of financials statements and additional information concerning the Wake County Board of Alcoholic Control, a discretely presented component unit of the County, may be obtained at 1212 Wicker Drive, Raleigh, NC 27604.

Wake County

Basic Financial Statements

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS
As of June 30, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Board of Alcoholic Control
ASSETS				
Cash and investments - pooled equity	$ 484,583,943	$ 34,149,865	$ 518,733,808	$ -
Cash and investments - reserved	3,784,555	16,902,976	20,687,531	-
Cash and investments - cash equivalents	1,053,361	750	1,054,111	16,238,952
Taxes receivable (net)	7,878,101	-	7,878,101	-
Accounts receivable (net)	79,888,569	2,908,583	82,797,152	4,553
Loans receivable	24,952,484	-	24,952,484	-
Accrued interest receivable	1,224,158	143,323	1,367,481	-
Prepaid items	4,126,947	-	4,126,947	-
Internal balances	6,181	(6,181)	-	-
Inventories	533,356	-	533,356	6,525,462
Net pension asset	708,960	-	708,960	-
Bond issuance costs	1,759,119	-	1,759,119	-
Deferred outflow of resources	128,531	-	128,531	-
Restricted assets:				
Cash and investments - cash equivalents with fiscal agent	282,295,751	-	282,295,751	-
Capital assets not being depreciated:				
Land	110,138,651	1,875,253	112,013,904	7,919,552
Construction in progress	243,688,162	-	243,688,162	-
Capital assets (net of accumulated depreciation):				
Landfills	-	8,226,645	8,226,645	-
Buildings	258,599,018	767,654	259,366,672	7,471,499
Improvements	18,610,167	357,150	18,967,317	154,201
Machinery and equipment	3,314,414	530,525	3,844,939	775,192
Vehicles and motorized equipment	11,665,952	-	11,665,952	20,666
Computer software	9,978,797	-	9,978,797	-
Infrastructure	11,112,915	-	11,112,915	-
Total assets	1,560,032,092	65,856,543	1,625,888,635	39,110,077

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

(Continued)

STATEMENT OF NET ASSETS
As of June 30, 2012

	Primary Government			Component Unit
LIABILITIES	Governmental Activities	Business-type Activities	Total	Board of Alcoholic Control
Accounts payable and accrued liabilities	$ 62,022,164	$ 4,201,497	$ 66,223,661	$ 9,929,500
Due to other governmental units	16,708,248	-	16,708,248	-
Accrued interest payable	25,292,471	-	25,292,471	-
Unearned revenues	6,187,766	380	6,188,146	-
Housing loan deferred revenue	24,725,441	-	24,725,441	-
Derivative liability	128,531	-	128,531	-
Long term liabilities:				
Amounts due within one year:				
Capital leases	50,789	-	50,789	-
General obligation bonds - schools	112,684,560	-	112,684,560	-
General obligation bonds - other	17,275,440	-	17,275,440	-
Limited obligation bonds	12,140,000	-	12,140,000	-
Quality zoning academic bonds	163,461	-	163,461	-
Installment purchases	1,316,954	-	1,316,954	-
Compensated absences payable	8,200,000	28,000	8,228,000	-
Closure/post closure costs	-	575,000	575,000	-
Risk management liabilities	5,899,626	3,336	5,902,962	-
Amounts due beyond one year:				
Capital leases	81,238	-	81,238	-
General obligation bonds - schools	1,610,721,356	-	1,610,721,356	-
General obligation bonds - other	193,988,017	-	193,988,017	-
Limited obligation bonds	304,770,261	-	304,770,261	-
Quality zoning academic bonds	653,850	-	653,850	-
Installment purchases	4,376,767	-	4,376,767	-
Other post employment benefits	65,306,978	327,065	65,634,043	1,222,516
Compensated absences payable	3,267,925	37,944	3,305,869	-
Construction reserves	-	1,817,130	1,817,130	-
Closure/post closure costs	-	15,851,769	15,851,769	-
Risk management liabilities	1,694,568	-	1,694,568	-
Total liabilities	2,477,656,411	22,842,121	2,500,498,532	11,152,016
NET ASSETS				
Invested in capital assets, net of related debt	341,795,093	11,757,227	353,552,320	16,341,108
Restricted for:				
Stabilization by state statute	193,320,701	1,849,098	195,169,799	-
Register of deeds automation	310,538	-	310,538	-
White goods	-	2,184,917	2,184,917	-
Working capital	-	-	-	2,623,660
Unrestricted (See Note 1.P)	(1,453,050,651)	27,223,180	(1,425,827,471)	8,993,293
Total net assets (deficit)	$ (917,624,319)	$ 43,014,422	$ (874,609,897)	$ 27,958,061

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

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2012

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets			
				Primary Government			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	Board of Alcoholic Control
FUNCTIONS/PROGRAMS							
Primary Government:							
Governmental activities:							
General administration	$ 59,589,399	$ 7,396,357	$ 3,365,340	$ (48,827,702)	$ -	$ (48,827,702)	
Human services	235,196,110	25,935,891	119,719,778	(89,540,441)	-	(89,540,441)	
Education	467,744,519	-	13,961,465	(453,783,054)	-	(453,783,054)	
Community development and cultural	72,248,767	9,524,859	2,002,578	(60,721,330)	-	(60,721,330)	
Environmental services	12,948,713	1,647,646	329,287	(10,971,780)	-	(10,971,780)	
Public safety	181,695,236	29,494,441	3,084,164	(149,116,631)	-	(149,116,631)	
General services administration	21,913,044	2,515,414	11,100	(19,386,530)		(19,386,530)	
Interest on long-term debt	76,490,672	-	-	(76,490,672)	-	(76,490,672)	
Total governmental activities	1,127,826,460	76,514,608	142,473,712	(908,838,140)	-	(908,838,140)	
Business-type activities:							
Solid Waste	23,721,550	22,322,650	1,688,916	-	290,016	290,016	
Total primary government	$ 1,151,548,010	$ 98,837,258	$ 144,162,628	(908,838,140)	290,016	(908,548,124)	
Component unit:							
Board of Alcoholic Control	$ 70,820,719	$ 68,215,120	$ -				$ (2,605,599)
General revenues:							
Property taxes				666,196,637	-	666,196,637	-
Sales taxes				120,834,877	-	120,834,877	-
Occupancy and prepared food taxes				35,814,980	-	35,814,980	-
Other taxes				8,640,999	-	8,640,999	-
Grants and contributions not restricted to specific programs				9,500,462	-	9,500,462	-
Unrestricted investment earnings				3,778,383	323,376	4,101,759	27,371
Other				428,639	1,817,578	2,246,217	5,479
Total general revenues				845,194,977	2,140,954	847,335,931	32,850
Transfers				404,000	(404,000)	-	-
Total general revenues and transfers				845,598,977	1,736,954	847,335,931	32,850
Change in net assets				(63,239,163)	2,026,970	(61,212,193)	(2,572,749)
Net assets (deficit), beginning of year				(854,385,156)	40,987,452	(813,397,704)	30,530,810
Net assets (deficit), end of year				$ (917,624,319)	$ 43,014,422	$ (874,609,897)	$ 27,958,061

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, 2012

	Major Funds						Nonmajor Funds	
	General Fund	Affordable Housing Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and investments - pooled equity	$ 147,808,223	$ 5,651,425	$ 4,588,150	$ 136,190,604	$ 36,687,299	$ 114,366,195	$ 35,752,683	$ 481,044,579
Cash and investments - cash equivalents	1,052,712	50	600	-	-	-	-	1,053,362
Cash and investments - restricted	3,784,555	-	-	25,690,427	83,191,793	153,635,243	19,778,288	286,080,306
Taxes receivable (net)	7,643,014	-	-	-	-	-	235,087	7,878,101
Accounts receivable (net)	64,057,902	332,543	3,128,353	3,056,946	5,532,193	2,699,805	1,058,817	79,866,559
Prepaid expenditures	585,016	153,466	-	3,388,465	-	-	-	4,126,947
Loans receivable	-	24,725,441	-	-	227,043	-	-	24,952,484
Accrued interest receivable	21,731	433	13,140	1,079,027	-	37,758	61,668	1,213,757
Inventories	329,670	-	-	-	-	-	-	329,670
TOTAL ASSETS	$ 225,282,823	$ 30,863,358	$ 7,730,243	$ 169,405,469	$ 125,638,328	$ 270,739,001	$ 56,886,543	$ 886,545,765
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	$ 35,253,810	$ 159,922	$ 6,199,481	$ 59,119	$ 18,122,218	$ 104,316	$ 4,530,032	$ 64,428,898
Due to other governmental units	177,706	-	-	-	-	16,530,542	-	16,708,248
Deferred revenues	14,153,063	24,725,441	-	-	5,995,794	713,618	331,942	45,919,858
Total Liabilities	49,584,579	24,885,363	6,199,481	59,119	24,118,012	17,348,476	4,861,974	127,057,004

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

(Continued)

WAKE COUNTY, NORTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2012

	Major Funds						Nonmajor Funds	
	General Fund	Affordable Housing Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances:								
Non-spendable:								
Inventories	$ 329,670	$ -	$ -	$ -	$ -	$ -	$ -	$ 329,670
Noncurrent receivable	350,409	-	-	-	-	-	-	350,409
Restricted:								
Stabilization by state statute	61,577,460	5,977,995	1,530,762	7,524,438	49,394,836	63,271,034	2,891,252	192,167,777
Register of deeds automation	310,538	-	-	-	-	-	-	310,538
Committed:								
Revaluation reserve	3,468,905	-	-	-	-	-	-	3,468,905
Working capital	109,629,660	-	-	-	-	-	2,830,720	112,460,380
Assigned:								
Planned expenditures	31,602	-	-	25,071,826	45,249,978	172,979,955	34,588,702	277,922,063
Future capital projects	-	-	-	-	6,875,502	17,139,536	11,713,895	35,728,933
Debt service	-	-	-	136,750,086	-	-	-	136,750,086
Total Fund Balances	175,698,244	5,977,995	1,530,762	169,346,350	101,520,316	253,390,525	52,024,569	759,488,761
TOTAL LIABILITIES AND FUND BALANCES	$ 225,282,823	$ 30,863,358	$ 7,730,243	$ 169,405,469	$ 125,638,328	$ 270,739,001	$ 56,886,543	$ 886,545,765

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

Reconciliation of the Balance Sheet to the Statement of Net Assets
As of June 30, 2012

Fund balances - Governmental Funds	$	759,488,761
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds less assets related to the Corporate Fleet Internal Service Fund		658,424,302
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds		15,715,609
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(2,362,883,573)
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 assets.		11,630,582
Net assets (deficit) of governmental activities	$	(917,624,319)

The notes to the financial statements 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, 2012

	Major Funds							
REVENUES:	General Fund	Affordable Housing Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Total Nonmajor Funds	Total Governmental Funds
Taxes	$ 776,440,214	$ -	$ 35,781,709	$ -	$ 762	$ -	$ 20,418,006	$ 832,640,691
Intergovernmental	119,334,660	4,034,128	-	13,972,423	2,943,889	-	11,700,031	151,985,131
Charges for services	65,471,200	363,674	-	-	1,146,255	-	5,583,923	72,565,052
Fines and forfeitures	-	-	-	-	-	-	1,745	1,745
Licenses and permits	3,413,382	-	-	-	-	-	-	3,413,382
Investment earnings	40,237	-	35,714	3,484,159	-	83,438	121,885	3,765,433
Miscellaneous	360,173	-	-	-	-	-	63,827	424,000
Total Revenues	965,059,866	4,397,802	35,817,423	17,456,582	4,090,906	83,438	37,889,417	1,064,795,434
EXPENDITURES:								
Current:								
General administration	44,742,003	-	-	308,604	11,989,342	-	61,653	57,101,602
Human services	211,029,938	5,701,224	-	-	-	-	9,487,914	226,219,076
Education	330,402,642	-	-	-	-	98,426,943	38,558,463	467,388,048
Community development and cultural	25,224,320	-	32,899,924	-	10,370,636	-	555,279	69,050,159
Environmental services	7,643,371	-	-	-	4,457,344	-	51,898	12,152,613
Public safety	101,049,020	-	-	-	86,993,046	-	21,141,311	209,183,377
General services administration	21,081,514	-	-	-	-	-	9,367	21,090,881
Debt service:								
Principal	-	-	-	164,498,331	-	-	-	164,498,331
Interest	-	-	-	88,561,925	-	-	-	88,561,925
Total Expenditures	741,172,808	5,701,224	32,899,924	253,368,860	113,810,368	98,426,943	69,865,885	1,315,246,012
REVENUES OVER (UNDER) EXPENDITURES	223,887,058	(1,303,422)	2,917,499	(235,912,278)	(109,719,462)	(98,343,505)	(31,976,468)	(250,450,578)

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

(Continued)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012

	Major Funds							
	General Fund	Affordable Housing Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Total Nonmajor Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES):								
Transfers in	$ 2,180,070	$ 830,000	$ -	$ 222,893,960	$ 25,556,000	$ -	$ 5,183,000	$ 256,643,030
Transfers out	(209,828,316)	-	(3,064,452)	-	(4,770,000)	(36,663,960)	(3,585,618)	(257,912,346)
Bonds issued	-	-	-	-	-	96,790,000	-	96,790,000
Refunded bonds issued	-	-	-	75,290,000	-	-	-	75,290,000
Premiums on issuance	-	-	-	34,925,590	-	-	-	34,925,590
Payment to refunded bond escrow agent	-	-	-	(94,006,298)	-	-	-	(94,006,298)
Capital leases, notes payable and installment purchases	7,573	-	-	-	-	-	-	7,573
Total Other Financing Sources (Uses)	(207,640,673)	830,000	(3,064,452)	239,103,252	20,786,000	60,126,040	1,597,382	111,737,549
NET CHANGE IN FUND BALANCES	16,246,385	(473,422)	(146,953)	3,190,974	(88,933,462)	(38,217,465)	(30,379,086)	(138,713,029)
Fund Balances at beginning of year	159,451,859	6,451,417	1,677,715	166,155,376	190,453,778	291,607,990	82,403,655	898,201,790
FUND BALANCES AT END OF YEAR	$ 175,698,244	$ 5,977,995	$ 1,530,762	$ 169,346,350	$ 101,520,316	$ 253,390,525	$ 52,024,569	$ 759,488,761

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

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, 2012

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

Net change in fund balances - total governmental funds	$	(138,713,029)
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.		44,412,414
Depreciation expense for the fiscal year being reported, less depreciation in Corporate Fleet fund		(15,072,505)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		45,842,409
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(905,714)
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.		(185,814)
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.		1,383,076
Change in net assets of governmental activities	$	(63,239,163)

The notes to the financial statements 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, 2012

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Taxes	$ 755,348,421	$ 759,044,607	$ 776,440,214	$ 17,395,607
Licenses and permits	3,048,564	3,048,564	3,413,382	364,818
Intergovernmental	124,248,814	123,082,348	119,334,660	(3,747,688)
Charges for services	66,634,169	65,118,800	65,471,200	352,400
Investment earnings	39,754	39,754	40,237	483
Miscellaneous	428,034	428,034	360,173	(67,861)
Total Revenues	949,747,756	950,762,107	965,059,866	14,297,759
EXPENDITURES:				
Current:				
General administration	42,631,726	46,753,902	44,734,430	2,019,472
Human services	214,143,720	213,405,177	211,029,938	2,375,239
Education	330,402,642	330,402,642	330,402,642	-
Community development and cultural	25,709,071	25,794,841	25,224,320	570,521
Environmental services	7,849,575	7,960,633	7,643,371	317,262
General services administration	21,496,357	21,561,631	21,081,514	480,117
Public safety	100,861,909	102,260,311	101,049,020	1,211,291
Total Expenditures	743,095,000	748,139,137	741,165,235	6,973,902
REVENUES OVER EXPENDITURES	206,652,756	202,622,970	223,894,631	21,271,661
OTHER FINANCING SOURCES (USES):				
Transfers in	2,249,000	2,199,618	2,180,070	(19,548)
Transfers out	(209,005,000)	(209,828,316)	(209,828,316)	-
Total Other Financing Sources (Uses)	(206,756,000)	(207,628,698)	(207,648,246)	(19,548)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(103,244)	(5,005,728)	16,246,385	21,252,113
APPROPRIATED FUND BALANCE	103,244	5,005,728	-	(5,005,728)
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE UNDER EXPENDITURES AND OTHER USES	$ -	$ -	16,246,385	$ 16,246,385
FUND BALANCE AT BEGINNING OF YEAR			159,451,859	
LESS: EXPENDITURES ASSOCIATED WITH INCEPTION OF NOTE PAYABLES			(7,573)	
ADD: PROCEEDS OF NOTE PAYABLES			7,573	
TOTAL CAPITAL LEASE INCEPTIONS			-	
FUND BALANCE AT END OF YEAR			$ 175,698,244	

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

MAJOR FACILITIES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN APPROPRIATED FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Taxes:				
Occupancy tax	$ 14,703,000	$ 16,588,983	$ 16,223,684	$ (365,299)
Prepared food tax	18,448,734	19,830,253	19,558,025	(272,228)
Total taxes	33,151,734	36,419,236	35,781,709	(637,527)
Investment earnings	-	-	35,714	35,714
Total Revenues	33,151,734	36,419,236	35,817,423	(601,813)
EXPENDITURES:				
Raleigh hold harmless - occupancy	680,000	680,000	679,956	44
Cary hold harmless - occupancy	713,085	804,556	786,849	17,707
Greater Raleigh Convention and Visitors Bureau	3,812,676	4,270,029	4,181,493	88,536
Centennial Authority operations 7%	1,934,182	2,117,616	2,081,794	35,822
Centennial - Debt service	5,207,756	5,207,756	5,205,189	2,567
Raleigh annual distribution - $1M	1,000,000	1,000,000	1,000,000	-
Convention Center	14,295,301	16,366,987	15,964,643	402,344
North Carolina Museum of Art	1,000,000	1,000,000	1,000,000	-
Centennial Authority Facility Improvements	1,000,000	1,000,000	1,000,000	-
Green Square	900,000	900,000	900,000	-
St. Augustine's	100,000	100,000	100,000	-
Total Expenditures	30,643,000	33,446,944	32,899,924	547,020
REVENUES OVER EXPENDITURES	2,508,734	2,972,292	2,917,499	(54,793)
OTHER FINANCING SOURCES AND (USES):				
Transfers out to General Fund	(995,000)	(1,093,000)	(1,073,452)	19,548
Transfers out to Debt Service Fund	(991,000)	(991,000)	(991,000)	-
Transfers out to Capital Improvement Fund	(1,000,000)	(1,000,000)	(1,000,000)	-
Appropriated fund balance	477,266	111,708	-	(111,708)
Total other financing sources (uses)	(2,508,734)	(2,972,292)	(3,064,452)	(92,160)
REVENUES UNDER EXPENDITURES AND OTHER FINANCING USES	$ -	$ -	(146,953)	$ (146,953)
Fund Balance at beginning of year			1,677,715	
FUND BALANCE AT END OF YEAR			$ 1,530,762	

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

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
As of June 30, 2012

	Business-type Activities			Governmental Activities
	Enterprise			Internal Service
	Major Funds			
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Total Business-type Activities	Corporate Fleet Fund
ASSETS				
Current assets:				
Cash and investments - pooled equity	$ 31,188,288	$ 2,961,577	$ 34,149,865	$ 3,539,364
Cash and investments - reserved	10,089,412	6,813,564	16,902,976	-
Cash and investments - cash equivalents	-	750	750	-
Accounts receivable (net)	751,234	2,157,349	2,908,583	22,009
Internal balances (interfund receivable)	170,035	243,940	413,975	-
Accrued interest receivable	115,495	27,828	143,323	10,401
Inventories	-	-	-	203,686
Total current assets	42,314,464	12,205,008	54,519,472	3,775,460
Noncurrent assets:				
Capital assets not being depreciated:				
Land	1,875,253	-	1,875,253	-
Capital assets (net of accumulated depreciation):				
Landfills	8,226,645	-	8,226,645	-
Buildings	767,654	-	767,654	-
Machinery and equipment	530,525	-	530,525	177,300
Vehicles	-	-	-	8,506,474
Improvements	357,150	-	357,150	-
Total non-current assets	11,757,227	-	11,757,227	8,683,774
Total assets	54,071,691	12,205,008	66,276,699	12,459,234
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	1,324,282	2,877,215	4,201,497	539,546
Internal balances (interfund payable)	243,940	170,035	413,975	-
Unearned revenues	380	-	380	-
Total current liabilities	1,568,602	3,047,250	4,615,852	539,546
Noncurrent liabilities:				
Compensated absences	63,005	2,939	65,944	52,468
Other post employment benefits	240,996	86,069	327,065	240,995
Risk management liabilities	2,939	397	3,336	1,824
Construction reserves	-	1,817,130	1,817,130	-
Closure/postclosure care costs	10,089,412	6,337,357	16,426,769	-
Total noncurrent liabilities	10,396,352	8,243,892	18,640,244	295,287
Total liabilities	11,964,954	11,291,142	23,256,096	834,833
NET ASSETS				
Invested in capital assets	11,757,227	-	11,757,227	8,683,774
Restricted:				
Stabilization by state statute	1,416,412	432,686	1,849,098	1,152,924
White goods	2,184,917	-	2,184,917	-
Unrestricted	26,748,181	481,180	27,229,361	1,787,703
Total net assets	$ 42,106,737	$ 913,866	$ 43,020,603	$ 11,624,401
Total net assets	$ 42,106,737	$ 913,866	$ 43,020,603	
Adjustment to reflect the consolidation of the Corporate Fleet Fund balances related to Solid Waste	(6,181)	-	(6,181)	
Net assets of business-type activities	$ 42,100,556	$ 913,866	$ 43,014,422	

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 ASSETS
PROPRIETARY FUNDS
For the Year Ended June 30, 2012

	Business-type Activities			Governmental Activities
	Enterprise			Internal Service
	Major Funds			
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Total Business-type Activities	Corporate Fleet Fund
OPERATING REVENUES:				
Charges for services	$ 7,497,654	$ 14,824,996	$ 22,322,650	$ 8,431,825
Miscellaneous	1,817,578	-	1,817,578	72,973
Total Operating Revenues	9,315,232	14,824,996	24,140,228	8,504,798
OPERATING EXPENSES:				
Cost of service	8,677,257	10,434,883	19,112,140	4,314,497
Administration	1,368,774	467,512	1,836,286	1,123,870
Partner rebates	-	2,166,780	2,166,780	-
Depreciation and amortization	603,494	-	603,494	3,373,150
Total Operating Expenses	10,649,525	13,069,175	23,718,700	8,811,517
OPERATING INCOME (LOSS)	(1,334,293)	1,755,821	421,528	(306,719)
NON-OPERATING REVENUES:				
Intergovernmental	1,688,916	-	1,688,916	-
Investment earnings	257,707	65,669	323,376	13,629
Total Non-Operating Revenues	1,946,623	65,669	2,012,292	13,629
Income (loss) before transfers	612,330	1,821,490	2,433,820	(293,090)
TRANSFERS:				
Transfers in	852,000	-	852,000	1,673,316
Transfers out	(404,000)	(852,000)	(1,256,000)	-
Total Transfers	448,000	(852,000)	(404,000)	1,673,316
CHANGE IN NET ASSETS	1,060,330	969,490	2,029,820	1,380,226
TOTAL NET ASSETS, BEGINNING OF YEAR	41,046,407	(55,624)	40,990,783	10,244,175
TOTAL NET ASSETS, END OF YEAR	$ 42,106,737	$ 913,866	$ 43,020,603	$ 11,624,401
Change in net assets	$ 1,060,330	$ 969,490	$ 2,029,820	
Adjustment to reflect the consolidation of the Corporate Fleet Fund activities related to Solid waste	(2,850)	-	(2,850)	
Change in net assets of business-type activities	$ 1,057,480	$ 969,490	$ 2,026,970	

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2012

	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	$ 7,451,809	$ 14,137,205	$ 21,589,014	$ 8,426,156
Cash payments to suppliers for goods and services	(8,897,795)	(12,922,504)	(21,820,299)	(4,161,035)
Cash payments to employees for services	(916,794)	(230,387)	(1,147,181)	(867,930)
Other operating revenues	1,817,578	-	1,817,578	72,973
Net cash provided (used) by operating activities	(545,202)	984,314	439,112	3,470,164
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Intergovernmental revenue	1,669,842	-	1,669,842	-
Transfers in	852,000	-	852,000	1,673,316
Transfers out	(404,000)	(852,000)	(1,256,000)	-
Net cash provided (used) by noncapital financing activities	2,117,842	(852,000)	1,265,842	1,673,316
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Disposal of capital assets	-	-	-	301,406
Acquisition of capital assets	(380,085)	-	(380,085)	(3,086,025)
Net cash used by capital and related financing activities	(380,085)	-	(380,085)	(2,784,619)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received on investments	293,708	74,351	368,059	7,703

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2012

	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
Net increase in cash and cash equivalents	$ 1,486,263	$ 206,665	$ 1,692,928	$ 2,366,564
Cash and cash equivalents at beginning of year	39,791,437	9,569,226	49,360,663	1,172,800
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 41,277,700	$ 9,775,891	$ 51,053,591	$ 3,539,364
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	$ (1,334,293)	$ 1,755,821	$ 421,528	$ (306,719)
Adjustments to reconcile operating income/loss to net cash provided (used) by operating activities:				
Depreciation and amortization	603,494	-	603,494	3,373,150
Decrease in accounts receivable	(45,846)	(687,791)	(733,637)	(5,669)
Decrease in inventories	-	-	-	1,041
Increase/(decrease) in accounts payable and accrued liabilities	231,443	(83,716)	147,727	408,361
Total adjustments	789,091	(771,507)	17,584	3,776,883
Net cash provided (used) by operating activities	$ (545,202)	$ 984,314	$ 439,112	$ 3,470,164

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

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
As of June 30, 2012

	Separation Allowance	Agency Funds
ASSETS		
Cash and investments - pooled equity	$ 1,582,747	$ 1,860,567
Accounts receivable (net)	135	13,086
Accrued interest receivable	4,442	3,955
Total assets	1,587,324	1,877,608
LIABILITIES		
Other liabilities	43,832	1,828,407
Due to other governmental units	-	49,201
Total liabilities	43,832	$ 1,877,608
NET ASSETS		
Held in trust for pension benefits	$ 1,543,492	

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

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended June 30, 2012

	Separation Allowance
Additions:	
Employer Contributions	$ 746,830
Net investment income	7,240
Total additions	754,070
Deductions:	
Benefits	1,050,568
Net decrease	(296,498)
Net assets held in trust for pension benefits:	
Beginning of year	1,839,990
End of year	$ 1,543,492

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

NOTE 1. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

Discretely Presented Component Unit

Wake County Board of Alcoholic Control (ABC Board)

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

The County reports the following major funds:

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

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

Major Facilities Fund – The Major 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.

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

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

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

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.

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

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

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

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

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

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

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

D. Budgetary Data Control

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

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

E. Deposits and Investments

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

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

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

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

F. Receivables and Payables

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

G. Taxes Receivable Deferred Revenues

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], ad valorem taxes for property other than vehicles are levied on July 1, the beginning of the fiscal year and are due on September 1 (lien date); however, no penalties or interest are assessed until the following January 6. Property taxes on certain registered motor vehicles are assessed and collected throughout the year. The taxes are based on the assessed values as of January 1, 2011.

Ad valorem taxes collected within 30 days after the fiscal year end for the year ended June 30, 2012 and prior years are accrued within the funds because the amounts are considered measurable and available. The remaining ad valorem taxes receivable are not accrued, as the amount is not considered available. These taxes receivable are significantly past due and are not considered to be an available resource to finance the operations of the subsequent year. GAAP states that property taxes, which are measurable but not available, should be initially recorded as deferred revenues under the modified accrual basis of accounting. The receivable amount is reduced by an allowance for uncollectible taxes and an amount equal to the net receivable is shown as deferred revenue on the combined balance sheet. In addition, property taxes collected in advance of the fiscal year to which they apply are recorded as deferred revenues.

H. Allowances for Uncollectible Accounts

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

I. Inventories and Prepaid Expenditures

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

J. Capital Assets

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

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

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

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

K. Long-Term Debt

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

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

L. Compensated Absences

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

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

M. Net Assets/Fund Balances

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

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.

M. Net Asset/Fund Balances (cont.)

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.

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.

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

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

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

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

Assigned Fund Balance – portion of fund balance that has been budgeted by the Board of Commissioners.

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

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

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

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

M. Net Asset/Fund Balances (cont.)

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

N. Comparative Reclassifications

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

O. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes reconciliation between the fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains, "long term liabilities, including bonds payable, are not due in the current period and therefore are not reported in the funds." The details of this ($2,362,883,573) difference are as follows:

Outstanding long-term debt payable (per Note 10)	$	(2,334,997,596)
Add:		
Accrued interest payable		(25,292,471)
Payable to granting agency		(2,953,344)
Risk management liabilities		(1,692,744)
Less:		
Portion of internal service fund's compensated absences included in Note 10		52,468
Portion of internal service fund's other post employment benefits included in Note 10		240,995
Bond issuance costs (to be amortized over life of debt)		1,759,119
Net adjustments to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	$	(2,362,883,573)

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states "the issuance of long term debt such as bonds and leases provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued while these amounts are deferred and amortized in the statement of activities." The details of this $45,842,409 difference are as follows:

Debt issued or incurred:	
General obligation debt - schools issued	$ (96,790,000)
Refunding bonds issued	(75,290,000)
Premiums on bond issuance - GO Bonds	(34,925,590)
Capital leases	(7,573)
Increases in other post employment benefit liability	(21,804,765)
Increases in other post employment benefit liability - Corporate Fleet Fund	82,101
Increases in compensated absences liability	(8,478,843)
Increases in compensated absences liability - Corporate Fleet Fund	39,887
Change is risk management liabilities	853,972
Interest expense accrual and other adjustments	(2,067,616)
Total Increases	(238,388,427)
Principal repayments:	
General obligation debt - schools	107,974,807
General obligation debt - other	16,855,193
Refunded bonds	124,000,000
Limited obligation bonds	6,185,000
Installment purchase payments	1,267,700
Qualified zone academy bonds	163,461
Current year amortization of bond premiums - GO Bonds	14,802,645
Current year amortization of bond premiums - LOB Bonds	788,219
Capital lease payments	48,995
Decreases in other post employment benefit liability	4,022,239
Decreases in other post employment benefit liability - Corporate Fleet Fund	(14,843)
Decreases in compensated absences liability	8,172,049
Decreases in compensated absences liability - Corporate Fleet Fund	(34,629)
Total Decreases	284,230,836
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	$ 45,842,409

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

Another element of that reconciliation states "governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays increases exceeded the book value of capital asset decreases in fiscal year being reported." The details of this $44,412,414 difference are as follows:

Capital Asset Increases:		
Capital Asset Increases	$	5,591,151
Less acquisitions for the Corporate Fleet Fund		(3,086,025)
Net increase in construction in progress		42,143,345
Total Increases		44,648,471
Capital Asset Decreases:		
Capital asset disposals		(4,230,067)
Add disposals for the Corporate Fleet Fund		2,030,761
Accumulated depreciation related to capital asset disposals		3,692,603
Less accumulated depreciation related to capital asset disposals in the Corporate Fleet Fund		(1,729,354)
Total Decreases		(236,057)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	$	44,412,414

P. Unrestricted (deficit)

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

For school debt	$	(1,548,706,165)
All other		95,655,514
Total unrestricted net assets	$	(1,453,050,651)

Under North Carolina law, the County is responsible for providing capital funding for the Wake County Board of Education (the "School System"). The County has chosen to meet its legal obligation to provide school capital funding by using a mixture of County funds and general obligation debt. The assets funded by the County are owned, utilized and maintained by the school system. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, the outstanding balance of the school-related debt less unspent bond proceeds was $1,548,706,165. However, the entire amount of school debt outstanding is general obligation debt, which is collateralized by the full faith, credit, and taxing power of the County. The County is authorized and required by State law to levy ad valorem taxes, without limit as to rate or amount, as may be necessary to pay the debt service on its general obligation bonds. Principal and interest requirements will be provided by an appropriation in the year in which they become due.

NOTE 2. Related Organizations

Industrial Facilities and Pollution Control Financing Authority

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

Wake County Housing Authority

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

Wake County Hospital System, Inc.

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

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

NOTE 3.
Joint Ventures Without Equity Interest

Wake Technical Community College

Technical and vocational training beyond the secondary level is provided by Wake Technical Community College, with some financial assistance from the County. The College is a part of the state-wide system of community colleges and technical institutes. The College has a twelve-member Board of Trustees, four of which are appointed by the County Board of Commissioners. The 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 $15,991,050 to the College for operating purposes during the current year. In addition, the County made debt service payments of $8,105,042 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, 2012. Complete financial statements for the College may be obtained at their administrative offices at 9101 Fayetteville Road, Raleigh, NC 27603.

Raleigh-Durham Airport Authority

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

Centennial Authority

The Centennial Authority is a local political subdivision of the State of North Carolina created pursuant to Section 4 of Chapter 458 of the 1995 Session Laws of North Carolina. The purpose of the Authority is to study, design, plan, construct, own, promote, finance and operate a regional facility in Wake County, North Carolina. The regional facility will consist of an arena, coliseum or other buildings or both, where sports, fitness, health recreational, entertainment or cultural activities can be conducted. In addition, the County remitted $2,117,616 for operations, $5,207,756 for debt service and $1,000,000 for facility improvements from the Occupancy and Prepared Food/Beverage taxes for the Authority. The County does not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County’s financial statements at June 30, 2012. Complete financial statements for the Authority may be obtained at their administrative offices at 1520 Blue Ridge Road, Suite 201, Raleigh, NC 27607.

Greater Raleigh Convention and Visitors Bureau

The Greater Raleigh Convention and Visitors Bureau (Bureau) was established in fiscal year 1992 in conjunction with a County occupancy tax levy to promote and solicit business, conventions, meetings and tourism in the County. The governing body of the Bureau is a twelve-member Board of Directors with six members appointed by the Raleigh City Council and six members appointed by the County Board of Commissioners. Funding is derived from the six (6) percent occupancy tax levied upon the rental of rooms, lodging or similar accommodations, and from a one (1) percent prepared food & beverage tax levied on all prepared foods and beverages sold by Wake County businesses. Monthly, the County is required to distribute to the Bureau a percentage of the tax collected with a minimum aggregate annual distribution of $1,000,000. If tax revenues are not sufficient to fully fund the Bureau's minimum annual distributions, the County and City must fund the deficiency equally to ensure that the Bureau receives its minimum distribution of $1,000,000 in any fiscal year. All unexpended funds of the Bureau revert to the County and City at the end of each fiscal year. The Bureau is a joint venture of equal equity interest between the County and the City of Raleigh. The Wake County Board of Commissioners and the Raleigh City Council must approve the budget and all amendments. The Bureau does not have any outstanding indebtedness except for a minor investment in capital assets, the only equity in the Bureau at year-end is for encumbrances, which will be expended, in the subsequent year. Based on this, no equity interest in the Bureau is recorded at June 30, 2012.

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 $323,131,167 and a bank balance of $324,880,803. Of the bank balance, $901,781 was covered by federal depository insurance and $323,979,022 in interest-bearing deposits was covered by collateral held under the pooling method.

2. Investments

As of June 30, 2012, the County had the following investments and maturities.

Investment Type	Fair Value	Less Than 2 Years	2 - 3 Years	3 - 5 Years
U.S. Government Agencies	$ 307,439,630	$ 272,441,430	$ 19,995,700	$ 15,002,500
Commercial paper	174,389,521	174,389,521	-	-
Certificates of Deposit	20,000,000	20,000,000	-	-
N.C. Capital Management Trust - Cash portfolio	1,254,197	1,254,197	-	-
Total fair value	$ 503,083,348	$ 468,085,148	$ 19,995,700	$ 15,002,500

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

Credit Risk. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. As of June 30, 2012, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings and A1 by Moody's Investors Service. In addition, all of the County's long-term debt rating of A or better. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2012. The County's investments in US Agencies (Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae and Freddie Mac) are rated aa+ by Standard & Poor's and aa+ by Moody's Investors Service.

Concentration risk: The County's informal investment policy limits the amount of investments to $30 million that is allowed in any one issuer's name.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2012, all of the County's investments were in the County's name.

NOTE 5. Receivables

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

	General Fund	Affordable Housing Fund	Major Facilities Fund	Debt Service Fund	Capital Improvement Fund	School Fund	Non Major Funds	Totals
Property taxes	$ 15,851,273	$ -	$ -	$ -	$ -	$ -	$ 689,641	$ 16,540,914
Accounts	19,932,922	-	-	-	-	-	-	19,932,922
Interest	21,731	433	13,140	1,079,027	-	37,758	61,668	1,213,757
Intergovernmental	53,233,952	282,256	-	3,056,946	2,263,408	2,699,805	595,170	62,131,537
Loans receivable	-	25,027,469	-	-	227,043	-	-	25,254,512
Other	2,511,312	78,233	3,128,353	-	4,613,302	-	463,647	10,794,847
Gross receivables	91,551,190	25,388,391	3,141,493	4,135,973	7,103,753	2,737,563	1,810,126	135,868,489
Less allowance for bad debts	(19,828,543)	(329,974)	-	-	(1,344,517)		(454,554)	(21,957,588)
Net total receivables	$ 71,722,647	$ 25,058,417	$ 3,141,493	$ 4,135,973	$ 5,759,236	$ 2,737,563	$ 1,355,572	$ 113,910,901

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 $157,002 and $137,449, respectively.

NOTE 5. (Cont.)
Receivables

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

	General Fund	Affordable Housing Fund	County Capital Project Fund	School Capital Fund	Non Major Funds	Total
Unavailable:						
Taxes receivable	$ 6,278,553	$ -	$ -	$ -	$ 235,087	$ 6,513,640
Other receivables	5,224,260	-	3,268,751			8,493,011
Total Unavailable	11,502,813	-	3,268,751	-	235,087	15,006,651
Unearned:						
Housing loans receivable	-	24,725,441	-	-	-	24,725,441
Loans receivable	-	-	227,043	-	-	227,043
Prepaid taxes not yet earned	2,650,250	-	-	-	56,855	2,707,105
Prepaid loans not yet earned	-	-	-	-	40,000	40,000
Prepaid revenues not yet earned	-	-	2,500,000	-	-	2,500,000
Other cash deferred revenues	-	-	-	713,618	-	713,618
Total Unearned	2,650,250	24,725,441	2,727,043	713,618	96,855	30,913,207
Total Deferred revenues	**$ 14,153,063**	**$ 24,725,441**	**$ 5,995,794**	**$ 713,618**	**$ 331,942**	**$ 45,919,858**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned.

NOTE 6.
Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 92,901,383	$ 17,243,727	$ (6,459)	$ 110,138,651
Construction in progress	236,551,370	42,200,191	(35,063,399)	243,688,162
Total capital assets, not being depreciated	329,452,753	59,443,918	(35,069,858)	353,826,813
Capital assets, being depreciated:				
Buildings	352,717,062	6,931,062	(162,042)	359,486,082
Improvements Other than Buildings	23,249,822	621,142	-	23,870,964
Machinery and equipment	36,647,831	1,363,588	(163,558)	37,847,861
Vehicles and motorized equipment	33,503,193	4,059,062	(3,898,008)	33,664,247
Computer Software	-	10,322,893	-	10,322,893
Infrastructure	16,589,899	56,230	-	16,646,129
Total capital assets being depreciated	462,707,807	23,353,977	(4,223,608)	481,838,176
Less accumulated depreciation for:				
Buildings	90,611,087	10,275,977	-	100,887,064
Improvements Other than Buildings	4,599,811	660,986	-	5,260,797
Machinery and equipment	32,689,142	2,007,863	(163,558)	34,533,447
Vehicles and motorized equipment	20,710,330	4,817,010	(3,529,045)	21,998,295
Computer software	-	344,096	-	344,096
Infrastructure	5,193,491	339,723	-	5,533,214
Total accumulated depreciation	153,803,861	$ 18,445,655	$ (3,692,603)	168,556,913
Total capital assets, being depreciated, net	308,903,946			313,281,263
Governmental activities capital assets, net	$ 638,356,699			$ 667,108,076

NOTE 6. (Cont.)
Capital Assets

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 1,875,253	$ -	$ -	$ 1,875,253
Construction in progress	-	-	-	-
Total capital assets, not being depreciated/amortized	1,875,253	-	-	1,875,253
Capital assets, being depreciated/amortized:				
Landfills	39,155,880	-	-	39,155,880
Buildings	1,166,846	-	-	1,166,846
Improvements	544,003	-	-	544,003
Machinery and equipment	371,525	380,085	-	751,610
Vehicles and motorized equipment	11,573	-	(11,573)	-
Total capital assets being depreciated/amortized	41,249,827	380,085	(11,573)	41,618,339
Less accumulated depreciation/amortization for:				
Landfills	30,481,746	447,489	-	30,929,235
Buildings	369,948	29,244	-	399,192
Improvements	173,233	13,620	-	186,853
Machinery and equipment	107,944	113,141	-	221,085
Vehicles and motorized equipment	11,573	-	(11,573)	-
Total accumulated depreciation/amortization	31,144,444	$ 603,494	$ (11,573)	31,736,365
Total capital assets, being depreciated/amortized, net	10,105,383			9,881,974
Business-type activities capital assets, net	$ 11,980,636			$ 11,757,227

NOTE 6. (Cont.)
Capital Assets

Depreciation and amortization expenses were charged to functions as follows:

Governmental activities:	
General administration	$ 3,393,041
Human services	1,979,001
Education	356,470
Community development and cultural	2,454,159
Environmental services	368,921
Public safety	6,365,756
General services administration	3,528,307
Total depreciation expense - Governmental activities	18,445,655
Business-type activities:	
Environmental services - solid waste	603,494
Total depreciation and amortization	$ 19,049,149

NOTE 6. (Cont.)
Capital Assets

For the 2012 fiscal year, the construction in progress expenditures for governmental activities were as follows:

Construction in Progress:

	Expended At 06/30/2012
Automation	$ 15,020,502
County Buildings	27,610,101
Criminal Justice	147,230,170
Libraries	2,415,694
Open Space	6,456,015
Parks	4,117,275
Public Safety	25,977,503
Water/Wastewater	14,860,902
Total	$ 243,688,162

NOTE 7. Interfund Receivables/Payables and Transfers

As of June 30, 2012, there are no internal balances in the governmental funds. Internal balances in the business-type activities funds, as of June 30, 2012 are $413,975. 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, 2012.

The County's General Fund transferred funds during fiscal year 2012 to fund debt service payments, capital improvements, economic developments and the County match for State and Federal Grant Programs. The $404,000 transferred from the Solid Waste Operating Fund is to cover administrative expenses incurred by the County's General Fund on behalf of the solid waste program. The $852,000 transferred from the South Wake Landfill Partnership Fund to the Solid Waste Operating Fund is for the County's share of the prior year partnership rebate and to cover administrative expenses incurred in the Solid Waste Operating Fund on behalf of the South Wake Landfill Fund.

	General Fund	Affordable Housing Fund	Debt Service Fund	County Capital Projects Fund	Other Governmental Funds	Solid Waste Operating Fund	Corporate Fleet Fund	Total Transfers out
General Fund	$ -	$ -	$ 182,599,000	$ 25,556,000	$ -	$ -	$ 1,673,316	$ 209,828,316
Major Facilities Fund	1,073,452	-	991,000	-	1,000,000	-	-	3,064,452
Capital Improvements Fund	-	830,000	1,500,000	-	2,440,000	-	-	4,770,000
School Capital Fund	-	-	36,663,960	-	-	-	-	36,663,960
Other Governmental Funds	702,618	-	1,140,000	-	1,743,000	-	-	3,585,618
Solid Waste Operating Fund	404,000	-	-	-	-	-	-	404,000
South Wake Partnership Fund	-	-	-	-	-	852,000	-	852,000
Total transfers in	$ 2,180,070	$ 830,000	$ 222,893,960	$ 25,556,000	$ 5,183,000	$ 852,000	$ 1,673,316	$ 259,168,346

NOTE 8.
Risk Management

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.

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

The County's group medical coverage is self-insured and administered by an outside provider. The County also provides self-insured dental to its employees and dependents. There is no limit for in-network services and no lifetime limit for out-of-network services for each covered employee/dependent's medical costs. The cost of providing medical coverage to participating employees and dependents is charged to benefiting funds as premiums. These premiums are an estimate of expected average claims per individual. The County is self-insured to a retention of $750,000 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-insured retentions and other insurance and bonds to cover specific risks and individuals, respectively. The County has a high-deductible policy for property coverage. The deductible is $100,000 per occurrence; and $500,000 for flood property claims at 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 workers compensation, liability or property insurance, or bonding expenses to County departments. Administrative costs and 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, 2012 are as follows:

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

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

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

The claims liability of $7,597,530 at June 30, 2012 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The claims liability is actuarially determined and includes an estimate for claims incurred but not reported. This entire amount is accrued and reported in the government-wide statements in the applicable governmental or business-type activities. A portion of the liability is considered current and is reported in the General fund in the fund financial statements. Changes in the fund's claims liability amount during fiscal years 2011 and 2012 are as follows:

Changes in Claims Liability

	Workers' compensation	Property and Liability	Self-insured group medical	Dental Benefits	Total
Balance, as of June 30, 2010	$ 3,799,845	$ 591,620	$ 2,136,876	$ 286,560	$ 6,814,901
Changes in estimates, fiscal year 2011	1,220,585	4,218	126,595	5,728	1,357,126
Balance, as of June 30, 2011	5,020,430	595,838	2,263,471	292,288	8,172,027
Changes in estimates, fiscal year 2012	(308,012)	229,516	(347,648)	(148,353)	(574,497)
Balance, as of June 30, 2012	$ 4,712,418	$ 825,354	$ 1,915,823	$ 143,935	$ 7,597,530
Current portion of liability	$ 3,509,493	$ 635,364	$ 1,638,439	$ 116,330	$ 5,899,626

NOTE 9. Capital Lease Obligations and Operating Leases

The County leases certain equipment under lease agreements that are classified as capital leases for accounting purposes in accordance with GAAP. Obligations of these lease agreements are accounted for in the governmental activities of the government-wide statements. At June 30, 2012, the net book value of the assets acquired through capital leases is $79,064. The net present value of the future minimum lease payments at June 30, 2012 is $132,027 as detailed below.

The County also leases buildings and office facilities as well as various equipment under non-cancelable operating leases. The total costs for all operating lease expenditures for the year ended June 30, 2012 were $3,191,033. The future minimum lease payments for non-cancelable operating leases are $12,178,023 as detailed below.

At June 30, 2012, future minimum lease payments due under capital leases and operating leases with initial or remaining non-cancelable lease terms in excess of one year are as follows:

Year Ending June 30	Capital Leases	Operating Leases
2013	$ 55,774	$ 2,315,253
2014	43,707	994,984
2015	28,716	964,416
2016	13,003	940,557
2017	-	942,579
2018-2022	-	4,015,618
2023-2025	-	2,004,616
Total minimum lease payments	141,200	$ 12,178,023
Less: amount representing interest	(9,173)	
Net present value of the future minimum lease payments	$ 132,027	

NOTE 9. (Cont.) Capital Lease Obligations and Operating Leases

The County leases office space under operating lease agreements with terms generally less than one year. Minimum future rentals on non-cancelable lease with terms in excess of one year are not material to the County's financial statements. Rental revenue for the year ended June 30, 2012 was $313,635.

NOTE 10. Long-term Debt

General Obligation Bonds:
The general obligation bonds reported in Governmental Activities are collateralized by the full faith, credit and taxing power of the County. The County has issued both fixed and variable rate bonds. The fixed rate bonds bear interest at rates varying from 3.00 percent to 5.40 percent. The variable rate is reset weekly by the remarketing agent based on the minimum rate of interest necessary to enable the remarketing agent to remarket all of the weekly rate bonds in the secondary market. The rate ranged from 0.05% to 0.23% during the period July 1, 2011 through June 30, 2012. 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, 2012 are comprised of the following:

2003A Public Improvement Bonds of $122,890,000 due in annual installments of $8,000,000 to $17,555,000 through April 2015, interest of 3.00 to 5.00%.	$ 8,000,000
2003B Public Improvement Bonds of $55,000,000 due in periodic installments of $10,000,000 to $30,000,000 beginning in April 2016 through April 2018, interest is variable with a rate of 0.15% at June 30, 2012. The maximum amount of interest cannot exceed 12%.	55,000,000
2003C Public Improvement Bonds of $45,000,000 due in annual installments of $13,000,000 to $32,000,000 beginning in April 2019 through April 2020, interest is variable with a rate of 0.15% at June 30, 2012. The maximum amount of interest cannot exceed 12%.	45,000,000
2003A Refunding Bonds of $83,145,000 due in annual installments of $945,000 to $16,100,000 beginning February 1, 2004 through February 1, 2011 interest of 3.00 to 5.00%.	400,000
2004 Public Improvement Bonds of $130,000,000 due in annual installments of $10,000,000 beginning March 1, 2005 through March 1, 2017, interest of 3.00 to 5.00%.	20,000,000
2004 Refunding Bonds of $114,380,000 due in annual installments of $2,865,000 to $23,870,000 beginning March 1, 2007 through March 1, 2015 interest of 4.00 to 5.00%.	25,075,000
2005 Refunding Bonds of $33,020,000 due in annual installments of $50,000 to $22,290,000 beginning February 1, 2006 through February 1, 2017 interest of 3.00 to 5.00%.	32,475,000
2005 School Bonds of $41,000,000 due in annual installments of $1,500,000 to $6,000,000 through May 2023, interest of 3.25 to 5.00%.	4,500,000
2007 Public Improvement Bonds of $455,000,000 due in periodic installments of $23,000,000 to $35,000,000 beginning March 1, 2009 through March 1, 2025, interest of 4.25 to 5.00%.	115,000,000
2007A Variable Rate School Bonds of $50,000,000 due in periodic installments of $13,000,000 to $21,000,000 beginning March 1, 2024 through March 1, 2026, interest is variable with a rate of 0.15% at June 30, 2012. The maximum interest rate cannot exceed 12%.	50,000,000

NOTE 10. (Cont.)
Long-term Debt

2007B Variable Rate School Bonds of $50,000,000 due in periodic installments of $8,000,000 to $21,000,000 beginning March 1, 2022 through March 1, 2024, interest is variable with a rate of 0.15% at June 30, 2012. The maximum interest rate cannot exceed 12%.	$ 50,000,000
2009A Public Improvement Bonds of $135,000,000 due in periodic installments of $6,000,000 to $24,000,000 beginning March 1, 2012 through March 1, 2026, interest of 4.00 to 5.00%.	42,000,000
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%.	258,000,000
2009C Refunding Bonds of $66,320,000 due in annual installments of $7,575,000 to $14,150,000 beginning March 1, 2010 through March 1, 2015 interest of 4.00 to 5.00%.	39,275,000
2009D Refunding Bonds of $168,980,000 due in annual installments of $6,545,000 to $36,945,000 beginning February 1, 2012 through February 1, 2018 interest of 3.00 to 4.00%.	162,435,000
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%.	72,985,000
2010B Public Improvement Recovery Zone Economic Development Bonds of $39,505,000 due in periodic installments of $6,330,000 to $6,635,000 beginning April 1, 2024 through April 1, 2029, interest of 4.80 to 5.40%.	39,505,000
2010C Refunding Bonds of $383,420,000 due in periodic installments of $100,000 to $56,780,000 beginning March 1, 2013 through March 1, 2026, interest of 2.00 to 5.00%.	383,420,000
2010D Public Improvement Qualified School Construction Bonds of $34,910,000 due June 1, 2027, interest at 5.10%. Annual payments are required to be made into a sinking fund held by US Bank. The deposits and the interest earned on those deposits will be used to make the principal payment in June 2027.	34,910,000
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%.	17,055,000
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%.	110,700,000
2012A School Bonds of $96,790,000 due in periodic installments of $4,990,000 to $5,100,000 beginning February 1, 2013 through February 1, 2031, interest of 3.00 to 5.00%.	96,790,000
2012B Refunding Bonds of $75,290,000 due in annual installments of $5,260,000 to $27,845,000 beginning February 1, 2018 through February 1, 2021 interest of 5.00%.	75,290,000
Total general obligation bonds outstanding	$ 1,754,870,000

NOTE 10. (Cont.)
Long-term Debt

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

2009 Limited obligation bonds of $154,620,000, due in annual installments of $6,180,000 through $6,185,000 June 2036; interest of 4.75% to 5.00%, collaterized by the Hammond Road Detention Center	$ 148,435,000
2010 Limited obligation bonds of $148,860,000, due in annual installments of $5,950,000 through $5,955,000 January 2037; interest of 2.50% to 5.00%, collaterized by the Criminal Justice Center	148,860,000
Total limited obligation bonds outstanding	$ 297,295,000

The annual requirements to amortize all general obligation debt outstanding as of June 30, 2012 are as follows:

Year Ending June 30	Principal	Interest	Total
2013	$ 129,960,000	$ 74,383,404	$ 204,343,404
2014	127,435,000	68,914,895	196,349,895
2015	127,225,000	63,968,195	191,193,195
2016	145,755,000	59,017,119	204,772,119
2017	143,685,000	53,725,676	197,410,676
2018-2022	595,745,000	181,272,004	777,017,004
2023-2027	427,565,000	60,645,729	488,210,729
2028-2032	57,500,000	4,693,409	62,193,409
	$ 1,754,870,000	$ 566,620,431	$ 2,321,490,431

The annual requirements to amortize capital leases, installment purchases, limited obligation bonds, notes payable and Qualified Zone Academy debt outstanding as of June 30, 2012 are as follows:

June 30	Principal	Interest	Total
2013	$ 13,671,204	$ 14,020,668	$ 27,691,872
2014	13,712,875	13,563,255	27,276,130
2015	13,752,673	13,077,941	26,830,614
2016	12,873,470	12,572,101	25,445,571
2017	12,801,833	12,107,065	24,908,898
2018-2022	61,221,004	52,351,116	113,572,120
2023-2027	60,700,000	37,586,169	98,286,169
2028-2032	60,700,000	22,606,688	83,306,688
2033-2037	54,505,000	7,535,500	62,040,500
	$ 303,938,059	$ 185,420,503	$ 489,358,562

NOTE 10. (Cont.)
Long-term Debt

The County is subject to the Local Government Bond Act of North Carolina which limits the amount of net bonded debt the County may have outstanding to 8 percent of the appraised value of property subject to taxation less property valued for abatement. At June 30, 2012, such statutory limit of the County was $9,644,432,052 providing a legal debt margin of $7,435,516,410. Authorized but unissued general obligation bonds as of June 30, 2012 totaled $65,700,000. Of this amount $65,700,000 was for authorized but unissued new general obligation bonds and none was remaining for authorized but unissued refunding bonds.

Qualified Zone Academy Bonds:

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

Recovery Zone Economic Development Bonds – Wake County Public Schools

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

Qualified School Construction Bonds – Wake County Public Schools

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

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

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

Advance Refunding

In February 2012, the County issued $75,290,000 of general obligation refunding bonds to provide resources that were then placed in an irrevocable trust for generating resources for all future debt service payments associated with $124,000,000 of 2012 refunded bonds. The County also contributed an additional $30,153,399 of cash for this refunding. As a result, the funded bonds are considered to be defeased and the liability has been removed from the governmental activities column on the County's statement of net assets. The net carrying amount of the old debt exceeded the reacquisition price by $18,911,205. This advance refunding and cash funding was undertaken to reduce the total future debt service payments over the next nine years by $41,316,605 and resulted in an economic gain of $6,491,861.

NOTE 10. (Cont.)
Long-term Debt

Conduit Debt Obligations:

Wake County Industrial Facilities and Pollution Control Financing Authority (the "Authority") has used industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from the payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State of North Carolina, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2012, there were 16 series of industrial revenue bonds outstanding with an aggregate principal amount payable of $598 million.

Interest Rate Swap:

As part of the acquisition by the County of an 85% interest in Five County Stadium pursuant to an Interlocal Agreement dated December 19, 2002, the County assumed the obligations of the Town of Zebulon under an Installment Financing Agreement ("Original Agreement") dated as of February 1, 1999. Effective April 20, 2004, the County entered into an Amended and Restated Installment Financing Agreement ("Amended Agreement") and pay-fixed, receive-variable interest rate swap ("Swap") for the purpose of refinancing the Original Agreement. The initial principal amount of the Amended Agreement was $9,000,000 and the initial notional amount of the Swap was $9,000,000. The notional value of the swap and the principal amount of the associated debt decline annually. The final maturity of the Amended Agreement and Swap is August 1, 2015. The interest rate on the Amended Agreement is 60.45% of one-month LIBOR plus 1.12%. Under the Swap, the County receives 60.45% of one-month LIBOR plus 1.12% (the same as the interest rate on the Amended Agreement) and pays 3.78%, effectively converting the Amended Agreement from variable-rate to fixed-rate. At June 30, 2012, the swap had a fair value to the County of ($128,531). Fair value was estimated by the counterparty using mark to market valuations. As of June 30, 2012, the County was not exposed to credit risk because the swap had a negative fair value. The swap counterparty, Bank of America, at June 30, 2012 was rated "A3" by Moody's Investors Service, "A" by Standard and Poor's, and "A" by Fitch Ratings. Since the variable interest rate the County pays on the Amended Agreement and the variable interest rate the counterparty pays to the County on the swap are based on the same calculation, the net interest rate is the 3.78% fixed swap rate and there is no interest rate or basis risk. The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The swap may also be terminated if either party's credit rating on its long-term unsubordinated debt falls to "Baa1" or lower by Moody's Investors Service, "BBB+" or lower by Standard and Poor's, and "BBB+" or lower by Fitch Ratings, or such rating is withdrawn or suspended. Termination could result in the County being required to make or being entitled to receive an unanticipated termination payment.

Swap payments and associated debt – Using the variable interest rate as of June 30, 2012 (0.15%) and assuming the rate remains the same for the term of the agreement, debt service requirements of the Amended Agreement debt and net swap payments would be as follows:

	Amended Variable Rate Installment Purchase Agreement			
	Principal	Variable Rate Interest	Interest Rate Swaps, Net	Total
2013	$ 889,893	$ 4,012	$ 97,095	$ 991,000
2014	924,631	2,633	63,736	991,000
2015	960,407	1,214	29,379	991,000
2016	77,694	59	1,417	79,170
Total	$ 2,852,625	$ 7,918	$ 191,627	$ 3,052,170

NOTE 10. (Cont.)
Long-term Debt

Changes In Long-Term Liabilities:

Long-term liability activity for the year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental activities:					
General obligation bonds	$ 1,831,620,000	$ 172,080,000	$ 248,830,000	$ 1,754,870,000	$ 129,960,000
Plus: Premiums on issuance	159,676,428	34,925,590	14,802,645	179,799,373	N/A
Total general obligation bonds payable	1,991,296,428	207,005,590	263,632,645	1,934,669,373	129,960,000
Limited obligation bonds	303,480,000	-	6,185,000	297,295,000	12,140,000
Plus: Premiums on issuance	20,403,480	-	788,219	19,615,261	N/A
Total limited obligation bonds payable	323,883,480	-	6,973,219	316,910,261	12,140,000
Qualified Zone Academy Bonds	980,772	-	163,461	817,311	163,461
Installment Purchases	6,961,421	-	1,267,700	5,693,721	1,316,954
Capital leases	173,449	7,573	48,995	132,027	50,789
Other post-employment benefits	47,524,452	21,804,765	4,022,239	65,306,978	-
Compensated absences	11,161,131	8,478,843	8,172,049	11,467,925	8,200,000
Total Governmental Activities	$ 2,381,981,133	$ 237,296,771	$ 284,280,308	$ 2,334,997,596	$ 151,831,204
Business-type activities:					
Landfill	$ 16,034,032	$ 1,178,563	$ 785,826	$ 16,426,769	$ 575,000
Other post-employment benefits	235,785	111,424	20,144	327,065	-
Compensated absences	56,401	37,640	28,097	65,944	28,000
Total Business-type Activities	$ 16,326,218	$ 1,327,627	$ 834,067	$ 16,819,778	$ 603,000

NOTE 11. Additional Social Welfare Expenditures

The following amount was paid on behalf of the County by the State from Federal and State funds. The human services payments were disbursed directly to vendors and individual recipients. For the year ended June 30, 2012 this amount, which is not included in the financial statements because the County has no primary responsibility beyond making eligibility determinations, is approximately $596 million.

NOTE 12. Compliance Audits of Federal and State Assisted Programs

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

NOTE 13. Termination Benefits

On February 6, 2012, the Board approved an agreement to establish a new Multi-County Area Authority to Manage Mental Health, Substance Abuse and Developmental Disability Services for Durham and Wake County. This agreement merged the Counties, effective July 1, 2012, into a new organization called Alliance Behavioral Healthcare. As a result of the merger, Wake County identified 109.75 positions for RIF (Reduction in Force). Of those 109.75 positions, 22 employees opted for the Severance Pay Option. Eligible employees who agreed to the terms and conditions of the severance pay option received a lump sum payment equal to two (2) weeks of pay for every full year of salaried service with the County as of the date of separation, up to a maximum payment equal to forty (40) weeks. The total severance payout for these 22 employees was $688,463, paid in July 2012. This is included in the accounts payable and accrued liabilities line item of the General Fund.

NOTE 14. Multiple-Employer Pension Plan Obligations

Local Governmental Employees' Retirement System

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

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.88% and 7.36%, respectively, of annual covered payroll. The contribution requirements of members and of Wake County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2010, 2011, and 2012 were $8,458,208, $11,034,875 and $12,124,342, respectively. The contributions made by the County equaled the required contributions for each year.

Supplemental Retirement Income Plan

Plan Description. Wake County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The plan provides retirement benefits to all employees of the County who are employed at least half time. Article 5 of the G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The County's total payroll in fiscal year 2012 was $175,725,964. The County's contributions were calculated using the base salary amount of $175,780,434. The County made contributions amounting to $8,788,022. Employees made voluntary contributions of $4,016,127.

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

NOTE 15.
Law Enforcement Officers' Special Separation Allowance

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2011, the Separation Allowance's membership consisted of:

Retirees receiving benefits	55
Active plan members	386
Total	441

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

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

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the fiscal year ended June 30, 2012, the County contributed $746,830, or 4.0% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed by the General Fund.

The annual required contribution for the fiscal year ended June 30, 2012 was determined as part of the December 31, 2010 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) a 5.00% investment rate of return and (b) projected salary increases ranging from 4.25% per year to 7.85% per year and (c) an inflation component of 3.00%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was market value. The unfunded actuarial accrued liability is being amortized as a level percent of pay on an open basis. The remaining amortization period at December 31, 2010 was 20 years.

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the plan was 12.76 percent funded. The actuarial accrued liability for benefits was $10,585,001, and the actuarial value of assets was $1,350,904 resulting in an unfunded actuarial accrued liability (UAAL) of $9,234,097. The covered payroll (annual payroll of active employees covered by the plan) was $18,748,384, and the ratio of the UAAL to the covered payroll was 49.25 percent.

NOTE 15. (Cont.)
Law Enforcement Officers' Special Separation Allowance

Trend Information:

Fiscal Year Ended	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation (asset)
June 30, 2010	$ 763,053	97.63%	$ (1,122,217)
June 30, 2011	972,443	76.61%	(894,774)
June 30, 2012	932,644	80.08%	(708,960)

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

Annual required contribution	$ 924,005
Interest on net pension obligation	(44,739)
Adjustment to annual required contribution	53,378
Annual pension cost	932,644
Contributions made	746,830
Decrease in net pension obligation	185,814
Net pension obligation (asset), beginning of year	(894,774)
Net pension asset, end of year	$ (708,960)

NOTE 16.
Register of Deeds' Supplemental Pension Fund

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

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three (93%) of the amount in the fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the Department of State Treasurer in administering the Fund. For the fiscal year ended June 30, 2012 the County's actual and required contributions were $95,349.

NOTE 17.
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, 2012 the County made contributions to the State for death benefits of $135,851. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .07 percent and .14 percent of covered payroll, respectively. The contributions to the Death Trust are not separated between the post-employment benefit amount and the other benefit amount, as the amounts cannot be reasonably estimated.

NOTE 18.
Other Post-Employment Benefits

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

Membership in the plan included the following at December 31, 2011, the date of the latest actuarial valuation:

Retirees receiving benefits	775
Active plan members	3,475
Total	4,250

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

The current ARC rate is 13.69% of annual covered payroll. For the current year, the County contributed $4,042,383 or 2.45% of annual covered payroll. The County's medical coverage is self-insured, which is administered by an outside provider. There were no contributions made by employees, except for dependent coverage for retirees in the amount of $613,454.

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

NOTE 18. (Cont.)
Other Post-Employment Benefits

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

Annual required contribution	$ 22,572,789
Interest on net OPEB obligation	2,149,211
Adjustment to annual required contribution	(2,805,811)
Annual OPEB cost	21,916,189
Contributions made	4,042,383
Increase in net OPEB obligation	17,873,806
Net OPEB liability, beginning of year	47,760,237
Net OPEB liability, end of year	$ 65,634,043

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability
2010	$ 14,846,383	26.1%	$ 33,643,425
2011	16,560,769	21.0%	47,760,237
2012	21,916,189	11.2%	65,634,043

As of December 31, 2011, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits, and thus, the unfunded actuarial accrued liability (UAAL) was $220,874,828. The covered payroll (annual payroll of active employees covered by the plan) was $164,876,210, and the ratio of the UAAL to the covered payroll was 134.0%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

NOTE 18. (Cont.) Other Post-Employment Benefits

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

In the December 31, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.50 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, an inflation rate of 3.00% and an annual medical cost trend increase of 9.50 to 5.00 percent for pre-Medicare and 7.00 to 5.00 percent for post-Medicare, each over 7 years. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2011 was 30 years.

NOTE 19. 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, 2012.

NOTE 20. Closure and Postclosure Landfill Costs

The County owns six solid waste landfills which are accounted for in the Solid Waste Operating Fund and the South Wake Landfill Partnership Fund. State and Federal laws and regulations require the County to place a final cover on its landfills when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The current estimate of closure and postclosure maintenance and monitoring costs is approximately $19.6 million. The landfill closure and postclosure liability of $16,426,769 is included as a line item under the noncurrent liabilities in the Solid Waste Operating Fund and the South Wake Landfill Partnership Fund at June 30, 2012. The liability represents a cumulative amount reported to date based on the following facilities.

The North Wake Unlined Landfill and the Feltonsville Unlined Landfill have been closed for approximately thirteen years and no additional closure costs are expected at these facilities. The County is currently responsible for monitoring these sites for an additional 16 years for post-closure care. In fiscal year 2009 the County detected a small amount of groundwater contamination during its assessment process. The County has developed a Corrective Action Plan which addresses this issue. The preliminary estimates of the costs associated with the corrective action plan are included in the post-closure estimates for these facilities.

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

The North Wake Subtitle Design Facility has been closed since May 2008. Bids were received and a contract was awarded for closure of the facility in May 2008. The closure construction was successfully completed in 2009. Therefore no further closure funds need to be reserved for fiscal year 2010 or beyond. The County will continue to monitor this facility for post-closure care for an additional 26 years.

The South Wake Subtitle Design Facility began operations in February 2008 and is in its first phase of five total phases. At June 30, 2012, Phase 1 is estimated to be 70% full and will close in or around May, 2014. The entire landfill is estimated to close June 2037. The County will recognize the remaining estimated cost of closure and post-closure care costs of $3.2 million as the remaining estimated capacity is filled. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 21. Pollution Remediation Liability

During fiscal year 2010, the County received notification from the North Carolina Department of Environment and Natural Resources Division of Waste Management (NCDENR) regarding post closure activities associated with the closed East Wake Landfill. Groundwater contamination and other volatile compounds have been detected at levels above the State groundwater standards. The County has signed a contract with an Engineering firm to perform a site assessment of the land in question. Prior to the completion of the site assessment, the County is not able to reasonably estimate the entire costs of clean up that may be required. Clean-up activities may include ground water monitoring, landfill gas monitoring and final cap repair. The County may be able to recover a portion of the costs associated with this project related to a certain parcel of land, at this time the amount of recoveries is not known so it was not included in the pollution remediation liability. At June 30, 2012, $72,980 of pollution remediation liabilities were included in accounts payable and accrued liabilities in the Solid Waste Operating Fund.

NOTE 22. 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:	$ 175,698,244
Less:	
Inventories	329,670
Noncurrent receivables	350,409
Stabilization by State Statute	61,577,460
Register of deeds automation	310,538
Revaluation reserve	3,468,905
Working capital	109,629,660
Subsequent year's expenditures	31,602
Remaining fund balance	$ -

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. These amounts are included in the Stabilization by State Statute amount in restricted fund balance. Amounts outstanding at June 30, 2012 are as follows:

Major Funds						Nonmajor Funds
General Fund	Affordable Housing Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Other Governmental Funds
$ 1,123,019	$ 5,661,646	$ -	$ -	$ 49,631,394	$ 61,247,089	$ 2,328,741

NOTE 22. (Cont.)
Fund Balance

The following schedule provides information regarding the funding for the 15% Uncommitted Funds, as defined in the Interlocal Agreement and Amendments, within the Major Facilities Fund. To the extent that current year revenues are not sufficient for funding these projects, the County anticipates appropriating fund balance. As of June 30, 2012, fund balance in the Major Facilities Fund totaled $1,530,762, all of which is Restricted by State Statute.

Fiscal Year	Cary Sports Facilities*	NC Art Museum	NC Ballet	NC Museum of Natural Sciences	RBC Center	St. Augustine's College Track	Whitewater Park**	Total
2008	$ -	$ 6,000,000	$ 150,000	$ -	$ 1,000,000	$ -	$ -	$ 7,150,000
2009	-	1,000,000	100,000	1,900,000	1,500,000	300,000	-	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
Payments to Date	**-**	**10,000,000**	**250,000**	**4,400,000**	**5,500,000**	**600,000**	**-**	**20,750,000**
2013	400,000	1,000,000	-	800,000	1,000,000	100,000	150,000	3,450,000
2014	1,000,000	1,000,000	-	200,000	1,000,000	100,000	-	3,300,000
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	-	-	1,000,000	-	-	3,700,000
2018	2,600,000	-	-	-	2,000,000	-	-	4,600,000
2019	2,000,000	-	-	-	2,000,000	-	-	4,000,000
2020	-	-	-	-	5,000,000	-	-	5,000,000
2021	-	-	-	-	5,500,000	-	-	5,500,000
2022	-	-	-	-	1,000,000	-	-	1,000,000
Total	$ 10,000,000	$ 15,000,000	$ 250,000	$ 6,000,000	$ 26,000,000	$ 1,000,000	$ 150,000	$ 58,400,000

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

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

NOTE 23.
Comparative Data/Reclassifications

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

NOTE 24.
Discretely Presented Component Unit Disclosure

(1) Deposits and Investment

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

Deposits: At June 30, 2012, the Board's deposits had a carrying amount of $15,774,011 and a bank balance of $15,369,924. All of the bank balance was either insured by federal depository insurance, or collateralized under the pooling method.

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

The NCCMT Cash Portfolio's securities are valued at fair value, which is the NCCMT's share price. This investment, valued at $449,886, is included in cash and cash equivalents.

(2) Risk Management

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

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

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

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

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE - REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a) / c)
12/31/2002	$ 2,587,018	$ 6,144,460	$ 3,557,442	42.10%	$ 12,471,841	28.52%
12/31/2003	3,142,240	6,410,126	3,267,886	49.02%	13,512,764	24.18%
12/31/2004	2,640,759	7,147,681	4,506,922	36.95%	14,453,419	31.18%
12/31/2005	2,599,117	7,091,401	4,492,284	36.65%	14,936,129	30.08%
12/31/2006	2,504,432	7,726,749	5,222,317	32.41%	15,690,512	33.28%
12/31/2007	2,406,714	8,506,194	6,099,480	28.29%	17,086,023	35.70%
12/31/2008	2,178,004	9,001,090	6,823,086	24.20%	18,008,068	37.89%
12/31/2009	1,938,530	11,387,164	9,448,634	17.02%	18,562,071	50.90%
12/31/2010	1,657,751	10,699,329	9,041,578	15.49%	18,662,735	48.45%
12/31/2011	1,350,904	10,585,001	9,234,097	12.76%	18,748,384	49.25%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2003	$ 410,600	51.02%
2004	503,145	100.00%
2005	498,334	130.64%
2006	599,284	89.77%
2007	551,806	115.44%
2008	618,438	100.00%
2009	693,913	100.44%
2010	768,996	96.88%
2011	965,832	77.14%
2012	924,005	80.83%

Notes to the Required Schedules:

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

Valuation date	12/31/2011
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay open
Remaining amortization period	20 years
Asset Valuation method	Market Value

Actuarial Assumptions:	
Investment rate of return	5.00%
Projected salary increases	4.25% to 7.85%
Includes inflation at	3.00%
Cost of Living adjustments	None

WAKE COUNTY, NORTH CAROLINA

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

PAY AS YOU GO - ACTUARY METHOD

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a) / c)
7/1/2007	$ -	$ 157,412,725	$ 157,412,725	0.00%	$ 168,991,714	93.1%
12/31/2008	-	179,179,404	179,179,404	0.00%	171,841,892	104.3%
12/31/2009	-	192,103,016	192,103,016	0.00%	175,306,115	109.6%
12/31/2011	-	220,874,828	220,874,828	0.00%	164,876,210	134.0%

Schedule of Employer Contributions

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

Notes to the Required Schedules:

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

Valuation date	12/31/2011
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, closed
Remaining amortization period	30 years
Asset Valuation method	Market Value of Assets

Actuarial Assumptions:	
Investment rate of return	4.50%
Medical cost trend rate - pre-Medicare	9.5% - 5.00%
Medical cost trend rate - post-Medicare	7.00% - 5.00%
Year of ultimate trend rate	2018
Includes inflation at	3.00%

WAKE COUNTY, NORTH CAROLINA

GENERAL FUND
COMPARATIVE BALANCE SHEETS
As of June 30, 2012 and 2011

	June 30, 2012	June 30, 2011
ASSETS		
Cash and investments - pooled equity	$ 147,808,223	$ 142,314,388
Cash and investments - cash equivalents	1,052,712	823,171
Cash and investments - restricted	3,784,555	3,136,122
Taxes receivable (net)	7,643,014	8,950,645
Accounts receivable (net)	64,057,902	51,409,552
Due from other funds	-	605,859
Prepaid expenditures	585,016	1,936,463
Accrued interest receivable	21,731	27,244
Inventories	329,670	358,634
TOTAL ASSETS	$ 225,282,823	$ 209,562,078
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	$ 35,253,810	$ 34,977,948
Due to other governmental units	177,706	80,296
Deferred revenues	14,153,063	15,051,975
Total Liabilities	49,584,579	50,110,219
Fund Balance:		
Non-spendable:		
Inventories	329,670	358,634
Noncurrent receivable	350,409	395,236
Restricted:		
Stabilization by State statute	61,577,460	53,231,845
Register of deeds automation	310,538	455,638
Committed:		
Revaluation reserve	3,468,905	2,628,106
Working capital	109,629,660	102,279,156
Assigned:		
Planned expenditures	31,602	103,244
Total Fund Balance	175,698,244	159,451,859
TOTAL LIABILITIES AND FUND BALANCE	$ 225,282,823	$ 209,562,078

WAKE COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012			2011
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES:				
Taxes	$ 759,044,607	$ 776,440,214	$ 17,395,607	$ 757,667,696
Licenses and permits	3,048,564	3,413,382	364,818	3,031,172
Intergovernmental	123,082,348	119,334,660	(3,747,688)	122,958,437
Charges for services	65,118,800	65,471,200	352,400	56,520,256
Investment earnings	39,754	40,237	483	55,903
Miscellaneous	428,034	360,173	(67,861)	655,825
Total Revenues	950,762,107	965,059,866	14,297,759	940,889,289
EXPENDITURES:				
Current:				
General administration	46,753,902	44,734,430	2,019,472	43,337,863
Human services	213,405,177	211,029,938	2,375,239	212,006,433
Education	330,402,642	330,402,642	-	329,494,274
Community development and cultural	25,794,841	25,224,320	570,521	25,440,833
Environmental services	7,960,633	7,643,371	317,262	7,935,913
General services administration	21,561,631	21,081,514	480,117	23,790,814
Public safety	102,260,311	101,049,020	1,211,291	87,090,515
Total Expenditures	748,139,137	741,165,235	6,973,902	729,096,645
REVENUES OVER EXPENDITURES	202,622,970	223,894,631	21,271,661	211,792,644
OTHER FINANCING SOURCES (USES)				
Transfers in	2,199,618	2,180,070	(19,548)	4,601,749
Transfers out	(209,828,316)	(209,828,316)	-	(209,192,860)
Total Other Financing Sources (Uses)	(207,628,698)	(207,648,246)	(19,548)	(204,591,111)
REVENUES AND OTHER SOURCES UNDER EXPENDITURES AND OTHER USES	(5,005,728)	16,246,385	21,252,113	7,201,533
APPROPRIATED FUND BALANCE	5,005,728	-	(5,005,728)	-
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE UNDER EXPENDITURES AND OTHER USES	$ -	16,246,385	$ 16,246,385	7,201,533
FUND BALANCE, BEGINNING OF YEAR		159,451,859		152,250,326
BUDGETARY FUND BALANCE		175,698,244		159,451,859
LESS: EXPENDITURES ASSOCIATED WITH CAPITAL LEASE INCEPTION & CAPITAL DONATIONS		(7,573)		(139,713)
ADD: PROCEEDS OF CAPITAL LEASES & CAPITAL DONATIONS		7,573		139,713
TOTAL LEASE INCEPTION AND PROCEEDS		-		-
FUND BALANCE AT END OF YEAR		$ 175,698,244		$ 159,451,859

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DETAILED BUDGET AND ACTUAL
For the Year Ended June 30, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012			2011
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES:				
TAXES				
Ad valorem property - current	$ 629,846,000	$ 635,148,500	$ 5,302,500	$ 626,214,309
Ad valorem property - prior	6,550,000	7,337,564	787,564	6,071,654
Tax penalties, interest and other	2,250,000	3,238,983	988,983	3,027,698
Sales	111,868,186	120,834,877	8,966,691	114,034,923
Leased rental vehicle tax	2,500,000	2,508,644	8,644	2,416,367
Real property transfer	4,800,000	6,120,634	1,320,634	4,652,739
Payments in lieu of taxes	1,230,421	1,251,012	20,591	1,250,006
Total Taxes	759,044,607	776,440,214	17,395,607	757,667,696
LICENSES AND PERMITS				
Beer and wine licenses	55,000	79,338	24,338	72,033
Marriage licenses	159,500	149,680	(9,820)	148,344
Building permits and inspections	2,834,064	3,184,364	350,300	2,810,795
Total Licenses and Permits	3,048,564	3,413,382	364,818	3,031,172

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DETAILED BUDGET AND ACTUAL
For the Year Ended June 30, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012			2011
	Budget	Actual	Variance Positive/(Negative)	Actual
INTERGOVERNMENTAL REVENUE				
Federal and State:				
Human services	$ 110,189,452	$ 105,634,701	$ (4,554,751)	$ 111,169,949
Payments in lieu of taxes	235,685	259,478	23,793	242,082
Public library	520,000	548,324	28,324	616,335
Public safety	1,378,599	1,654,493	275,894	1,070,372
Others	1,885,500	2,515,577	630,077	2,690,009
Total Federal and State	114,209,236	110,612,573	(3,596,663)	115,788,747
Local:				
ABC Board	8,600,000	8,433,333	(166,667)	7,083,333
Human services	158,204	153,807	(4,397)	1,200
Others	114,908	134,947	20,039	85,157
Total Local	8,873,112	8,722,087	(151,025)	7,169,690
Total Intergovernmental	123,082,348	119,334,660	(3,747,688)	122,958,437

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DETAILED BUDGET AND ACTUAL
For the Year Ended June 30, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012			2011
	Budget	Actual	Variance Positive/(Negative)	Actual
CHARGES FOR SERVICES				
Environmental	$ 364,390	$ 395,493	$ 31,103	$ 433,825
Client Fees	1,514,917	1,230,429	(284,488)	1,408,616
Insurance	1,168,901	1,097,338	(71,563)	1,095,774
Medicaid Fees	21,385,336	21,758,670	373,334	21,626,598
Medicare Fees	276,983	258,061	(18,922)	207,527
HS Reimbursements	629,298	595,563	(33,735)	423,602
Inspection Fees	519,445	485,868	(33,577)	471,212
Library Fees	481,000	535,691	54,691	566,723
Parks & Recreation Fees	124,422	135,107	10,685	132,330
EMS Fees	21,116,845	21,573,492	456,647	13,203,182
Facility Use Fees	200,000	256,118	56,118	221,519
Fire/Rescue Fees	224,660	276,021	51,361	252,735
Sheriff Fees	3,525,762	3,548,336	22,574	3,970,571
Transportation Fees	507,545	701,317	193,772	682,600
Planning Fees	184,210	328,563	144,353	305,742
Court Facility Fees	1,610,085	1,340,638	(269,447)	1,562,199
Parking Fees	670,000	667,568	(2,432)	695,087
Rental/lease income	254,320	108,351	(145,969)	95,671
Real Estate Record Fees	5,243,800	5,023,993	(219,807)	4,509,516
Reimbursements	2,480,856	2,358,638	(122,218)	1,834,934
Tax Collection Fees	740,000	790,262	50,262	778,598
Vending Income	665,375	604,764	(60,611)	616,887
Other Fees and Charges	1,230,650	1,400,919	170,269	1,424,808
Total Charges for Services	65,118,800	65,471,200	352,400	56,520,256
INVESTMENT EARNINGS	39,754	40,237	483	55,903
MISCELLANEOUS				
Sale of materials and capital assets	240,684	318,786	78,102	275,629
Other	187,350	41,387	(145,963)	380,196
Total Miscellaneous	428,034	360,173	(67,861)	655,825
TOTAL REVENUES	950,762,107	965,059,866	14,297,759	940,889,289

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, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012					2011
	Budget	Actual	Encumbrances	Total	Variance Budget vs. Actual Positive/(Negative)	Actual
EXPENDITURES:						
GENERAL ADMINISTRATION						
County commissioners	$ 465,371	$ 465,341	$ -	$ 465,341	$ 30	$ 455,395
County manager	1,411,393	1,325,348	-	1,325,348	86,045	1,370,085
County attorney	1,448,773	1,448,773	-	1,448,773	-	1,377,591
Board of elections	3,947,941	3,905,195	42,656	3,947,851	42,746	2,875,288
Facilities design & construction	1,117,971	978,194	-	978,194	139,777	1,031,827
Finance	2,801,950	2,731,379	30,555	2,761,934	70,571	2,608,596
Human resources	1,874,652	1,725,484	-	1,725,484	149,168	1,624,621
Information services	11,482,852	11,207,362	247,209	11,454,571	275,490	11,449,455
Register of deeds	2,793,022	2,724,684	-	2,724,684	68,338	2,829,984
Revenue	5,942,818	4,967,462	-	4,967,462	975,356	5,019,591
Non-departmental	11,532,908	11,320,957	316,380	11,637,337	211,951	10,511,697
Public agencies	1,934,251	1,934,251	-	1,934,251	-	2,183,733
Total General Administration	46,753,902	44,734,430	636,800	45,371,230	2,019,472	43,337,863
HUMAN SERVICES						
Medical examiner	212,600	212,600	-	212,600	-	187,500
Social services economic self sufficiency	33,839,532	33,128,862	-	33,128,862	710,670	32,180,962
Child welfare	21,568,946	21,132,877	-	21,132,877	436,069	21,137,762
Children youth and family	49,462,324	49,224,956	2,340	49,227,296	237,368	53,783,996
Public health	9,582,667	9,429,274	57,020	9,486,294	153,393	9,616,840
Health clinics	15,840,181	15,715,705	-	15,715,705	124,476	16,089,715
Behavorial health	16,398,706	16,247,548	-	16,247,548	151,158	16,646,753
Administration and operations	25,272,074	25,426,155	-	25,426,155	(154,081)	23,509,184
Local management entity	41,228,147	40,511,961	-	40,511,961	716,186	38,853,721
Total Human Services	213,405,177	211,029,938	59,360	211,089,298	2,375,239	212,006,433

Encumbrances are included for internal reporting purposes only.

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DETAILED BUDGET AND ACTUAL
For the Year Ended June 30, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012					2011
	Budget	Actual	Encumbrances	Total	Variance Budget vs. Actual Positive/(Negative)	Actual
EDUCATION						
Wake County Public Schools:						
Current expense	$ 311,759,998	$ 311,759,998	$ -	$ 311,759,998	$ -	$ 312,059,879
Capital outlay	2,651,594	2,651,594	-	2,651,594	-	1,443,345
Total Wake County Public Schools	314,411,592	314,411,592	-	314,411,592	-	313,503,224
Wake Technical College:						
Current expense	15,991,050	15,991,050	-	15,991,050	-	15,991,050
Total Wake Technical College	15,991,050	15,991,050	-	15,991,050	-	15,991,050
Total Education	330,402,642	330,402,642	-	330,402,642	-	329,494,274
COMMUNITY DEVELOPMENT AND CULTURAL						
Community Development:						
Administration	516,841	505,330	-	505,330	11,511	503,647
Parks and recreation	2,411,278	2,330,084	73,490	2,403,574	81,194	2,105,848
Building inspections	3,513,374	3,493,033	-	3,493,033	20,341	3,586,941
Veterans services	263,290	222,844	-	222,844	40,446	252,871
Geographic information services	1,635,125	1,616,999	-	1,616,999	18,126	1,575,744
Public libraries	17,454,933	17,056,030	78,647	17,134,677	398,903	17,415,782
Total Community Development and Cultural	25,794,841	25,224,320	152,137	25,376,457	570,521	25,440,833

Encumbrances are included for internal reporting purposes only.

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DETAILED BUDGET AND ACTUAL
For the Year Ended June 30, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012					2011
	Budget	Actual	Encumbrances	Total	Variance Budget vs. Actual Positive/(Negative)	Actual
EXPENDITURES:						
ENVIRONMENTAL SERVICES						
Environmental services	$ 7,960,633	$ 7,643,371	$ 14,516	$ 7,657,887	$ 317,262	$ 7,935,913
Total Environmental Services	7,960,633	7,643,371	14,516	7,657,887	317,262	7,935,913
GENERAL SERVICES ADMINISTRATION						
General services administration	21,561,631	21,081,514	154,765	21,236,279	480,117	23,790,814
Total General Services Administration	21,561,631	21,081,514	154,765	21,236,279	480,117	23,790,814
PUBLIC SAFETY						
Sheriff Department:						
Sheriff	33,432,489	34,113,388	74,069	34,187,457	(680,899)	31,735,835
Detention	31,790,464	30,348,141	-	30,348,141	1,442,323	28,066,816
Total Sheriff Department	65,222,953	64,461,529	74,069	64,535,598	761,424	59,802,651
CCBI	4,860,075	4,708,071	-	4,708,071	152,004	4,162,994
Emergency medical services	29,077,796	29,068,117	9,678	29,077,795	9,679	20,315,381
Fire and emergency management	2,012,085	1,877,083	21,694	1,898,777	135,002	1,879,964
Public safety communications	1,087,402	934,220	-	934,220	153,182	929,525
Total Public Safety	102,260,311	101,049,020	105,441	101,154,461	1,211,291	87,090,515
TOTAL EXPENDITURES	748,139,137	741,165,235	1,123,019	742,288,254	6,973,902	729,096,645

Encumbrances are included for internal reporting purposes only.

WAKE COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DETAILED BUDGET AND ACTUAL
For the Year Ended June 30, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012			2011
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES OVER EXPENDITURES	$ 202,622,970	$ 223,894,631	$ 21,271,661	$ 211,792,644
OTHER FINANCING SOURCES (USES)				
Transfers in	2,199,618	2,180,070	(19,548)	4,601,749
Transfers out	(209,828,316)	(209,828,316)	-	(209,192,860)
Total Other Financing Sources (Uses)	(207,628,698)	(207,648,246)	(19,548)	(204,591,111)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(5,005,728)	16,246,385	21,252,113	7,201,533
APPROPRIATED FUND BALANCE	5,005,728	-	(5,005,728)	-
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	$ -	16,246,385	$ 16,246,385	7,201,533
FUND BALANCE, BEGINNING OF YEAR, RESTATED		159,451,859		152,250,326
BUDGETARY FUND BALANCE		175,698,244		159,451,859
LESS: EXPENDITURES ASSOCIATED WITH INCEPTION OF CAPITAL LEASES AND NOTE PAYABLES		(7,573)		(139,713)
ADD: PROCEEDS OF CAPITAL LEASES AND NOTE PAYABLES		7,573		139,713
TOTAL LEASE INCEPTIONS		-		-
FUND BALANCE AT END OF YEAR		$ 175,698,244		$ 159,451,859

WAKE COUNTY, NORTH CAROLINA

AFFORDABLE HOUSING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
From Project Inception Through June 30, 2012

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
REVENUES:				
Intergovernmental	$ 24,020,223	$ 13,870,168	$ 4,034,128	$ 17,904,296
Charges for services	2,360,699	1,746,339	363,674	2,110,013
Investment earnings	58,615	250,946	-	250,946
Miscellaneous	62,801	46,348	-	46,348
Total Revenues	26,502,338	15,913,801	4,397,802	20,311,603
EXPENDITURES:				
Human Services				
County funded	12,997,810	8,548,408	2,136,486	10,684,894
Housing and community revitalization	15,216,933	8,124,612	2,021,264	10,145,876
Home grant	6,324,038	1,624,380	836,308	2,460,688
Homeless prevention grants	582,164	507,726	74,438	582,164
HOPWA grants	2,722,025	1,211,724	632,728	1,844,452
Total Expenditures	37,842,970	20,016,850	5,701,224	25,718,074
REVENUES OVER (UNDER) EXPENDITURES	(11,340,632)	(4,103,049)	(1,303,422)	(5,406,471)
OTHER FINANCING SOURCES:				
Transfers in	11,340,632	10,554,466	830,000	11,384,466
REVENUES AND OTHER SOURCES OVER EXPENDITURES	$ -	$ 6,451,417	(473,422)	$ 5,977,995
Fund Balance at beginning of year			6,451,417	
FUND BALANCE AT END OF YEAR			$ 5,977,995	

WAKE COUNTY, NORTH CAROLINA

MAJOR FACILITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN APPROPRIATED FUND BALANCE
For the Year Ended June 30, 2012

	2012	
	Budget	Actual
REVENUES:		
Taxes:		
Occupancy tax	$ 16,588,983	$ 16,223,684
Prepared food tax	19,830,253	19,558,025
Total taxes	36,419,236	35,781,709
Investment earnings	-	35,714
Total Revenues	36,419,236	35,817,423
EXPENDITURES:		
Raleigh hold harmless - occupancy	680,000	679,956
Cary hold harmless - occupancy	804,556	786,849
Greater Raleigh Convention and Visitors Bureau	4,270,029	4,181,493
Centennial Authority operations 7%	2,117,616	2,081,794
Centennial - Debt service	5,207,756	5,205,189
Raleigh annual distribution - $1M	1,000,000	1,000,000
Convention Center	16,366,987	15,964,643
NC Museum of Art	1,000,000	1,000,000
Centennial Authority Facility Improvements	1,000,000	1,000,000
Green Square	900,000	900,000
St. Augustine's	100,000	100,000
Total Expenditures	33,446,944	32,899,924
REVENUES OVER EXPENDITURES	2,972,292	2,917,499
OTHER FINANCING USES:		
Transfers out to General Fund	(1,093,000)	(1,073,452)
Transfers out to Debt Service Fund	(991,000)	(991,000)
Transfers out to Capital Improvement Fund	(1,000,000)	(1,000,000)
Total other financing uses	(3,084,000)	(3,064,452)
REVENUES UNDER EXPENDITURES AND OTHER FINANCING USES	(111,708)	(146,953)
Appropriated fund balance	111,708	-
REVENUES AND APPROPRIATED FUND BALANCE UNDER EXPENDITURES AND OTHER FINANCING USES	$ -	(146,953)
Fund Balance at beginning of year		1,677,715
FUND BALANCES AT END OF YEAR		$ 1,530,762

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, 2012

	2012	
	Budget	Actual
REVENUES:		
Intergovernmental	$ 13,002,174	$ 13,972,423
Investment earnings	9,621,000	3,484,159
Total revenues	22,623,174	17,456,582
EXPENDITURES:		
Debt service - principal	171,122,367	164,498,331
Debt service - interest	92,347,993	88,561,925
Future appropriated reserves	-	-
Miscellaneous	317,600	308,604
Total expenditures	263,787,960	253,368,860
REVENUES UNDER EXPENDITURES	(241,164,786)	(235,912,278)
OTHER FINANCING SOURCES:		
Transfers in	222,893,960	222,893,960
Refunding bonds issued	-	75,290,000
Premiums on issuance	4,000,000	34,925,590
Payment to refunded bond escrow agent	-	(94,006,298)
Total Other Financing Sources (Uses)	226,893,960	239,103,252
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(14,270,826)	3,190,974
APPROPRIATED FUND BALANCE	14,270,826	-
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER USES	$ -	3,190,974
Fund Balance at beginning of year		166,155,376
FUND BALANCES AT END OF YEAR		$ 169,346,350

WAKE COUNTY, NORTH CAROLINA

COUNTY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
From Project Inception Through June 30, 2012

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
REVENUES:				
Taxes	$ 612,910	$ 615,502	$ 762	$ 616,264
Intergovernmental	16,638,156	14,394,384	2,943,889	17,338,273
Charges for services	9,081,904	6,708,925	1,146,255	7,855,180
Investment earnings	32,011,490	34,124,797	-	34,124,797
Miscellaneous	1,138,697	1,864,667	-	1,864,667
Total Revenues	59,483,157	57,708,275	4,090,906	61,799,181
EXPENDITURES - CAPITAL PROJECTS:				
Capital projects:				
Automation CIP	27,287,053	16,910,907	5,311,080	22,221,987
Community capital projects	2,405,000	1,655,000	395,000	2,050,000
County building improvements	41,916,292	29,236,816	6,678,262	35,915,078
Criminal justice CIP	389,636,981	244,910,825	85,456,307	330,367,132
Public libraries CIP	12,832,029	2,707,339	1,848,868	4,556,207
Open space	11,103,083	1,972,316	5,851,356	7,823,672
Parks and recreation CIP	5,047,420	3,163,656	714,293	3,877,949
Public safety CIP	20,703,809	16,836,473	1,536,739	18,373,212
Water and sewer	26,965,747	18,594,106	4,457,344	23,051,450
Economic development	10,772,225	4,110,721	1,561,119	5,671,840
Program wide projects	3,781,000	-	-	-
Total Expenditures	552,450,639	340,098,159	113,810,368	453,908,527
REVENUES UNDER EXPENDITURES	(492,967,482)	(282,389,884)	(109,719,462)	(392,109,346)
OTHER FINANCING SOURCES AND (USES):				
Transfers in	181,557,365	156,001,365	25,556,000	181,557,365
Transfers out	(18,127,182)	(13,357,182)	(4,770,000)	(18,127,182)
Bonds issued	17,132,747	17,748,556	-	17,748,556
Limited obligation bonds issued	301,310,923	301,310,923	-	301,310,923
Premiums on issuance	11,093,629	11,140,000	-	11,140,000
Total Other Financing Sources and (Uses)	492,967,482	472,843,662	20,786,000	493,629,662
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	$ -	$ 190,453,778	(88,933,462)	$ 101,520,316
Fund Balance at beginning of year			190,453,778	
FUND BALANCE AT END OF YEAR			$ 101,520,316	

WAKE COUNTY, NORTH CAROLINA

SCHOOL CAPITAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
From Project Inception Through June 30, 2012

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
REVENUES:				
Intergovernmental	$ 34,573,667	$ 34,573,666	$ -	$ 34,573,666
Lottery proceeds	16,613,874	16,613,874	-	16,613,874
Investment earnings	71,583,224	76,598,628	83,438	76,682,066
Miscellaneous	53,509	53,509	-	53,509
Total Revenues	122,824,274	127,839,677	83,438	127,923,115
EXPENDITURES - CAPITAL PROJECTS:				
Wake County Public Schools	1,687,545,394	1,436,487,532	98,426,943	1,534,914,475
TOTAL EXPENDITURES	1,687,545,394	1,436,487,532	98,426,943	1,534,914,475
REVENUES UNDER EXPENDITURES	(1,564,721,120)	(1,308,647,855)	(98,343,505)	(1,406,991,360)
OTHER FINANCING SOURCES AND (USES):				
Bonds issued	1,397,514,791	1,406,780,245	96,790,000	1,503,570,245
Transfers in	215,033,054	204,638,365	-	204,638,365
Transfers out	(47,826,725)	(11,162,765)	(36,663,960)	(47,826,725)
Total Other Financing Sources and (Uses)	1,564,721,120	1,600,255,845	60,126,040	1,660,381,885
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	291,607,990	(38,217,465)	253,390,525
Fund Balance Appropriated	-	-	-	-
REVENUES, OTHER SOURCES AND FUND BALANCE APPROPRIATED OVER EXPENDITURES AND OTHER USES	$ -	$ 291,607,990	(38,217,465)	$ 253,390,525
Fund Balance at beginning of year			291,607,990	
FUND BALANCE AT END OF YEAR			$ 253,390,525	

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

Capital Project Funds

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

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

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

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

WAKE COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of June 30, 2012

	Total Nonmajor Special Revenue	Total Nonmajor Capital Project	Total
ASSETS			
Cash and investments - pooled equity	$ 7,906,215	$ 27,846,468	$ 35,752,683
Cash and investments - restricted cash	-	19,778,288	19,778,288
Taxes receivable, net	235,087	-	235,087
Accounts receivable, net	796,724	262,093	1,058,817
Accrued interest receivable	20,330	41,338	61,668
TOTAL ASSETS	$ 8,958,356	$ 47,928,187	$ 56,886,543
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	$ 862,352	$ 3,667,680	$ 4,530,032
Due to other funds	-	-	-
Deferred revenues	291,942	40,000	331,942
Total Liabilities	1,154,294	3,707,680	4,861,974
Fund Balances:			
Restricted:			
Stabilization by State statute	2,173,411	717,841	2,891,252
Committed:			
Working capital	2,830,720	-	2,830,720
Assigned:			
Planned expenditures	2,799,931	31,788,771	34,588,702
Future capital projects	-	11,713,895	11,713,895
Total Fund Balances	7,804,062	44,220,507	52,024,569
TOTAL LIABILITIES AND FUND BALANCES	$ 8,958,356	$ 47,928,187	$ 56,886,543

WAKE COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012

	Total Nonmajor Special Revenue	Total Nonmajor Capital Project	Total
REVENUES:			
Taxes	$ 20,418,006	$ -	$ 20,418,006
Intergovernmental	11,700,031	-	11,700,031
Charges for services	20,719	5,563,204	5,583,923
Fines and forfeitures	1,745	-	1,745
Investment earnings	48,421	73,464	121,885
Miscellaneous	63,827	-	63,827
Total Revenues	32,252,749	5,636,668	37,889,417
EXPENDITURES			
General administration	61,653	-	61,653
Human services	9,487,914	-	9,487,914
Community development	52,742	502,537	555,279
Environmental services	51,898	-	51,898
Public safety	18,868,493	2,272,818	21,141,311
General services administration	9,367	-	9,367
Education	-	38,558,463	38,558,463
Total Expenditures	28,532,067	41,333,818	69,865,885
REVENUES OVER (UNDER) EXPENDITURES	3,720,682	(35,697,150)	(31,976,468)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	5,183,000	5,183,000
Transfers out	(3,585,618)	-	(3,585,618)
Total Other Financing Sources (Uses)	(3,585,618)	5,183,000	1,597,382
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	135,064	(30,514,150)	(30,379,086)
Fund Balances at beginning of year	7,668,998	74,734,657	82,403,655
FUND BALANCES AT END OF YEAR	$ 7,804,062	$ 44,220,507	$ 52,024,569

WAKE COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
As of June 30, 2012

	Grants Fund	Capital Area Workforce Development	Fire Tax District	Total
ASSETS				
Cash and investments - pooled equity	$ 2,095,793	$ 357,858	$ 5,452,564	$ 7,906,215
Taxes receivable, net	-	-	235,087	235,087
Accounts receivable, net	517,940	278,784	-	796,724
Accrued interest receivable	4,072	-	16,258	20,330
TOTAL ASSETS	$ 2,617,805	$ 636,642	$ 5,703,909	$ 8,958,356
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$ 280,825	$ 557,781	$ 23,746	$ 862,352
Deferred revenues	-	-	291,942	291,942
Total Liabilities	280,825	557,781	315,688	1,154,294
Fund Balances:				
Restricted:				
Stabilization by State statute	2,077,743	78,861	16,807	2,173,411
Committed:				
Working capital	-	-	2,830,720	2,830,720
Assigned:				
Planned expenditures	259,237	-	2,540,694	2,799,931
Total Fund Balances	2,336,980	78,861	5,388,221	7,804,062
TOTAL LIABILITIES AND FUND BALANCES	$ 2,617,805	$ 636,642	$ 5,703,909	$ 8,958,356

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2012

	Grants Fund	Capital Area Workforce Development	Fire Tax District	Total
REVENUES:				
Taxes	$ -	$ -	$ 20,418,006	$ 20,418,006
Intergovernmental	4,735,184	6,964,847	-	11,700,031
Charges for services	1,723	18,996	-	20,719
Fines and forfeitures	1,745	-	-	1,745
Investment earnings	6,306	-	42,115	48,421
Miscellaneous	61,250	2,319	258	63,827
Total Revenues	4,806,208	6,986,162	20,460,379	32,252,749
EXPENDITURES:				
General administration	61,653	-	-	61,653
Human services	2,550,920	6,936,994	-	9,487,914
Community development	52,742	-	-	52,742
Environmental services	51,898	-	-	51,898
Public safety	1,546,301	-	17,322,192	18,868,493
General services administration	9,367	-	-	9,367
Total Expenditures	4,272,881	6,936,994	17,322,192	28,532,067
REVENUES OVER (UNDER) EXPENDITURES	533,327	49,168	3,138,187	3,720,682
OTHER FINANCING SOURCES (USES):				
Transfers out	(702,618)	-	(2,883,000)	(3,585,618)
Total other financing sources and uses	(702,618)	-	(2,883,000)	(3,585,618)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(169,291)	49,168	255,187	135,064
Fund Balances at beginning of year	2,506,271	29,693	5,133,034	7,668,998
FUND BALANCES AT END OF YEAR	$ 2,336,980	$ 78,861	$ 5,388,221	$ 7,804,062

WAKE COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
As of June 30, 2012

	Wake Community College Capital Projects Fund	Fire Capital Projects Fund	Major Facilities Capital Trust Fund	Total
ASSETS				
Cash and investments - pooled equity	$ 13,118,466	$ 7,607,511	$ 7,120,491	$ 27,846,468
Cash and investments - restricted	19,778,288	-	-	19,778,288
Accounts receivable, net	255,308	-	6,785	262,093
Accrued interest receivable	-	21,354	19,984	41,338
TOTAL ASSETS	$ 33,152,062	$ 7,628,865	$ 7,147,260	$ 47,928,187
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$ 3,299,332	$ 343,060	$ 25,288	$ 3,667,680
Deferred revenues	-	-	40,000	40,000
Total Liabilities	3,299,332	343,060	65,288	3,707,680
Fund Balances:				
Restricted:				
Stabilization by State statute	255,308	331,811	130,722	717,841
Assigned:				
Planned expenditures	29,597,422	1,967,854	223,495	31,788,771
Future capital projects	-	4,986,140	6,727,755	11,713,895
Total Fund Balances	29,852,730	7,285,805	7,081,972	44,220,507
TOTAL LIABILITIES AND FUND BALANCES	$ 33,152,062	$ 7,628,865	$ 7,147,260	$ 47,928,187

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended June 30, 2012

	Wake Community College Capital Projects Fund	Fire Capital Projects Fund	Major Facilities Capital Trust Fund	Total
REVENUES:				
Charges for services	$ -	$ 68,204	$ 5,495,000	$ 5,563,204
Investment earnings	-	39,364	34,100	73,464
Total Revenues	-	107,568	5,529,100	5,636,668
EXPENDITURES:				
Capital Projects:				
Community development and cultural	-	-	502,537	502,537
Public safety	-	2,272,818	-	2,272,818
Education	38,558,463	-	-	38,558,463
Total Expenditures	38,558,463	2,272,818	502,537	41,333,818
REVENUES (UNDER) EXPENDITURES	(38,558,463)	(2,165,250)	5,026,563	(35,697,150)
OTHER FINANCING SOURCES:				
Transfers in	1,500,000	2,683,000	1,000,000	5,183,000
Bonds issued	-	-	-	-
Total other financing sources	1,500,000	2,683,000	1,000,000	5,183,000
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(37,058,463)	517,750	6,026,563	(30,514,150)
Fund Balances at beginning of year	66,911,193	6,768,055	1,055,409	74,734,657
FUND BALANCES AT END OF YEAR	$ 29,852,730	$ 7,285,805	$ 7,081,972	$ 44,220,507

WAKE COUNTY, NORTH CAROLINA

GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
From Project Inception Through June 30, 2012

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
REVENUES:				
Intergovernmental	$ 22,859,038	$ 16,766,804	$ 4,735,184	$ 21,501,988
Charges for services	1,413,680	687,041	1,723	688,764
Fines and forfeitures	9,400	9,441	1,745	11,186
Investment earnings	18,694	34,117	6,306	40,423
Miscellaneous	270,288	135,937	61,250	197,187
Total Revenues	24,571,100	17,633,340	4,806,208	22,439,548
EXPENDITURES:				
General administration	974,875	810,892	61,653	872,545
Human services	14,769,069	9,903,962	2,550,920	12,454,882
Community development	398,676	243,410	52,742	296,152
Environmental services	490,773	337,866	51,898	389,764
Public safety	7,537,239	4,079,944	1,546,301	5,626,245
General services administration	44,650	27,786	9,367	37,153
Total Expenditures	24,215,282	15,403,860	4,272,881	19,676,741
REVENUES UNDER EXPENDITURES	355,818	2,229,480	533,327	2,762,807
OTHER FINANCING SOURCES AND (USES):				
Transfers in	713,834	713,834	-	713,834
Transfers out	(1,139,661)	(437,043)	(702,618)	(1,139,661)
Total Other Financing Sources and Uses	(425,827)	276,791	(702,618)	(425,827)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(70,009)	$ 2,506,271	(169,291)	$ 2,336,980
Fund balance appropriated	70,009		-	
REVENUES, OTHER FINANCING SOURCES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES	$ -		(169,291)	
Fund Balance at beginning of year			2,506,271	
FUND BALANCE AT END OF YEAR			$ 2,336,980	

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, 2012

		Actual		
	Project	Prior	Current	Total
REVENUES:	Authorization	Years	Year	To Date
Intergovernmental	$ 27,417,370	$ 17,342,183	$ 6,964,847	$ 24,307,030
Charges for services	61,689	52,356	18,996	71,352
Miscellaneous	11,527	14,227	2,319	16,546
Total Revenues	27,490,586	17,408,766	6,986,162	24,394,928
EXPENDITURES:				
Title I - Adult	3,357,375	1,890,911	1,451,849	3,342,760
Title I - Dislocated Workers	7,222,744	4,858,279	2,043,588	6,901,867
Title I - Youth	5,444,410	3,047,609	2,088,562	5,136,171
Statewide Activities	3,392,017	2,402,720	424,898	2,827,618
Dislocated Worker - Supplemental	525,759	502,638	-	502,638
WIA Administration	3,839,430	1,741,730	729,942	2,471,672
Hurricane Katrina	825,000	667,359	-	667,359
Welfare-to-work Grant	1,301,476	1,263,751	-	1,263,751
AmeriCorps	1,450,491	893,044	192,101	1,085,145
National Emergency Grants	6,054	-	6,054	6,054
Other County	2,751	(12,047)	-	(12,047)
Total Expenditures	27,367,507	17,255,994	6,936,994	24,192,988
REVENUES OVER (UNDER) EXPENDITURES	123,079	152,772	49,168	201,940
OTHER FINANCING SOURCES (USES):				
Transfers in	11,290	11,290	-	11,290
Transfers out	(134,369)	(134,369)	-	(134,369)
Total Other Financing Sources and Uses	(123,079)	(123,079)	-	(123,079)
REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	$ -	$ 29,693	49,168	$ 78,861
Fund balance at beginning of year			29,693	
FUND BALANCE AT END OF YEAR			$ 78,861	

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, 2012

	2012	
	Budget	Actual
REVENUES:		
Taxes - ad valorem property	$ 20,248,000	$ 20,418,006
Investment earnings	5,000	42,115
Miscellaneous	-	258
Total Revenues	20,253,000	20,460,379
EXPENDITURES:		
Public Safety:		
Rural fire districts	17,370,000	17,322,192
Total Expenditures	17,370,000	17,322,192
REVENUES OVER EXPENDITURES	2,883,000	3,138,187
OTHER FINANCING USES:		
Transfers out	(2,883,000)	(2,883,000)
REVENUES OVER EXPENDITURES AND OTHER USES	-	255,187
Appropriated fund balance	-	-
REVENUES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER USES	$ -	255,187
Fund Balance at beginning of year		5,133,034
FUND BALANCE AT END OF YEAR		$ 5,388,221

WAKE COUNTY, NORTH CAROLINA

WAKE COMMUNITY COLLEGE CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
From Project Inception Through June 30, 2012

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
REVENUES:				
Investment earnings	$ -	$ 1,542,667	$ -	$ 1,542,667
Total Revenues	-	1,542,667	-	1,542,667
EXPENDITURES - CAPITAL PROJECTS:				
Wake Technical College	160,937,236	93,250,537	38,558,463	131,809,000
TOTAL EXPENDITURES	160,937,236	93,250,537	38,558,463	131,809,000
REVENUES UNDER EXPENDITURES	(160,937,236)	(91,707,870)	(38,558,463)	(130,266,333)
OTHER FINANCING SOURCES:				
Transfers in	29,147,000	27,647,000	1,500,000	29,147,000
Bonds issued	130,525,881	129,707,708	-	129,707,708
Premiums on issuance	1,264,355	1,264,355	-	1,264,355
Total Other Financing Sources	160,937,236	158,619,063	1,500,000	160,119,063
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES	$ -	$ 66,911,193	(37,058,463)	$ 29,852,730
Fund Balance at beginning of year			66,911,193	
FUND BALANCE AT END OF YEAR			$ 29,852,730	

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, 2012

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
REVENUES:				
Charges for services	$ 30,000	$ -	$ 68,204	$ 68,204
Investment earnings	438,044	498,965	39,364	538,329
Miscellaneous	87,071	87,071	-	87,071
Total Revenues	555,115	586,036	107,568	693,604
EXPENDITURES:				
Capital projects:				
Fire and rescue CIP	9,475,922	4,941,643	2,272,818	7,214,461
Total Expenditures	9,475,922	4,941,643	2,272,818	7,214,461
REVENUES UNDER EXPENDITURES	(8,920,807)	(4,355,607)	(2,165,250)	(6,520,857)
OTHER FINANCING SOURCES:				
Transfers in	8,920,807	11,123,662	2,683,000	13,806,662
Total Other Financing Sources	8,920,807	11,123,662	2,683,000	13,806,662
REVENUES AND OTHER SOURCES OVER EXPENDITURES	$ -	$ 6,768,055	517,750	$ 7,285,805
Fund Balance at beginning of year			6,768,055	
FUND BALANCE AT END OF YEAR			$ 7,285,805	

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, 2012

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
REVENUES:				
Intergovernmental	$ 3,942,100	$ 3,942,100	$ -	$ 3,942,100
Charges for services	542,997	482,997	5,495,000	5,977,997
Investment earnings	478,452	542,616	34,100	576,716
Total Revenues	4,963,549	4,967,713	5,529,100	10,496,813
EXPENDITURES:				
Capital projects:				
Community development and cultural	41,528,251	39,824,494	502,537	40,327,031
REVENUES UNDER EXPENDITURES	(36,564,702)	(34,856,781)	5,026,563	(29,830,218)
OTHER FINANCING SOURCES:				
Installment purchases proceeds	600,000	599,842	-	599,842
Transfers in	35,964,702	35,312,348	1,000,000	36,312,348
Total Other Financing Sources	36,564,702	35,912,190	1,000,000	36,912,190
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	$ -	$ 1,055,409	6,026,563	$ 7,081,972
Fund Balance at beginning of year			1,055,409	
FUND BALANCE AT END OF YEAR			$ 7,081,972	

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, 2012

	Solid Waste Operating Fund	Solid Waste Capital Project	June 30, 2012	June 30, 2011
ASSETS				
Cash and investments - pooled equity	$ 27,751,629	$ 3,436,659	$ 31,188,288	$ 29,806,605
Cash and investments - reserved	10,089,412	-	10,089,412	9,984,832
Accounts receivable, net	746,428	4,806	751,234	559,757
Internal balances (due from other funds)	170,035	-	170,035	296,592
Accrued interest receivable	105,958	9,537	115,495	151,496
TOTAL ASSETS	$ 38,863,462	$ 3,451,002	$ 42,314,464	$ 40,799,282
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$ 1,155,893	$ 168,389	$ 1,324,282	$ 1,516,245
Deferred revenues	57,694	-	57,694	55,573
Internal balances (due to other funds)	243,940		243,940	-
Closure/post-closure care reserves	10,089,412	-	10,089,412	9,984,832
Total Liabilities	11,546,939	168,389	11,715,328	11,556,650
Fund Balances:				
Restricted:				
Stabilization by state statute	995,724	420,688	1,416,412	1,617,777
White goods	2,184,917	-	2,184,917	1,897,683
Assigned:				
Planned expenditures	-	2,524,642	2,524,642	2,565,082
Future capital projects	-	337,283	337,283	318,154
Unassigned	24,135,882	-	24,135,882	22,843,936
Total Fund Balances	27,316,523	3,282,613	30,599,136	29,242,632
TOTAL LIABILITIES AND FUND BALANCES	$ 38,863,462	$ 3,451,002	$ 42,314,464	$ 40,799,282

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

SOLID WASTE OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BASIS)
For the Year Ended June 30, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012		2011
	Budget	Actual	Actual
REVENUES:			
Intergovernmental	$ 1,235,081	$ 1,688,916	$ 1,546,434
Licenses and permits	6,500	-	8,800
Charges for services	7,496,911	7,495,314	7,371,649
Investment earnings	357,000	238,578	395,402
Miscellaneous	2,273,508	1,802,303	943,682
Total Revenues	11,369,000	11,225,111	10,265,967
EXPENDITURES:			
Cost of service	8,682,897	7,332,336	6,052,731
Administration	1,756,998	1,293,668	1,450,071
Total Expenditures	10,439,895	8,626,004	7,502,802
REVENUES OVER (UNDER) EXPENDITURES	929,105	2,599,107	2,763,165

WAKE COUNTY, NORTH CAROLINA

SOLID WASTE OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BASIS)
For the Year Ended June 30, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012		2011
	Budget	Actual	Actual
OTHER FINANCING SOURCES AND (USES):			
Transfers In	$ 852,000	$ 852,000	$ 1,190,000
Transfers out	(1,804,000)	(1,804,000)	(2,253,000)
Total Other Financing Sources and Uses	(952,000)	(952,000)	(1,063,000)
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER SOURCES/(USES):	(22,895)	1,647,107	1,700,165
APPROPRIATED FUND BALANCE	22,895	-	-
REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	$ -	$ 1,647,107	$ 1,700,165
Reconciliation from budgetary basis of modified accrual to full accrual basis:			
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES:		$ 1,647,107	$ 1,700,165
Reconciling items:			
Compensated absences expenses		(9,151)	1,100
OPEB expenses		(67,259)	(48,579)
Risk management expenses		1,304	(4,243)
Net decrease in deferred revenue		2,340	923
Intergovernmental revenues - Construction fund		-	75,000
Investment earnings - Construction Fund		19,129	37,060
Miscellaneous revenues - Construction Fund		15,275	-
Expenditures - Construction Fund		(1,725,006)	(2,041,359)
Transfers in - Construction Fund		1,400,000	1,849,000
Acquisition of capital assets		380,085	-
Depreciation and depletion		(603,494)	(633,169)
Change in net assets		$ 1,060,330	$ 935,898

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, 2012

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
REVENUES:				
Intergovernmental	$ 75,000	$ 75,000	$ -	$ 75,000
Investment earnings	1,431,000	1,529,036	19,129	1,548,165
Miscellaneous	2,269,148	-	15,275	15,275
Total revenues	3,775,148	1,604,036	34,404	1,638,440
EXPENDITURES:				
Enterprise infrastructure	13,320,411	6,204,051	1,697,717	7,901,768
Other	-	192,151	27,289	219,440
Total expenditures	13,320,411	6,396,202	1,725,006	8,121,208
REVENUES OVER (UNDER) EXPENDITURES	(9,545,263)	(4,792,166)	(1,690,602)	(6,482,768)
OTHER FINANCING SOURCES AND USES:				
Transfers in	9,545,263	8,365,381	1,400,000	9,765,381
Total other financing sources and uses	9,545,263	8,365,381	1,400,000	9,765,381
REVENUES, OTHER SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	$ -	$ 3,573,215	(290,602)	$ 3,282,613
Fund Balance at the beginning of the year			3,573,215	
FUND BALANCE AT THE END OF THE YEAR			$ 3,282,613	

WAKE COUNTY, NORTH CAROLINA

BUDGETARY COMBINING BALANCE SHEET
SOUTH WAKE LANDFILL PARTNERSHIP FUND (NON-GAAP)
MODIFIED ACCRUAL BASIS OF ACCOUNTING
As of June 30, 2012

	South Wake Landfill	East Wake Transfer Station	June 30, 2012	June 30, 2011
ASSETS				
Cash and investments - pooled equity	$ 2,961,577	$ -	$ 2,961,577	$ 2,557,747
Cash and investments - reserved	6,337,357	476,207	6,813,564	7,010,729
Cash and investments - cash equivalents	450	300	750	750
Accounts receivable, net	483,953	1,673,396	2,157,349	1,713,498
Accrued interest receivable	11,504	16,324	27,828	36,510
Internal balances (due from other funds)	104,967	138,973	243,940	-
TOTAL ASSETS	$ 9,899,808	$ 2,305,200	$ 12,205,008	$ 11,319,234
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$ 2,391,416	$ 485,797	$ 2,877,213	$ 4,001,450
Internal balances (due to other funds)	170,035	-	170,035	296,592
Deferred revenues	5,541	2,273	7,814	10,463
Construction reserves	-	1,817,130	1,817,130	961,529
Closure/post-closure care reserves	6,337,357	-	6,337,357	6,049,200
Total Liabilities	8,904,349	2,305,200	11,209,549	11,319,234
Fund Balances:				
Restricted:				
Stabilization by state statute	432,686	-	432,686	-
Assigned:				
Planned expenditures	562,773	-	562,773	-
Total Fund Balances	995,459	-	995,459	-
TOTAL LIABILITIES AND FUND BALANCES	$ 9,899,808	$ 2,305,200	$ 12,205,008	$ 11,319,234

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

SOUTH WAKE LANDFILL PARTNERSHIP FUND
SCHEDULE OF REVENUES, EXPENDITURES AND APPROPRIATED FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BASIS)
For the Year Ended June 30, 2012

	June 30, 2012						June 30, 2011
	South Wake Landfill		East Wake Transfer Station		Total		Total
	Budget	Actual	Budget	Actual	Budget	Actual	Actual
REVENUES:							
Charges of services	$ 12,155,272	$ 4,711,415	$ 2,405,728	$ 10,116,231	$ 14,561,000	$ 14,827,646	$ 15,146,528
Investment earnings	-	32,465	-	33,204	-	65,669	90,531
Total Revenues	12,155,272	4,743,880	2,405,728	10,149,435	14,561,000	14,893,315	15,237,059
EXPENDITURES:							
Cost of service	7,397,884	6,092,408	3,403,948	4,342,475	10,801,832	10,434,883	11,576,051
Administration	137,168	139,630	738,594	304,563	875,762	444,193	861,860
Partner rebates	2,046,306	2,166,780	-	-	2,046,306	2,166,780	1,817,310
Total Expenditures	9,581,358	8,398,818	4,142,542	4,647,038	13,723,900	13,045,856	14,255,221
REVENUES UNDER EXPENDITURES	2,573,914	(3,654,938)	(1,736,814)	5,502,397	837,100	1,847,459	981,838
OTHER FINANCING SOURCES (USES):							
Transfers out	(735,035)	(735,035)	(116,965)	(116,965)	(852,000)	(852,000)	(1,190,000)
Intrafund transfers in	-	5,385,432	-	-	-	5,385,432	5,520,440
Intrafund transfers out	-	-	-	(5,385,432)	-	(5,385,432)	(5,520,440)
Total other financing sources/(uses)	(735,035)	4,650,397	(116,965)	(5,502,397)	(852,000)	(852,000)	(1,190,000)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	1,838,879	995,459	(1,853,779)	-	(14,900)	995,459	(208,162)
APPROPRIATED FUND BALANCE	14,900	-	-	-	14,900	-	-
REVENUES AND OTHER FINANCING SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ 1,853,779	$ 995,459	$ (1,853,779)	$ -	$ -	$ 995,459	$ (208,162)
Reconciliation from budgetary basis of modified accrual to full accrual basis:							
REVENUES AND OTHER FINANCING USES UNDER EXPENDITURES AND OTHER FINANCING USES						$ 995,459	$ (208,162)
Reconciling items							
Net change in deferred revenue						(2,650)	(15,137)
Compensated absences expenses						(392)	478
Risk management expenses						1,094	(1,491)
OPEB expenses						(24,021)	(33,166)
Change in net assets						$ 969,490	$ (257,478)

WAKE COUNTY, NORTH CAROLINA

BUDGETARY BALANCE SHEET
CORPORATE FLEET FUND (NON-GAAP)
MODIFIED ACCRUAL BASIS OF ACCOUNTING
As of June 30, 2012

	June 30, 2012	June 30, 2011
ASSETS		
Cash and investments - pooled equity	$ 3,539,364	$ 1,172,800
Accounts receivable, net	22,009	16,340
Accrued interest receivable	10,401	4,475
Inventories	203,686	204,727
TOTAL ASSETS	$ 3,775,460	$ 1,398,342
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	$ 539,546	$ 201,283
Fund Balances:		
Non-spendable:		
Inventories	203,686	204,727
Restricted:		
Stabilization by state statute	1,152,924	958,001
Assigned:		
Planned expenditures	110,002	-
Unassigned	1,769,302	34,331
Total Fund Balances	3,235,914	1,197,059
TOTAL LIABILITIES AND FUND BALANCES	$ 3,775,460	$ 1,398,342

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

CORPORATE FLEET FUND
SCHEDULE OF REVENUES, EXPENDITURES AND APPROPRIATED FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BASIS)
For the Year Ended June 30, 2012

	2012		2011
	Budget	Actual	Actual
REVENUES:			
Charges of services	$ 8,330,110	$ 8,431,825	$ 7,338,792
Investment earnings	40,000	13,629	37,431
Miscellaneous	403,196	374,379	622,563
Total Revenues	8,773,306	8,819,833	7,998,786
EXPENDITURES:			
Cost of service	7,645,627	7,400,522	7,589,067
Administration	1,020,865	1,053,772	1,212,660
Reserve for replacements	2,717,316	-	-
Total Expenditures	11,383,808	8,454,294	8,801,727
REVENUES UNDER EXPENDITURES	(2,610,502)	365,539	(802,941)
OTHER FINANCING SOURCES:			
Transfers in	1,673,316	1,673,316	2,000,000
Total other financing sources/(uses)	1,673,316	1,673,316	2,000,000
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(937,186)	2,038,855	1,197,059
APPROPRIATED FUND BALANCE	937,186	-	-
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ -	$ 2,038,855	$ 1,197,059
Reconciliation from budgetary basis of modified accrual to full accrual basis:			
REVENUES AND OTHER FINANCING USES UNDER EXPENDITURES AND OTHER FINANCING USES		$ 2,038,855	$ 1,197,059
Reconciling items			
Compensated absences expenses		(5,258)	(47,210)
OPEB expenses		(67,259)	(173,736)
Risk management expenses		2,419	(4,243)
Acquisition of capital assets		3,086,025	4,226,379
Disposal of capital assets		(301,406)	(94,907)
Depreciation of capital assets		(3,373,150)	(2,941,605)
Change in net assets		$ 1,380,226	$ 2,161,737

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2012

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
MUNICIPAL TAX FUND				
ASSETS				
Cash and investments - pooled equity	$ 375,933	$ 365,430,755	$ (365,334,006)	$ 472,682
LIABILITIES				
Other Liabilities	$ 375,933	$ 365,008,194	$ (364,911,445)	$ 472,682
HUMAN SERVICES FUND				
ASSETS				
Cash and investments - pooled equity	$ 451,597	$ 3,117,933	$ (3,094,125)	$ 475,405
Accounts receivable	803	1,339	(803)	1,339
Accrued interest receivable	1,667	1,395	(1,667)	1,395
TOTAL ASSETS	$ 454,067	$ 3,120,667	$ (3,096,595)	$ 478,139
LIABILITIES				
Other liabilities	$ 454,067	$ 3,281,488	$ (3,257,416)	$ 478,139

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2012

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
FINES AND FORFEITURES				
ASSETS				
Cash and investments - pooled equity	$ 403,551	$ 2,390,661	$ (1,935,333)	$ 858,879
Accounts receivable	27,398	11,747	(27,398)	11,747
Accrued interest	1,537	2,410	(1,537)	2,410
TOTAL ASSETS	$ 432,486	$ 2,404,818	$ (1,964,268)	$ 873,036
LIABILITIES				
Other liabilities	$ 432,486	$ 2,361,725	$ (1,921,175)	$ 873,036
TOTAL LIABILITIES	$ 432,486	$ 2,361,725	$ (1,921,175)	$ 873,036
DMV INTEREST PENALTIES				
ASSETS				
Cash and investments - pooled equity	$ 43,937	$ 688,947	$ (679,283)	$ 53,601
Accrued interest	167	150	(167)	150
TOTAL ASSETS	$ 44,104	$ 689,097	$ (679,450)	$ 53,751
LIABILITIES				
Due to other governmental units	$ 39,944	$ 599,102	$ (589,845)	$ 49,201
Other liabilities	4,160	85,521	(85,131)	4,550
TOTAL LIABILITIES	$ 44,104	$ 684,623	$ (674,976)	$ 53,751
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and investments - pooled equity	$ 1,275,018	$ 371,628,296	$ (371,042,747)	$ 1,860,567
Accounts receivable	28,201	13,086	(28,201)	13,086
Accrued interest receivable	3,371	3,955	(3,371)	3,955
TOTAL ASSETS	$ 1,306,590	$ 371,645,337	$ (371,074,319)	$ 1,877,608
LIABILITIES				
Other liabilities	$ 1,266,646	$ 370,736,928	$ (370,175,167)	$ 1,828,407
Due to other governmental units	39,944	599,102	(589,845)	49,201
TOTAL LIABILITIES	$ 1,306,590	$ 371,336,030	$ (370,765,012)	$ 1,877,608

SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS
BY FUNCTION AND CATEGORY
As of June 30, 2012

Function	Land	Buildings	Improvements	Machinery and Equipment	Vehicles and Motorized Equipment	Computer Software	Infrastructure	Construction in progress	Total
General administration	$ 10,172,473	$ 64,438,769	$ 6,350,074	$ 11,846,112	$ 276,371	$ 10,332,893	$ 1,096,904	$ -	$ 104,513,596
Human services	2,749,082	58,272,616	290,075	2,044,133	2,257,850	-	-	-	65,613,756
Education	270,700	10,160,682	3,947,902	-	-	-	-	-	14,379,284
Community development	73,088,081	94,020,289	716,715	2,369,809	132,595	-	56,230	-	170,383,719
Environmental services	19,216,059	2,632,863	-	80,049	-	-	14,876,981	-	36,805,952
Public safety	4,577,516	129,876,943	12,366,414	15,836,482	7,229,372	-	-	-	169,886,727
General services administration	64,740	83,920	189,784	5,671,276	23,768,059	-	616,014	-	30,393,793
Construction in progress	-	-	-	-	-	-	-	243,688,162	243,688,162
Total Governmental Capital Assets	$ 110,138,651	$ 359,486,082	$ 23,860,964	$ 37,847,861	$ 33,664,247	$ 10,332,893	$ 16,646,129	$ 243,688,162	$ 835,664,989

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN GOVERNMENTAL LONG-TERM DEBT

As of June 30, 2012

	Date of Issue	Interest Rate	Amount Issued	Debt Outstanding June 30, 2011	Net Additions (Retirements)	Debt Outstanding June 30, 2012
GENERAL OBLIGATION BONDS:						
2002 Public improvement bonds	03/01/02	4.00-4.75%	$ 188,000,000	$ 8,500,000	$ (8,500,000)	$ -
2003A Public improvement bonds	04/01/03	3.00-5.00%	122,890,000	16,000,000	(8,000,000)	8,000,000
2003B Public improvement bonds	04/08/03	variable	55,000,000	55,000,000	-	55,000,000
2003C Public improvement bonds	04/08/03	variable	45,000,000	45,000,000	-	45,000,000
2003 Criminal Justice Facilities	11/01/03	3.00-5.00%	8,000,000	800,000	(400,000)	400,000
2004 Public improvement bonds	04/01/04	3.00-5.00%	130,000,000	30,000,000	(10,000,000)	20,000,000
School 2004A	04/21/04	variable	67,000,000	67,000,000	(67,000,000)	-
School 2004B	04/21/04	variable	57,000,000	57,000,000	(57,000,000)	-
Refunding series 2004	11/01/04	4.00-5.00%	114,380,000	48,945,000	(23,870,000)	25,075,000
Refunding series 2005	04/01/05	3.00-5.00%	33,020,000	32,580,000	(105,000)	32,475,000
2005 School bonds	11/01/05	3.25-5.00%	41,000,000	6,000,000	(1,500,000)	4,500,000
2007 Public improvement bonds	03/08/07	4.25-5.00%	455,000,000	138,000,000	(23,000,000)	115,000,000
School 2007A	03/08/07	variable	50,000,000	50,000,000	-	50,000,000
School 2007B	03/08/07	variable	50,000,000	50,000,000	-	50,000,000
2009A Public improvement bonds	04/01/09	4.00-5.00%	135,000,000	48,000,000	(6,000,000)	42,000,000
2009B Public improvement bonds	04/01/09	4.00-5.00%	300,000,000	268,000,000	(10,000,000)	258,000,000
2009C Refunding	04/01/09	4.00-5.00%	66,320,000	51,560,000	(12,285,000)	39,275,000
2009D Refunding	06/16/09	3.00-4.00%	168,980,000	168,980,000	(6,545,000)	162,435,000
2010A Public improvement bonds	03/30/10	3.00-5.00%	86,295,000	79,620,000	(6,635,000)	72,985,000
2010B Public improvement recovery zone economic development bonds	03/30/10	4.80-5.30%	39,505,000	39,505,000	-	39,505,000
2010C Refunding	05/13/10	2.00-5.00%	383,420,000	383,420,000	-	383,420,000
2010D Public improvement qualified school construction bonds	06/09/10	5.10%	34,910,000	34,910,000	-	34,910,000
2010E Public Improvement	08/05/10	2.50-4.00%	18,945,000	18,945,000	(1,890,000)	17,055,000
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	116,800,000	(6,100,000)	110,700,000
2012A School Bonds	02/08/12	3.00-5.00%	96,790,000	-	96,790,000	96,790,000
2012B Refunding	02/08/12	5.00%	75,290,000	-	75,290,000	75,290,000
Total General Obligation Bonds				1,831,620,000	(76,750,000)	1,754,870,000
OTHER LONG-TERM DEBT:						
Limited obligation bonds				303,480,000	(6,185,000)	297,295,000
Qualified zone academy bonds				980,772	(163,461)	817,311
Installment purchase				6,961,421	(1,267,700)	5,693,721
Capitalized equipment leases				173,449	(41,422)	132,027
Other post-employment benefits				47,524,452	17,782,526	65,306,978
Compensated absences				11,161,131	306,794	11,467,925
Total other long-term debt				370,281,225	10,431,737	380,712,962
TOTAL GOVERNMENTAL LONG-TERM DEBT				$ 2,201,901,225	$ (66,318,263)	$ 2,135,582,962

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF LONG-TERM DEBT MATURITIES AND
ANNUAL DEBT SERVICE REQUIREMENTS FOR GOVERNMENTAL ACTIVITIES
As of June 30, 2012

BONDED DEBT Fiscal Year Ended June 30	PUBLIC SCHOOLS Principal	PUBLIC SCHOOLS Principal and Interest	OTHER Principal	OTHER Principal and Interest	TOTAL Principal	TOTAL Principal and Interest
2013	$ 112,684,560	$ 177,163,458	$ 17,275,440	$ 27,179,946	$ 129,960,000	$ 204,343,404
2014	110,717,982	170,520,392	16,717,018	25,829,503	127,435,000	196,349,895
2015	111,054,160	166,666,335	16,170,840	24,526,860	127,225,000	191,193,195
2016	129,584,375	181,007,517	16,170,625	23,764,602	145,755,000	204,772,119
2017	127,118,574	174,008,905	16,566,426	23,401,771	143,685,000	197,410,676
2018	117,187,650	158,424,160	14,167,350	20,218,222	131,355,000	178,642,382
2019	118,603,583	154,938,787	13,411,417	18,780,276	132,015,000	173,719,063
2020	106,260,755	137,666,963	13,574,245	18,291,484	119,835,000	155,958,447
2021	84,124,852	110,634,146	16,185,148	20,242,624	100,310,000	130,876,770
2022	96,665,876	118,950,797	15,564,124	18,869,545	112,230,000	137,820,342
2023-2027	379,368,799	433,158,158	48,196,201	55,052,571	427,565,000	488,210,729
2028-2032	50,235,377	54,350,983	7,264,623	7,842,426	57,500,000	62,193,409
Total Bonded Debt	1,543,606,543	2,037,490,601	211,263,457	283,999,830	1,754,870,000	2,321,490,431

OTHER LONG-TERM DEBT:
Total limited obligation bonds, qualified zone academy bonds, installment purchases, notes payable and capitalized leases

2013	163,461	163,461	13,507,743	27,528,411	13,671,204	27,691,872
2014	163,461	163,461	13,549,414	27,112,669	13,712,875	27,276,130
2015	163,461	163,461	13,589,212	26,667,153	13,752,673	26,830,614
2016	163,461	163,461	12,710,009	25,282,110	12,873,470	25,445,571
2017	163,467	163,467	12,638,366	24,745,431	12,801,833	24,908,898
2018-2022	-	-	61,221,004	113,572,120	61,221,004	113,572,120
2023-2027	-	-	60,700,000	98,286,169	60,700,000	98,286,169
2028-2032	-	-	60,700,000	83,306,688	60,700,000	83,306,688
2033-2037	-	-	54,505,000	62,040,500	54,505,000	62,040,500
Total Other Long-Term Debt	817,311	817,311	303,120,748	488,541,251	303,938,059	489,358,562
TOTAL LONG-TERM DEBT	$ 1,544,423,854	$ 2,038,307,912	$ 514,384,205	$ 772,541,081	$ 2,058,808,059	$ 2,810,848,993

On the Statement of Net Assets as of June 30, 2012, the amounts reported as liabilities for general obligation bonds - schools and limited obligation bonds also includes premiums on issuance of bonds of $159,676,428 and $20,403,480, 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.

	Page
Financial Trends	***111***
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	***116***
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	***122***
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.	
Demographic and Economic Information	***126***
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	***128***
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.	

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

	Fiscal Year									
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Governmental activities										
Invested in capital assets, net of related debt	$ 224,848,030	$ 245,210,981	$ 287,201,644	$ 305,583,601	$ 341,098,304	$ 383,180,962	$ 400,368,742	$ 430,924,496	$ 359,018,373	$ 341,795,093
Restricted	206,378,890	267,010,816	311,224,704	195,212,913	375,528,175	259,041,104	248,373,467	420,636,893	313,308,968	193,631,239
Unrestricted	(467,398,531)	(618,357,680)	(734,764,608)	(760,281,992)	(1,069,683,919)	(1,161,556,182)	(1,390,491,768)	(1,651,826,694)	(1,526,712,497)	(1,453,050,651)
Total governmental activities net assets	(36,171,611)	(106,135,883)	(136,338,260)	(259,485,478)	(353,057,440)	(519,334,116)	(741,749,559)	(800,265,305)	(854,385,156)	(917,624,319)
Business-type activities										
Invested in capital assets, net of related debt	13,410,733	14,704,876	12,531,246	10,193,631	10,740,531	13,000,011	12,714,646	12,613,805	11,980,636	11,757,227
Restricted	1,946,614	3,620,987	2,125,055	2,956,199	5,835,136	5,536,792	6,115,191	5,874,703	3,515,460	4,034,015
Unrestricted	13,781,959	10,628,223	13,909,783	19,118,809	20,376,207	20,810,389	20,517,389	21,823,855	25,491,356	27,223,180
Total business-type activities net assets	29,139,306	28,954,086	28,566,084	32,268,639	36,951,874	39,347,192	39,347,226	40,312,363	40,987,452	43,014,422
Primary government										
Invested in capital assets, net of related debt	238,258,763	259,915,857	299,732,890	315,777,232	351,838,835	396,180,973	413,083,388	443,538,301	370,999,009	353,552,320
Restricted	208,325,504	270,631,803	313,349,759	198,169,112	381,363,311	264,577,896	254,488,658	426,511,596	316,824,428	197,665,254
Unrestricted	(453,616,572)	(607,729,457)	(720,854,825)	(741,163,183)	(1,049,307,712)	(1,140,745,793)	(1,369,974,379)	(1,630,002,839)	(1,501,221,141)	(1,425,827,471)
Total primary government net assets	$ (7,032,305)	$ (77,181,797)	$ (107,772,176)	$ (227,216,839)	$ (316,105,566)	$ (479,986,924)	$ (702,402,333)	$ (759,952,942)	$ (813,397,704)	$ (874,609,897)

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

	Fiscal Year									
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Expenses										
Governmental Activities:										
General administration	$ 51,330,952	$ 54,201,940	$ 53,512,005	$ 68,198,823	$ 60,741,669	$ 47,969,041	$ 55,488,240	$ 54,937,881	$ 61,575,688	$ 59,589,399
Human services	200,852,992	220,415,369	242,823,255	250,108,791	237,600,544	240,798,504	244,176,508	224,307,656	225,731,230	235,196,110
Education	385,545,985	404,812,302	389,668,265	496,720,211	523,605,091	620,118,123	661,548,515	472,748,721	457,469,350	467,744,519
Community development and cultural	31,479,090	46,704,583	45,969,169	55,385,595	48,468,336	76,626,538	59,885,379	20,597,071	62,457,707	72,248,767
Environmental services	13,390,447	7,990,415	8,233,369	8,145,774	11,976,377	11,527,956	11,978,164	8,604,359	10,700,438	12,948,713
Public safety	65,907,096	83,790,986	85,983,497	99,183,648	104,453,165	121,072,942	143,763,181	161,889,743	186,460,283	181,695,236
General services administration**	-	-	-	-	-	24,167,418	26,444,850	25,927,613	24,364,454	21,913,044
Interest on long-term debt	34,836,423	41,558,609	44,964,694	49,736,040	56,300,238	60,639,285	73,811,478	106,695,047	77,008,686	76,490,672
Total governmental activities	783,342,985	859,474,204	871,154,254	1,027,478,882	1,043,145,420	1,202,919,807	1,277,096,315	1,075,708,091	1,105,767,836	1,127,826,460
Business-type activities:										
Solid Waste	15,178,211	19,646,419	21,587,342	19,178,292	19,495,080	21,939,090	26,455,882	24,673,638	24,521,783	23,721,550
Total primary government expenses	798,521,196	879,120,623	892,741,596	1,046,657,174	1,062,640,500	1,224,858,897	1,303,552,197	1,100,381,729	1,130,289,619	1,151,548,010
Program Revenues										
Governmental activities:										
Charges for services:										
General administration	12,040,665	11,521,846	10,086,239	12,027,205	13,843,797	7,949,045	5,631,031	6,670,497	6,193,871	7,396,357
Human services	43,294,837	53,275,988	57,961,578	58,876,026	32,987,888	29,716,382	27,828,734	30,212,823	26,662,361	25,935,891
Community development and cultural	4,227,622	3,895,261	5,403,582	7,017,247	5,330,038	4,600,087	5,820,331	1,923,791	2,916,663	9,524,859
Environmental services	2,549,316	(2,176,942)	3,165,264	2,546,631	2,915,815	3,023,674	2,686,474	1,457,700	1,517,953	1,647,646
Public safety	9,195,951	12,268,841	13,138,405	14,143,661	14,786,145	20,066,901	17,649,225	17,949,739	21,772,992	29,494,441
General Services Administration**	-	-	-	-	-	3,672,789	3,167,713	2,663,746	2,754,829	2,515,414
Operating grants and contributions:										
General Administration	14,340	777,190	174,869	2,416,522	629,564	2,163,578	2,754,167	2,188,124	2,646,944	3,365,340
Human Services	91,485,027	96,970,607	109,445,162	112,417,917	113,148,467	121,386,436	128,697,447	127,235,785	124,614,245	119,719,778
Education	11,086,572	8,211,083	1,603,647	8,218,405	7,000,000	20,013,316	28,570,960	12,818,821	23,269,710	13,961,465
Community development and cultural	880,610	593,876	1,955,922	2,435,970	650,276	3,529,978	1,461,583	2,020,859	668,917	2,002,578
Environmental services	332,663	329,378	184,143	358,126	100,675	520,728	2,861,388	259,591	212,172	329,287
Public Safety	1,703,912	2,304,421	2,037,432	5,145,585	5,210,495	2,690,382	3,372,852	2,700,697	6,101,846	3,084,164
General services administration**	-	-	-	-	-	3,700	52,050	9,250	10,375	11,100
Total governmental activities program revenues	176,811,515	187,971,549	205,156,243	225,603,295	196,603,160	219,336,996	230,553,955	208,111,423	219,342,878	218,988,320
Business-type activities:										
Charges for services: solid waste	18,845,829	18,221,208	19,390,570	20,528,263	20,624,752	20,548,146	23,530,328	22,886,642	22,512,763	22,322,650
Operating grants and contributions: solid waste	612,299	720,972	969,896	1,038,558	1,102,733	1,199,844	1,146,661	1,390,303	1,621,434	1,688,916
Total business-type activities program revenues	19,458,128	18,942,180	20,360,466	21,566,821	21,727,485	21,747,990	24,676,989	24,276,945	24,134,197	24,011,566
Total primary government program revenues	196,269,643	206,913,729	225,516,709	247,170,116	218,330,645	241,084,986	255,230,944	232,388,368	243,477,075	242,999,886

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

	Fiscal Year									
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Net (Expense)/Revenue										
Governmental activities	$ (606,531,470)	$ (671,502,655)	$ (665,998,011)	$ (801,875,587)	$ (846,542,260)	$ (983,582,811)	$ (1,046,542,360)	$ (867,596,668)	$ (886,424,958)	$ (908,838,140)
Business-type activities	4,279,917	(704,239)	(1,226,876)	2,388,529	2,232,405	(191,100)	(1,778,893)	(396,693)	(387,586)	290,016
Total primary government net expense	(602,251,553)	(672,206,894)	(667,224,887)	(799,487,058)	(844,309,855)	(983,773,911)	(1,048,321,253)	(867,993,361)	(886,812,544)	(908,548,124)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes	383,894,617	429,529,325	446,187,553	468,502,179	514,897,471	579,083,019	640,238,154	651,480,015	658,044,349	666,196,637
Sales taxes	97,870,395	116,532,025	124,603,942	136,593,464	149,755,646	156,037,557	127,210,118	104,384,663	114,034,923	120,834,877
Occupancy and prepared food taxes	21,107,763	22,075,691	24,157,920	26,532,040	29,381,377	31,653,895	31,127,163	30,282,509	33,137,525	35,814,980
Other taxes	10,229,575	11,651,401	14,015,438	16,564,492	16,770,750	13,233,588	7,545,463	7,633,811	7,070,086	8,640,999
Grants and contributions not restricted to specific programs	4,020,888	5,586,138	4,038,667	5,704,166	5,433,654	6,066,813	5,125,653	4,410,678	8,179,519	9,500,462
Unrestricted investment earnings	10,651,187	8,328,643	14,142,548	18,525,606	35,453,214	31,454,984	15,900,340	14,450,011	9,486,862	3,778,383
Other	693,003	669,596	2,919,174	6,031,422	979,986	1,874,466	(3,331,974)	(3,964,766)	1,947,843	428,639
Transfers	196,000	200,000	200,000	275,000	298,200	306,000	312,000	404,000	404,000	404,000
Total governmental activities	528,663,428	594,572,819	630,265,242	678,728,369	752,970,298	819,710,322	824,126,917	809,080,921	832,305,107	845,598,977
Business-type activities:										
Unrestricted investment earnings	688,648	488,225	702,607	1,122,962	2,111,779	1,999,644	1,229,967	1,144,867	522,993	323,376
Other	124,078	230,794	336,267	466,064	637,251	892,774	860,960	620,963	943,682	1,817,578
Transfers	(196,000)	(200,000)	(200,000)	(275,000)	(298,200)	(306,000)	(312,000)	(404,000)	(404,000)	(404,000)
Total business-type activities	616,726	519,019	838,874	1,314,026	2,450,830	2,586,418	1,778,927	1,361,830	1,062,675	1,736,954
Total primary government	$ 529,280,154	$ 595,091,838	$ 631,104,116	$ 680,042,395	$ 755,421,128	$ 822,296,740	$ 825,905,844	$ 810,442,751	$ 833,367,782	$ 847,335,931
Change in Net Assets										
Government activities	$ (77,868,042)	$ (76,929,836)	$ (35,732,769)	$ (123,147,218)	$ (93,571,962)	$ (163,872,489)	$ (222,415,443)	$ (58,515,747)	$ (54,119,851)	$ (63,239,163)
Business-type activities	4,896,643	(185,220)	(388,002)	3,702,555	4,683,235	2,395,318	34	965,137	675,089	2,026,970
Total primary government	$ (72,971,399)	$ (77,115,056)	$ (36,120,771)	$ (119,444,663)	$ (88,888,727)	$ (161,477,171)	$ (222,415,409)	$ (57,550,610)	$ (53,444,762)	$ (61,212,193)

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

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

	Fiscal Year									
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
General Fund										
Non-spendable	$ 1,039,706	$ 989,699	$ 975,930	$ 945,986	$ 835,378	$ 955,310	$ 695,291	$ 1,012,690	$ 753,870	$ 680,079
Restricted	49,865,820	56,881,671	61,797,234	66,241,285	69,629,069	81,125,875	58,873,481	56,393,164	53,687,483	61,887,998
Committed	71,465,704	73,363,349	78,028,147	80,686,087	89,740,505	78,052,056	94,516,043	92,844,472	104,907,262	113,098,565
Assigned	6,235,986	8,791,251	10,939,413	13,016,863	11,295,161	8,905,614	2,000,000	2,000,000	103,244	31,602
Unassigned	7,225,735	14,824,054	12,876,239	2,362,462	-	-	-	-	-	-
Total General Fund	$ 135,832,951	$ 154,850,024	$ 164,616,963	$ 163,252,683	$ 171,500,113	$ 169,038,855	$ 156,084,815	$ 152,250,326	$ 159,451,859	$ 175,698,244
All Other Governmental Funds										
Non-spendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	156,513,070	210,129,145	249,427,470	128,971,628	305,899,106	177,915,229	189,499,986	364,243,729	258,663,484	130,590,317
Committed	2,067,959	3,624,841	4,767,599	2,420,117	1,674,132	354,408	1,223,558	5,019,365	2,779,200	2,830,720
Assigned	319,996,231	376,519,447	185,469,399	108,827,367	292,834,006	172,398,031	313,895,746	442,430,960	477,307,247	450,369,480
Unassigned	-	-	-	(3,133,969)	-	(10,033,460)	-	-	-	-
Total All Other Governmental Funds	$ 478,577,260	$ 590,273,433	$ 439,664,468	$ 237,085,143	$ 600,407,244	$ 340,634,208	$ 504,619,290	$ 811,694,054	$ 738,749,931	$ 583,790,517

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

	Fiscal Year									
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Revenues										
Taxes	$ 514,161,092	$ 580,295,091	$ 609,308,349	$ 647,548,590	$ 710,275,214	$ 779,282,089	$ 805,971,657	$ 792,862,640	$ 810,990,349	$ 832,640,691
Intergovernmental	109,444,008	113,838,108	118,587,529	133,663,332	131,862,575	156,374,930	172,956,616	151,643,808	165,703,784	151,985,131
Charges for services	69,059,260	80,177,453	84,974,746	90,286,022	66,353,660	63,848,042	61,597,480	58,060,472	57,244,484	72,565,052
Fines and forfeitures	-	-	-	-	-	-	-	-	9,249	1,745
Licenses and permits	2,229,574	2,541,490	3,826,961	4,455,484	3,966,854	4,317,114	3,640,114	2,511,430	3,031,172	3,413,382
Investment earnings	10,442,735	8,285,340	13,965,562	18,210,761	34,917,361	31,505,676	16,032,292	14,450,008	9,449,429	3,765,433
Miscellaneous	968,615	1,265,598	1,747,001	1,967,157	1,766,839	2,209,788	1,300,892	1,589,375	1,832,334	424,000
Total revenues	706,305,284	786,403,080	832,410,148	896,131,346	949,142,503	1,037,537,639	1,061,499,051	1,021,117,733	1,048,260,801	1,064,795,434
Expenditures										
General administration	52,727,040	54,531,419	54,503,193	67,496,914	69,670,869	62,616,556	57,333,739	62,312,808	59,102,157	57,101,602
Human services	199,717,806	218,390,386	242,728,896	251,447,674	237,426,103	239,200,024	245,260,302	228,226,056	225,151,612	226,219,076
Education	385,202,779	404,531,045	389,311,077	496,363,021	523,403,059	614,650,186	661,308,744	472,392,741	457,113,370	467,388,048
Community development and cultural	36,993,252	62,777,646	58,106,647	80,047,310	72,320,978	78,880,528	72,398,266	55,323,394	60,686,759	69,050,159
Environmental services	9,228,803	9,230,777	9,699,551	12,720,619	12,639,837	11,579,862	8,906,419	8,107,490	8,452,527	12,152,613
Public safety	78,959,634	91,279,148	101,784,936	111,963,564	117,581,846	137,019,013	153,430,681	174,204,071	239,028,698	209,183,377
General Services Administration**	-	-	-	-	-	24,950,463	28,402,331	24,895,202	23,820,674	21,090,881
Debt service										
Principal	51,900,000	61,348,461	70,642,456	70,480,946	71,522,353	71,574,931	94,944,496	110,568,516	118,987,473	164,498,331
Interest	35,429,497	41,094,397	44,964,694	49,736,040	52,747,094	66,048,503	58,677,460	77,807,693	84,194,136	88,561,925
Total expenditures	850,158,811	943,183,279	971,741,450	1,140,256,088	1,157,312,139	1,306,520,066	1,380,662,438	1,213,837,971	1,276,537,406	1,315,246,012
Excess of revenues over (under) expenditures	(143,853,527)	(156,780,199)	(139,331,302)	(244,124,742)	(208,169,636)	(268,982,427)	(319,163,387)	(192,720,238)	(228,276,605)	(250,450,578)
Other Financing Sources (Uses)										
Transfers in	163,007,957	148,219,664	140,916,584	147,675,732	163,553,933	201,112,793	215,254,756	223,203,272	222,033,652	256,643,030
Transfers out	(165,311,957)	(150,648,664)	(142,716,584)	(152,533,732)	(165,723,733)	(193,580,333)	(214,942,756)	(225,799,272)	(223,629,652)	(257,912,346)
Refunding bonds issued	26,890,000	(87,375,000)	147,400,000	41,000,000	-	-	235,300,000	383,420,000	-	75,290,000
Payment to refunded bond escrow agent	(26,495,000)	83,145,000	(151,425,000)	1,358,620	-	-	(256,895,981)	(449,682,612)	-	(94,006,298)
Bond proceeds and premiums	206,515,179	287,036,497	5,718,339	-	580,953,020	-	489,456,200	258,034,180	163,990,302	131,715,590
Limited obligation bonds issued	-	-	-	-	-	-	-	303,480,000	-	-
Proceeds of capital leases and installment purchases	83,700	150,384	523,937	2,680,517	955,950	1,619,860	2,022,210	304,944	139,713	7,573
Total other financing sources (uses)	204,689,879	280,527,881	417,276	40,181,137	579,739,170	9,152,320	470,194,429	492,960,512	162,534,015	111,737,549
Net change in fund balances	$ 60,836,352	$ 123,747,682	$ (138,914,026)	$ (203,943,605)	$ 371,569,534	$ (259,830,107)	$ 151,031,042	$ 300,240,274	$ (65,742,590)	$ (138,713,029)
Debt service as a percentage of noncapital expenditures	10.66%	11.33%	12.52%	11.19%	11.30%	10.95%	11.51%	16.63%	16.93%	19.91%

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

Assessed Value and Actual Value of Taxable Property[1]
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Public Service Companies	Total	*County-wide Tax Rate[3]	Special Tax Districts Tax Rate[3]	Average County Tax Rate[3]
2003	$ 51,858,523,059	$ 10,521,444,050	$ 4,074,884,981	$ 66,454,852,090	$ 0.564	$ 0.090	$ 0.654
2004	54,347,709,322	10,601,740,204	3,477,604,369	68,427,053,895	0.564	0.100	0.664
2005	56,733,308,581	10,954,988,975	3,436,614,540	71,124,912,096	0.604	0.100	0.704
2006	59,644,957,346	12,084,539,414	3,405,223,801	75,134,720,561	0.604	0.100	0.704
2007	62,996,405,923	12,506,221,915	3,341,976,693	78,844,604,531	0.604	0.100	0.704
2008	66,679,502,469	13,556,157,155	2,887,291,656	83,122,951,280	0.634	0.100	0.734
2009 [2]	99,568,342,254	14,058,926,692	2,983,256,554	116,610,525,500	0.678	0.100	0.778
2010	103,093,250,199	13,015,000,000	3,050,000,000	119,158,250,199	0.534	0.080	0.614
2011	103,067,247,714	13,630,432,081	2,837,941,846	119,535,621,641	0.534	0.080	0.614
2012	104,028,407,900	13,698,928,311	2,828,064,440	120,555,400,651	0.534	0.080	0.614

Notes:

* Real Estate reappraisal effective.

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

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

(3) Per $1,000 of value.

Source: Wake County Revenue Department

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

	Fiscal Year									
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009[2]**	**2010**	**2011**	**2012**
County Direct Rates										
County-wide Rate [1]	$ 0.564	$ 0.604	$ 0.604	$ 0.604	$ 0.634	$ 0.678	$ 0.534	$ 0.534	$ 0.534	$ 0.534
Various Special Tax Districts	0.100	0.100	0.100	0.100	0.100	0.100	0.080	0.080	0.080	0.080
Total average direct rate	0.664	0.704	0.704	0.704	0.734	0.778	0.614	0.614	0.614	0.614
Municipality Rates										
Town of Angier		0.460	0.460	0.500	0.530	0.530	0.530	0.530	0.530	0.530
Town of Apex	0.400	0.400	0.400	0.400	0.400	0.400	0.340	0.340	0.340	0.340
Town of Cary	0.420	0.420	0.420	0.420	0.420	0.420	0.330	0.330	0.330	0.330
Town of Clayton					0.490	0.540	0.540	0.540	0.540	0.525
Town of Fuquay-Varina	0.520	0.520	0.520	0.520	0.520	0.520	0.385	0.385	0.385	0.385
Town of Garner	0.560	0.560	0.560	0.560	0.575	0.575	0.490	0.490	0.490	0.490
Town of Holly Springs	0.530	0.530	0.530	0.530	0.530	0.530	0.415	0.415	0.415	0.415
Town of Knightdale	0.460	0.480	0.500	0.500	0.500	0.500	0.400	0.400	0.410	0.410
Town of Morrisville	0.470	0.470	0.470	0.468	0.468	0.468	0.367	0.367	0.367	0.367
City of Raleigh	0.385	0.385	0.395	0.395	0.435	0.435	0.374	0.374	0.374	0.374
Town of Rolesville	0.485	0.485	0.485	0.485	0.485	0.515	0.420	0.420	0.420	0.440
Town of Wake Forest	0.520	0.530	0.540	0.540	0.540	0.550	0.510	0.510	0.510	0.510
Town of Wendell	0.540	0.540	0.540	0.540	0.540	0.540	0.490	0.490	0.490	0.490
Town of Zebulon	0.480	0.480	0.480	0.490	0.500	0.550	0.510	0.500	0.500	0.500

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

Source: Wake County Revenue Department

Principal Property Tax Payers
June 30, 2012
Current Year and Nine Years Ago

	Fiscal Year 2012			Fiscal Year 2003		
Taxpayer	**Assessed Valuation**	**Rank**	**Percentage of Total Taxable Assessed Valuation**	**Assessed Valuation**	**Rank**	**Percentage of Total Taxable Assessed Valuation**
Progress Energy Carolinas, Inc.	$ 1,539,985,652	1	1.28%			
SAS Institute Inc	498,736,086	2	0.41%	$ 225,024,120	6	0.19%
Cisco Systems Inc	461,467,059	3	0.38%	380,256,354	2	0.32%
Novartis Vaccines & Diagnostics	337,946,650	4	0.28%			
CVM Holdings Inc	334,450,819	5	0.28%	170,805,503	8	0.14%
NC Eastern Municipal Power Agency	292,809,888	6	0.24%	336,873,909	4	0.28%
Highwoods Realty LP	264,000,889	7	0.22%	179,832,599	7	0.15%
Bellsouth Tel Co	252,247,667	8	0.21%	355,688,558	3	0.30%
Weeks Realty LP	248,405,750	9	0.21%	268,421,970	5	0.22%
G&I v LP	241,980,608	10	0.20%			
Carolina Power & Light Co.				2,082,486,205	1	1.73%
Public Service Co of NC				143,730,763	9	0.12%
UDRT of North Carolina LLC				116,333,662	10	0.10%
	$ 4,472,031,068		3.71%	$ 4,259,453,643		3.55%

Source: Wake County Revenue Department

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percentage of Original Levy	Collections in Subsequent Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Adjusted Levy
2003	$ 388,161,413	$ (2,532,263)	$ 385,629,150	$ 377,914,460	98.00%	$ 6,969,956	$ 384,884,416	99.81%
2004	429,108,412	(2,841,221)	426,267,191	420,310,912	98.60%	5,302,956	425,613,868	99.84%
2005	447,296,073	(2,915,368)	444,380,705	438,197,505	98.61%	5,491,180	443,688,685	99.83%
2006	471,423,336	(4,606,253)	466,817,083	460,044,525	98.55%	6,013,266	466,057,791	99.82%
2007	518,390,324	(3,827,251)	514,563,073	507,081,845	98.55%	6,481,536	513,563,381	99.78%
2008	582,905,166	(4,123,930)	578,781,236	569,645,015	98.42%	7,864,842	577,509,857	99.74%
2009	649,942,150	(10,067,050)	639,875,100	630,648,211	98.56%	8,035,826	638,684,037	99.74%
2010	657,175,469	(7,643,046)	649,532,423	640,993,333	98.69%	7,235,522	648,228,855	99.57%
2011	661,292,534	(4,849,315)	656,443,219	648,750,058	98.83%	4,752,255	653,502,313	98.83%
2012	665,819,212	(2,298,064)	663,521,148	657,541,978	99.10%	-	657,541,978	99.10%

Notes:

Taxes for the fiscal year ended June 30, 2012 at the collection rate of 99.10% are a composite of the following collections by category:

Vehicle taxes	90.36%
Real and personal property taxes	99.69%

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

Schedule of Ad Valorem Taxes Receivable
As of June 30, 2012

Fiscal Year	Uncollected Balance June 30, 2011	Additions	Collections and Credits	Uncollected Balance June 30, 2012
2011-2012	$ -	$ 663,521,148	$ 657,541,978	$ 5,979,170
2010-2011	7,693,161	-	4,001,753	3,691,408
2009-2010	2,807,235	-	1,503,668	1,303,567
2008-2009	1,632,260	-	441,198	1,191,062
2007-2008	1,506,218	-	234,839	1,271,379
2006-2007	1,150,008	-	150,316	999,692
2005-2006	837,408	-	78,116	759,292
2004-2005	746,714	-	54,694	692,020
2003-2004	696,772	-	43,449	653,323
Total	$ 17,069,776	$ 663,521,148	$ 664,050,011	16,540,913
Less allowance for uncollectable ad valorem taxes receivable				(8,662,812)
Ad valorem taxes receivable (net)				$ 7,878,101

Reconcilement with revenues:	
Taxes - ad valorem - General Fund	$ 645,725,047
Taxes - ad valorem - Fire Tax District Fund	20,418,006
Reconciling items:	
Interest and fees collected	(3,238,983)
Prior year prepaid revenue	(1,689,083)
Rebates and releases	(1,044,427)
Deferred revenue	3,347,683
Late list property	582,663
Revenue collected for tax years prior to 2003	(42,495)
Other adjustments	(8,400)
Total collections and credits	$ 664,050,011

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

Analysis of Current Tax Levy - Countywide Levy
For the Year Ended June 30, 2012

	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	$ 117,799,419,756	$ 0.534	$ 650,150,845	$ 622,319,775	$ 27,831,070
Motor vehicles taxed at prior year's rate	2,755,980,895	0.534	14,850,153	-	14,850,153
Penalties	-		-	-	-
Total	120,555,400,651		665,000,998	622,319,775	42,681,223
Discoveries:					
Current year taxes	-		-	-	-
Prior year taxes	-		-	-	-
Penalties	-		818,214	818,214	-
Total	-		818,214	818,214	-
Abatements	(489,839,513)		(2,615,743)	(1,996,458)	(619,285)
Total property valuation	$ 120,065,561,138				
Deferred Levy			317,679	317,679	-
Net levy			663,521,148	621,459,210	42,061,938
Uncollected taxes at June 30, 2012			5,979,170	1,924,277	4,054,893
Current year's taxes collected			$ 657,541,978	$ 619,534,933	$ 38,007,045
Current levy collection percentage			99.10%	99.69%	90.36%

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities									Business-Type Activities			
Fiscal Year	General Obligation Bonds	General Obligation Commercial Paper	Limited Obligation Bonds	Installment Purchases	Quality Zoning Academy Bonds	Clean Water Revolving Loans	Capital Leases	Notes Payable	Total Governmental Activities	Revenue Bonds	Total Primary Government	Percentage of Personal Income[1]	Per Capita[1]
2003	$ 926,625,000	$ -	$ -	$ -	$ 2,288,460	$ 951,683	$ 118,956	$ -	$ 929,984,099	$ 6,998,403	$ 936,982,502	3.71%	1,336.53
2004	1,123,210,000	-	-	9,474,957	2,124,999	713,763	200,710	-	1,135,724,429	-	1,135,724,429	4.18%	1,571.25
2005	1,049,485,000	-	-	8,570,962	1,961,538	475,843	607,239	-	1,061,100,582	-	1,061,100,582	3.60%	1,408.06
2006	1,020,850,000	58,250,000	-	7,763,477	1,798,077	237,923	733,181	-	1,089,632,658	-	1,089,632,658	3.34%	1,377.17
2007	1,505,200,000	-	-	7,778,972	1,634,616	-	571,090	-	1,515,184,678	-	1,515,184,678	4.31%	1,825.46
2008	1,434,595,000	-	-	8,472,500	1,471,155	-	419,418	-	1,444,958,073	-	1,444,958,073	3.99%	1,667.75
2009	1,772,370,000	-	-	9,356,965	1,307,694	-	328,068	-	1,783,362,727	-	1,783,362,727	4.99%	1,987.67
2010	1,794,370,000	-	303,480,000	8,181,909	1,144,233	-	157,095	299,767	2,107,633,004	-	2,107,633,004	5.61%	2,339.39
2011	1,831,620,000	-	303,480,000	6,961,421	980,772	-	173,449	-	2,143,215,642	-	2,143,215,642	5.70%	2,305.08
2012	1,754,870,000	-	297,295,000	5,693,721	817,311	-	132,027	-	2,058,808,059	-	2,058,808,059	5.48%	2,179.51

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. 2011 and 2012 ratios are calculated using 2010 personal income.

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

	General Bonded Debt Outstanding					
Fiscal Year	General Obligation Bonds	General Obligation Commercial Paper	Less: Amounts Available in Debt Service Fund	Total General Bonded Debt	Percentage of Actual Taxable Value of Property[1]	Per Capita [2]
2003	$ 926,625,000	$ -	$ 20,000,000	$ 906,625,000	1.36%	1,293.22
2004	1,123,210,000	-	403,600,000	719,610,000	1.05%	995.56
2005	1,049,485,000	-	718,510,000	330,975,000	0.47%	439.20
2006	1,020,850,000	58,250,000	718,500,000	360,600,000	0.48%	455.76
2007	1,505,200,000	-	1,058,390,000	446,810,000	0.57%	538.31
2008	1,434,595,000	-	911,000,000	523,595,000	0.63%	604.33
2009	1,772,370,000	-	514,500,000	1,257,870,000	1.08%	1,401.97
2010	1,794,370,000	-	391,870,000	1,402,500,000	1.18%	1,556.72
2011	1,831,620,000	-	239,070,000	1,592,550,000	1.33%	1,712.82
2012	1,754,870,000	-	65,700,000	1,689,170,000	1.40%	1,788.20

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.
(1) See Table 5 for property assessed/actual value data.
(2) Population data can be found in Table 15.

Direct and Overlapping Governmental Activities Debt
As of June 30, 2012

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Municipality:			
Apex	$ 49,895,000	100%	$ 49,895,000
Cary	156,770,000	100%	156,770,000
Fuquay-Varina	9,150,000	100%	9,150,000
Garner	13,905,680	100%	13,905,680
Holly Springs	13,736,900 [1]	100%	13,736,900
Knightdale	6,094,565	100%	6,094,565
Morrisville	10,725,584	100%	10,725,584
Raleigh	350,725,002	100%	350,725,002
Rolesville	471,500	100%	471,500
Wake Forest	14,765,000 [1]	100%	14,765,000
Wendell	950,192 [1]	100%	950,192
Zebulon	3,700,000 [1]	100%	3,700,000
Overlapping debt	630,889,423		630,889,423
Direct debt	2,058,808,059		2,058,808,059
Total direct and overlapping debt	$ 2,689,697,482		$ 2,689,697,482

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

[1] Overlapping debt provided by Form LGC 129 - Annual Principal and Interest Requirements for FY12-13

Note: Percentage of overlap based on assessed property values.

Legal Debt Margin Information
Last Ten Years

	Fiscal Year									
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Assessed Value of Property	$ 66,454,852,090	$ 68,427,053,895	$ 71,124,912,096	$ 75,134,720,561	$ 78,844,604,531	$ 83,122,951,280	$ 116,610,525,500	$ 119,158,250,199	$ 119,535,621,641	$ 120,555,400,651
Debt Limit, 8% of Assessed Value (Statutory Limitation)	$ 5,316,388,167	$ 5,474,164,312	$ 5,689,992,968	$ 6,010,777,645	$ 6,307,568,362	$ 6,649,836,102	$ 9,328,842,040	$ 9,532,660,016	$ 9,562,849,731	$ 9,644,432,052
Amount of Debt Applicable to Limit										
General Obligation Bonds	$ 926,625,000	$ 1,123,210,000	$ 1,049,485,000	$ 1,020,850,000	$ 1,505,200,000	$ 1,434,595,000	$ 1,772,370,000	$ 1,794,370,000	$ 1,831,620,000	$ 1,831,620,000
General Obligation Commercial Paper	-	-	-	58,250,000	-	-	-	-	-	-
Other Long Term Debt	3,240,143	12,313,719	11,008,343	9,799,477	9,413,588	9,943,655	10,664,659	313,263,004	311,595,642	311,595,642
Bonds Authorized not Issued	20,000,000	403,600,000	718,510,000	718,500,000	1,058,390,000	911,000,000	514,500,000	391,870,000	239,070,000	65,700,000
Total net debt applicable to limit	949,865,143	1,539,123,719	1,779,003,343	1,807,399,477	2,573,003,588	2,355,538,655	2,297,534,659	2,499,503,004	2,382,285,642	2,208,915,642
Legal Debt Margin	$ 4,366,523,024	$ 3,935,040,593	$ 3,910,989,625	$ 4,203,378,168	$ 3,734,564,774	$ 4,294,297,447	$ 7,031,307,381	$ 7,033,157,012	$ 7,180,564,089	$ 7,435,516,410
Total net debt applicable to limit as a percentage of debt limit	17.87%	28.12%	31.27%	30.07%	40.79%	35.42%	24.63%	26.22%	24.91%	22.90%

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

Demographic and Economic Statistics
Last Ten Years

Year	Population Estimates[1]	Personal Income[2] (thousands of dollars)	Per Capita Personal Income[3]	School Employment[4]	Unemployment Rate[5]
2003	701,058	$ 25,260,035	$ 36,016	104,373	5.3%
2004	722,817	27,164,020	37,566	108,620	4.4%
2005	753,589	29,470,723	39,095	113,547	4.1%
2006	791,214	32,581,446	41,089	119,306	3.6%
2007	830,029	35,134,837	42,242	128,072	3.5%
2008	866,410	36,190,313	41,691	134,002	4.6%
2009	897,214	35,727,859	39,821	137,706	8.4%
2010	900,933	37,576,938	41,400	139,599	8.5%
2011	929,780	*	*	143,289	7.8%
2012	944,619 ^	*	*	145,922	7.7% ^^

* Information not yet available

(1) U.S. Census Bureau, 2010 Population Estimates, Census 2000, 1990 Census
(2) Bureau of Economic Analysis Regional, Economic Information System- Bureau of Economic Analysis April 2012.
(3) Bureau of Economic Analysis Regional Economic Account -computed using Census Bureau midyear population estimates available as of April 2012.
(4) North Carolina Department of Public Instruction. 2003-2012 Final Average Daily Membership 2012 Wake County Public Schools.
(5) Employment Security Commission of North Carolina. 2003-2012 Annual Average.
^ Projected by Wake County Planning
^^Wake County Public Affairs Office

Principal Employers
Current Year and Nine Years Ago

	2012**			2003		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
State of North Carolina	24,739	1	5.86%	23,539	1	6.10%
Wake County Public School Systems	17,572	2	4.16%	12,997	3	3.37%
International Business Machines (IBM)	10,500	3	2.49%	14,000	2	3.63%
North Carolina State University	7,730	4	1.83%	7,787	4	2.02%
WakeMed Health & Hospitals	7,607	5	1.80%	5,000	6	1.30%
GlaxoSmithKline, Inc.	4,900	6	1.16%	6,050	5	1.57%
Rex Healthcare	4,800	7	1.14%	3,779	9	0.98%
SAS Institute, Inc.	4,742	8	1.12%	4,300	7	1.11%
Wake County Government	4,272	9	1.01%			0.00%
Cisco Systems	3,800	10	0.90%			0.00%
Nortel				4,000	8	1.04%
Progress Energy				3,400	10	0.88%
	90,662		21.47%	84,852		22.00%

Source: Greater Raleigh Chamber of Commerce.

*** As of the date of publication this information was not available for 2012. Data from 2011 has been used.*

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

	Fiscal Year									
Function/Program	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
General administration	365.00	381.00	393.00	419.00	474.05	330.00	327.00	294.00	308.80	304.25
Human services	1,491.84	1,581.67	1,645.42	1,666.32	1,782.67	1,609.00	1,604.00	1,623.00	1,782.80	1,751.10
Community development and cultural	240.88	240.38	247.00	275.00	300.00	255.00	254.00	287.50	304.00	304.00
Environmental services	100.00	98.00	104.00	106.00	115.00	124.00	111.00	112.00	118.00	117.00
Public safety	746.00	811.00	828.00	940.00	1,025.00	1,022.00	1,050.00	1,057.00	1,102.00	1,199.50
General services administration**	-	-	-	-	-	121.00	123.00	121.00	134.00	137.00
Total	2,943.72	3,112.05	3,217.42	3,406.32	3,696.72	3,461.00	3,469.00	3,494.50	3,749.60	3,812.85

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

WAKE COUNTY, NORTH CAROLINA

TABLE 18

Operating Indicators By Function
Last Ten Fiscal Years

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Function/Program										
General Administration										
Registered voters	628,953	588,701	575,146	569,222	542,763	508,218	506,186	486,456	432,176	413,657
Taxable real estate parcels	367,323	361,082	322,205	322,620	315,000	299,000	293,371	283,003	269,655	249,750
Tax bills	1,153,607	1,128,643	1,120,585	1,125,000	1,100,000	1,100,000	1,032,300	976,847	933,900	902,977
Deeds and real estate documents recorded	179,048	164,279	167,888	189,164	243,000	250,000	243,500	250,000	274,235	218,366
Acres of land being landscaped			711	661	661	645	645	617	580	551
Human Services										
Family medicaid recipients	74,338	68,373	64,595	54,904	48,408	45,300	*	41,409	36,687	*
Laboratory tests	235,000	*	178,068	192,753	202,375	200,228	239,180	228,300		
School nurse health support services	23,428	20,795	23,211	*	9,691	9,759	9,575	*	*	*
Families receiving maternal and child health case management services	4,328	5,817	4,844	5,424	2,544	2,534	3,137	*	*	*
Adult inpatient substance abuse services	484	687	641	847	861	808	800+	*	*	*
Adult care home residents served through on-site inspections	2,861	2,932	2,637	2,684	2,560	2,560	2500-3000	*	*	*
Homeless served - street outreach	N/A	N/A	241	476	389	389	201	*	*	*
Homeless sheltered at S. Wilmington St. Center	1,734	1,834	2,055	2,055	2,044	2,137	1,703	*	*	*
Persons testing for HIV/STD	22,420	15,597	10,619	10,861	21,492	12,056	1,280	*	*	*
Number of transportation trips provided	178,330	157,000	145,000	146,060	142,093	195,000	135,957	129,483		
Food assistance individuals	85,892	77,068	65,101	51,835	45,070	43,002	*	40,658	37,714	32,343
Education										
Students attending public school[1]	146,687	142,997	139,599	137,706	134,002	128,072	120,504	113,547	108,620	104,373
Public school teachers[2]	9,810	9,342	9,277	9,546	9,204	8,644	8,385	7,757	7,435	7,600
Community college students-average semester[3]	32,236	31,559	31,067	31,719	29,858	31,160	31,367	27,461	26,194	25,722
Community college faculty[3]	1,344	1,315	1,213	1,210	1,079	1,096	1,058	1,088	1,057	1,083
Community Development and Cultural										
Libraries - Circulation of youth services	7,047,064	6,147,038	6,322,332	5,883,351	5,523,734	4,805,095	4,284,910	3,903,455	3,571,214	3,291,782
Libraries - Circulation of adult services	4,212,225	4,511,679	5,030,294	4,569,145	4,866,561	4,453,517	4,061,217	3,364,907	3,057,416	2,875,264
Park visitation	1,162,246	1,129,732	1,046,997	987,059	1,003,605	914,278	822,835	805,999	744,481	684,868
Residential permits issued - new	716	369	277	279	851	1,353	1,703	1,857	1,666	1,322
Commercial permits issued - new	167	81	2	11	21	11	7	8	15	12
Building permits - additional, alterations	1,276	1,264	1,307	1,258	1,639	1,289	1,226	1,181	1,241	1,087
Inspections performed	35,510	35,537	34,650	41,636	55,470	60,307	61,836	57,141	50,020	42,973
Environmental Services										
Animal control service calls	8,260	*	14,498	10,742	12,549	5,986	6,672	4,721	6,493	7,081
Animals impounded	15,517	16,162	12,040	11,232	11,318	10,276	10,368	6,361	8,896	8,714
Sanitation inspections		*	8,215	7,110	5,233	5,518	7,222	7,033	8,772	7,466
Public Safety										
Detention intake	*	32,849	35,519	31,789	31,833	31,513	*	32,269	28,000	*
Civil processes served	93,318	96,089	98,233	95,009	91,248	*	*	86,121	86,424	79,408
Pistol permits processed	21,163	17,525	15,309	20,768	12,793	10,167	*	10,271	10,170	12,430
Average daily jail population	1,227	1,279	1,341	1,366	1,237	1,222	*	1,193	1,138	890
Fire/medical incidents responded to by contracting fire departments	27,645	29,012	26,770	26,399	29,258	11,444	*	22,805	19,824	20,162
Wake EMS trips	45,055	37,943	30,434	29,283	29,132	27,369	24,849	23,266	22,310	21,448
Solid Waste										
Tons received at North Wake Landfill[4]	N/A	N/A	N/A	N/A	344,467	573,477	451,919	389,268	365,326	349,902
Tons received at South Wake Landfill[5]	414,156	426,901	439,069	463,126	70,669	N/A	N/A	N/A	N/A	N/A
Tons received at East Wake Transfer Station[6]	259,610	255,096	260,333	278,464	24,802	N/A	N/A	N/A	N/A	N/A
Household hazardous waste customers	30,863	27,566	24,449	14,471	12,423	11,679	12,088	8,975	7,470	*

* Information not available.
(1) North Carolina Department of Public Instruction. 1997-2005 Final Average Daily Membership. 2006- 2010 Wake County Public Schools.
(2) Wake County Public Schools.
(3) Wake Technical Community College Planning and Research Department.
(4) North Wake Landfill closed on May 28, 2008.
(5) South Wake Landfill opened on February 7, 2008.
(6) East Wake Transfer Station opened on May 28, 2008.

Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Function/Program										
General Administration										
Rentable square footage	3,956,974	3,477,580	3,369,836	3,213,049	3,111,096	3,039,976	2,968,199	2,842,465	2,781,886	2,704,944
Human Services										
Number of centers	22	22	20	15	14	14	15	*	*	*
Education										
Number of schools	163	163	159	156	153	147	139	132	127	125
Community Development and Cultural										
Libraries - branches	20	20	20	19	19	19	17	17	17	17
Volume of library books	1,479,940	1,544,261	1,670,538	1,714,645	1,846,996	1,670,543	1,476,396	1,520,714	1,490,551	1,463,271
Number of County Parks	8	8	7	7	7	7	7	*	*	*
Number of School Parks	16	16	16	16	16	16	16	*	*	*
Public Safety										
Sheriff - Stations	9	7	5	5	5	5	5	4	4	3
Detention capacity	1,568	1312	1,312	1,312	1,312	1,312	1,312	1,312	896	896
EMS - Stations	15	15	15	15	15	15	15	15	17	11

* Information not available.

WAKE COUNTY, NORTH CAROLINA
Raleigh, North Carolina

Report on Schedule of Expenditures of Federal and
State Awards and Reports on Compliance and Internal Control

For the Year Ended
June 30, 2012

WAKE COUNTY, NORTH CAROLINA
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CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited the 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, 2012, and have issued our report thereon dated November 30, 2012. 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. Other auditors audited the financial statements of the Wake County ABC Board (the "Board"), as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the County, federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cherry Bekaert & Holland L.L.P.

Raleigh, North Carolina
November 30, 2012

CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

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

Compliance

We have audited Wake County, North Carolina (the "County"), compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina,* issued by the Local Government Commission, that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2012. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations;* and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and the State Single Audit Implementation Act, and which is described in the accompanying schedule of findings and questioned costs as item 2012-01.

Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2012-02. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

Schedule of Expenditures of Federal and State Awards

We have audited the 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 the County, as of and for the year ended June 30, 2012, and have issued our report thereon dated November 30, 2012, which contained an unqualified opinion on those statements. We did not audit the financial statements of the Wake County ABC Board (the "Board"). Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the County's financial statements, insofar as it relates to the amounts for the Board, is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal and State Awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, others within the County, federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cherry Bekaert & Holland LLP.

Raleigh, North Carolina
November 30, 2012

CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH APPLICABLE SECTIONS OF OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

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

Compliance

We have audited Wake County, North Carolina (the "County"), compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina,* issued by the Local Government Commission, that could have a direct and material effect on each of it's major State programs for the year ended June 30, 2012. The County's major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major State programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations;* and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above, that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act and which are described in the accompanying schedule of findings and questioned costs as items 2012-03 and 2012-04.

Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to State programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major State program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2012-05. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

Schedule of Expenditures of Federal and State Awards

We have audited the 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 the County, as of and for the year ended June 30, 2012, and have issued our report thereon dated November 30, 2012, which contained an unqualified opinion on those statements. We did not audit the financial statements of the Wake County ABC Board (the "Board"). Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the County's financial statements, insofar as it relates to the amounts for the Board, is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal and State Awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, others within the County, federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cherry Bekaert + Holland LLP

Raleigh, North Carolina
November 30, 2012

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness identified? ___ yes _X_ no
- Significant deficiency identified that is not considered to be material weakness ___ yes _X_ none reported

Noncompliance material to financial statements noted ___ yes _X_ no

Federal Awards

Internal control over major federal programs:

- Material weakness identified? ___ yes _X_ no
- Significant deficiency identified that is not considered to be material weakness _X_ yes ___ no

Noncompliance material to federal awards ___ yes _X_ no

Type of auditors' report issued on compliance for major federal programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 _X_ yes ___ no

Section I. Summary of Auditors' Results (continued)

Identification of major federal programs:

CFDA#	Program Name
	Subsidized Child Care Cluster
93.575	Child Care and Development Block Grant – Discretionary
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund – Administration (Passed through Division of Social Services)
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund – Mandatory
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund – Match
93.558	Temporary Assistance for Needy Families (TANF)
93.714	ARRA – Emergency Contingency Fund for TANF
	Foster Care Cluster
93.658	Foster Care – Title IV-E
93.658	Foster Care – Title IV-E Direct Benefit Payments
93.659	Adoption Assistance
93.659	Adoption Assistance – Direct Benefit Payments
	Medicaid Cluster
93.778	Medical Assistance Program (Medicaid)
93.778	Medical Assistance Program (Medicaid) – Direct Benefit Payments
	Social Services Block Grant Cluster
93.667	Community Based Programs Mental Health
93.667	Community Based Programs Intellectual and Development Disabilities
	Special Supplemental Nutritional Food Program for Women, Infants and Children
10.557	Administration
10.557	Direct Benefit Payments
93.667	Social Services Block Grant
93.767	Children's Health Insurance Program – N.C. Health Choice
93.994	Maternal and Child Health Services Block Grants to States
17.267	Incentive Grants – WIA Section 503

Section I. Summary of Auditors' Results (continued)

Federal programs that did not meet the criteria for a major program using the criteria discussed in OMB Circular A-133 Section .520 but were tested as a major program because the State awards met the threshold for a major State program or were required to be tested as major by the State are included in the list of major federal programs.

Dollar threshold used to distinguish between Type A and Type B Programs	$3,000,000	
Auditee qualified as low-risk auditee?	X yes	___ no

State Awards

Internal control over major State programs:

• Material weakness identified?	___ yes	X no
• Significant deficiency identified that is not considered to be material weakness	X yes	___ no
Noncompliance material to state awards	___ yes	X no

Type of auditors' report issued on compliance for major State programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act	X yes	___ no

Identification of major State programs:

Program Name

Rural Operating Assistance Program (ROAP) – Cluster
Energy Assistance Private Grants
Single Stream Funding
General
Systems Management Transition
Juvenile Crime Prevention Council Program
Child Welfare Services – Direct Benefit Payments

Other major State programs for Wake County are Subsidized Child Care Cluster, Foster Care Cluster, Medicaid Cluster and the Children's Health Insurance Program – N.C. Health Choice, which are State matches on Federal programs. Therefore, these programs have been included in the list of major federal programs above.

Section II. Financial Statement Findings

No findings noted.

Section III. Federal Awards Findings and Questioned Costs

U.S. Department of Health and Human Services
Passed through the N.C. Department of Health and Human Services, Division of Social Services
Program name: Foster Care Cluster
CFDA 93.658, 93.659

Nonmaterial Noncompliance
Finding 2012-01

Criteria or specific requirement: Funding provided should be based on eligibility determination performed.

Condition: CBH noted one instance where the child was determined to be eligible for Adoption Assistance Title IV-B but received funding under Adoption Assistance Title IV-E.

Questioned costs: Known questioned costs were determined to be $5,700. The costs were based on the child's monthly payment from Adoption Assistance Title IV-E and the number of months paid during the fiscal year.

Context: CBH performed testing over a sample of 40 case files. Of these 40 files, 20 adoption assistance files were selected. CBH reviewed the files for each child noting one where eligibility determinations supported funding under Adoption Assistance Title IV-B while the funding was provided by Adoption Assistance Title IV-E.

Effect: By not ensuring the proper funding information is entered into the system, eligible children are funded using incorrect funding sources.

Cause: Appropriate documents were not filed in the respective files.

Recommendation: The County should continue to train employees on performing proper eligibility determinations and make sure information entered into the system agrees to the eligibility determinations made.

Views of responsible officials: Wake County Human Services concurs with this finding.

U.S. Department of Health and Human Services
Passed through the N.C. Department of Health and Human Services, Division of Social Services
Program name: Foster Care Cluster
CFDA 93.658, 93.659

Significant Deficiency
Finding 2012-02

Criteria or specific requirement: Physical documentation is required to properly document eligibility.

Condition: CBH noted one instance where the case file did not contain appropriate documentation as specified by the Family Services Manual and Child Placement Services Manual.

Context: CBH performed testing over a sample of 40 case files. Of these 40 files, 20 foster care files were selected. CBH reviewed the files for each child noting one where the case file did not have documentation evidencing a 6 month review was performed by the caseworker.

Effect: By not having the required documentation in the files, eligibility cannot readily be substantiated and there is a risk that the County could provide funding to individuals who are not eligible.

Cause: Appropriate documents were not filed in the respective files.

Recommendation: The County should continue to train employees on the proper eligibility and verification procedures to ensure the proper documentation is obtained and supported in the case file.

Views of responsible officials: Wake County Human Services concurs with this finding.

Section IV. State Awards Findings and Questioned Costs

U.S. Department of Health and Human Services
Passed through the N.C. Department of Health and Human Services, Division of Social Services
Program name: Child Welfare Services – State Grants

Nonmaterial Noncompliance
Finding 2012-03

Criteria or specific requirement: Funding provided should be based on eligibility determination performed.

Condition: CBH noted three instances where the child was determined to be eligible for Adoption Assistance Title IV-E but received funding under Adoption Assistance Title IV-B.

Questioned costs: Known questioned costs were determined to be $20,280. The costs were based on the child's monthly payment from Adoption Assistance Title IV-B and the number of months paid during the fiscal year.

Context: CBH performed testing over a sample of 40 case files. CBH reviewed the files for each child noting three where eligibility determinations supported funding under Adoption Assistance Title IV-E while the funding was provided by Adoption Assistance Title IV-B.

Effect: By not ensuring the proper funding information is entered into the system, eligible children are funded using incorrect funding sources.

Cause: Appropriate documents were not filed in the respective files.

Recommendation: The County should continue to train employees on performing proper eligibility determinations and make sure information entered into the system agrees to the eligibility determinations made.

Views of responsible officials: Wake County Human Services concurs with this finding.

Department of Social Services
DSS Crosscutting

Nonmaterial Noncompliance
Finding 2012-04

Criteria or specific requirement: The North Carolina Department of Health and Human Services requires that in-home aides used must have approved and completed time records. When a third party vendor is used to provide in-home aide services, the County must complete a monitoring tool to verify compliance with all in-home aide requirements.

Condition: All in-home aide services selected were provided by one external vendor. The required monitoring tool had not been completed for the vendor to verify compliance with in-home aide requirements.

Questioned costs: No questioned costs noted. All expenditures were deemed appropriate, but appropriate monitoring of vendors was not completed as provided for by the grantors.

Context: CBH performed testing of 16 items reported on the DSS-1571 Part IV. Of these 16 items, 11 were for in-home aide services. The required monitoring tool was not completed for the in-home aid service provider.

Effect: No verification is made by the County to ensure that in-home aides have approved and complete time records.

Cause: The monitoring tool was new for fiscal year 2012; the program manager was not previously aware of the monitoring tool.

Recommendation: CBH recommends that the program manager use the monitoring tool which has been made aware to them.

Views of responsible officials: Wake County Human Services concurs with this finding.

Department of Social Services
DSS Crosscutting

Significant Deficiency
Finding 2012-05

Criteria or specific requirement: The DSS Services Information System User's Manual requires that daysheets account for 100% of employee time and that program codes and activity codes are summarized correctly, day sheet entries are supported by documentation in case record files and day sheet summaries are transferred to the DSS-1571 accurately to an eligible fund source.

Condition: 3 employees reviewed did not include all time completed by the employee for the month of April 2012.

Context: CBH performed testing of 40 employees that are reimbursable under Part I of the DSS-1571. Of these 40 employees, 16 employees were selected who are subject to submitting daysheets to track the program and activity codes where the employee spent their time. CBH reviewed the daysheets of these 16 employees and noted that in 3 cases, 100% of the employee's time was not included.

Effect: Program codes and activity codes of DSS employees are not transferred accurately to an eligible fund source.

Cause: The difference in the daysheets to the DSS-1571 has occurred due to data entry errors that were not caught by review.

Recommendation: CBH recommends that the data entry department take responsibility for obtaining daysheets periodically, on a predetermined schedule, throughout the month. This would require the department to check daysheets as they are entered and to follow up with supervisors of employees whose daysheets have not been received. CBH also recommends that increased review occur over the entry of the data to minimize keying errors.

Views of responsible officials: Wake County Human Services concurs with this finding.

Section V. Corrective Action Plans

Finding: 2012-01

Name of Contact Person: Warren Ludwig, Director
Child Welfare Division
Wake County Human Services

Corrective Action Plan: The Child Welfare Division will be reviewing additional adoption assistance files to ensure the funding source is correct. Child Welfare will continue to train employees on performing proper eligibility determination. In addition, Child Welfare will conduct checks to make sure information entered into the system agrees with the eligibility determinations.

Proposed Completion Date: December 2012

Finding: 2012-02

Name of Contact Person: Warren Ludwig, Director
Child Welfare Division
Wake County Human Services

Corrective Action Plan: The Child Welfare Division will continue their comprehensive new hire training and on-going refresher training for existing staff. Supervisors will be held accountable for ensuring that proper documentation is completed and placed in each case file.

Proposed Completion Date: December 2012

Finding: 2012-03

Name of Contact Person: Warren Ludwig, Director
Child Welfare Division
Wake County Human Services

Corrective Action Plan: The Child Welfare Division will be reviewing additional adoption assistance files to ensure the funding source is correct. Child Welfare will continue to train employees on performing proper eligibility determination. In addition, Child Welfare will conduct checks to make sure information entered into the system agrees with the eligibility determinations.

Proposed Completion Date: December 2012

Section V. Corrective Action Plans (continued)

Finding: 2012-04

Name of Contact Person: Craig Burrus, Program Manager
Senior and Adult Services
Wake County Human Services

Corrective Action Plan: The Program Manager will implement procedures to complete the monitoring tool for all external vendors used to provide in-home aide services.

Proposed Completion Date: March 2013

Finding: 2012-05

Name of Contact Person: Warren Ludwig, Director
Child Welfare Division
Wake County Human Services

Martha Crowley, Director
Division of Social Services
Wake County Human Services

Paul Gross, Financial Officer
Wake County Human Services

Corrective Action Plan: Instruction has been given to all staff reviewing expectations for completion of day sheets and how to use the electronic system to assure all time has been accounted for. Supervisors have been made accountable for assuring that all time is accounted for. Training will be ongoing for new employees. Data Entry will run reports on a pre-determined schedule to ensure that day sheets have been certified by the supervisors on a timely basis. Human Services Finance is running reports periodically to validate the correct coding is being used and all time is being accounted for.

Proposed Completion Date: December 2012

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2012

There were no findings related to federal or State awards in the prior year.

WAKE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2012

Grantor/Pass-Through Grantor/Program Titles	Federal CFDA #	Expenditures Federal	State	Total
Federal Awards:				
U.S. Department of Health and Human Services				
Administration for Children and Families				
Passed-through the N.C. Department of Health and Human Services, Division of Social Services:				
Promoting Safe and Stable Families	93.556	$ 44,898	$ -	$ 44,898
Temporary Assistance for Needy Families (TANF)	93.558	54,115	-	54,115
TANF - Direct Benefit Payments	93.558	3,979,169	(509)	3,978,660
Child Support Enforcement	93.563	3,380,578	-	3,380,578
Refugee and Entrant asistance-State Administered Programs:				
Direct Benefit Payments	93.566	41,983	-	41,983
Low-Income Home Energy Assistance:				
Direct Benefit Payments	93.568	1,067	-	1,067
Crisis Intervention Program	93.568	1,613,317	-	1,613,317
Administration	93.568	1,016,370	-	1,016,370
Child Welfare Services - Direct Benefit Payments	93.645	-	3,355,460	3,355,460
Child Welfare Services - State Grants	93.645	255,347	-	255,347
Social Services Block Grant	93.667	1,789,079	-	1,789,079
Links	93.674	107,355	21,170	128,525
TANF Family Violence Prevention Services Act	93.671	13,823	-	13,823
Family Support Payments to States - Direct Benefit Payments	93.560	(3,673)	(1,007)	(4,680)
Foster Care Cluster:				
Foster Care - Title IV-E	93.658	3,622,638	832,499	4,455,137
Foster Care - Title IV-E Direct Benefit Payments	93.658	760,367	248,445	1,008,812
Adoption Assistance	93.659	179,895	-	179,895
Adoption Assistance-Direct Benefit Payments	93.659	2,562,006	687,125	3,249,131
Total Foster Care Cluster		7,124,906	1,768,069	8,892,975
Administration for Children and Families				
Passed-through the N.C. Department of Health and Human Services, Division of Child Development:				
Subsidized Child Care Cluster:				
Child Care and Development Block Grant - Discretionary	93.575	11,986,085	-	11,986,085
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Administration **(Passed through Division of Social Services)**	93.596	1,350,003	-	1,350,003
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Mandatory	93.596	3,777,977	-	3,777,977
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Match	93.596	6,729,323	3,192,567	9,921,890
Temporary Assistance for Needy Families (TANF)	93.558	9,452,621	17,103	9,469,724
ARRA - Emergency Contingency Fund for TANF	ARRA 93.714	108,500	-	108,500
Smart Start	NA	-	(531,712)	(531,712)
State Appropriations	NA	-	1,926,123	1,926,123
TANF- Maintenance-of-Effort	NA	-	3,332,477	3,332,477
Total Subsidized Child Care Cluster		33,404,509	7,936,558	41,341,067
Substance Abuse and Mental Health Service Administration:				
Passed-through the N.C. Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services:				
MAJORS Substance Abuse	93.959	-	72,095	72,095
Treatment Alternatives for Women	93.959	430,940	-	430,940
Social Serives Block Grant Cluster				
Community Based Programs Mental Health	93.667	431,739	-	431,739
Community Based Programs Intellectual and Development Disabilities	93.667	911,835	-	911,835
		1,343,574	-	1,343,574
Mental Health Cluster				
Block Grant for Community Mental Health Services	93.958	1,597,827	-	1,597,827
Substance Abuse Services Cluster:				
Block Grant for Prevention and Treatment of Substance Abuse	93.959	2,169,978	-	2,169,978
Centers for Medicare and Medicaid Services				
Passed-through the N.C. Department of Health and Human Services, Division of Medical Assistance:				
Medicaid Cluster:				
Medical Assistance Program (Medicaid)	93.778	5,004,895	184,300	5,189,195
Medical Assistance Program (Medicaid)-Direct Benefit Payments	93.778	357,911,976	206,974,100	564,886,076
Total Medicaid Cluster		362,916,871	207,158,400	570,075,272
Children's Health Insurance Program - N.C. Health Choice	93.767	218,494	25,286	243,780

WAKE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2012

Grantor/Pass-Through Grantor/Program Titles	Federal CFDA #	Expenditures Federal	State	Total
Centers for Disease Control and Prevention				
Passed-through the N.C. Department of Health and Human Services, Division of Public Health:				
Programs	93.116	55,437	-	55,437
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	148,452	-	148,452
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	55,107	18,870	73,977
HIV Prevention Activities - Health Department Based	93.940	94,176	-	94,176
Preventive Health Services Sexually Transmitted Diseases Control Grants	93.977	67,896	-	67,896
Research Studies of AIDS and HIV	93.943	47,548	-	47,548
Refugee Health	93.576	10,200	-	10,200
Federal HHS Equipment Earmark	93.887	693,000	-	693,000
Disease Control Grants	93.977	67,896	-	67,896
Public Health Emergency Preparedness	93.069	107,445	-	107,445
Immunization Program/Aid to County Funding	93.268	171,311	-	171,311
Health Resources and Services Administration				
HIV Core Formula Grants	93.917	1,536,685	-	1,536,685
Outpatient Early Intervention Services for HIV	93.918	492,053	-	492,053
Maternal and Child Health Services Block Grants to States	93.994	1,111,828	-	1,111,828
Administration for Children and Families				
Temporary Assistance for Needy Families (TANF)	93.558	770,062	-	770,062
Office of the Secretary				
Family Planning Services	93.218	41,250	-	41,250
Substance Abuse and Mental Health Services Administration				
Substance Abuse and Mental Health Services Projects	93.243	257,221	-	257,221
Block Grants for Prevention and Treatment of Substance Abuse	93.959	59,743	-	59,743
Total U.S. Department of Health and Human Services		**427,287,837**	**220,354,393**	**647,642,229**
U.S. Department of Agriculture:				
Passed-through the N.C. Department of Health and Human Services, Division of Social Services:				
Food Stamp Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	3,004,801	-	3,004,801
Passed-through the N.C. Department of Health and Human Services, Division of Public Health				
Special Supplemental Nutritional Food Program for Women, Infants and Children				
Administration	10.557	3,520,012	-	3,520,012
Direct Benefit Payments	10.557	13,941,412	-	13,941,412
Total Special Supplemental Nutrition Food Program for Women, Infants and Children		17,461,424	-	17,462,188
AGRI-SFSP Food Program Meal	10.559	764	-	764
Total U.S. Department of Agriculture		**20,466,989**	**-**	**20,466,989**
U.S. Department of Education:				
Passed-through the NC Department of Public Instruction				
Safe and Drug-Free Schools and Communities National Programs	84.184	75,676	-	75,676
Total U.S. Department of Education		**75,676**	**-**	**75,676**
U.S. Department of Justice:				
Bulletproof Vest Partnership Program	16.607	17,727	-	17,727
State Criminal Alien Assistance Program	16.606	557,891	-	557,891
Passed-through the N.C. Department of Public Safety				
Drug Court Discretionary Grant	16.585	53,971	-	53,971
Project Safe Neighborhoods	16.609	499,416	-	499,416
Public Safety Partnership and Community Policing Grants	16.710	399,924	-	399,924
ARRA-NCDJJDP-Com. Based Youth Gang Prevention	ARRA 16.803	67,430	-	67,430
ARRA-Edward Byrne Memorial Formula Grant Program	ARRA 16.804	191	-	191
Edward Byrne Memorial Formula Grant Program	16.738	207,369	-	207,369
Total U.S. Department of Justice		**1,803,918**	**-**	**1,803,918**
U.S. Department of Homeland Security:				
Office of Domestic Preparedness				
Passed-through the N.C. Department of Public Safety				
Homeland Security Grant Program	97.067	356,815	-	356,815
FEMA	97.FEMA	469,687	-	469,687
State Homeland Security Program (SHSP)	97.073	1,609	-	1,609
Buffer Zone Protection Program (BZPP)	97.078	259,871	-	259,871
Total U.S. Department of Homeland Security		**1,087,982**	**-**	**1,087,982**

WAKE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2012

Grantor/Pass-Through Grantor/Program Titles	Federal CFDA #	Expenditures Federal	State	Total
U.S. Department of Housing and Urban Development:				
Shelter Plus Care	14.238	1,259,416	-	1,259,416
Community Developmental Block Grants/Entitlement Grants	14.218	1,116,431	-	1,116,431
Supportive Housing Program	14.235	398,064	-	398,064
HOME Investment Partnership Program	14.239	764,212	-	764,212
Housing Opportunity for Persons with Aids - HOPWA	14.241	633,458	-	633,458
ARRA - Homeless Prevention	ARRA 14.257	74,438	-	74,438
Historic Preservation Grant	15.904	6,650		6,650
Passed-through the City of Raleigh:				
Emergency Shelter Grants Program	14.231	148,504	-	148,504
Total U.S. Department of Housing and Urban Development		**4,401,173**	**-**	**4,401,173**
U.S. Department of Labor				
Passed-through the N.C. Department of Economic and Community Development, Job Training Partnership Act:				
Workforce Investment Act Cluster:				
Workforce Investment Act-Adult Program	17.258	1,448,774	-	1,448,774
WIA National Emergency Grants	17.277	6,054	-	6,054
Workforce Investment Act-Youth Activities	17.259	2,093,381	-	2,093,381
Workforce Investment Act-Dislocated Workers	17.260	2,002,343	-	2,002,343
Total WIA Cluster		5,550,552	-	5,550,552
Incentive Grants - WIA Section 503	17.267	1,172,813	-	1,172,813
Total WIA Incentives and Administrative		1,172,813	-	1,172,813
Total U.S. Department of Labor		**6,723,365**	**-**	**6,723,365**
U.S. Department of Energy				
Energy Efficiency & Conservation Block Grant Program				
ARRA-Hammond Detention Site Phase II	ARRA 81.128	240,655	-	240,655
Total U.S. Department of Energy		**240,655**		**240,655**
Federal Highway Administration				
Passed-through the N.C. Department of Transportation:				
JARC Grant	20.507	96,000	-	96,000
Total U.S. Department of Transportation		**96,000**	**-**	**96,000**
U.S. Environmental Protection Agency:				
Watershed Management Program	66.202	227,185	-	227,185
Total U.S. Environmental Protection Agency		**227,185**	**-**	**227,185**
U.S. Corporation for National and Community Services				
Passed through N.C. Office of Volunteerism and Community Services				
Ameri Corps	94.006	213,961	-	213,961
Total U.S. Corporation for National and Community Services		**213,961**	**-**	**213,961**
Total Federal Awards		**462,624,742**	**-**	**682,840,996**

WAKE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2012

Grantor/Pass-Through Grantor/Program Titles	Federal CFDA #	Expenditures Federal	State	Total
State Awards:				
N.C. Department of Cultural Resources:				
Division of State Library:				
State Aid to Libraries		-	548,324	548,324
N.C. Department of Health and Human Services:				
Division of Public Health:				
General		-	339,470	339,470
Communicable Disease - HIV/HBV		-	52,158	52,158
Tuberculosis Control		-	102,871	102,871
HIV Preventative Training		-	207,657	207,657
Risk Reduction/Health Promotion		-	7,581	7,581
Environmental Health			5,872	5,872
Total Division of Health		-	715,609	715,609
Division Of Mental Health, Developmental Disabilities and Substance Abuse Services:				
Systems Management Transition		-	7,724,792	7,724,792
Multidisciplinary Evaluation		-	2,500	2,500
Single Stream Funding			14,012,955	14,012,955
Supported Employment Grant			38,634	38,634
Long Term Vocation Support		-	285,162	285,162
Total Division of Mental Health, Developmental Disabilities and Substance Abuse Services:		-	22,064,043	22,064,043
Division Of Vocational Rehabilitation:				
Supported Employment Grant		-	27,745	27,745
Division of Social Services:				
Energy Assistance Private Grants		-	395,086	395,086
Adult Protective Services				
Direct Benefit Payments:				
State/County Special Assistance for Adults		-	3,980,638	3,980,638
State Foster Home		-	602,841	602,841
State Foster Home Maximization		-	346,988	346,988
Foster Care at Risk Maximization		-	3,620	3,620
Total Division of Social Services		-	5,329,173	5,329,173
Division of Child Development:				
Passed-through the Wake County Smart Start, Inc.:				
North Carolina Smart Start		-	403,648	403,648
Division of Resource Management:				
NC FAST		-	58,583	58,583
Total N.C. Department of Health and Human Services		-	**28,598,801**	**28,598,801**
N.C. Department of Transportation, Public Transportation Division:				
Rural Operating Assistance Program (ROAP) - Cluster				
Elderly and Disabled Transportation Assistance Program (EDTAP)		-	275,664	275,664
Rural General Public Program (RGP)		-	236,198	236,198
Work First/Employment Transportation Operating Assistance		-	202,340	202,340
Total Rural Operating Assistance Program (ROAP) Cluster		-	714,202	714,202
Human Services Transportation Management Program		-	887,430	887,430
Traveler's Aid		-	7,500	7,500
Total N.C. Department of Transportation		-	**1,609,132**	**1,609,132**

WAKE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2012

Grantor/Pass-Through Grantor/Program Titles	Federal CFDA #	Expenditures Federal	Expenditures State	Total
N.C. Department of Public Safety				
Criminal Justice Partnership Program		-	471,014	471,014
N.C. Department of Environment				
Clean Water Management Trust Fund (1)		-	-	-
Environment Health Food & Lodging		-	68,480	68,480
Total N.C. Department of Environment		-	68,480	68,480
N.C. Department of Administration:				
Veterans Services Program		-	1,452	1,452
N.C. Department of Public Safety				
Juvenile Crime Prevention Council Program		-	1,171,635	1,171,635
Community Detention Program		-	104,300	104,300
Total N.C. Department of Public Safety		-	1,275,935	1,275,935
Total State Awards		-	32,573,137	32,573,137
Total Federal and State Awards		$ 462,624,742	$ 252,927,530	$ 715,552,272

(1) During FY 2012, the County received $1,180,000 from the Clean Water Management Trust Fund. This was to reimburse costs the County expended in Fiscal Year 2009 for a purchase of land.

General – The accompanying Schedule of Expenditures of Federal and State Awards presents the activity of all federal and State financial award programs of Wake County, North Carolina (the "County"). The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act. Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the financial statements. Benefit payments are paid directly to recipients and are not included in the County's financial statements. However, due to the County's involvement in determining eligibility, they are considered federal and State awards to the County and are included on this schedule.

A. Basis of Accounting – The accompanying Schedule of Expenditures of Federal and State Awards is prepared on the modified accrual basis of accounting.

B. Major Programs – Cluster programs are considered as one program for determining major programs in accordance with OMB Circular A-133 and the State Single Audit Implementation Act. Also, the federal and State portions of the cluster programs is included when identifying major programs for calculating the percentage of coverage of federal and State awards expended.

C. Relationship to federal and State Financial Reports – Amounts reported in the accompanying schedule agree with the amounts reported in the related federal and State financial reports except in cases where those reports are filed on a basis other than the modified accrual basis of accounting.

D. Prior Year Expenditures – Where allowed by grant agreement, prior year expenditures that have not been previously tested may be included in the Schedule of Awards at June 30, 2012. Generally this occurs when grants are awarded after the related project or program has started incurring expenses and retroactive reimbursement is allowed per the funding agreement or when corrections are made due to previous year(s) omissions.

Subrecipients

During the fiscal year ended June 30, 2012, the County provided the federal and State awards to subrecipients as follows:

Program Titles	Federal CFDA #	Expenditures Federal	Expenditures State
Passed through N.C. Department of Health and Human Services:			
Block Grant for Community Mental Health Services	93.958	$ 165,878	$ -
Block Grant for Prevention and Treatment of Substance Abuse	93.959	648,182	-
Single Stream Funding		-	1,371,086
Workfirst Investment Act Cluster Passed-through the N.C. Department of Economic and Community Development, Job Training Partnership Act:			
Workforce Investment Act - Adult Program	17.258	1,199,772	-
Workforce Investment Act - Youth Activities	17.259	1,538,671	-
Workforce Investment Act - Dislocated Workers	17.260	1,967,212	-
N.C. Department of Transportation, Public Transportation Division:			
Elderly and Disabled Transportation Assistance Program (EDTAP)		-	153,891
Passed through the N.C. Department of Public Safety:			
Criminal Justice Partnership Program		-	471,014
N.C. Department of Public Safety:			
Edward Byrne Memorial Formula Grant Program	16.738	95,649	-
N.C. Department of Public Safety:			
Juvenile Crime Prevention Council Program		-	1,171,635
TOTAL AWARDS TO SUBRECIPIENTS		$ 5,615,364	$ 3,167,626