



# ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR END JUNE 30, 2021

**REVIEWED**

By SLGFD at 10:04 am, Jan 05, 2022



2021





# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR END JUNE 30, 2021**  
PREPARED BY THE WAKE COUNTY FINANCE DEPARTMENT



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR END JUNE 30, 2021

## INTRODUCTION

The Introduction provides background and general information about the County.

# Wake County, North Carolina

## Board of County Commissioners



Matt Calabria  
Chairman  
*District 2*



Vickie Adamson  
Vice Chair  
*District 7*



Sig Hutchinson  
*District 1*



Maria Cervania  
*District 3*



Susan Evans  
*District 4*



James West  
*District 5*



Shinica Thomas  
*District 6*

### County Administration

**County Manager:** David Ellis

**County Attorney:** Scott Warren

**Chief Financial Officer:** Emily Lucas

**Chief Information & Innovation Officer:** Ashley Jacobs

**Chief Community Health & Vitality Officer:** Duane Holder



# Wake County North Carolina

## Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021

*Prepared by the Wake County Finance Department:*

Emily Lucas, CPA, *Chief Financial Officer*

W. Patrick Flanary, *Director of Finance*

Alejandra Riquelme, *Senior Accounting Technician*  
Ann Mattern, *Insurance/Risk Analyst*  
Brittany Graves, *Senior Accounting Technician*  
Brittany Longdaue, *Buyer*  
Charles Williford, CPA, *Internal Auditor*  
Dawn Underwood, *Buyer*  
Hope McCullough, *Senior Accountant*  
Jeanna Harris, *Senior Accountant*  
John T. Stephenson, CPA, *Internal Audit Director*  
Karen Thiessen, *Revenue Manager*  
Kim Lorbacher, CPA, *Controller*  
Lauren Casey, *Accounting Supervisor*  
Mary Hutchings, *Internal Auditor*  
Melissa England Carroll, *Purchasing Manager*  
Morgan Howell, *Senior Accounting Technician*  
Pam Harrington, *Information Technology Analyst*  
Pamela Wade, CPA, *Internal Auditor, (I/T)*

Russ O'Melia, *Accounting Supervisor*  
Sandy Carrington, *Accountant*  
Sarah Gould, CPA, *Internal Auditor*  
Seth Larson, CPA, *Financial Services Manager*  
Sheila Hopkins, *Financial Systems Manager*  
Sonya Hicks, *Information Technology Analyst*  
Spencer Phillips, *Senior Accountant*  
Tamara Williams, *Accountant*  
Timothy Hedgepeth, *Senior Accountant*  
Todd Taylor, *Debt Manager*  
Tracey Aviles, *Accountant*  
Trina Bell, *Senior Accounting Technician*  
Ty Stephens, *Buyer*  
Tymeeka Williams, *Executive Assistant*  
Wendi Brusseau, *Senior Accountant*

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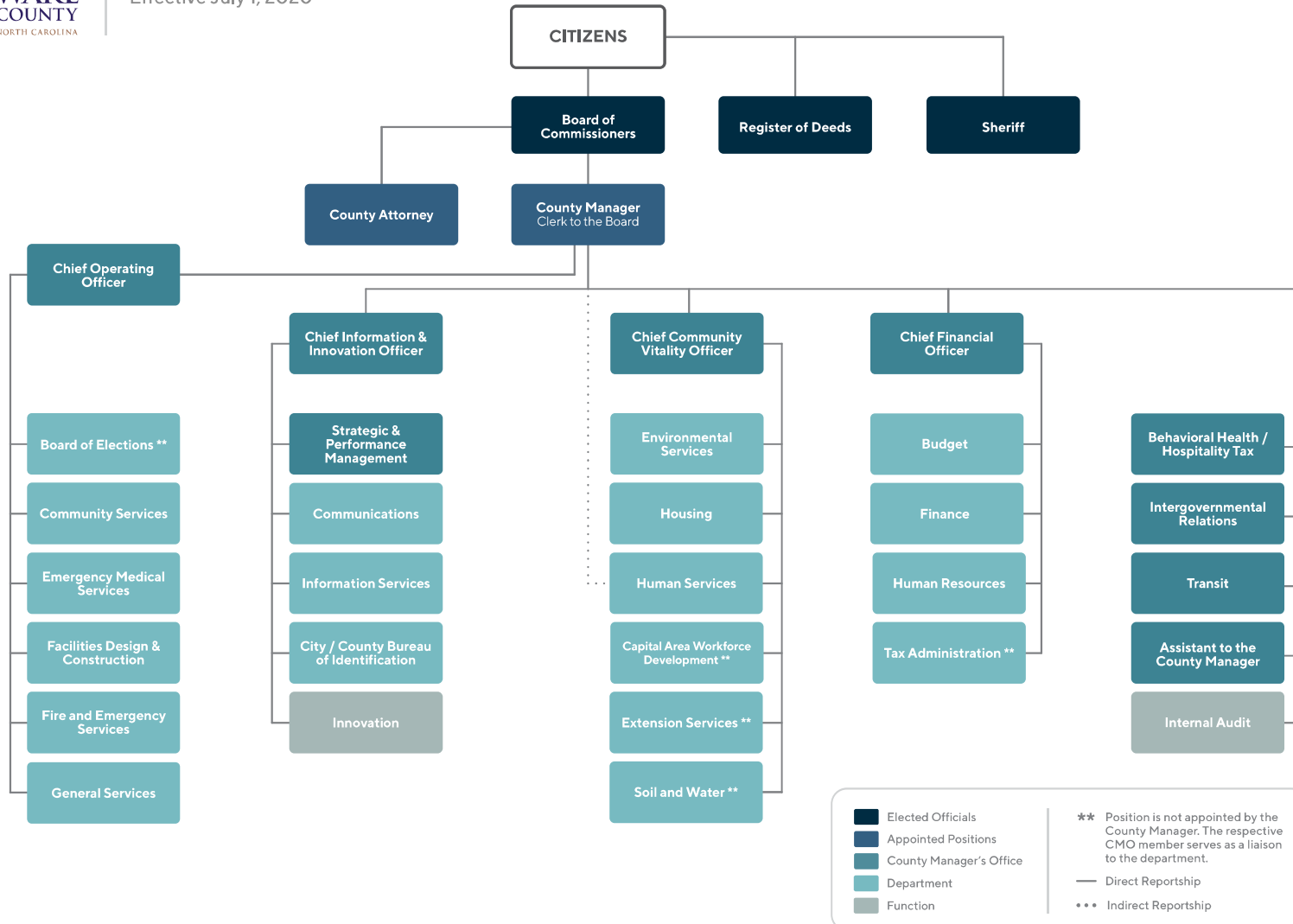
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# Organizational Chart

Effective July 1, 2020





December 3, 2021

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

Promoting a vision of a county that partners with all levels of government to empower, protect, and serve its citizens through a culture of respect, collaboration, and innovation is a key goal of the Wake County Board of Commissioners. A key objective of that goal is continuing the County's strong foundation of fiscal strength to maintain the County's Aaa bond ratings with the three major rating agencies. The Annual Comprehensive Financial Report (financial statements) of Wake County, North Carolina, for the fiscal year ended June 30, 2021, demonstrates the County's continued progress towards meeting that objective. The County, like all other local governments in North Carolina, is required by state law to publish a complete set of financial statements. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Each year this document is prepared to fulfill that requirement, as well as to provide details about how the County receives, spends, and accounts for its resources and provide key indicators of the County's financial condition.

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

Wake County's financial statements have been audited by Elliott Davis, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2021 are fairly presented in conformity with generally accepted accounting principles. The report of the independent auditor is presented as the first component of the financial section of this report.



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

Wake County is required to present a Management’s Discussion and Analysis (MD&A) as an introduction to the financial information. This analysis immediately follows the auditor’s opinion and provides an overview and analysis of the County’s significant transactions in fiscal year 2021. The purpose of the MD&A is to aid readers in understanding the financial impacts and their relationships as detailed in the financial statements and schedules provided. This letter of transmittal is written to compliment and not supplant the MD&A.

## **FINANCIAL REPORTING ENTITY**

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

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

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

## **PROFILE OF WAKE COUNTY**

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

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

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

The County is continually highlighted in national publications as one of the best places to call home. Some of our rankings and accolades from fiscal year 2021 include:

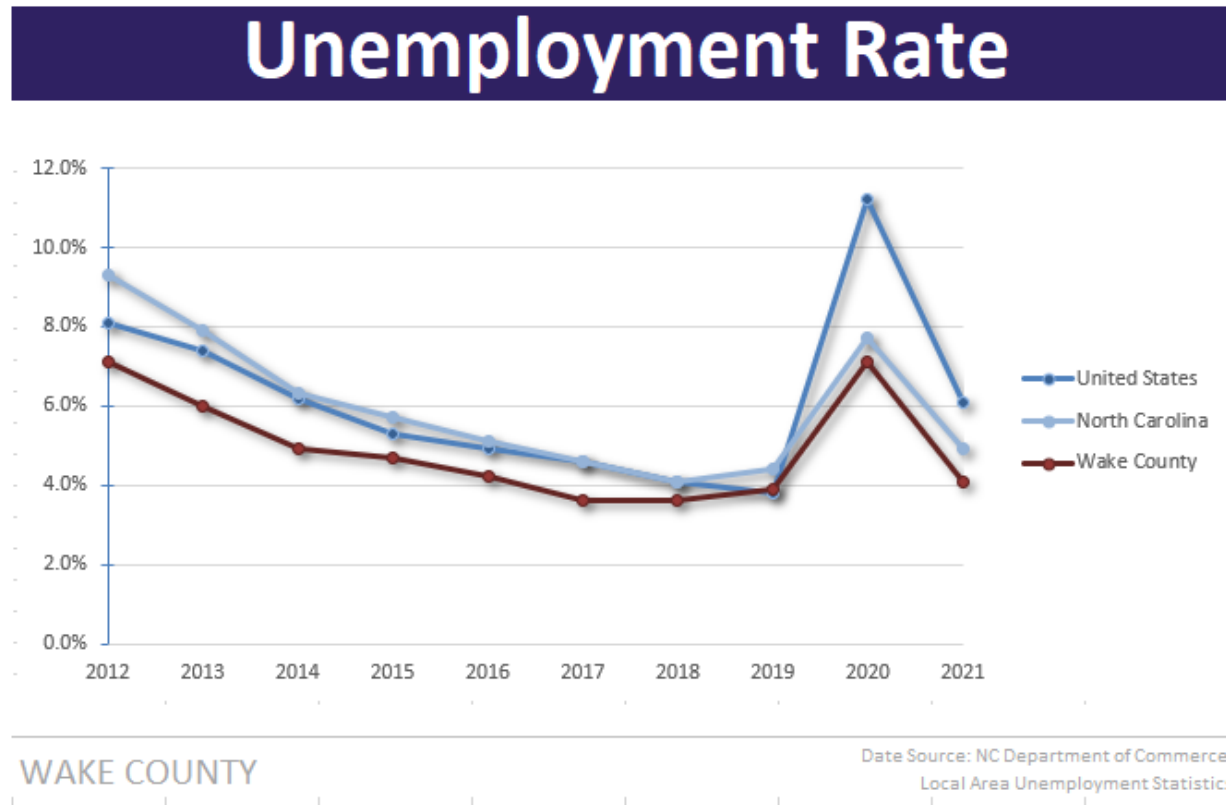
- **#1 Online Community College in the U.S. (Wake Technical Community College)**  
College Consensus | July 2020
- **#2 Digital County (Population of 1,000,000+)**  
GovTech | September 2020
- **#1 City for Ease of Doing Business in North America (Raleigh)**  
ASU DBNA | October 2020
- **#1 Top Real Estate Market to Watch in 2021 (Raleigh-Durham)**  
PwC US | December 2020
- **#2 Top Market for New Home Pending Sales Index (Raleigh)**  
Zonda | December 2020
- **#2 Best City to Work from Home in 2021 (Raleigh)**  
SmartAsset | January 2021
- **#2 Top Place to Live in the U.S. (Raleigh-Durham)**  
U.S. News & World Report | June 2021
- **#5 Best-Performing City Index in America (Raleigh)**  
Milken Institute | February 2021
- **#5 Very Large Metro in the U.S. for Overall Growth Index 10YR and Overall Prosperity Index 10YR (Raleigh)**  
Brookings Institute | February 2021
- **#3 Fastest-Growing U.S. Metro from 2019-2020 (Raleigh)**  
U.S. Census | March 2021
- **#6 Best Place to Live for Remote Workers**  
Pew Research Center/Forbes | May 2021
- **#5 Most Affordable Metro in North America (Raleigh)**  
Oxford Economics | May 2021

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

### Unemployment Rate

On June 30, 2021, the unemployment rate was 4.1%. Wake County's rate is lower in June than the United States (6.1%) and the State of North Carolina (4.9%). The County has rebounded from the COVID-19 pandemic, with the unemployment rate dropping throughout fiscal year 2021 to pre-pandemic rates.



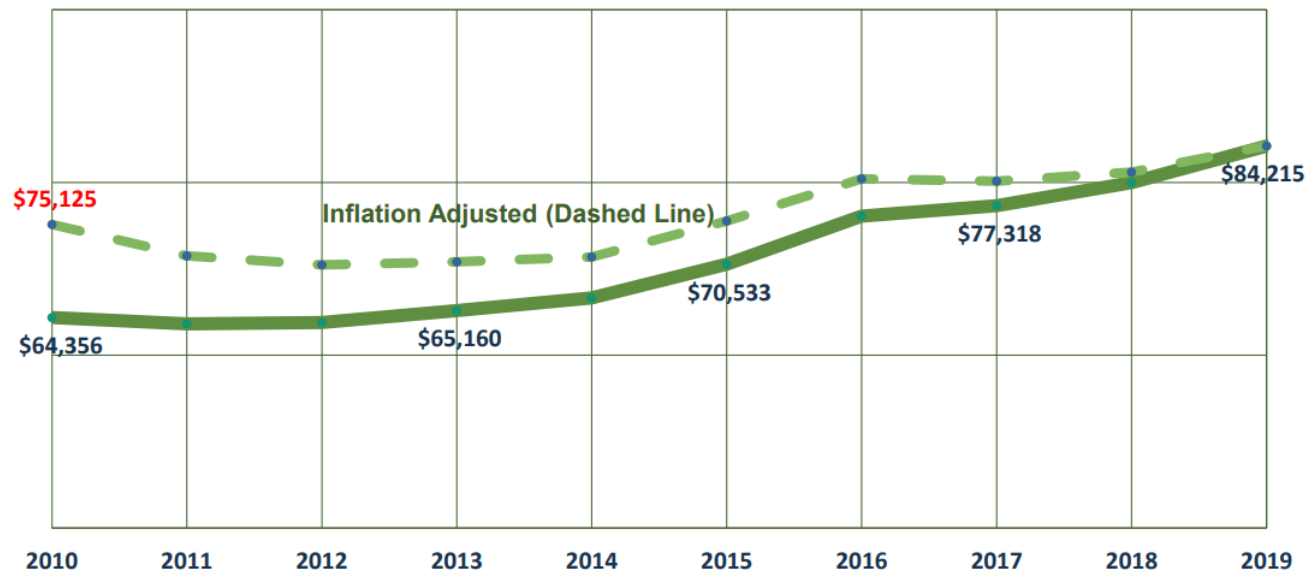
### Job Growth and Investment

Job growth remains strong. Wake County continues to attract diverse companies creating new jobs. Wake County Economic Development reports that 83 different companies (26 new and 57 expanding) announced a total of 9,756 new jobs worth a total of \$3.96 billion of new investments during 2021. In addition, prior announcements continue to meet or exceed established hiring targets. Such job announcements allow the County to continue to experience growth in the number of employed in Wake County and increases in both residential and commercial assessed value.

### Median Household Income

Median household income reflects the relative wealth of a community, the financial resources of its citizens, and the ability of citizens to afford the cost of living within a region. Median household income in Wake County has climbed at an average rate of 4.82% over the past five years.

## Wake County Median Household Income



WAKE COUNTY

Data Source: 2010-2019 American Community Survey 1-year Estimates.  
Consumer Price Index, Southern Region.



### **Economic Diversity**

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

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

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

- The Research Triangle Foundation of North Carolina manages Research Triangle Park with a focus on orchestrating industry, university and government collaboration to attract research, scientific and technology-based organizations to support the creation of quality jobs and opportunities. RTP has more than 250 companies, collectively employing more than 50,000 people. Its top ten employers are IBM Corporation, Cisco Systems, GlaxoSmithKline, Fidelity Investments, RTI International, Credit Suisse, Lenovo, NetApp, Biogen, and the U.S. Environmental Protection Agency.
- Six public and private institutions of higher education are in Wake County, including North Carolina State University. The university has an enrollment of approximately 36,000 students and is engaged in graduate and undergraduate education, research, and extension programs. It employs approximately 9,000 employees. The university's unique research park, Centennial Campus, hosts more than 60 companies, government agencies, and research and academic units
- Wake County is also home to Wake Technical Community College, which is part of the North Carolina Community College System. The mission of Wake Tech is to provide education and training for the workforce. It serves over 70,000 students annually, with six campuses, three training centers, multiple community sites, and an array of online learning options.
- Three acute care hospital systems are in the County and employ over 16,500 employees.
- Wake County's population is highly educated. According to the United State Census Bureau, 52.8% of its adult population held a bachelor's degree or higher. Wake County's higher education level is consistently higher than state and national averages.

### **Long-Term Planning and Community Improvement Plan**

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

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

In North Carolina, counties are statutorily responsible for providing facilities for both public K-12 schools and community colleges. Wake County, home to the 15th largest school district in the nation with more than 160,000 students, and the State's largest community college, requires significant investment to maintain existing facilities and invest in additional facilities for enrollment growth. Accordingly, approximately 88% of the County's outstanding \$2.77 billion of debt is for education related capital costs.

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

## **OTHER COUNTY GOALS AND ACCOMPLISHMENTS**

Wake County focuses on maintaining a high quality of life for its current and future residents. The County's population is growing by an average 67 people per day, and many of its goals and objectives center on the growing needs of the community. In FY21, Wake County made significant investments in education, public safety, and quality of life for our residents, while successfully managing the largest sustained public health response effort in the county's history.

Wake County also landed nearly \$4 billion in economic investment and expansion opportunities in 2021. In April 2021, life sciences company Invitae Corporation announced plans to make a \$114.6 million capital investment in the Town of Morrisville. The project promises 374 jobs, with an average salary of \$91,176. Days later, Wake County further solidified its position as a hub for the world's leading technology companies when Apple announced its plan to invest \$1 billion in the state and build a new campus at the Research Triangle Park. The global tech giant plans to hire at least 3,000 people at an average annual salary of \$187,000. Once the campus is up and running, Apple's investments are expected to generate more than \$1.5 billion in economic benefits annually for North Carolina.

In May 2021, the Board of Commissioners voted to allocate the \$67 million in higher-than-anticipated sales tax revenues for Fiscal Year 2021 towards the county's fund balance to ensure it maintains strong reserves, the Wake County Public School System's debt service, and important one-time projects and initiatives.

In June 2021, the Board of Commissioners adopted a \$1.56 billion budget for Fiscal Year 2022 that invests significantly in public health and safety, housing, education, and quality of life. To address growing needs in a public-school system with more than 160,000 students, the fiscal year 2022 budget invests more than \$890 million – or 57% of the county budget – into education. This includes \$350,000 to launch Wake ThreeSchool, a new Pre-K program for 3-year-olds, and more than \$539 million to support Wake County Public Schools' operating expenses. This represents the county's largest investment ever in the school system.

The FY22 Budget also includes the opening of Sandy Pines Preserve – a 563-acre former farm in Eastern Wake County where staff envision offering hiking, horseback riding, fishing and more to the public. This property is the largest tract of land owned by Wake County Parks, Recreation and Open Space. Sandy Pines Preserve will open on Oct. 23, 2021.

## **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 annual comprehensive financial report for the fiscal year ended June 30, 2020. This marks the 37<sup>th</sup> 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 annual comprehensive financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The GFOA award is valid for a period of one year.

### **Sustained Professional Purchasing Award**

The Carolinas Association of Governmental Purchasing presented their annual award to Wake County for the fiscal year ended June 30, 2020. This is the 17<sup>th</sup> consecutive year that Wake County has received this prestigious designation. This award is presented to units of government that have demonstrated high standards in the purchasing profession. The criteria for the award include the use of technology, minority outreach, staff certification, customer and vendor training, and the use of recycled products. The award recognizes purchasing departments in North and South Carolina.

## Acknowledgments

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

Respectfully submitted,

*David Ellis*

David Ellis  
County Manager

*Emily Lucas*

Emily Lucas, CPA  
Chief Financial Officer





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Wake County  
North Carolina**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR END JUNE 30, 2021

## FINANCIAL SECTION

The Financial Section constitutes the core of the report. The independent auditor's report covers the basic financial statements, the notes to the financial statements, and required supplementary information. The required supplementary information includes the Management's Discussion and Analysis which provides a narrative introduction, overview, and an analysis of the basic statements that follow.



## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Wake County, North Carolina (the County), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

### ***Opinions***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Major Facilities Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Required Supplementary Information**

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

### **Other Information**

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

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2021 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Elliott Davis, PLLC". The signature is written in a cursive, flowing style.

Raleigh, North Carolina

December 3, 2021



## MANAGEMENT'S DISCUSSION AND ANALYSIS



As the management of Wake County, North Carolina, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2021. We encourage readers to review the information presented here in conjunction with the letter of transmittal and the County's financial statements, which follow this overview.

Fiscal year 2021 continued to be unique due to the COVID-19 pandemic. The County continued to lead in this public health emergency by continuing to serve the community with testing, vaccination roll out and other important services to ensure the needs of all citizens were being met. County employees continued to work remotely, both on a full and part-time basis, as business process were enhanced, and other needs were identified to support this new way of conducting business.

The County continued to use its Coronavirus Aid, Relief and Economic Security (CARES) fund dollars received in FY20 according to the funding plan. This included continuing mass testing throughout the County, setting up vaccine sites, including the mass vaccination site at the PNC arena, utility assistance, childcare assistance, and additional funding for the WCPSS as well as the 12 municipalities throughout the County.

In April of 2021, the County received its first tranche of the State and Local Fiscal Recovery Funds (SLFRF) from the American Rescue Plan of \$107.9 million of its \$216.0 million allocation. The County developed a funding plan to ensure the funds are being spent appropriately and continued to align with Board goals. The County created a special revenue fund, the American Rescue Plan Fund, to account for this funding. A few of the identified programs include continued funding for the public health response, small business loan programs, food security programs and economic help for some of the County's partner agencies. As additional needs are identified, the County will bring forward to the Board of Commissioners for approval.

### FINANCIAL HIGHLIGHTS FOR WAKE COUNTY, NORTH CAROLINA FOR THE YEAR ENDED JUNE 30, 2021:

- The County's governmental funds reported combined ending fund balances of \$1,150.4 million, compared with \$915.9 million at the end of the prior fiscal year.
- The combined General Fund and Debt Service Fund fund balances are measured together to assess the County's overall fiscal health. At the end of the 2021 fiscal year, the fund balances for the County's General Fund and Debt Service Fund were \$481.9 million and \$175.5 million, respectively, compared with each fund reporting fund balances of \$401.1 million and \$137.8 million, respectively, in the prior fiscal year. The total fund balance of both funds as a percentage of combined General Fund and Debt Service Fund revenues was 41.4% as of the end of fiscal year 2021 compared to 35.2% at the end of fiscal year 2020.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

- The County uses a long-term financial planning model for capital budgeting purposes. The debt component of the model helps evaluate the impact of capital funding decisions on the County's financial condition and to ensure policy targets are maintained. In accordance with the model, the County allocates a portion of property taxes specifically for debt service and cash funding of its capital program. The tax rate for fiscal year 2021 was 60.00 cents, of which 18.57 cents was dedicated to capital and debt service. In addition, a portion of sales tax is transferred to the Debt Service Fund for school capital and debt service. For fiscal year 2021, the County transferred from the General Fund the following amounts: \$302.5 million to fund debt service, \$40.9 million for Wake County Public School System capital projects, \$8.0 million for Wake Technical Community College capital projects, \$20.2 million for affordable housing capital projects, \$1.1 million for grant matching requirements, and \$63.0 million to fund County capital projects.
- Wake County has maintained an "Aaa" rating from Moody's since 1973, an "AAA" rating from Standard & Poor's Global since 1983, and an "AAA" rating from Fitch Ratings since 2000. These bond ratings are clear indications of the sound financial condition of the County. The County is one of the few counties in the country that maintains the highest financial rating from all three major rating agencies. This achievement is a key factor in allowing the County to receive low interest rates on debt issued, ultimately reducing the cost of debt to the taxpayers. The ratings from each of the agencies were reaffirmed most recently in April 2021.
- In February 2021, the County issued \$302,410,000 Series 2021 Limited Obligation Bonds. These proceeds paid off the Series 2017 and 2018 Drawdown Installment Notes, as well as, issuing funding for new public school and community college projects.
- In April 2021, the County issued \$186,720,000 Series 2021 General Obligation Refunding Bonds. These bonds refunded the 2010D and 2011 Public Improvement bonds, as well as, paying off a portion of the 2019A and 2019B Bond Anticipation Notes, resulting in combined debt service savings of approximately \$8.7 million over the next nine years.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## OVERVIEW OF THE FINANCIAL STATEMENTS:

This discussion and analysis is intended to serve as an introduction to the County of Wake's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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.

### Basic Financial Statements:

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

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

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

The government-wide financial statements are on pages 22-24 of this report.

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

The **Budgetary Comparison Statements** are the next part of the fund financial statements that is presented. The County adopts an annual budget for its General Fund, as required by the North Carolina General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, management of the County, and decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether the County has provided the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the Statement of Revenues, Expenditures and Changes in Fund Balance. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the variance between the final budget and the actual results. The County's Major Facilities Fund also is included with the basic financial statements as an annually budgeted major special revenue fund.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Proprietary Funds** – The County's business-type activities are reported in proprietary funds. Then County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for solid waste operations that are County funded as well as the South Wake Landfill Partnership that accounts for the activities associated with the South Wake landfill that is a partnership between the County and 11 municipalities within the County. The enterprise funds are consolidated into the business-type activities that are presented in the Statement of Net Position and the Statement of Activities. *Internal service funds* are used to account for goods or services provided to one department by another on a cost reimbursement basis. The County reports the activities associated with the Corporate Fleet Fund as an internal service fund. Because Corporate Fleet Fund activities are primarily related to governmental activities, it is consolidated primarily into the governmental activities that are presented in the Statement of Net Position and the Statement of Activities.

**Custodial Funds** – *Custodial funds* are used to account for assets held by the County as a custodian for individuals, private organizations, other governments, and/or other funds. Wake County has two custodial funds: the Municipal Tax Fund, which collects and disburses the taxes for municipalities in the County and the Commissary Fund, which accounts for inmate commissary activities related to Wake County's detention centers.

The final section of the basic financial statements is the **notes to the financial statements**. The notes provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

In addition to the basic financial statements, this report presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to law enforcement personnel and other post-employment benefits to employees.

The combining statements are presented immediately after the required supplementary information and 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.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### GOVERNMENT-WIDE FINANCIAL ANALYSIS:

The County's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$(1,449.2) million as of June 30, 2021. Net position is reported in three general categories: net investment in capital assets of \$583.7 million, restricted amounts totaling \$383.0 million, and an unrestricted net deficit of \$(2,415.9) million.

One portion of Wake County's net position reflects its investment in capital assets (e.g., land, buildings, vehicles, and equipment), less any related debt still outstanding that was issued to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources. The capital assets cannot be used to liquidate these liabilities. The amount reported as invested in total capital assets increased from \$571.9 million in the prior year to \$583.7 million at June 30, 2021. This increase relates primarily to the County's governmental activities capital asset additions which includes construction of the Western Regional Center and various fire stations, renovations to existing county buildings, and land for the open space program. The County's school and community college related debt is not included in this calculation as it is not considered capital related debt for Wake County.

The largest category of the County's net position is reported as an unrestricted net deficit. This balance is to be used to meet the government's ongoing obligations to citizens and creditors. However, under North Carolina law, the County is responsible for providing capital funding for the Wake County Public School System (WCPSS) and Wake Technical Community College (WTCC). The County has chosen to meet its legal obligation to provide WCPSS and WTCC capital funding by using a mixture of County funds and debt. The assets funded by the County are owned, utilized, and maintained by WCPSS and WTCC. Since the County, as the issuing government, acquires no capital assets, the County has incurred a debt liability without a corresponding increase in assets. At the end of the fiscal year, the outstanding balance of the school-related debt less unspent bond proceeds was \$1,999,384,439, and the outstanding balance of the community college-related debt less unspent bond proceeds was \$295,844,947. 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

School system debt	\$ (1,999,384,439)
Community college debt	(295,844,947)
All other unrestricted	<u>(120,669,108)</u>
 Total unrestricted (deficit)	 <u>\$ (2,415,898,494)</u>

Unrestricted net position is also significantly impacted by the County's other Post-Employment Benefits, which the County funds on a pay-as-you-go basis. The liability reported at June 30, 2021 and 2020 was \$540.4 million and \$415.8, respectively. Additional information regarding the County's Other Post-Employment Benefits can be found in Note 18.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### WAKE COUNTY'S NET POSITION

IN MILLIONS OF DOLLARS

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 1,412.3	\$ 1,194.0	\$ 64.8	\$ 62.3	\$ 1,477.1	\$ 1,256.3
Capital assets	847.5	860.4	25.9	26.2	873.4	886.6
Total assets	2,259.8	2,054.4	90.7	88.5	2,350.5	2,142.9
Deferred outflows of resources	185.0	83.2	0.9	0.4	185.9	83.6
Long-term liabilities/schools	2,087.8	1,686.8	-	-	2,087.8	1,686.8
Long-term liabilities/community colleges	349.1	217.5	-	-	349.1	217.5
Long-term liabilities/other	1,049.8	1,314.5	26.7	25.3	1,076.5	1,339.8
Other liabilities	263.0	283.8	4.9	5.8	267.9	289.6
Total liabilities	3,749.7	3,502.6	31.6	31.1	3,781.3	3,533.7
Deferred inflows of resources	204.2	151.2	0.1	0.2	204.3	151.4
Net position:						
Invested in capital assets	557.8	545.7	25.9	26.2	583.7	571.9
Restricted/various	366.3	280.6	16.7	15.4	383.0	296.0
Unrestricted	(2,433.2)	(2,342.5)	17.3	16.0	(2,415.9)	(2,326.5)
Total net position	\$ (1,509.1)	\$ (1,516.2)	\$ 59.9	\$ 57.6	\$ (1,449.2)	\$ (1,458.6)

The County funds the capital needs for both WCPSS and WTCC but does not carry the resulting assets on our financial statements; therefore, our statement of net position reports a net deficit. Despite this deficit reported in governmental activities, the County's finances continue to be strong. Our property tax collection rate is high with an overall collection percentage of 99.9%. Revenues and expenditures are planned and managed using financial models for the capital, debt service, and various operating budgets. The low cost of our bonded debt is a direct result of the County's triple-A bond rating by the three major rating agencies.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### WAKE COUNTY'S CHANGES IN NET POSITION

IN MILLIONS OF DOLLARS

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 121.4	\$ 85.3	\$ 30.9	\$ 29.9	\$ 152.3	\$ 115.2
Operating grants and contributions	267.3	128.4	2.6	2.3	269.9	130.7
General revenues:						
Property taxes	1,167.3	1,133.3	-	-	1,167.3	1,133.3
Sales taxes	239.7	209.3	-	-	239.7	209.3
Grants and contributions not restricted to specific programs	12.2	13.3	-	-	12.2	13.3
Other general revenues	64.1	85.4	3.5	2.3	67.6	87.7
Total revenues	1,872.0	1,655.0	37.0	34.5	1,909.0	1,689.5
Expenses:						
General government	166.0	102.2	-	-	166.0	102.2
Human services	350.5	230.2	-	-	350.5	230.2
Education	880.9	890.3	-	-	880.9	890.3
Community development and cultural	94.7	108.1	-	-	94.7	108.1
Environmental services	15.9	15.4	-	-	15.9	15.4
Public safety	213.1	205.9	-	-	213.1	205.9
General services administration	30.3	37.3	-	-	30.3	37.3
Interest on long-term debt	114.4	90.3	-	-	114.4	90.3
Solid waste	-	-	34.2	32.3	34.2	32.3
Total expenses	1,865.8	1,679.7	34.2	32.3	1,900.0	1,712.0
Increase (decrease) in net position before transfers	6.2	(24.7)	2.8	2.2	9.0	(22.5)
Transfers	0.5	0.5	(0.5)	(0.5)	-	-
Change in net position	6.7	(24.2)	2.3	1.7	9.0	(22.5)
Net position (deficit), beginning of year	(1,516.2)	(1,492.0)	57.6	55.9	(1,458.6)	(1,436.1)
Prior period adjustment - change in accounting principle	0.4	-	-	-	0.4	-
Net position (deficit), beginning of year, as restated	(1,515.8)	(1,492.0)	57.6	55.9	(1,458.2)	(1,436.1)
Net position, end of the year	\$ (1,509.1)	\$ (1,516.2)	\$ 59.9	\$ 57.6	\$ (1,449.2)	\$ (1,458.6)

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 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 eleven major funds, as defined by GAAP for the fiscal year ended June 30, 2021, were the General Fund, Affordable Housing Fund, Coronavirus Relief Fund, American Rescue Plan Fund, Major Facilities Fund, Debt Service Fund, County Capital Projects Fund, School Capital Fund, Wake Community College Capital Fund, Solid Waste Operating Fund, and South Wake Landfill Partnership Fund, the last two of which are enterprise funds.

**Governmental Funds:** As of the end of the 2021 fiscal year, the County's total governmental funds reported combined ending fund balances of \$1,150.4 million, an increase of \$234.5 million from \$915.9 million for the prior fiscal year. The County's governmental fund balance increased during the fiscal year ended June 30, 2021 in large part because the County issued debt proceeds for Wake County Public Schools and Wake Community College capital needs, which will be expended in future years, planned savings in the Debt Service Fund, and excess Sales Taxes and departmental savings in the General Fund.

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

At the end of the 2021 fiscal year, the fund balances for the County's General Fund and the Debt Service Fund were \$481.9 million and \$175.5 million, respectively, compared to fund balances of \$401.1 million and \$137.8 million respectively in the prior fiscal year. The total fund balances of both funds compared as a percentage of combined General Fund and Debt Service Fund combined revenues, transfers in and bond premiums was 41.4% as of the end of fiscal year 2021 compared to 35.2% in the prior fiscal year. The County's debt and capital model strategically uses fund balance in the Debt Service Fund for debt service expenditures, but in an amount that will not exceed the County's debt service guideline of maintaining a minimum fund balance no less than 19% in the Debt Service Fund of subsequent year debt service expenditures and the maintenance of a combined General Fund and Debt Service Fund balance of at least 30% of General Fund and Debt Service Fund combined revenues.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FUND BALANCE POLICY COMPLIANCE ANALYSIS

#### GENERAL FUND

	June 30, 2021	June 30, 2020	Increase (Decrease)
Non-spendable:			
Inventories/noncurrent receivables/prepaid expenses	\$ 1,223,658	\$ 1,490,879	\$ (267,221)
Restricted:			
Stabilization by State statute	98,421,487	75,098,435	23,323,052
Register of deeds automation	1,354,285	1,022,394	331,891
Committed:			
Revaluation reserve	2,211,278	2,639,517	(428,239)
LEO Separation Allowance	3,235,640	3,235,640	-
Future appropriations from excess ABC revenues	11,051,880	13,943,568	(2,891,688)
Future appropriations for behavioral health	16,078,145	14,220,119	1,858,026
Future insurance claims	5,285,744	2,557,750	2,727,994
Working capital	342,558,367	286,929,520	55,628,847
Assigned:			
Planned expenditures	500,000	-	500,000
General fund balance	481,920,484	401,137,822	80,782,662
Subsequent Year's Adopted Budget	1,568,178,000	1,464,296,000	103,882,000
Fund Balance as a percentage of next year's budget (15% minimum)	30.73%	27.39%	3.34%
Working Capital	342,558,367	286,929,520	55,628,847
Working Capital as a percentage of next year's budget (10% minimum)	21.84%	19.60%	2.25%

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FUND BALANCE POLICY COMPLIANCE ANALYSIS

#### GENERAL FUND AND DEBT SERVICE

	June 30, 2021	June 30, 2020	Increase (Decrease)
General Fund Revenue, sales of assets & materials and transfers in	\$ 1,558,074,717	\$ 1,488,949,912	\$ 69,124,805
Debt Service Fund Revenue, transfers in, and premiums on bond issues	332,033,759	340,483,257	(8,449,498)
Combined revenue and transfers in	1,890,108,476	1,829,433,169	60,675,307
Less: General Fund transfers to Debt Service Fund	(302,480,000)	(297,629,000)	(4,851,000)
Combined General Fund and Debt Service Fund Revenue	\$ 1,587,628,476	\$ 1,531,804,169	\$ 55,824,307
Fund Balance			
General Fund	\$ 481,920,484	\$ 401,137,822	\$ 80,782,662
Debt Service	175,535,574	137,806,558	37,729,016
Combined Fund Balance	<u>\$ 657,456,058</u>	<u>\$ 538,944,380</u>	<u>\$ 118,511,678</u>
Fund Balance as a percentage of Current Year Revenues (30% minimum)	<u>41.4%</u>	<u>35.2%</u>	<u>6.2%</u>

The County Capital Project fund includes County buildings, libraries, criminal justice facilities, public safety stations, parks, greenways and open space, and major automation projects. At the end of the current fiscal year, total fund balance was \$144.5 million, an increase of \$30.1 million from the prior year in part due to the County dollars transferred from the General fund for additional Sales Tax received. This additional transfer will help fund the new Public Health building, ERP system enhancements, library book purchases, Wake 2.0 initiatives and allow for an additional reserve of \$7.0 million. The School Capital fund had an increase of \$24.8 million to \$183.3 million at the end of fiscal year 2021. This increase is attributed to the general obligation and limited obligation debt issued in the current year to fund school construction. These changes were anticipated with the County's long-term capital and debt planning model.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Proprietary Funds:** The County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position in the proprietary fund statement of net position for the Solid Waste Operating Fund at the end of fiscal year 2021 amounted to approximately \$17.3 million, an increase of \$1.3 million from the \$16.0 million reported at the end of fiscal year 2020. This increase resulted from an overall increase in the South Wake Landfill Partnership fund balance, as the County determined that future contract costs were coming in higher than anticipated and current year rebates were adjusted accordingly to ensure funding was available. Otherwise, the differences between the two fiscal years are minimal.

### GENERAL FUND BUDGETARY HIGHLIGHTS:

During the fiscal year ended June 30, 2021, the County revised its General Fund budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

The fund balance of the County's General Fund increased by \$80.8 million during the fiscal year ended June 30, 2021, a substantial amount more than the amount of usage planned of \$10.0 million. The total of \$90.8 million difference between planned usage of fund balance and the actual increase in the fund balance resulted from actual revenues in the General Fund that were \$68.1 million more than the amounts projected in the final budget and expenditures that were \$37.9 million less than anticipated. Due to the unknown impact of COVID-19 the FY21 revenue estimates were extremely conservative as the County prepared for the worst. The County anticipated that the housing market would cool down, sales would slow, and people would delay home improvement projects. Fortunately, the worst didn't happen. Property taxes were \$7.0 million higher than budgeted based on actual tax billed being slightly higher than estimates and the overall collection rate achieved of 99.88% exceeding the budgeted collection rate of 99.25%. Sales taxes were \$35.7 million higher than budgeted amount due to the continued increase in sales during the fiscal year. Real property transfer taxes were higher than the budgeted amount by \$9.1 million due to robust residential growth in the County. Intergovernmental revenues for human services were \$2.5 million higher than budgeted amounts due mainly to increased funding from Medicaid for reimbursement of administrative costs. The County also received additional funding of \$7.0 million from the ABC Board to the County. This additional revenue from the ABC Board was committed as fund balance for future County needs.



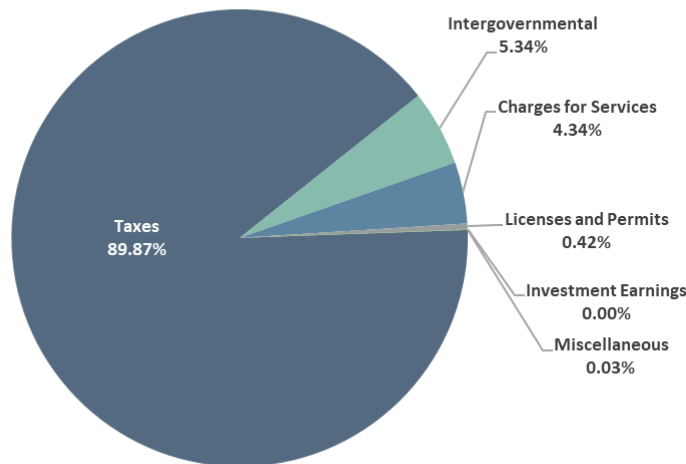
## MANAGEMENT'S DISCUSSION AND ANALYSIS

Actual expenditures were \$37.9 million less than budgeted amounts resulting from lower than projected spending by most County departments. Human Services expenditures were underspent by approximately \$22.4 million, the result of savings on the behavioral health care managed contract and savings in salaries from vacant key positions, turnover of medical positions and savings as employees continued to be redirected from regular operations to the COVID-19 response. Public Safety expenditures were under budget by approximately \$6.0 million, primarily due to a portion of the Sheriff's salaries being charged to the CARES Act funding and salary savings in the EMS department due to vacant positions.

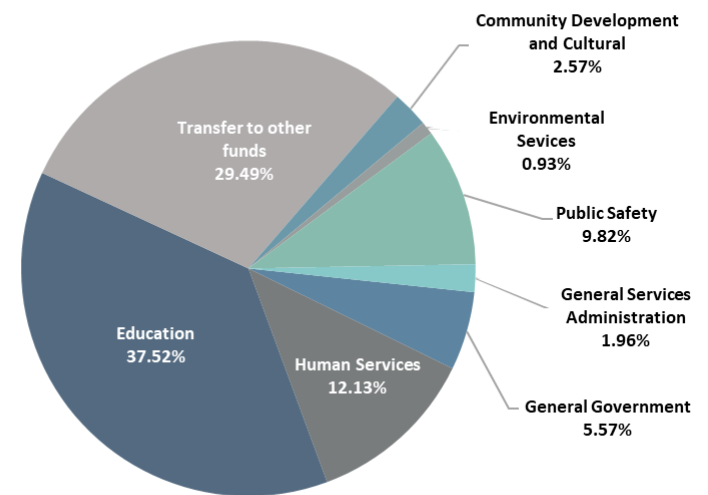
The County's general government departments' budgets were underspent by a total of \$5.9 million. Non-departmental costs were approximately \$3.5 million under budget due mainly from future reserves budgeted for the County's self-insurance plan. The reserves from the self-insurance plan were committed by the Board to offset future health related costs. Other savings in the budget were related to lapsed salaries from vacant positions and savings from the travel restraints of COVID-19.

### Major Categories of Revenues and Expenditures in the County's General Fund

Where Does the Money Come From?



Where Does the Money Go?



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### CAPITAL ASSET AND DEBT ADMINISTRATION:

**Capital assets.** The County's investment in capital assets for governmental and business-type activities as of June 30, 2021, totals approximately \$873.5 million (net of amortization and depreciation).

Major capital asset additions during the 2021 fiscal year within Governmental Activities included construction of Western Regional Center and various fire stations, renovations to existing county buildings, land for the open space program and vehicles. Within the Business-type Activities, additions included the construction of several solid waste convenience centers and the landfill gas system project.

WAKE COUNTY CAPITAL ASSETS (net of Amortization and Depreciation)							
	Governmental Activities		Business-type Activities		Total		
	2021	2020	2021	2020	2021	2020	
Land	\$ 154,917,435	\$ 149,846,522	\$ 382,327	\$ 382,327	\$ 155,299,762	\$ 150,228,849	
Landfills	-	-	4,231,162	4,676,128	4,231,162	4,676,128	
Buildings	589,524,244	604,991,180	16,627,211	17,085,771	606,151,455	622,076,951	
Machinery and equipment	3,128,917	4,328,114	142,179	109,313	3,271,096	4,437,427	
Vehicles and motorized equipment	16,421,315	17,315,493	-	-	16,421,315	17,315,493	
Improvements other than Buildings	13,251,822	13,259,384	251,297	268,614	13,503,119	13,527,998	
Computer Software	5,755,973	8,498,213	-	-	5,755,973	8,498,213	
Infrastructure	14,632,493	14,995,493	-	-	14,632,493	14,995,493	
Intangibles	1,032,044	1,032,044	-	-	1,032,044	1,032,044	
Construction in progress	48,878,470	46,142,845	4,312,635	3,707,742	53,191,105	49,850,587	
Total	<u>\$ 847,542,713</u>	<u>\$ 860,409,288</u>	<u>\$ 25,946,811</u>	<u>\$ 26,229,895</u>	<u>\$ 873,489,524</u>	<u>\$ 886,639,183</u>	

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Long-term Debt:** As of June 30, 2021, the County had total general obligation bonded debt outstanding of approximately \$1.7 billion, of which \$1.4 billion and \$249.2 million was issued to help meet the capital needs for WCPSS and WTCC, respectively. In addition to general obligation bonded debt, the County also has outstanding capital leases, limited obligation bonds and installment purchases. The County also had direct placement bond anticipation notes outstanding of \$78.3 million. These will be refinanced with permanent financing, general obligation bonds, in the future. There were no drawdown installment notes outstanding, as these had been replaced with permanent financing. A summary of total outstanding debt associated with governmental activities is shown below.

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

	2021	2020
General Obligation bonds (schools)*	\$ 1,354,024,930	\$ 1,411,464,963
General Obligation bonds (community college)*	249,200,260	217,498,213
General Obligation bonds (other)*	121,756,547	134,999,402
Limited obligation bonds*	961,205,881	620,426,297
Bond anticipation notes	78,352,012	36,078,529
Draw down installment notes	-	239,242,066
Installment purchases	3,002,115	3,719,115
Capital Leases	26,380	32,305
Total	<u>\$ 2,767,568,125</u>	<u>2,663,460,890</u>

*\*Includes premium on issuance cost.*

Wake County's total debt increased \$104.1 million during the fiscal year ended June 30, 2021. This increase occurred because the County issued, among other things, \$186.7 million in general obligation debt (excluding \$39.2 million in premiums) during the fiscal year, compared to the retirement of \$241.7 million in general obligation bonds (excluding \$23.3 million in premiums). A portion of this issuance was used to pay off \$157.9 million of the direct placement bond anticipation notes. The County issued \$302.4 million in limited obligation debt (excluding \$75.2 million in premiums) during the fiscal year compared to the retirement of \$30.1 million (excluding \$6.7 million in premiums). A portion of this issuance was used to pay off \$281.6 million of the direct placement drawdown installment notes. The County also issued \$200.2 million direct placement bond anticipation notes and \$42.3 million in direct placement drawdown installment notes. These retirements and issuances were made in accordance with the County's long-term capital and debt planning model.

Additional information regarding the County's long-term debt can be found in Note 11 of the Basic Financial Statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES:

- The unemployment rate for Wake County was 4.1% at June 30, 2021, which is a decrease of 3.0% from the prior year rate of 7.1%. The unemployment rate at June 30, 2021 is consistent to the pre-pandemic unemployment rate. The increase in fiscal year 20 was attributed to the COVID-19 pandemic and the Executive orders that were put in place that required businesses to close or curtail activity to limit social interaction.
- During 2017, the County Board of Commissioners voted to change the County's revaluation cycle from an eight-year cycle to a four-year cycle. The change in reappraisal cycles will allow the County to take advantage of the natural growth in the tax base sooner. Under the revised reappraisal schedule, the current cycle occurred in 2020 for property tax billings beginning July 1, 2020. The next reappraisal will take place in 2024.
- Total sales tax collections continued to increase during the fiscal year ended June 30, 2021 to \$239.7 million, from \$209.3 million in the prior fiscal year, a 14.5% increase. Continued growth in sales, even throughout the pandemic, was the contributing factor of the increase.
- Wake County continues to grow, with a population of 1,129,410 people at June 30, 2021. The school system had a slight decrease to the system rolls, with a total of 157,673 enrolled for the 2020-2021 school year. Student enrollment for 2020-2021 was directly affected by the disruption of the COVID-19 pandemic. This was especially true of kindergarten students, who accounted for much of the difference between actual and projected counts. School enrollment is projected to be at 160,591 for the 2021-2022 school year.
- The average yield on investments was .34% for the fiscal year 2021, compared to 1.46% for the fiscal year 2020. As in the prior fiscal years, the County has continued to utilize detailed cash flow planning which has allowed us to keep funds invested until needed for expenditures, maximizing the maturity on our investments and earnings on our portfolio. The County had an overall investment loss on all funds of \$4.1 million for the fiscal year ended June 30, 2021, on an average portfolio balance of more than \$1,086.1 million. The overall loss includes realized earnings of \$3.6 million and an unrealized loss of \$7.7 million. As these investments mature, the County will realize earnings on these investments. This compares to fiscal year 2020 overall earnings of \$15.0 million on an average portfolio balance of more than \$902.2 million. The increase on the average portfolio balance for fiscal year 2021 is due to the receipt of approximately \$107.9 million the County received for the State and Local Fiscal Recovery Funds from the American Rescue Plan Act in May 2021. The County routinely holds investments until maturity to maximize earnings.

These factors and others were considered when management prepared Wake County's budget ordinance for the 2022 fiscal year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Budget Highlights for the Fiscal Year Ending June 30, 2022:

**Governmental Activities.** The County approved an original budget of approximately \$1.57 billion for the General Fund for fiscal year 2022, compared to \$1.46 billion for the fiscal year 2021. The General Fund budget included a property tax rate of 60.00 cents per \$100 of property valuation which is the same as the previous year and includes a growth in the tax base of 1.3%. Sales tax revenues are projected to increase by 15.1% over the FY21 amended budget. As the County progressed through fiscal year 2021 it was proven that COVID-19 did not have a negative impact on sales which attributed to this increase. On the expenditure side, the County increased General Fund operating support for WCPSS by \$16.3 million to \$544.2 million. Much of the \$102.2 million of budget increases went to education and debt and capital expenditures. However, the County also addressed staffing shortages in all County departments due to budget constraints during the COVID-19 pandemic.

### REQUESTS FOR INFORMATION:

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

# ***Basic Financial Statements***

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF NET POSITION

As of June 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Total	Board of Alcoholic Control
<b>ASSETS</b>				
Cash and investments - pooled equity	\$ 922,504,151	\$ 36,544,826	\$ 959,048,977	\$ -
Cash and investments - reserved	117,449,089	23,333,371	140,782,460	-
Cash and investments - cash equivalents	989,657	900	990,557	38,406,142
Taxes receivable (net)	74,811,460	109,102	74,920,562	-
Accounts receivable (net)	29,412,040	2,386,791	31,798,831	-
Intergovernmental receivable (net)	45,428,739	627,984	46,056,723	-
Loans receivable (net)	32,034,219	1,805,271	33,839,490	-
Special assessments	542,960	-	542,960	-
Prepaid items	1,245,326	1,400	1,246,726	326,478
Inventories	352,406	-	352,406	15,768,346
Restricted assets:				
Restricted cash equivalents	184,823,728	-	184,823,728	-
Net pension asset:				
ROD Supplemental Pension	2,694,036	-	2,694,036	-
Capital assets not being depreciated:				
Land	154,917,435	382,327	155,299,762	12,364,877
Construction in progress	48,878,470	4,312,635	53,191,105	-
Intangibles	1,032,044	-	1,032,044	-
Capital assets (net of accumulated depreciation)				
Landfills	-	4,231,162	4,231,162	-
Buildings	589,524,244	16,627,211	606,151,455	13,806,160
Improvements	13,251,822	251,297	13,503,119	269,486
Machinery and equipment	3,128,917	142,179	3,271,096	909,734
Vehicles and motorized equipment	16,421,315	-	16,421,315	340,517
Computer software	5,755,973	-	5,755,973	-
Infrastructure	14,632,493	-	14,632,493	-
Total assets	2,259,830,524	90,756,456	2,350,586,980	82,191,740
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
LGERS Pension	70,336,795	391,238	70,728,033	2,488,246
ROD Supplemental Pension	407,473	-	407,473	-
LEO Separation Allowance	8,501,555	-	8,501,555	262,772
Other post employment benefit	105,758,516	501,929	106,260,445	4,253,664
Total deferred outflows of resources	185,004,339	893,167	185,897,506	7,004,682

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF NET POSITION (continued) As of June 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Total	Board of Alcoholic Control
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 71,726,915	\$ 3,550,030	\$ 75,276,945	\$ 19,392,339
Due to other governmental units	158,772,662	1,389,158	160,161,820	-
Unearned revenues	500,000	-	500,000	-
Accrued interest payable	31,985,043	-	31,985,043	-
Long term liabilities:				
Amounts due within one year:				
Capital leases	14,864	-	14,864	-
General obligation bonds - schools	141,606,291	-	141,606,291	-
General obligation bonds - community college	19,058,347	-	19,058,347	-
General obligation bonds - other	11,405,362	-	11,405,362	-
Limited obligation bonds	47,880,000	-	47,880,000	-
Installment purchases	724,000	-	724,000	-
Compensated absences payable	10,050,000	63,000	10,113,000	-
Closure/post closure costs	-	678,781	678,781	-
Risk management liabilities	8,209,375	3,375	8,212,750	-
Amounts due beyond one year:				
Total pension liability - LEOSA	26,462,961	-	26,462,961	994,454
Net pension liability - LGERS	124,907,450	705,621	125,613,071	3,652,041
Total OPEB liability	537,862,141	2,552,688	540,414,829	12,210,037
Capital leases	11,516	-	11,516	-
Noncurrent bond anticipation notes	78,352,012	-	78,352,012	-
General obligation bonds - schools	1,212,418,639	-	1,212,418,639	-
General obligation bonds - community college	230,141,913	-	230,141,913	-
General obligation bonds - other	110,351,185	-	110,351,185	-
Limited obligation bonds	913,325,881	-	913,325,881	-
Installment purchases	2,278,115	-	2,278,115	-
Compensated absences payable	8,304,465	52,362	8,356,827	-
Construction reserves	-	1,049,535	1,049,535	-
Closure/post closure costs	-	21,604,055	21,604,055	-
Risk management liabilities	3,365,395	-	3,365,395	-
Total liabilities	3,749,714,532	31,648,605	3,781,363,137	36,248,871
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Prepaid taxes and deposits	2,799,145	390	2,799,535	-
ROD Supplemental Pension	543,817	-	543,817	-
LEO Separation Allowance	331,313	-	331,313	62,399
Other post employment benefit	26,284,719	124,748	26,409,467	523,081
Unamortized gains on debt refundings	174,225,653	-	174,225,653	-
Total deferred inflows of resources	204,184,647	125,138	204,309,785	585,480
<b>NET POSITION</b>				
Net investment in capital assets	557,754,436	25,946,811	583,701,247	27,690,774
Restricted for:				
Stabilization by state statute	364,378,118	3,014,793	367,392,911	-
Register of deeds automation	1,354,285	-	1,354,285	-
Individuals, organizations, and other governments	608,278	-	608,278	-
White goods	-	4,734,451	4,734,451	-
Working capital	-	-	-	5,618,035
Planned expenditures	-	8,918,886	8,918,886	-
Unrestricted (See Note 1.P)	(2,433,159,433)	17,260,939	(2,415,898,494)	19,053,262
Total net position (deficit)	\$ (1,509,064,316)	\$ 59,875,880	\$ (1,449,188,436)	\$ 52,362,071



# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF ACTIVITIES For the Year Ended June 30, 2021

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit  Board of Alcoholic Control
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government			
				Governmental Activities	Business-type Activities	Total	
Primary Government:							
Governmental activities:							
General government	\$ 165,953,034	\$ 14,365,084	\$ 61,827,343	\$ (89,760,607)	\$ -	\$ (89,760,607)	\$ -
Human services	350,499,584	49,076,796	183,881,975	(117,540,813)	-	(117,540,813)	-
Education	880,896,499	2,505,907	20,031,966	(858,358,626)	-	(858,358,626)	-
Community development and cultural	94,715,897	10,895,965	785,210	(83,034,722)	-	(83,034,722)	-
Environmental services	15,927,095	3,254,740	230,922	(12,441,433)	-	(12,441,433)	-
Public safety	213,125,795	39,431,172	531,034	(173,163,589)	-	(173,163,589)	-
General services administration	30,250,539	1,861,616	-	(28,388,923)	-	(28,388,923)	-
Interest on long-term debt	114,361,490	-	-	(114,361,490)	-	(114,361,490)	-
Total governmental activities	1,865,729,933	121,391,280	267,288,450	(1,477,050,203)	-	(1,477,050,203)	-
Business-type activities:							
Solid waste	34,177,714	30,883,716	2,554,029	-	(739,969)	(739,969)	-
Total primary government	\$ 1,899,907,647	\$ 152,274,996	\$ 269,842,479	(1,477,050,203)	(739,969)	(1,477,790,172)	-
Component unit:							
Board of Alcoholic Control	\$ 188,177,666	\$ 190,376,554	\$ -				\$ 2,198,888
General revenues:							
Property taxes				1,167,326,970	-	1,167,326,970	-
Sales taxes				239,698,358	-	239,698,358	-
Occupancy and prepared food taxes				44,940,967	-	44,940,967	-
Other taxes				21,289,077	-	21,289,077	-
Grants and contributions not restricted to specific programs				12,199,855	-	12,199,855	-
Unrestricted investment earnings				(3,848,162)	(244,406)	(4,092,568)	226,930
Gain on sale of capital assets				855,519	-	855,519	-
Other				871,011	3,750,508	4,621,519	439,694
Total general revenues				1,483,333,595	3,506,102	1,486,839,697	666,624
Transfers				450,000	(450,000)	-	-
Total general revenues and transfers				1,483,783,595	3,056,102	1,486,839,697	666,624
Change in net position				6,733,392	2,316,133	9,049,525	2,865,512
Net position (deficit), beginning of year				(1,516,244,374)	57,559,747	(1,458,684,627)	49,496,559
Prior period adjustment - change in accounting principle				446,666	-	446,666	-
Net position (deficit), beginning of year, as restated				(1,515,797,708)	57,559,747	(1,458,237,961)	49,496,559
Net position (deficit), end of year				\$ (1,509,064,316)	\$ 59,875,880	\$ (1,449,188,436)	\$ 52,362,071

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, 2021

	Major Funds									Nonmajor Funds	
	General Fund	Affordable Housing Fund	Coronavirus Relief Fund	American Rescue Plan Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Wake Community College Capital Fund	Other Governmental Funds	Total Governmental Funds
ASSETS											
Cash and investments - pooled equity	\$ 427,477,674	\$ 27,985,433	\$ -	\$ -	\$ 14,336,859	\$ 165,258,671	\$ 106,971,823	\$ 91,319,596	\$ 9,249,904	\$ 72,726,820	\$ 915,326,780
Cash and investments - cash equivalents	989,357	-	-	-	300	-	-	-	-	-	989,657
Cash and investments - restricted	6,891,675	-	2,833,424	107,723,990	-	2,273,268	40,880,210	88,367,967	53,302,283	-	302,272,817
Taxes receivable (net)	63,190,121	-	-	-	4,992,888	-	174,530	6,310,368	-	143,553	74,811,460
Accounts receivable (net)	16,990,845	580	-	-	-	-	1,697,370	9,113,600	1,128,688	448,409	29,379,492
Intergovernmental receivable (net)	31,804,478	1,380,875	-	-	-	8,880,214	-	-	-	3,384,208	45,449,775
Special assessments	-	-	-	-	-	-	542,960	-	-	-	542,960
Loans receivable (net)	-	27,034,219	5,000,000	-	-	-	-	-	-	-	32,034,219
Internal balances (due from other funds)	429,002	-	-	-	-	-	-	-	-	-	429,002
Prepaid expenditures	872,435	176,851	-	-	-	177,666	-	-	-	18,374	1,245,326
Inventories	299,437	-	-	-	-	-	-	-	-	-	299,437
Total assets	<u>\$ 548,945,024</u>	<u>\$ 56,577,958</u>	<u>\$ 7,833,424</u>	<u>\$ 107,723,990</u>	<u>\$ 19,330,047</u>	<u>\$ 176,589,819</u>	<u>\$ 150,266,893</u>	<u>\$ 195,111,531</u>	<u>\$ 63,680,875</u>	<u>\$ 76,721,364</u>	<u>\$ 1,402,780,925</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES											
Liabilities:											
Accounts payable and accrued liabilities	\$ 47,383,569	\$ 575,498	\$ 978,449	\$ 1,473,128	\$ 13,465,490	\$ 1,054,245	\$ 5,286,627	\$ 8,553	\$ -	\$ 2,880,156	\$ 73,105,715
Due to other governmental units	301,082	25,602,266	6,854,975	106,719,110	-	-	-	11,800,506	7,494,723	-	158,772,662
Unearned revenue	-	-	-	-	-	-	500,000	-	-	-	500,000
Internal balances (due to other funds)	-	-	-	-	-	-	-	-	-	429,002	429,002
Total liabilities	<u>47,684,651</u>	<u>26,177,764</u>	<u>7,833,424</u>	<u>108,192,238</u>	<u>13,465,490</u>	<u>1,054,245</u>	<u>5,786,627</u>	<u>11,809,059</u>	<u>7,494,723</u>	<u>3,309,158</u>	<u>232,807,379</u>
DEFERRED INFLOWS OF RESOURCES	19,339,889	-	-	-	-	-	13,043	-	-	184,546	19,537,478

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

(Continued)

# WAKE COUNTY, NORTH CAROLINA

## BALANCE SHEET

### GOVERNMENTAL FUNDS (continued)

As of June 30, 2021

	Major Funds								Nonmajor Funds		
	General Fund	Affordable Housing Fund	Coronavirus Relief Fund	American Rescue Plan Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Wake Community College Capital Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances:											
Non-spendable:											
Inventories	\$ 299,437	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	299,437
Prepaid expenditures	872,435	176,851	-	-	-	177,666	-	-	-	18,374	1,245,326
Noncurrent receivable	51,786	-	-	-	-	-	-	-	-	-	51,786
Restricted:											
Stabilization by state statute	98,421,487	30,223,343	-	-	4,992,888	8,880,214	22,994,339	183,302,472	1,128,688	11,863,188	361,806,619
Individuals, organizations, and other governments	-	-	-	-	-	-	-	-	-	608,278	608,278
Register of deeds automation	1,354,285	-	-	-	-	-	-	-	-	-	1,354,285
Committed:											
Revaluation reserve	2,211,278	-	-	-	-	-	-	-	-	-	2,211,278
LEO Separation Allowance	3,235,640	-	-	-	-	-	-	-	-	-	3,235,640
Future appropriations from excess ABC revenues	11,051,880	-	-	-	-	-	-	-	-	-	11,051,880
Future appropriations for behavioral health	16,078,145	-	-	-	-	-	-	-	-	-	16,078,145
Future insurance claims	5,285,744	-	-	-	-	-	-	-	-	-	5,285,744
Working capital	342,558,367	-	-	-	-	-	-	-	-	3,784,057	346,342,424
Assigned:											
Planned expenditures	500,000	-	-	-	871,669	36,580,769	116,532,316	-	38,983,059	10,184,640	203,652,453
Future capital projects	-	-	-	-	-	-	4,940,568	-	16,074,405	46,769,123	67,784,096
Debt service	-	-	-	-	-	129,896,925	-	-	-	-	129,896,925
Unassigned	-	-	-	(468,248)	-	-	-	-	-	-	(468,248)
Total fund balances	481,920,484	30,400,194	-	(468,248)	5,864,557	175,535,574	144,467,223	183,302,472	56,186,152	73,227,660	1,150,436,068
Total liabilities, deferred inflows of resources, and fund balances	\$ 548,945,024	\$ 56,577,958	\$ 7,833,424	\$ 107,723,990	\$ 19,330,047	\$ 176,589,819	\$ 150,266,893	\$ 195,111,531	\$ 63,680,875	\$ 76,721,364	\$ 1,402,780,925

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

## ***WAKE COUNTY, NORTH CAROLINA***

### **Reconciliation of the Balance Sheet to the Statement of Net Position As of June 30, 2021**

Fund balances - governmental funds	\$	1,150,436,068
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**Amounts reported for governmental activities in the Statement of Net Position  
are different because:**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds less assets related to the Corporate Fleet Internal Service Fund		838,195,482
--	--	-------------

Taxes and other receivables will be collected after year-end, but are not available to pay for current-period expenditures and therefore are deferred in the funds		16,738,704
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Net pension assets from the ROD Supplemental Retirement fund resulting from contributions greater than the amount of annual required contributions are not financial resources and therefore not reported in the funds		2,694,036
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Contributions to the LGERS Pension plan, ROD Supplemental Retirement fund and Other post employment benefits in the fiscal year are deferred outflows of resources on the Statement of Net Position		36,390,335
--	--	------------

Long-term liabilities, including bonds payable, other post employment benefits, pension liabilities and deferred portion of advanced refundings are not due and payable in the current period and therefore are not reported in the funds.		(3,688,214,630)
--	--	-----------------

Pension related deferrals for the LGERS Pension plan, ROD Supplemental Retirement fund and the LEO Special Separation fund, as well as, deferrals related to Other post-employment benefits		120,805,771
--	--	-------------

An internal service fund is used by management to charge the costs of fleet to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		13,889,918
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Net position of governmental activities	\$	<u><u>(1,509,064,316)</u></u>
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The notes to the financial statement are an integral part of this statement.

# WAKE COUNTY, NORTH CAROLINA

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

### GOVERNMENTAL FUNDS

For the Year Ended June 30, 2021

	Major Funds										
	General Fund	Affordable Housing Fund	Coronavirus Relief Fund	American Rescue Plan Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Wake Community College Capital Fund	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES:</b>											
Taxes	\$ 1,397,741,793	\$ -	\$ -	\$ -	\$ 44,940,967	\$ -	\$ -	\$ -	\$ -	\$ 30,249,242	\$ 1,472,932,002
Intergovernmental	82,979,342	9,038,162	159,144,813	1,254,161	-	20,252,704	5,137,000	-	-	36,752,702	314,558,884
Charges for services	67,425,142	419,873	-	-	-	11,500	1,710,634	-	-	3,147,513	72,714,662
Fines and forfeitures	-	-	-	-	-	-	-	-	-	2,505,908	2,505,908
Licenses and permits	6,607,475	-	-	-	-	-	-	-	-	-	6,607,475
Investment earnings	7,972	717	439,612	(468,248)	(58,508)	(3,468,704)	-	(30,175)	-	(239,593)	(3,816,927)
Miscellaneous	498,016	-	-	-	-	-	3,893	-	-	381,201	883,110
Total Revenues	1,555,259,740	9,458,752	159,584,425	785,913	44,882,459	16,795,500	6,851,527	(30,175)	-	72,796,973	1,866,385,114
<b>EXPENDITURES:</b>											
Current:											
General government	82,318,179	-	159,675,925	1,254,161	-	1,583,791	19,425,924	-	-	2,740,815	266,998,795
Human services	179,209,699	8,820,803	-	-	-	-	-	-	-	36,199,428	224,229,930
Education	554,340,159	-	-	-	-	-	-	240,049,577	83,133,592	2,512,124	880,035,452
Community development and cultural	37,993,672	-	-	-	41,183,985	-	13,865,522	-	-	3,479,514	96,522,693
Environmental services	13,706,000	-	-	-	-	-	-	-	-	7,646	13,713,646
Public safety	145,066,162	-	-	-	-	-	6,570,459	-	-	29,090,306	180,726,927
General services administration	28,963,130	-	-	-	-	-	-	-	-	597	28,963,727
Debt service:											
Principal	-	-	-	-	-	251,923,303	-	-	-	-	251,923,303
Interest	-	-	-	-	-	96,539,380	-	-	-	-	96,539,380
Total Expenditures	1,041,597,001	8,820,803	159,675,925	1,254,161	41,183,985	350,046,474	39,861,905	240,049,577	83,133,592	74,030,430	2,039,653,853
REVENUES OVER (UNDER) EXPENDITURES	513,662,739	637,949	(91,500)	(468,248)	3,698,474	(333,250,974)	(33,010,378)	(240,079,752)	(83,133,592)	(1,233,457)	(173,268,739)

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

(Continued)

# WAKE COUNTY, NORTH CAROLINA

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

### GOVERNMENTAL FUNDS (continued)

For the Year Ended June 30, 2021

	Major Funds											
	General Fund	Affordable Housing Fund	Coronavirus Relief Fund	American Rescue Plan Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Wake Community College Capital Fund	Total Nonmajor Funds	Total Governmental Funds	
<b>OTHER FINANCING SOURCES (USES):</b>												
Transfers in	\$ 2,779,728	\$ -	\$ -	\$ -	\$ -	\$ 303,861,560	\$ 63,030,400	\$ 40,905,000	\$ 8,033,000	\$ 27,427,744	\$ 446,037,432	
Transfers out	(435,695,054)	(91,590)	(8,500)	-	(4,400,000)	(1,394,000)	-	(929,728)	-	(3,068,560)	(445,587,432)	
Bonds issued	-	-	-	-	-	56,675,697	-	105,809,100	20,200,878	-	182,685,675	
Bond anticipation notes issued	-	-	-	-	-	-	-	155,330,792	44,852,351	-	200,183,143	
Repayment of bond anticipation notes	-	-	-	-	-	-	-	(105,809,100)	(52,100,559)	-	(157,909,659)	
Drawdown installment notes issued	-	-	-	-	-	-	-	30,391,987	11,933,503	-	42,325,490	
Repayment of drawdown installment notes	-	-	-	-	-	-	-	(239,976,687)	(41,590,870)	-	(281,567,557)	
Limited obligation bonds issued	-	-	-	-	-	460,034	-	203,927,560	98,022,406	-	302,410,000	
Premiums on issuance	-	-	-	-	-	11,376,699	-	75,234,034	31,899,681	-	118,510,414	
Capital lease proceeds	7,147	-	-	-	-	-	-	-	-	4,860	12,007	
Capital lease	(7,147)	-	-	-	-	-	-	-	-	(4,860)	(12,007)	
Sale of assets and materials	35,249	-	-	-	-	-	85,724	-	-	115,998	236,971	
<b>Total Other Financing Sources (Uses)</b>	<b>(432,880,077)</b>	<b>(91,590)</b>	<b>(8,500)</b>	<b>-</b>	<b>(4,400,000)</b>	<b>370,979,990</b>	<b>63,116,124</b>	<b>264,882,958</b>	<b>121,250,390</b>	<b>24,475,182</b>	<b>407,324,477</b>	
<b>NET CHANGE IN FUND BALANCES</b>	<b>80,782,662</b>	<b>546,359</b>	<b>(100,000)</b>	<b>(468,248)</b>	<b>(701,526)</b>	<b>37,729,016</b>	<b>30,105,746</b>	<b>24,803,206</b>	<b>38,116,798</b>	<b>23,241,725</b>	<b>234,055,738</b>	
<b>Fund Balances at beginning of year</b>	<b>401,137,822</b>	<b>29,853,835</b>	<b>100,000</b>	<b>-</b>	<b>6,566,083</b>	<b>137,806,558</b>	<b>114,361,477</b>	<b>158,499,266</b>	<b>18,069,354</b>	<b>49,539,269</b>	<b>915,933,664</b>	
<b>Priod Period Adjustment - change in accounting principle</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>446,666</b>	<b>446,666</b>	
<b>Fund Balances at beginning of year, as restated</b>	<b>401,137,822</b>	<b>29,853,835</b>	<b>100,000</b>	<b>-</b>	<b>6,566,083</b>	<b>137,806,558</b>	<b>114,361,477</b>	<b>158,499,266</b>	<b>18,069,354</b>	<b>49,985,935</b>	<b>916,380,330</b>	
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 481,920,484</b>	<b>\$ 30,400,194</b>	<b>\$ -</b>	<b>\$ (468,248)</b>	<b>\$ 5,864,557</b>	<b>\$ 175,535,574</b>	<b>\$ 144,467,223</b>	<b>\$ 183,302,472</b>	<b>\$ 56,186,152</b>	<b>\$ 73,227,660</b>	<b>\$ 1,150,436,068</b>	

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

## ***WAKE COUNTY, NORTH CAROLINA***

### **Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2021**

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

<b>Net change in fund balances - total governmental funds</b>	\$ 234,055,738
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.	17,324,633
Depreciation expense for the fiscal year being reported, less depreciation in Corporate Fleet Fund	(30,001,124)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(173,986,374)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	4,708,865
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.	(82,725,368)
Contributions to the LGERS Pension plan, ROD Supplemental Retirement fund, LEO Separation Allowance and Other post employment benefits in the current fiscal year are not included on the Statement of Activities	36,390,335
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.	966,687
<b>Change in net position of governmental activities</b>	<u><u>\$ 6,733,392</u></u>

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

# WAKE COUNTY, NORTH CAROLINA

## GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes	\$ 1,304,273,003	\$ 1,346,073,003	\$ 1,397,741,793	\$ 51,668,790
Intergovernmental	73,421,957	73,519,753	82,979,342	9,459,589
Charges for services	62,451,361	62,480,120	67,425,142	4,945,022
Licenses and permits	4,737,920	4,737,920	6,607,475	1,869,555
Investment earnings	5,220	5,220	7,972	2,752
Miscellaneous	345,826	353,326	498,016	144,690
Total Revenues	1,445,235,287	1,487,169,342	1,555,259,740	68,090,398
EXPENDITURES:				
Current:				
General government	75,662,631	88,237,198	82,318,179	5,919,019
Human services	200,293,579	201,629,838	179,209,699	22,420,139
Education	554,340,159	554,340,159	554,340,159	-
Community development and cultural	39,406,000	39,449,146	37,993,672	1,455,474
Environmental services	13,877,389	13,915,513	13,706,000	209,513
Public safety	157,538,133	151,076,686	145,066,162	6,010,524
General services administration	30,993,455	30,882,189	28,963,130	1,919,059
Total Expenditures	1,072,111,346	1,079,530,729	1,041,597,001	37,933,728
REVENUES OVER EXPENDITURES	373,123,941	407,638,613	513,662,739	106,024,126
OTHER FINANCING SOURCES (USES):				
Transfers in	10,279,728	2,779,728	2,779,728	-
Transfers out	(393,487,654)	(435,695,054)	(435,695,054)	-
Capital lease proceeds	-	-	7,147	7,147
Capital lease	-	-	(7,147)	(7,147)
Sale of assets and materials	40,000	40,000	35,249	(4,751)
Total Other Financing Sources (Uses)	(383,167,926)	(432,875,326)	(432,880,077)	(4,751)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(10,043,985)	(25,236,713)	80,782,662	106,019,375
APPROPRIATED FUND BALANCE	10,043,985	25,236,713	-	(25,236,713)
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ -	80,782,662	\$ 80,782,662
FUND BALANCE AT BEGINNING OF YEAR			401,137,822	
FUND BALANCE AT END OF YEAR			\$ 481,920,484	



# WAKE COUNTY, NORTH CAROLINA

## MAJOR FACILITIES FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN APPROPRIATED FUND BALANCE- BUDGET AND ACTUAL For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Occupancy tax	\$ 23,558,000	\$ 23,558,000	\$ 15,715,504	\$ (7,842,496)
Prepared food tax	24,500,000	24,500,000	29,225,463	4,725,463
Investment earnings	-	-	(58,508)	(58,508)
Total Revenues	48,058,000	48,058,000	44,882,459	(3,175,541)
EXPENDITURES:				
Raleigh hold harmless - occupancy	680,000	680,000	680,000	-
Cary hold harmless - occupancy	1,145,000	1,145,000	753,275	391,725
Greater Raleigh Convention and Visitors Bureau	5,974,000	5,974,000	4,013,626	1,960,374
Centennial Authority operations 7%	2,768,000	2,768,000	2,714,185	53,815
Raleigh annual distribution - \$1M	1,000,000	1,000,000	1,000,000	-
Convention Center	19,627,000	19,627,000	19,022,899	604,101
PNC Arena	-	9,000,000	9,000,000	-
Centennial Authority facility improvements	11,000,000	2,000,000	2,000,000	-
Cary sports venue	2,000,000	2,000,000	2,000,000	-
Total Expenditures	44,194,000	44,194,000	41,183,985	3,010,015
REVENUES OVER EXPENDITURES	3,864,000	3,864,000	3,698,474	(165,526)
OTHER FINANCING SOURCES (USES):				
Transfers out to General Fund	(1,400,000)	(1,400,000)	(1,400,000)	-
Transfers out to Capital Improvement Fund	(3,000,000)	(3,000,000)	(3,000,000)	-
Total Other Financing Sources (Uses)	(4,400,000)	(4,400,000)	(4,400,000)	-
APPROPRIATED FUND BALANCE	536,000	536,000	-	(536,000)
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ -	(701,526)	\$ (701,526)
FUND BALANCE AT BEGINNING OF YEAR			6,566,083	
FUND BALANCE AT END OF YEAR			\$ 5,864,557	

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

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS As of June 30, 2021

	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
<b>ASSETS</b>				
Current assets:				
Cash and investments - pooled equity	\$ 33,301,989	\$ 3,242,837	\$ 36,544,826	\$ 7,177,371
Cash and investments - reserved	8,592,109	14,741,262	23,333,371	-
Cash and investments - cash equivalents	-	900	900	-
Taxes receivable (net)	109,102	-	109,102	-
Accounts receivable (net)	441,720	1,945,071	2,386,791	1,152
Intergovernmental receivable (net)	627,984	-	627,984	10,360
Loan receivable	1,805,271	-	1,805,271	-
Internal balance (due from other funds)	227,004	278,801	505,805	-
Prepaid expenses	1,400	-	1,400	-
Inventories	-	-	-	52,969
Total current assets	45,106,579	20,208,871	65,315,450	7,241,852
Noncurrent assets:				
Capital assets not being depreciated:				
Land	382,327	-	382,327	-
Construction in progress	4,312,635	-	4,312,635	-
Capital assets (net of accumulated depreciation):				
Landfills	4,231,162	-	4,231,162	-
Buildings	16,627,211	-	16,627,211	-
Machinery and equipment	142,179	-	142,179	58,290
Vehicles	-	-	-	9,288,941
Improvements	251,297	-	251,297	-
Total non-current assets	25,946,811	-	25,946,811	9,347,231
Total assets	71,053,390	20,208,871	91,262,261	16,589,083
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	708,136	185,031	893,167	760,280

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

(Continued)

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS (continued) As of June 30, 2021

	Business-Type Activities		Governmental Activities
	Enterprise		Internal Service
	Major Funds		
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Corporate Fleet Fund
		Total Business-type Activities	
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 1,453,824	\$ 2,096,205	\$ 3,550,029
Due to other governmental units	-	1,389,158	1,389,158
Internal balances (due to other funds)	278,801	227,004	505,805
Compensated absences	50,000	13,000	63,000
Closure/postclosure care costs	678,781	-	678,781
Risk management liabilities	2,514	862	3,376
Total current liabilities	2,463,920	3,726,229	6,190,149
Noncurrent liabilities:			
Net pension liability - LGERS	595,242	110,379	705,621
Total OPEB Liability	1,914,516	638,172	2,552,688
Compensated absences	50,098	2,264	52,362
Construction reserves	-	1,049,535	1,049,535
Closure/postclosure care costs	7,913,328	13,690,727	21,604,055
Total noncurrent liabilities	10,473,184	15,491,077	25,964,261
Total liabilities	12,937,104	19,217,306	32,154,410
<b>DEFERRED INFLOWS OF RESOURCES</b>	93,801	31,337	125,138
<b>NET POSITION</b>			
Net investment in capital assets	25,946,811	-	25,946,811
Restricted:			
Stabilization by state statute	1,869,534	1,145,259	3,014,793
White goods	4,734,451	-	4,734,451
Planned expenditures	8,918,886	-	8,918,886
Unrestricted	17,260,939	-	17,260,939
Total net position	\$ 58,730,621	\$ 1,145,259	\$ 59,875,880
			\$ 13,889,918

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

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS For the Year Ended June 30, 2021

	Business-type Activities Enterprise			Governmental Activities Internal Service
	Major Funds			
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Total Business-type Activities	Corporate Fleet Fund
OPERATING REVENUES:				
Licenses and permits	\$ 7,100	\$ -	\$ 7,100	\$ -
Charges for services	10,276,126	20,616,216	30,892,342	9,649,601
Miscellaneous	3,734,782	-	3,734,782	983
Total Operating Revenues	14,018,008	20,616,216	34,634,224	9,650,584
OPERATING EXPENSES:				
Cost of service	12,654,971	14,754,420	27,409,391	3,608,549
Administration	2,485,560	856,810	3,342,370	1,871,089
Partner rebates	-	2,450,976	2,450,976	-
Depreciation and amortization	974,977	-	974,977	3,834,507
Total Operating Expenses	16,115,508	18,062,206	34,177,714	9,314,145
OPERATING INCOME (LOSS)	(2,097,500)	2,554,010	456,510	336,439
NON-OPERATING REVENUES:				
Intergovernmental	2,554,029	-	2,554,029	-
Investment earnings	(156,598)	(87,808)	(244,406)	(31,232)
Sale of assets and materials	-	-	-	661,480
Total Non-Operating Revenues	2,397,431	(87,808)	2,309,623	630,248
INCOME BEFORE TRANSFERS	299,931	2,466,202	2,766,133	966,687
TRANSFERS:				
Transfers in	1,776,838	-	1,776,838	-
Transfers out	(450,000)	(1,776,838)	(2,226,838)	-
Total Transfers	1,326,838	(1,776,838)	(450,000)	-
CHANGE IN NET POSITION	1,626,769	689,364	2,316,133	966,687
TOTAL NET POSITION, BEGINNING OF YEAR	57,103,852	455,895	57,559,747	12,923,231
TOTAL NET POSITION, END OF YEAR	\$ 58,730,621	\$ 1,145,259	\$ 59,875,880	\$ 13,889,918

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

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Year Ended June 30, 2021

	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	\$ 10,405,875	\$ 20,651,899	\$ 31,057,774
Cash payments to suppliers for goods and services	(14,282,722)	(17,448,101)	(31,730,823)
Cash payments to employees for services	(1,405,791)	(258,549)	(1,664,340)
Cash received from other operating revenues	3,741,880	-	3,741,880
Net cash provided (used) by operating activities	(1,540,758)	2,945,249	1,404,491
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental revenue	3,741,880	-	3,741,880
Transfers in	1,776,838	-	1,776,838
Transfers out	(450,000)	(1,776,838)	(2,226,838)
Net cash provided (used) by noncapital financing activities	5,068,718	(1,776,838)	3,291,880
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(681,892)	-	(681,892)
Proceeds from sale of assets and materials	-	-	-
Net cash used by capital and related financing activities	(681,892)	-	(681,892)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received on investments	(156,598)	(87,808)	(244,406)

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

(Continued)

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (continued) For the Year Ended June 30, 2021

	Business-type Activities Enterprise		Governmental Activities Internal Service
	Major Funds		
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Total Business-type Activities
			Corporate Fleet Fund
Net increase (decrease) in cash and cash equivalents	\$ 1,616,775	\$ 1,132,823	\$ 2,749,598
Cash and cash equivalents at beginning of year	40,277,323	16,852,176	57,129,499
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 41,894,098</u>	<u>\$ 17,984,999</u>	<u>\$ 59,879,097</u>
			<u>\$ 7,177,371</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (2,097,500)	\$ 2,554,010	\$ 456,510
Adjustments to reconcile operating income/loss to net cash provided (used) by operating activities:			\$ 336,439
Depreciation and amortization	974,977	-	974,977
(Increase)/Decrease in accounts receivable, taxes receivable and intergovernmental receivables	129,749	35,683	165,432
Increase in inventories	-	-	-
Increase in deferred outflows of resources	(363,163)	(110,954)	(474,117)
Increase/(decrease) in accounts payable, accrued liabilities and due to other governmental units	26,596	(1,076,522)	(1,049,926)
Increase/(Decrease) in noncurrent liabilities	(169,294)	1,556,943	1,387,649
Increase/(Decrease) in deferred inflows of resources	(42,123)	(13,911)	(56,034)
Total adjustments	<u>556,742</u>	<u>391,239</u>	<u>947,981</u>
Net cash provided (used) by operating activities	<u>\$ (1,540,758)</u>	<u>\$ 2,945,249</u>	<u>\$ 1,404,491</u>
			<u>\$ 4,266,423</u>

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

# ***WAKE COUNTY, NORTH CAROLINA***

## **STATEMENT OF FIDUCIARY NET POSITION**

### **FIDUCIARY FUNDS**

**As of June 30, 2021**

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and investments - pooled equity	\$ 547,553
Accounts receivable (net)	<u>5,283,362</u>
 Total assets	 <u>\$ 5,830,915</u>
 <b>LIABILITIES</b>	
Accounts payable	36,424
Due to other governmental units	<u>5,274,658</u>
 Total liabilities	 <u>\$ 5,311,082</u>
 <b>NET POSITION</b>	
Restricted for individuals, organizations, and other governments	 <u>519,833</u>
 Total net position	 <u><u>\$ 519,833</u></u>

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

## ***WAKE COUNTY, NORTH CAROLINA***

### **STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS**

**For the Year Ended June 30, 2021**

	<u>Custodial Funds</u>
Additions:	
Contributions - commissary	\$ 3,182,502
Tax collections for other governments	605,060,950
Net investment income	<u>23,116</u>
Total additions	<u>608,266,568</u>
 Deductions:	
Payments of tax to other governments	605,086,461
Payments on behalf of inmates	<u>3,333,394</u>
Total deductions	<u>608,419,855</u>
 Net increase/(decrease) in fiduciary net position	(153,287)
 Net position - beginning	<u>673,120</u>
 Net position - ending	<u><u>\$ 519,833</u></u>

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



**Wake County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2021**

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

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

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

**A. Reporting Entity**

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

Discretely Presented Component Unit

Wake County Board of Alcoholic Control (ABC Board)

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

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

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

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

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

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

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

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

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

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

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

**The County reports the following major funds:**

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

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

Coronavirus Relief Funds (CRF) Fund- The Coronavirus Relief Funds (CRF) Fund is for the collection and disbursement of US Treasury funds that were allocated to help governments deal with COVID-19. All unspent funds are due back to the US Treasury and are listed as a liability, with the exception of any donations.

American Rescue Plan (ARP) Fund- The American Rescue Plan Fund (ARP) Fund is for the collection and disbursement of the State and Local Fiscal Recovery Funds from American Rescue Plan Act through the US Treasury. These funds were allocated to help governments with their continued response to the COVID-19 emergency and its economic impact. All unspent funds are due back to the US Treasury and are listed as a liability.

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

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

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

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

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

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

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

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

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

Additionally, the County reports the following fund types:

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

Custodial Funds - Custodial funds are used to account for assets held by the County as a custodian for individuals, private organizations, other governments, and/or other funds. Custodial funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County maintains two custodial funds: the Municipal Tax Fund, which collects and disburses the taxes for municipalities in the County and the Commissary Fund, which accounts for inmate commissary activities related to Wake County's detention centers.

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

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

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

**D. Budgetary Data Control**

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

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

**E. Deposits and Investments**

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

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

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

**E. Deposits and Investments (Cont.)**

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

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

**F. Interfund Receivables and Payables**

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

**G. Deferred Outflows/Inflows of Resources**

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

**H. Taxes Receivable - Deferred Inflows of Resources**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], ad valorem taxes for property other than vehicles are levied on July 1, the beginning of the fiscal year, and are due on September 1 (lien date); however, no penalties or interest are assessed until the following January 6. Property taxes on certain registered motor vehicles are assessed and collected throughout the year. The taxes are based on the assessed values as of January 1, 2020.

Ad valorem taxes collected within 30 days after the fiscal year end for the year ended June 30, 2021 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 is significantly past due and are not considered to be an available resource to finance the operations of the subsequent year. GAAP states that property taxes, which are measurable but not available, should be initially recorded as deferred inflows of resources under the modified accrual basis of accounting. The receivable amount is reduced by an allowance for uncollectible taxes and an amount equal to the net receivable is shown as deferred inflows of resources on the combined balance sheet. In addition, property taxes collected in advance of the fiscal year to which they apply are recorded as deferred inflows of resources.

**I. Allowances for Uncollectible Accounts**

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

**J. Inventories and Prepaid Expenditures**

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

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

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

**K. Capital Assets**

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

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

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

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

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

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

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

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

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

**M. Compensated Absences**

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

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

**N. Net Position/Fund Balances**

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

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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

Restricted for White Goods - portion of fund balance that is restricted by State Statute [G.S. 105-187.20-.21 and G.S. 130A-309.80-.86] for White Goods disposal and capital needs.

Restricted for individuals, organizations or other governments - portion of fund balance restricted by the Social Security Administration for Health and Human Services Clients and fines and forfeitures that the North Carolina Constitution article IV section 7 requires Counties to remit to the public school system.

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

**N. Net Position/Fund Balances (Cont.)**

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

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

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

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

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

Committed for Future Insurance Claims - portion of fund balance that is committed by the Board of Commissioners to offset future health insurance claims. Once management determines that the additional funding is required the Board will approve the appropriation.

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

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

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

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

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

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

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

**N. Net Position/Fund Balances (Cont.)**

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

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

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

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

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

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

**O. Defined Benefit Pension Plan**

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



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

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

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

The governmental fund balance sheet includes reconciliation between the fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains, “long term liabilities, including bonds payable, are not due in the current period and therefore are not reported in the funds.” The details of this \$(3,688,214,630) difference are as follows:

Outstanding long-term debt payable (per Note 11)	\$ (3,475,155,142)
Less:	
Accrued interest payable	(31,985,043)
Payable to granting agency	(1,696,123)
Risk management liabilities	(8,078,959)
Add:	
Portion of internal service fund's compensated absences included in Note 11	101,170
Portion of internal service fund's total OPEB liability included in Note 11	2,297,419
Portion of internal service fund's net pension employment benefits included in Note 11	527,701
Unamortized portion of deferred inflow of resources related to advanced debt refundings (to be amortized over life of debt)	<u>(174,225,653)</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (3,688,214,630)</u>

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

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states “the issuance of long-term debt such as bonds and leases provide current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued while these amounts are deferred and amortized in the statement of activities.” The details of this \$(173,986,374) difference are as follows:

Debt issued or incurred:	
GO bonds issued	\$ (186,720,000)
GO bond anticipation notes issued	(200,183,143)
Drawdown installment notes issued	(42,325,490)
Capital leases	(12,007)
LOB bonds issued	(302,410,000)
Premiums on bond issuance - GO Bonds	(39,242,055)
Premiums on refunding bond issuance - GO Bonds	(75,234,034)
Increases in compensated absences liability	(11,748,232)
Increases in compensated absences liability - Corporate Fleet Fund	62,727
Change in risk management liabilities	(1,349,918)
Change in deferred portion of advanced debt refundings	(64,350,575)
Interest expense accrual and other adjustments	(3,552,694)
Total Increases	<u>(927,065,421)</u>
Principal repayments:	
General obligation debt - schools	206,983,774
General obligation debt - community college	17,872,597
General obligation debt - other	16,813,629
Limited obligation bonds	30,120,000
Installment purchase payments	717,000
Capital leases	17,932
Other Financing Agreements	1,298,956
Refunded GO bond anticipation notes	157,909,659
Refunded Drawdown installment notes	281,567,557
Current year amortization of bond premiums - GO Bonds	23,272,896
Current year amortization of bond premiums - LOB Bonds	6,744,450
Decreases in compensated absences liability	9,805,629
Decreases in compensated absences liability - Corporate Fleet Fund	(45,032)
Total Decreases	<u>753,079,047</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (173,986,374)</u>

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

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

Another element of that reconciliation states “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays increases exceeded the book value of capital asset decreases in fiscal year being reported.” The details of this \$17,324,633 difference are as follows:

Capital Asset Increases:	
Capital asset increases	\$ 18,345,831
Less acquisitions for the Corporate Fleet Fund	(3,713,892)
Increase in construction in progress	<u>7,992,898</u>
Total Increases	<u>22,624,837</u>
Capital Asset Decreases:	
Capital asset disposals	(3,225,255)
Add disposals for the Corporate Fleet Fund	2,400,977
Decrease in construction in progress	(5,257,273)
Accumulated depreciation related to capital asset disposals	3,112,846
Less accumulated depreciation related to capital asset disposals in the Corporate Fleet Fund	<u>(2,331,499)</u>
Total Decreases	<u>(5,300,204)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	
	<u><u>\$ 17,324,633</u></u>

**Q. Unrestricted (deficit)**

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

For school debt	\$ (1,999,384,439)
For community college debt	(295,844,947)
All other	<u>(120,669,108)</u>
Total unrestricted net position	<u><u>\$ (2,415,898,494)</u></u>

Under North Carolina law, the County is responsible for providing capital funding for the Wake County Board of Education (School System) and Wake Technical Community College (College). The County has chosen to meet its legal obligation to provide school capital funding by using a mixture of County funds and debt. The assets funded by the County are owned, utilized and maintained by the School System or the College. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, the outstanding balance of the school-related debt less unspent bond proceeds was \$1,999,384,439, and the outstanding balance of the community college-related debt less unspent bond proceeds was \$295,844,947. For additional information regarding the County's debt see Note 1.M. and Note 11.

**NOTE 2. Related Organizations**

**Industrial Facilities and Pollution Control Financing Authority**

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

**Wake County Housing Authority**

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

**Wake County Hospital System, Inc.**

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

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

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

**Wake Technical Community College**

Technical and vocational training beyond the secondary level is provided by Wake Technical Community College, with some financial assistance from the County. The College is part of the state-wide system of community colleges. The College has a twelve-member Board of Trustees, four of which are appointed by the County Board of Commissioners. The College is reported as a component unit of the State. The County has no responsibility for the designation of management and exercises no control over the operations of the College beyond its annual appropriation. The County has an ongoing financial responsibility for the College because of the statutory responsibilities to provide funding for the College's facilities. The County remitted \$24,748,030 to the College for operating purposes during the current year. In addition, the County made debt service payments of \$18,606,411 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, 2021. Complete financial statements for the College may be obtained at their administrative offices at 9101 Fayetteville Road, Raleigh, NC 27603.

**Raleigh-Durham Airport Authority**

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

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

Centennial Authority

The Centennial Authority is a local political subdivision of the State of North Carolina created pursuant to Section 4, Chapter 458 of the 1995 Session Laws of North Carolina. The purpose of the Authority is to study, design, plan, construct, own, promote, finance and operate a regional facility in Wake County, North Carolina. The Authority is reported as a component unit of the State. The regional facility will consist of an arena, coliseum or other buildings or both, where sports, fitness, health, recreational, entertainment, or cultural activities can be conducted. In addition, the County remitted \$2,714,185 for operations and \$2,000,000 for facility improvements from the occupancy and prepared food and beverage taxes for the Authority. The County does not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2021. Complete financial statements for the Authority may be obtained at their administrative offices at 1520 Blue Ridge Road, Suite 201, Raleigh, NC 27607.

Greater Raleigh Convention and Visitors Bureau

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

Funding is derived from the six percent occupancy tax levied upon the rental of rooms, lodging or similar accommodations, and from a one percent prepared food and beverage tax levied on all prepared foods and beverages sold by Wake County businesses. Monthly, the County is required to distribute to the Bureau a percentage of the tax collected with a minimum aggregate annual distribution of \$1,000,000. If tax revenues are not sufficient to fully fund the Bureau's minimum annual distributions, the County and City must fund the deficiency equally to ensure that the Bureau receives its minimum distribution of \$1,000,000 in any fiscal year. At the end of each fiscal year, unexpended funds and tax collections in excess of budget, revert to the Bureau's restricted fund balance. The Bureau may make use of the restricted fund balance to supplement their yearly budget. This budget and any amendments must be approved by the Bureau's Board of Directors, the Wake County Commission and the Raleigh City Council. Any use of restricted fund balance not included in the yearly budget must be approved by the Bureau's board, Wake County Commission and Raleigh City Council. 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, 2021. Complete financial statements for the Bureau may be obtained at the Greater Raleigh Convention and Visitors Bureau, PO Box 1879, Raleigh, NC 27602.

**NOTE 4. Deposits and Investments**

1. Deposits

All of the County's deposits are either insured or collateralized using the Pooling Method. Under the Pooling Method, a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are 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 \$538,538,961 and a bank balance of \$540,952,733. Of the bank balance, \$2,224,971 was covered by federal depository insurance and \$548,729,735 in interest-bearing deposits was covered by collateral held under the pooling method.

**NOTE 4. Deposits and Investments (Cont.)**

## 2. Investments

As of June 30, 2021, the County had the following investments and maturities.

Investment Type	Valuation Measurement Method	Fair Value	Less Than 2 Years	2 - 3 Years	3 - 5 Years
U.S. Government Treasuries	Fair Value - Level 1	\$ 490,134,785	\$ 361,842,035	\$ 52,715,500	\$ 75,577,250
U.S. Government Agencies	Fair Value - Level 1	90,402,800	40,787,550	24,996,750	24,618,500
Commercial paper	Fair Value - Level 2	149,930,512	149,930,512	-	-
N.C. Local Government Investment Pool	Amortized cost	10,001,973	10,001,973		
N.C. Capital Management Trust - Government portfolio	Amortized cost	7,184,244	7,184,244	-	-
Total fair value		<u>\$ 747,654,314</u>	<u>\$ 569,746,314</u>	<u>\$ 77,712,250</u>	<u>\$ 100,195,750</u>

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

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

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

*Credit Risk.* The County has no formal policy regarding credit risk but has an informal investment policy that limits the County's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2021, the County's investments in US Treasuries and US Agencies (Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae and Freddie Mac) are rated AA+ by Standard & Poor's, AAA by Fitch Ratings, and Aaa by Moody's Investors Service. The County's investments in Commercial Paper were rated A-1 or A-1+ by Standard & Poor's, P-1 by Moody's Investors Service and F-1 or F-1+ by Fitch Ratings. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's. The County's investment in the North Carolina Local Government Investment Pool carried a AAAm by Standard & Poor's and AAAMmf by Fitch as of June 30, 2021.

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

*Custodial Credit Risk:* For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no formal policy on custodial credit risk. At June 30, 2021, all of the County's investments were in the County's name.

**NOTE 5. Receivables**

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

Taxes and accounts receivables of the Solid Waste Operating Fund and the South Wake Landfill Partnership Fund are reported net of uncollectible amounts. Total uncollectible amounts related to receivables of the current period are \$101,000 and \$9,115, respectively.

The loan receivable balance for Affordable Housing is a collection of loans made for the purpose of housing affordability. The entire net balance of \$27,034,219 is considered nonspendable and it is not expected to be collected in the subsequent fiscal year.

	General Fund	Affordable Housing Fund	Coronavirus Relief Fund	Major Facilities Fund	Debt Service Fund	County Capital Project Fund	School Capital Fund	Wake Tech Capital Fund	Non Major Funds	Totals
Taxes:										
Property taxes	\$ 7,855,345	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 720,924	\$ 8,576,269
Sales	58,379,836	-	-	-	-	174,529	6,310,368	-	1,664	64,866,397
Prepared food & occupancy	-	-	-	4,992,888	-	-	-	-	-	4,992,888
Accounts	76,040,601	580	-	-	-	1,697,371	9,113,600	1,128,688	448,409	88,429,249
Intergovernmental	31,804,478	1,380,875	-	-	8,880,214	2,628,185	-	-	3,384,208	48,077,960
Special Assessments	-	-	-	-	-	542,960	-	-	-	542,960
Loans receivable	-	32,243,803	5,000,000	-	-	-	-	-	-	37,243,803
Interest	-	-	-	-	-	-	-	-	-	-
Gross receivables	174,080,260	33,625,258	5,000,000	4,992,888	8,880,214	5,043,045	15,423,968	1,128,688	4,555,205	252,729,526
Less allowance for bad debts	(62,094,816)	(5,209,584)	-	-	-	(2,628,185)	-	-	(579,035)	(70,511,620)
Net total receivables	<u>\$ 111,985,444</u>	<u>\$ 28,415,674</u>	<u>\$ 5,000,000</u>	<u>\$ 4,992,888</u>	<u>\$ 8,880,214</u>	<u>\$ 2,414,860</u>	<u>\$ 15,423,968</u>	<u>\$ 1,128,688</u>	<u>\$ 3,976,170</u>	<u>\$ 182,217,906</u>

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

	General Fund	County Capital Projects Fund	Non Major Funds	Total
<b>Unavailable:</b>				
Taxes receivable	\$ 4,060,154	\$ -	\$ 141,889	\$ 4,202,043
Other receivables	12,493,118	13,043	30,500	12,536,661
<b>Total Unavailable</b>	<b>16,553,272</b>	<b>13,043</b>	<b>172,389</b>	<b>16,738,704</b>
<b>Unearned:</b>				
Prepaid property taxes not yet earned	2,661,881	-	12,157	2,674,038
Prepaid rent not yet earned	-	-	-	-
Deposits on account	124,736	-	-	124,736
<b>Total Unearned</b>	<b>2,786,617</b>	<b>-</b>	<b>12,157</b>	<b>2,798,774</b>
<b>Total deferred inflows of resources</b>	<b>\$ 19,339,889</b>	<b>\$ 13,043</b>	<b>\$ 184,546</b>	<b>\$ 19,537,478</b>

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

**NOTE 6. Capital Assets**

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 149,846,522	\$ 5,070,913	\$ -	\$ 154,917,435
Construction in progress	46,142,845	7,992,898	(5,257,273)	48,878,470
Intangibles	1,032,044	-	-	1,032,044
Total capital assets, not being depreciated	197,021,411	13,063,811	(5,257,273)	204,827,949
Capital assets, being depreciated:				
Buildings	842,248,562	5,706,801	-	847,955,363
Improvements other than buildings	21,923,621	679,135	-	22,602,756
Machinery and equipment	35,493,413	824,713	(9,285)	36,308,841
Vehicles and motorized equipment	55,908,600	5,913,395	(3,215,970)	58,606,025
Computer Software	27,458,016	-	-	27,458,016
Infrastructure	23,827,100	150,883	-	23,977,983
Total capital assets being depreciated	1,006,859,312	13,274,927	(3,225,255)	1,016,908,984
Less accumulated depreciation for:				
Buildings	237,257,382	21,173,737	-	258,431,119
Improvements other than buildings	8,664,237	686,697	-	9,350,934
Machinery and equipment	31,165,299	2,023,910	(9,285)	33,179,924
Vehicles and motorized equipment	38,593,107	6,695,164	(3,103,561)	42,184,710
Computer software	18,959,803	2,742,240	-	21,702,043
Infrastructure	8,831,607	513,883	-	9,345,490
Total accumulated depreciation	343,471,435	\$ 33,835,631	\$ (3,112,846)	374,194,220
Total capital assets, being depreciated, net	663,387,877			642,714,764
Governmental activities capital assets, net	\$ 860,409,288			\$ 847,542,713



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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 382,327	\$ -	\$ -	\$ 382,327
Construction in progress	3,707,742	604,893	-	4,312,635
Total capital assets, not being depreciated/amortized	<u>4,090,069</u>	<u>604,893</u>	<u>-</u>	<u>4,694,962</u>
Capital assets, being depreciated/amortized:				
Landfills	35,596,682	-	-	35,596,682
Buildings	18,367,593	-	-	18,367,593
Improvements	588,689	-	-	588,689
Machinery and equipment	1,204,757	87,000	-	1,291,757
Total capital assets being depreciated/amortized	<u>55,757,721</u>	<u>87,000</u>	<u>-</u>	<u>55,844,721</u>
Less accumulated depreciation/amortization for:				
Landfills	30,920,554	444,966	-	31,365,520
Buildings	1,281,822	458,560	-	1,740,382
Improvements	320,075	17,317	-	337,392
Machinery and equipment	1,095,444	54,134	-	1,149,578
Total accumulated depreciation/amortization	<u>33,617,895</u>	<u>\$ 974,977</u>	<u>\$ -</u>	<u>34,592,872</u>
Total capital assets, being depreciated/amortized, net	<u>22,139,826</u>			<u>21,251,849</u>
Business-type activities capital assets, net	<u>\$ 26,229,895</u>			<u>\$ 25,946,811</u>

Depreciation and amortization expenses were charged to functions as follows:

Governmental activities:	
General administration	\$ 5,064,631
Human services	3,484,970
Education	861,047
Community development and cultural	3,718,920
Environmental services	700,280
Public safety	15,979,790
General services administration	<u>4,025,993</u>
Total depreciation expense -	
Governmental activities	<u>33,835,631</u>
Business-type activities:	
Environmental services - solid waste	<u>974,977</u>
Total depreciation and amortization	<u>\$ 34,810,596</u>

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

As of June 30, 2021, fiscal year, the construction in progress balance for governmental activities was made up of the following projects:

**Construction in Progress:**

	Expended At June 30, 2021
Document Management Projects	\$ 3,407,632
CAD System Replacement	7,636,912
Other Automation Projects	3,624,717
Community Services Buildings	3,328,952
Public Health Buildings	1,975,800
Open Space Preservation	2,127,540
Water/Wastewater	365,761
800MHZ Radio Communications System	26,324,188
Public Safety	86,968
	<u>\$ 48,878,470</u>

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

As of June 30, 2021, internal balances total \$429,002 in the governmental funds. This represents amounts due to the General Fund by non-major governmental funds for their share of cash and investments pooled equity. Internal balances in the business-type activities funds, as of June 30, 2021 are \$505,805. 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, 2021.

The County's General Fund transferred funds during fiscal year 2021 to fund debt service payments, capital improvements, economic developments, and the County match for State and federal grant programs. The \$450,000 transferred from the Solid Waste Operating Fund is to cover expenses incurred by the General Fund on behalf of the solid waste program. The \$1,209,838 transferred from the South Wake Landfill Partnership Fund to the Solid Waste Operating Fund is for expenses incurred in the Solid Waste Operating Fund on behalf of the South Wake Landfill Fund.

	General Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Wake Tech Capital Fund	Other Governmental Funds	Solid Waste Operating Fund	Solid Waste Capital Fund	Total Transfers out
General Fund	\$ -	\$ 302,480,000	\$ 63,030,400	\$ 40,905,000	\$ 8,033,000	\$ 21,246,654	\$ -	\$ -	\$ 435,695,054
Major Facilities Fund	1,400,000	-	-	-	-	3,000,000	-	-	4,400,000
Debt Service Fund	-	-	-	-	-	1,394,000	-	-	1,394,000
School Capital Fund	929,728	-	-	-	-	-	-	-	929,728
Other Governmental Funds	-	1,381,560	-	-	-	1,787,090	-	-	3,168,650
Solid Waste Operating Fund	450,000	-	-	-	-	-	-	-	450,000
South Wake Partnership Fund	-	-	-	-	-	-	1,209,838	567,000	1,776,838
Total transfers in	<u>\$ 2,779,728</u>	<u>\$ 303,861,560</u>	<u>\$ 63,030,400</u>	<u>\$ 40,905,000</u>	<u>\$ 8,033,000</u>	<u>\$ 27,427,744</u>	<u>\$ 1,209,838</u>	<u>\$ 567,000</u>	<u>\$ 447,814,270</u>

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

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

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

The County is self-insured with a retention of \$1,250,000 for workers' compensation claims and \$1,000,000 for liability claims. The County maintains commercial excess workers' compensation and liability insurance and other insurance and bonds to cover specific risks and individuals. The County maintains a high-deductible policy for property coverage, with a deductible of \$100,000 per occurrence, and \$500,000 flood deductible per occurrence in high flood hazard locations. Separate NFIP Flood Insurance is purchased for high-risk locations. Claims have not exceeded commercial coverage in any year since the fund was established in 1990. The County distributes claims expenditures to County departments but does not distribute insurance or bonding costs. Administrative costs actuarially determined assets to pay ultimate losses, and insurance premiums are covered by the General Fund.

The County's coverage limits, subject to the retentions and deductibles described above, at June 30, 2021 are as follows:

Coverage	Coverage Limits
Property Insurance - Building and Contents	\$ 500,000,000
Flood Insurance (non-specific locations)	\$ 50,000,000
NFIP Flood Insurance for high risk locations	\$500,000/location
Earthquake	\$ 100,000,000
Workers' Compensation	Statutory
Employers' Liability	\$ 2,000,000
Other Liability:	
General	\$2,000,000 per occurrence/ \$4,000,000 aggregate
Auto	\$2,000,000 per accident
Public Officials/Employment Practice	\$2,000,000 per wrongful act/ \$2,000,000 aggregate
Law Enforcement	\$2,000,000 per wrongful act/ \$2,000,000 aggregate
Excess	\$8,000,000 per occurrence/ \$8,000,000 aggregate

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

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

The claims liability of \$11,578,145 at June 30, 2021 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The claims liability is actuarially determined and includes an estimate for claims incurred but not reported. This entire amount is accrued and reported in the government-wide statements in the applicable governmental or business-type activities. A portion of the liability is considered due and payable and is reported in the General Fund in the fund financial statements. Changes in the fund's claims liability amount during fiscal years 2020 and 2021 are as follows:

**Changes in Claims Liability**

	<u>Workers'</u> <u>compensation</u>	<u>Property and</u> <u>liability</u>	<u>Self-insured</u> <u>group medical</u>	<u>Dental</u> <u>benefits</u>	<u>Total</u>
<b>Balance, as of June 30, 2019</b>	\$ 5,307,367	\$ 2,653,158	\$ 2,470,000	\$ 106,000	\$ 10,536,525
Claims incurred, fiscal year 2020	829,311	975,753	41,020,998	2,297,081	45,123,143
Payments and changes in estimates, fiscal year 2020	<u>(1,191,525)</u>	<u>(501,066)</u>	<u>(41,206,998)</u>	<u>(2,274,081)</u>	<u>(45,173,670)</u>
<b>Balance, as of June 30, 2020</b>	4,945,153	3,127,845	2,284,000	129,000	10,485,998
Claims incurred, fiscal year 2021	2,108,753	737,314	49,346,794	2,831,538	55,024,399
Payments and changes in estimates, fiscal year 2021	<u>(2,317,470)</u>	<u>123,550</u>	<u>(48,896,794)</u>	<u>(2,841,538)</u>	<u>(53,932,252)</u>
<b>Balance, as of June 30, 2021</b>	<u>\$ 4,736,436</u>	<u>\$ 3,988,709</u>	<u>\$ 2,734,000</u>	<u>\$ 119,000</u>	<u>\$ 11,578,145</u>
<b>Amount reported in General Fund</b>	<u>\$ 1,012,007</u>	<u>\$ 345,717</u>	<u>\$ 2,045,000</u>	<u>\$ 90,000</u>	<u>\$ 3,492,724</u>

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

The County leases certain equipment under lease agreements that are classified as capital leases for accounting purposes in accordance with GAAP. Obligations of these lease agreements are accounted for in the governmental and business-type activities of the government-wide statements. At June 30, 2021, the net book value of the assets acquired through capital leases is \$18,037. The net present value of the future minimum lease payments at June 30, 2021 is \$26,380 for governmental activities, as detailed below.

The County also leases buildings, office facilities and various equipment under non-cancelable operating leases. The total costs for all operating lease expenditures for the year ended June 30, 2021 were \$3,526,714. The future minimum lease payments for non-cancelable operating leases are \$45,195,196, as detailed below.

At June 30, 2021, future minimum lease payments due under capital leases and operating leases with initial or remaining non-cancelable lease terms in excess of one year are as follows:

Year Ending June 30	Capital Leases - Governmental	Operating Leases
2022	\$ 14,881	\$ 3,972,833
2023	7,791	4,065,504
2024	3,428	4,159,707
2025	298	4,257,003
2026	-	3,326,634
2027-2031	-	17,220,170
2032-2036	-	7,994,822
2037-2041	-	62,508
2042-2046	-	62,505
2047-2051	-	61,505
2052-2056	-	12,005
Total minimum lease payments	26,398	\$ 45,195,196
Less: amount representing interest	(18)	
Net present value of the future minimum lease payments	<u>\$ 26,380</u>	

The County leases office space under operating lease agreements with terms generally less than one year. Minimum future rentals on non-cancelable leases with terms in excess of one year are not material to the County's financial statements. Rental revenue for the year ended June 30, 2021 was \$293,119.

**NOTE 10. Short-term debt and liquidity**

During fiscal year 2020 the County entered into a short-term financing agreement for the purpose of licensing software. The agreement allowed for financing for up to 18 months with no interest. The County's final payment is due June 30, 2021.

Beginning Balance	Increases	Decreases	Ending Balance
\$ 1,298,956	\$ -	\$ 1,298,956	\$ -

**NOTE 11. Long-term Debt**

## General Obligation Bonds:

The general obligation bonds reported in Governmental Activities are publicly offered debt obligations collateralized by the full faith, credit and taxing power of the County. The County's general obligation outstanding are fixed rate and bear interest at rates varying from 2.00% to 5.00%. 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, 2021 are comprised of the following:

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%.	\$ 214,205,000
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%.	51,000,000
2013A School Bonds of \$51,165,000 due in periodic installments of \$2,656,000 to \$2,700,000 beginning May 1, 2014 through May 1, 2032, interest of 2.50 to 5.00%.	29,700,000
2013B Public Improvement Bonds of \$125,250,000 due in periodic installments of \$6,000,000 to \$6,600,000 beginning May 1, 2014 through May 1, 2032, interest of 3.00 to 5.00%.	72,600,000
2014 Public Improvement Bonds of \$345,240,000 due in periodic installments of \$18,170,000 to \$18,180,000 beginning September 1, 2016 through September 1, 2034, interest of 3.25 to 5.00%	254,380,000
2015 Public Improvement Bonds of \$94,000,000 due in periodic installments of \$4,900,000 to \$4,950,000 beginning April 1, 2017 through April 1, 2035, interest of 3.00 to 5.00%	69,300,000

**NOTE 11. Long-term Debt (Cont.)**

2016A Refunding Bonds of \$162,895,000 due in periodic installments of \$9,340,000 to \$27,055,000 beginning March 1, 2017 through March 1, 2026, interest of 5.00%.	90,130,000
2017A Public Improvement Bonds of 33,700,000 due in periodic installments of \$1,685,000 beginning March 1, 2018 through March 1, 2037 interest of 3.00 to 5.00%.	26,960,000
2017B School Bonds of \$82,415,000 due in periodic installments of \$4,120,000 to \$4,125,000 beginning March 1, 2018 through March 1, 2037, interest of 3.00 to 5.00%.	65,920,000
2018A Public Improvement Bonds of \$197,745,000 due in periodic installments of \$10,405,000 to \$10,455,000 beginning March 1, 2019 through March 1, 2037, interest of 3.00 to 5.00%	166,480,000
2019A Public Improvement Bonds of \$151,055,000 due in periodic installments of \$7,950,000 to \$7,955,000 beginning March 1, 2020 through March 1, 2038, interest of 3.00 to 5.00%.	135,150,000
2019B Refunding Bonds of \$113,940,000 due in periodic installments of \$5,200,000 to \$24,520,000 beginning March 1, 2020 through March 1, 2025, interest of 5.00%.	65,295,000
2019C Parks Greenways Recreation Open Space Bonds of \$36,860,000 due in periodic installments of \$1,940,000 beginning November1, 2020 through November 1, 2038, interest of 2.00 to 5.00%	34,920,000
2020A Refunding Bonds of \$49,345,000 due in periodic installments of \$695,000 to \$6,210,000 beginning April 1, 2021 through April 1, 2029, interest of 5.00%.	48,650,000
2020B Refunding Bonds of \$14,330,000 due in periodic installments of \$340,000 to \$1,875,000 beginning August 1, 2021 through August 1, 2029, interest of 5.00%	14,330,000
2021 Refunding Bonds of \$186,720,000 due in periodic installments of \$7,665,000 to \$14,755,000 beginning April 1, 2022 through April 1, 2038, interest of 2.00% to 5.00%.	186,720,000
Total general obligation bonds outstanding	<u><u>\$ 1,525,740,000</u></u>

#### NOTE 11. Long-term Debt (Cont.)

##### General Obligation Bond Anticipation Notes:

General Obligation Bond Anticipation Notes serviced by the General Fund and payable at June 30, 2021 are comprised of the following:

Series 2019A General Obligation Bond Anticipation Note with Bank of America: Up to \$548,000,000 for full debt appropriation for fiscal years 2020 and 2021 for Public Schools. Interest payable monthly at 79% of one-month LIBOR plus 44 bp. Remaining authorization (aggregate authorization minus retired authorization minus currently outstanding) at June 30, 2021 is \$433,077,300. Note expires February 29, 2024.	\$ 70,039,670
Series 2019B General Obligation Bond Anticipation Note with STI Institutional & Government Inc: Up to \$177,100,000 for full debt appropriation for fiscal years 2020 and 2021 for Community College. Interest payable monthly at 79% of one-month LIBOR plus 25 bp. Remaining authorization (aggregate authorization minus retired authorization minus currently outstanding) at June 30, 2021 is \$124,740,303. Note expires February 29, 2024.	<u>8,312,342</u>
	<u>\$ 78,352,012</u>

The County is in process of obtaining a new general obligation bond anticipation note to be serviced by STI Institutional & Government Inc for authorization of up to \$177,900,000 for full debt appropriation for fiscal years 2022 and 2023 for capital projects of the Community College. Interest will be payable monthly at 79% of one-month SOFR plus 30 bp. Expected close date for this note is August 10, 2021.

##### Drawdown Installment Notes:

Drawdown installment purchases are direct placement collateralized debt issued under N.C.G.S. 160A-20, the annual debt service of which is subject to annual board appropriation. Each respective debt agreement identifies property pledged as collateral and contains specific defined events of default, termination events, and acceleration clauses. If there is an event of default under a particular agreement entered into pursuant to N.C.G.S. 160A-20, the lender under such agreement may accelerate the County's payment obligation under the agreement's specific terms. As a remedy in the event of County non-payment of a particular agreement, the lender under such agreement may elect to foreclose on the collateralized property pledged under the agreement. Under N.C.G.S. 160A-20, no deficiency judgment may be rendered against the County for the breach of an agreement entered into under such statute. The taxing power of the County is not pledged directly or indirectly to secure these obligations.

The County has no Drawdown Installment Notes serviced by the General Fund and payable at June 30, 2021. During fiscal year 2021, the prior Series 2017 Drawdown Installment Note with Wells Fargo Bank and the prior Series 2018 Drawdown Installment Note with Bank of America were both retired subsequent to the issuance of Series 2021 Limited Obligation Bonds ("LOBs") on February 18, 2021. The LOBs proceeds converted drawn amounts under each note (and any remaining undrawn authorization under each note) to permanent debt.

The County is in process of obtaining a new drawdown installment note to be serviced by STI Institutional & Government Inc for authorization of up to \$584,065,000 for full debt appropriation for fiscal years 2022 and 2023 for capital projects of the Public Schools. Interest will be payable monthly at 79% of one-month SOFR plus 32 bp. Expected close date for this note is August 10, 2021.



**NOTE 11. Long-term Debt (Cont.)****Limited Obligation Bonds:**

The limited obligation bonds reported in Governmental Activities are publicly offered debt obligations 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. These are considered collateralized debt issued under N.C.G.S. 160A-20, the annual debt service of which is subject to annual board appropriation. Each respective debt agreement identifies property pledged as collateral and contains specific defined events of default, termination events, and acceleration clauses. If there is an event of default under a particular agreement entered into pursuant to N.C.G.S. 160A-20, the lender under such agreement may accelerate the County's payment obligation under the agreement's specific terms. As a remedy in the event of County non-payment of a particular agreement, the lender under such agreement may elect to foreclose on the collateralized property pledged under the agreement. Under N.C.G.S. 160A-20, no deficiency judgment may be rendered against the County for the breach of an agreement entered into under such statute. Principal and interest requirements will be provided by an appropriation in the Debt Service Fund in the year in which they become due.

Limited Obligation Bonds serviced by the General Fund and payable at June 30, 2021 are comprised of the following:

2016 Refunding Limited Obligation Bonds of \$191,835,000, due in annual installments of \$5,245,000 to \$11,585,000 beginning in December 2019 through December 2036; interest of 3.00% to 5.00%, collateralized by the Criminal Justice Center.	\$ 174,375,000
2018A Limited Obligation Bonds of \$155,290,000, due in annual installments of \$8,170,000 to \$8,175,000 beginning in August 2019 through August 2037; interest of 3.00% to 5.00%, collateralized by Apex High School, Apex, NC.	138,940,000
2019 Limited Obligation Bonds of \$196,805,000, due in annual installments of \$10,355,000 to \$10,360,000 beginning in September 2020 through September 2038; interest of 4.00 to 5.00%, collateralized by Willow Springs High School (Fuquay-Varina, NC) and Parkside Elementary School (Morrisville, NC).	186,445,000
2021 Limited Obligation Bonds of \$302,410,000, due in annual installments of \$17,785,000 to \$17,790,000 beginning in March 2022 through March 2038; interest of 3.00 to 5.00%, collateralized by Barton Pond Elementary School (Raleigh, NC), Neuse River Middle School (Raleigh, NC) and Fuquay-Varina High School (Fuquay-Varina, NC)	302,410,000
Total limited obligation bonds outstanding	<u>\$ 802,170,000</u>

**Installment Purchase Financings**

Installment purchase financings are direct placement collateralized debt issued under N.C.G.S. 160A-20, the annual debt service of which is subject to annual board appropriation. Each respective debt agreement identifies property pledged as collateral and contains specific defined events of default, termination events, and acceleration clauses. If there is an event of default under a particular agreement entered into pursuant to N.C.G.S. 160A-20, the lender under such agreement may accelerate the County's payment obligation under the agreement's specific terms. As a remedy in the event of County non-payment of a particular agreement, the lender under such agreement may elect to foreclose on the collateralized property pledged under the agreement. Under N.C.G.S. 160A-20, no deficiency judgment may be rendered against the County for the breach of an agreement entered into under such statute. The taxing power of the County is not pledged directly or indirectly to secure these obligations.

Installment purchase financing serviced by the General Fund and payable at June 30, 2021 are comprised of the following:

2013 Installment Purchase	\$ 154,000
2014 Installment Purchase	477,000
2015 Installment Purchase	534,000
2016 Installment Purchase	1,057,359
2017 Installment Purchase	779,756
Total installment purchase financings outstanding	<u>\$ 3,002,115</u>

# **NOTE 11. Long-term Debt (Cont.)**

The annual requirements to amortize all general obligation debt outstanding as of June 30, 2021 are as follows:

Year Ending June 30	Principal	Interest	Total
2022	\$ 172,070,000	\$ 66,805,471	\$ 238,875,471
2023	170,840,000	58,169,721	229,009,721
2024	167,750,000	49,692,971	217,442,971
2025	167,285,000	41,370,721	208,655,721
2026	118,900,000	33,327,421	152,227,421
2027-2031	405,030,000	102,699,481	507,729,481
2032-2036	270,605,000	32,122,460	302,727,460
2037-2039	53,260,000	2,061,208	55,321,208
	<u>\$ 1,525,740,000</u>	<u>\$ 386,249,454</u>	<u>\$ 1,911,989,454</u>

The annual requirements to amortize capital leases, installment purchases and limited obligation bond debt outstanding as of June 30, 2021 are as follows:

Year Ending June 30	Principal	Interest	Total
2022	\$ 48,618,864	\$ 37,396,433	\$ 86,015,297
2023	48,551,791	34,494,474	83,046,265
2024	48,486,428	32,088,938	80,575,366
2025	48,318,298	29,685,074	78,003,372
2026	48,151,000	27,285,454	75,436,454
2027-2031	238,752,115	100,682,591	339,434,706
2032-2036	236,100,000	44,888,219	280,988,219
2034-2039	88,220,000	4,870,175	93,090,175
	<u>\$ 805,198,496</u>	<u>\$ 311,391,358</u>	<u>\$ 1,116,589,854</u>

The County is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt the County may have outstanding to eight percent of the appraised value of property subject to taxation less property valued for abatement. At June 30, 2021, the statutory debt limit of the County is as follows:

Statutory Debt Limit	\$ 15,394,543,496
Total Debt	3,259,120,507
Legal Debt Margin	<u>\$ 12,135,422,989</u>

Purpose	Date Approved	Original Authorized	Bonds Issued	Authorized and Unissued <sup>1</sup>
Schools	11/6/2018	\$ 548,000,000	\$ 87,320,000	\$ 460,680,000 <sup>2</sup>
Community College	11/6/2018	349,000,000	42,990,000	306,010,000 <sup>2</sup>
Parks, Greenways, Recreation and Open Space	11/6/2018	120,000,000	36,860,000	83,140,000
Total				<u>\$ 849,830,000</u>

<sup>1</sup> Excludes nominal unissued balances of prior GO authorizations for School, Community College, and GO Refunding purposes. Under the prior GO authorizations, the County successfully issued debt and fully funded all projects or purposes intended by each respective authorization. The County does not intend to issue additional GO bonds under the remaining prior authorizations, which solely exist because of the premium-based bond structure of prior GO bond issuances related to these authorizations.

<sup>2</sup> Excludes Bond Anticipation Notes

**NOTE 11. Long-term Debt (Cont.)****Defeased Debt:**

In 2021 and prior years, the County has defeased various general obligation and limited obligation bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the County's government-wide financial statements. As of June 30, 2021, the amount of defeased debt outstanding was \$15,735,000.

**Conduit Debt Obligations:**

Wake County Industrial Facilities and Pollution Control Financing Authority has used industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from the payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State of North Carolina, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. 12 series of industrial revenue bonds remain outstanding at June 30, 2021 with aggregate principal payable of \$507.9 million.

**Current Refundings:**

In April of 2021, the County issued \$45,805,000 of Series 2021 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 \$55,350,000 of the general obligation 2011 serial bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column on the County's Statement of Net Position. The net carrying amount of the old debt exceeded the reacquisition price by \$9,545,000. The current refunding was undertaken to reduce future debt service payments over the next nine years by \$9,368,875 and resulted in an economic gain of \$8,787,660.

In April of 2021, the County issued \$10,605,000 of Series 2021 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 \$12,320,000 of the general obligation 2011 serial bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column on the County's Statement of Net Position. The net carrying amount of the old debt exceeded the reacquisition price by \$1,715,000. The current refunding was undertaken to reduce future debt service payments over the next nine years by \$4,604 and resulted in an economic loss of \$45,545.

**Debt Related to Capital Activities:**

Of the total Governmental Activities debt listed, only \$330,668,488 relates to assets the County holds title. Unspent cash related to the debt amounts to \$40,880,211. The general fund, enterprise fund and internal service funds are used to liquidate any pension or other post-employment benefits in fiscal year 2021.

**NOTE 11. Long-term Debt (Cont.)**

Changes in Long-Term Liabilities:

Long-term liability activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
<b>Governmental activities:</b>					
General obligation bonds	\$ 1,580,690,000	\$ 186,720,000	\$ 241,670,000	\$ 1,525,740,000	\$ 172,070,000
Plus: Premiums on issuance	183,272,578	39,242,055	23,272,896	199,241,737	N/A
Total general obligation bonds payable	1,763,962,578	225,962,055	264,942,896	1,724,981,737	172,070,000
Limited obligation bonds	529,880,000	302,410,000	30,120,000	802,170,000	47,880,000
Plus: Premiums on issuance	90,546,297	75,234,034	6,744,450	159,035,881	N/A
Total limited obligation bonds payable	620,426,297	377,644,034	36,864,450	961,205,881	47,880,000
Direct Placement Bond Anticipation Notes	36,078,529	200,183,143	157,909,660	78,352,012	-
Direct Placement Drawdown Installment Notes	239,242,065	42,325,490	281,567,555	-	-
Direct Placement Installment Purchases	3,719,115	-	717,000	3,002,115	724,000
Capital leases	32,305	12,007	17,932	26,380	14,864
Total OPEB Liability	413,789,940	134,353,814	10,281,613	537,862,141	-
Total pension liability (LEOSSA)	18,862,039	8,829,480	1,228,558	26,462,961	-
Net pension liability (LGERS)	95,819,800	29,087,650	-	124,907,450	-
Compensated absences	16,411,863	11,748,232	9,805,630	18,354,465	10,050,000
Total Governmental Activities	<u>\$ 3,208,344,531</u>	<u>\$ 1,030,145,906</u>	<u>\$ 763,335,295</u>	<u>\$ 3,475,155,142</u>	<u>\$ 230,738,864</u>
<b>Business-type activities:</b>					
Landfill	\$ 21,610,995	\$ 2,045,238	\$ 1,373,397	\$ 22,282,836	\$ 678,781
Total OPEB Liability	1,963,843	637,641	48,796	2,552,688	-
Net pension liability (LGERS)	538,871	166,750	-	705,621	-
Compensated absences	103,758	69,745	58,141	115,362	63,000
Construction Reserve	1,102,994	-	53,459	1,049,535	-
Total Business-type Activities	<u>\$ 25,320,461</u>	<u>\$ 2,919,374</u>	<u>\$ 1,533,793</u>	<u>\$ 26,706,042</u>	<u>\$ 741,781</u>

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

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

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

**Local Governmental Employees' Retirement System**

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

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

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Effective July 1, 2019, LEOs who complete 25 years of creditable service with 15 years as an officer are eligible to retire with partial retirement benefits. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6.00% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2021, was 10.84% of compensation for law enforcement officers and 10.19% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$26,590,596 for the year ended June 30, 2021.

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

**NOTE 13. Multiple-Employer Pension Plan Obligations (Cont.)***Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2021, the County reported a liability of \$125,613,071 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing updated procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the County's proportion was 3.51%, which was a decrease of .01% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$43,976,018. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,862,727	\$ -
Changes of assumptions	9,348,077	-
Net difference between projected and actual earnings on pension plan investments	17,676,675	-
Changes in proportion and differences between County contributions and proportionate share of contributions	1,249,958	-
County contributions subsequent to the measurement date	26,590,596	-
Total	<u>\$ 70,728,033</u>	<u>\$ -</u>

\$26,590,596 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 12,657,424
2023	16,518,414
2024	9,730,209
2025	5,231,391
Thereafter	-
	<u>\$ 44,137,438</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, (a) an investment rate of return of 7.00%, net of pension plan investment expense, including inflation, (b) projected salary increases ranging from 3.50% per year to 8.10% per year and (c) an inflation component of 3.00%.

**NOTE 13. Multiple-Employer Pension Plan Obligations (Cont.)**

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income returns projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

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

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

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**NOTE 13. Multiple-Employer Pension Plan Obligations (Cont.)**

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 254,855,234	\$ 125,613,071	\$ 18,203,744

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

**Supplemental Retirement Income Plan**

Plan Description. Wake County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The plan provides retirement benefits to all employees of the County who are employed at least half time. Article 5 of the G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The County's total payroll in fiscal year 2021 was \$259,178,607. The County's contributions were calculated using the base salary amount of \$259,544,922. The County made contributions amounting to \$12,976,891. Employees made voluntary contributions of \$6,455,240.

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

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

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

All full-time County law enforcement officers are covered by the LEOSSA. At December 31, 2019, the Valuation Date, the LEOSSA's membership consisted of:

Retirees receiving benefits	65
Active plan members	378
Total	443

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

The LEOSSA has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 73 and does not issue a stand-alone financial report.



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

Actuarial Assumptions. The entry age normal actuarial cost method was used in the December 31, 2019 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, (a) projected salary increases ranging from 3.25% to 7.75%, (b) discount rate of 1.93% and (c) an inflation component of 2.50%.

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

Mortality rates are based on the RP-2019 Mortality tables projected forward to 2019 using MP-2019.

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the LEOSSA are financed by through investment earnings. The County paid \$1,228,558 as benefits came due for the reporting period.

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

At June 30, 2021, the County reported a total pension liability of \$26,462,961. The total pension liability was measured as of December 31, 2020, based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2020 utilizing updated procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$3,046,811. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,641,719	\$ -
Changes in assumptions	6,220,282	331,313
County contributions subsequent to measurement date	639,554	-
Total	<u>\$ 8,501,555</u>	<u>\$ 331,313</u>

\$639,554 reported as deferred outflows of resources related to pensions resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$ 1,792,264
2023	1,753,704
2024	1,678,828
2025	1,470,778
2026	835,114
	<u>\$ 7,530,688</u>

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

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.26%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (.93%) or 1-percentage-point higher (2.93%) than the current rate.

	1% Decrease (.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	28,483,743	26,462,961	24,590,018

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

Total Pension Liability as of December 31, 2019	\$ 18,862,039
Changes for the year:	
Service Cost	664,724
Interest	594,877
Changes in benefit terms	-
Difference between expected and actuarial experience	715,912
Changes of assumptions and other inputs	6,853,967
Benefits payments	(1,228,558)
Other	-
Net changes	7,600,922
Total Pension Liability as of December 31, 2020	\$ 26,462,961

Changes of assumptions and other inputs reflect a change in the discount rate from 3.26% at December 31, 2019 to 1.93% at December 31, 2020. The assumed inflation rate and assumed wage inflation rate remained consistent with the prior year at 2.50% and 1.0%, respectively.

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2019.

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

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

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

**NOTE 15. Register of Deeds' Supplemental Pension Fund (Cont.)**

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by G.S. 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$143,122 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported an asset of \$2,694,036 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2020, the County's proportion was 11.75511%, which was an increase of 2.04089% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$131,856. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 54,896
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	230,518
Changes in proportion and differences between County contributions and proportionate share of contributions	264,351	258,403
County contributions subsequent to the measurement date	143,122	-
Total	<u>\$ 407,473</u>	<u>\$ 543,817</u>

\$143,122 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ (37,111)
2023	(80,252)
2024	(104,033)
2025	(58,070)
Thereafter	-
	<u>\$ (279,466)</u>

**NOTE 15. Register of Deeds Supplemental Pension Fund (Cont.)**

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, (a) an investment rate of return of 3.75%, net of pension plan investment expense, including inflation, (b) projected salary increases ranging from 3.50% per year to 7.75% per year and (c) an inflation component of 3.00%.

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income returns projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2021 is 2.39%.

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

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

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

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (2,288,250)	\$ (2,694,036)	\$ (3,037,403)

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

**NOTE 16. Total Expense, Liabilities (Assets), and Deferred Outflows and Inflows of Resources of Related Pensions**

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

	LGERS	LEOSSA	RODSPF	Total
Pension Expense	\$ 43,976,018	\$ 3,046,811	\$ 143,122	\$ 47,165,951
Pension Liability (Asset)	125,613,071	26,462,961	(2,694,036)	149,381,996
Proportionate share of the pension liability	3.51%	N/A	11.755%	
Deferred Outflows of Resources:				
Differences between expected and actual experience	15,862,727	1,641,719	-	17,504,446
Changes in assumptions	9,348,077	6,220,282	-	15,568,359
Net difference between projected and actual earnings on plan investments	17,676,675	-	-	17,676,675
Changes in proportion and differences between contributions and proportionate share of contributions	1,249,958	-	264,351	1,514,309
Benefit payments and administrative costs paid subsequent to the measurement date	26,590,596	639,554	143,122	27,373,272
Total Deferred Outflows of Resources	<u>70,728,033</u>	<u>8,501,555</u>	<u>407,473</u>	<u>79,637,061</u>
Deferred Inflows of Resources:				
Differences between expected and actual experience	-	-	54,896	54,896
Changes in assumptions	-	331,313	-	331,313
Difference between projected and actual earnings	-	-	230,518	230,518
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	258,403	258,403
Total Deferred Inflows of Resources	<u>-</u>	<u>331,313</u>	<u>543,817</u>	<u>875,130</u>

**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, 2021, the County made contributions of \$92,576.

**NOTE 18. Other Post-Employment Benefits (OPEB)**

Plan Description. In addition to providing pension benefits, Wake County has elected to provide healthcare benefits, as a single employer defined benefit plan to retirees of the County. Employees hired before July 1, 2011 who retire from the North Carolina Local Government Employees' Retirement System under early, normal or disabled retirement conditions; remained continuously employed in a benefit eligible position; and were enrolled in the County's health insurance program prior to separation from the County may continue in the County's retiree health insurance program-based date of hire and years of creditable service as described in the table below. The plan does not issue a stand-alone financial report.

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

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

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

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

Membership in the plan included the following at June 30, 2019, the date of the latest actuarial valuation:

Retirees receiving benefits	1,206
Active plan members	1,679
Total	<u>2,885</u>

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

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurements unless other specified. The actuarial assumptions included a wage inflation rate of 3.5%, salary increases from 3.50% to 7.75%, discount rate of 2.21% and health care cost trends of 7.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026 for Pre-Medicare and 5.00% for 2019 decreasing to an ultimate rate of 4.50% by 2021 for Medicare.

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

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

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

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

At June 30, 2021, the County reported a total OPEB liability of \$540,414,829. The total OPEB liability was measured as of June 30, 2020 and was determined by an actuarial valuation June 30, 2019. For the year ended June 30, 2021, the County recognized OPEB expense of \$37,233,520. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,054,344	\$ 1,283,706
Changes of assumptions or other inputs	87,835,576	25,125,761
County contributions subsequent to measurement date	9,370,525	-
Total	<u>\$ 106,260,445</u>	<u>\$ 26,409,467</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% to 2.21%.

\$9,370,525 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ended June 30:	
2022	\$ 14,387,112
2023	18,150,013
2024	23,300,663
2025	14,642,665
2026	-
Total	<u>\$ 70,480,453</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.21%) or 1-percentage point higher (3.21%) than the current discount rate.

	Discount Rate Sensitivity		
	1% Decrease (1.21%)	Current (2.21%)	1% Increase (3.21%)
Total OPEB Liability	\$ 657,967,707	\$ 540,414,829	\$ 450,338,650

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

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

	Health Care Cost Trend Rate Sensitivity		
	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 440,767,279	\$ 540,414,829	\$ 672,452,750

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

Total OPEB liability as of June 30, 2020	\$ 415,753,783
Changes for the year:	
Service Cost at the end of the year	8,141,450
Interest on TOL and Cash Flows	14,683,245
Changes in benefit terms	-
Differences between expected and actuarial experience	(1,506,635)
Changes in assumptions or other inputs	112,166,760
Benefit payments	(8,823,774)
Net changes	124,661,046
Total OPEB liability as of June 30, 2021	\$ 540,414,829

**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, 2021.



**NOTE 20. Closure and Post closure Landfill Costs**

The County owns six solid waste landfills which are accounted for in the Solid Waste Operating Fund and the South Wake Landfill Partnership Fund. State and federal laws and regulations require the County to place a final cover on its landfills when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post closure 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 post closure 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 post closure maintenance and monitoring costs is approximately \$31.7 million. The landfill closure and post closure liability of \$22,282,836 is included as a separate line item under the noncurrent liabilities in the Solid Waste Operating Fund and the South Wake Landfill Partnership Fund at June 30, 2021. The liability represents a cumulative amount reported to date based on the following facilities.

The North Wake Unlined Landfill and the Feltonville Unlined Landfill have been closed for approximately 23 years and no additional closure costs are expected at these facilities. The County is currently responsible for monitoring these sites for an additional 7 years for post-closure care. The County continues to monitor groundwater conditions at the site. The County was required to develop a corrective action plan which included recommendations to remediation by air sparging by Monitored Natural Attenuation. In addition, enhanced anaerobic bioremediation is being implemented at the site. The estimates of the costs associated with the corrective action plan are included in the post-closure estimates for these facilities.

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

The North Wake Subtitle Design Facility has been closed for approximately 13 years and no additional closure cost are expected at this facility. During calendar year 2015, the County took over operations of the North Wake landfill gas-to-energy (LFGTE) system, which was previously operated by an outside party. In doing so, the County has assumed operation and maintenance costs associated with the flare, gas wells and other system components. These associated costs have been added to the post-closure costs for the remaining post-closure period. The County will continue to monitor this facility for post-closure care for an additional 17 years.

The South Wake Subtitle Design Facility began operations in February 2008 and is in its second phase of five total phases. It is estimated to be at 27.19% capacity. During fiscal year 2018, Phase 1 reached capacity and was partially closed. In July 2015, the landfill began placing waste in the new 28-acre cell (Phase 2A). The closure and post closure costs related to Phase 2A have been included in this year's estimates. The entire landfill is estimated to close June 2047. The County will recognize the remaining estimated cost of closure and post-closure care costs of \$7.4 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 Quality (NCDEQ) regarding post closure activities associated with the closed East Wake Landfill. Groundwater contamination and other volatile compounds have been detected at levels above the State groundwater standards. NCDEQ issued a Facility Compliance Inspection Report requiring the County to implement corrective action to address five deficiencies. The County has completed the necessary corrective action in addressing all of the deficiencies. The property is divided into four areas. Areas A, B & C are managed under the jurisdiction of the Inactive Hazardous Site Pre-Regulatory Landfill Unit (PRLF), and the County has ceased all voluntary environmental assessment activities pertaining to these areas. Area D remains under the regulations of NCDEQ Solid Waste Section and is managed and paid for by the County. The County completed all work related to Area D in September 2015, and Area D now is compliant with NCDEQ Solid Waste post-closure monitoring requirements. At this time, the County is managing the necessary monitoring on an annual budgetary basis and does not anticipate the needs for additional reserves to be set aside. This will be continued to be monitored as required by NCDEQ. At June 30, 2021, no pollution remediation liabilities were included in accounts payable and accrued liabilities in the Solid Waste Construction 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:	<u>\$ 481,920,484</u>
Less:	
Inventories	299,437
Prepaid expenditures	872,435
Noncurrent receivables	51,786
Stabilization by State Statute	98,421,487
Register of deeds automation	1,354,285
Reappraisal reserve	2,211,278
LEO Special Separation allowance	3,235,640
Local ABC revenues	11,051,880
Behavioral health excess revenues	16,078,145
Insurance claims	5,285,744
Planned expenditures	500,000
Working capital	<u>342,558,367</u>
Remaining fund balance	<u><u>\$ -</u></u>

Restricted for Stabilization by State Statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS) is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

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, 2021 are as follows:

General Fund	Major Funds			Nonmajor Funds
	Affordable Housing Fund	County Capital Projects Fund	School Capital Fund	Other Governmental Funds
<u>\$ 2,736,835</u>	<u>\$ 14,318,410</u>	<u>\$ 20,579,762</u>	<u>\$ 266,098,492</u>	<u>\$ 11,502,953</u>

**NOTE 22. Fund Balance (Cont.)**

The following schedule provides information regarding the funding for the 15% Uncommitted Funds, as defined in the Interlocal Agreement and Amendments, within the Major Facilities Fund. To the extent that current year revenues are not sufficient for funding these projects, the County anticipates appropriating fund balance. As of June 30, 2021, fund balance in the Major Facilities Fund totaled \$5,864,557 of which \$4,992,888 is Restricted by Stabilization by State Statute.

Fiscal Year	Cary Sports Facilities*	NC Art Museum	NC Museum of Natural Sciences	PNC Arena**	St. Augustine's College Track	NC Ballet	Competitive Projects***	Total
2008	\$ -	\$ 6,000,000	\$ -	\$ 1,000,000	\$ -	\$ 150,000	\$ -	\$ 7,150,000
2009	-	1,000,000	1,900,000	1,500,000	300,000	100,000	-	4,800,000
2010	-	1,000,000	700,000	1,000,000	100,000	-	-	2,800,000
2011	-	1,000,000	900,000	1,000,000	100,000	-	-	3,000,000
2012	-	1,000,000	900,000	1,000,000	100,000	-	-	3,000,000
2013	400,000	1,000,000	800,000	1,679,355	100,000	-	-	3,979,355
2014	1,000,000	1,000,000	200,000	1,500,000	100,000	-	-	3,800,000
2015	1,000,000	1,000,000	200,000	1,000,000	100,000	-	-	3,300,000
2016	1,300,000	1,000,000	400,000	1,000,000	100,000	-	-	3,800,000
2017	1,700,000	1,000,000	-	-	-	-	2,000,000	4,700,000
2018	2,600,000	-	-	-	-	-	2,000,000	4,600,000
2019	2,000,000	-	-	-	-	-	2,000,000	4,000,000
2020	3,000,000	-	-	-	-	-	-	3,000,000
2021	2,000,000	-	-	-	-	-	2,000,000	4,000,000
<b>Payments to Date</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>6,000,000</b>	<b>10,679,355</b>	<b>1,000,000</b>	<b>250,000</b>	<b>8,000,000</b>	<b>55,929,355</b>
2022	3,000,000	-	-	-	-	-	2,000,000	5,000,000
2023	3,000,000	-	-	-	-	-	2,000,000	5,000,000
2024	3,000,000	-	-	-	-	-	2,000,000	5,000,000
2025	3,000,000	-	-	-	-	-	2,000,000	5,000,000
2026	3,000,000	-	-	-	-	-	2,000,000	5,000,000
<b>Total</b>	<b>\$ 30,000,000</b>	<b>\$ 15,000,000</b>	<b>\$ 6,000,000</b>	<b>\$ 10,679,355</b>	<b>\$ 1,000,000</b>	<b>\$ 250,000</b>	<b>\$ 18,000,000</b>	<b>\$ 80,929,355</b>

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

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

\*\*\*Section 3 of the Major Facilities Cash Flow Model includes a transfer to Major Facilities Capital Fund in FY20-FY24 funded by a City of Raleigh contribution.

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

The American Rescue Plan Fund had a deficit fund balance of \$(468,248) as of June 30, 2021. This fund is established with money from the US Treasury related to protecting communities from COVID-19 and future related issues. Unspent funds are legally due back to the US Treasury, as such, these funds are recorded due to other governments. Based on grant provisions, any investment income or losses are considered unrestricted. At June 30, 2021 investment losses resulted in a deficit fund balance.

The Human Service Client fund and Fines and Forfeiture fund were created during fiscal year 2021 to comply with the Governmental Accounting Standards Board's Statement No. 84, *Fiduciary Activities*. These two funds no longer met the definition of fiduciary activity and became special revenue funds. Fiduciary funds do not have adopted budgets, therefore in the first year of becoming special revenue funds, a corresponding budget was not adopted. Both funds have adopted budgets in fiscal year 2022.

**NOTE 24. Comparative Data**

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

**NOTE 25. Prior Period Adjustment**

For fiscal year 2021, the County implemented the Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. This implementation changed the definition of fiduciary activities requiring previously recorded activity for Human Services Clients and Fines and Forfeitures to be recorded in special revenue funds, rather than custodial funds. The ending fund balances related to fiscal year 2020 have been brought in and recorded as an adjustment to the fiscal year 2021 beginning balance. This adjustment to beginning fund balance for Human Services Client fund and Fines and Forfeitures fund was \$429,413 and \$17,253, respectively.

**NOTE 26. Discretely Presented Component Unit Disclosure**

(1) Deposits

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

At June 30, 2021, the Board's deposits had a carrying amount of \$38,388,342 and a bank balance of \$37,525,646. All of the bank balance was either insured by federal depository insurance or collateralized under the pooling method.

(2) Risk Management

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

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

In accordance with G.S. 18B-700(i), each board member is bonded in the amount of \$50,000, 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.



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR END JUNE 30, 2021

## REQUIRED SUPPLEMENTARY INFORMATION

This section provides additional required data regarding the Law Enforcement Officers' Special Separation Allowance and Other Post – Employment Benefits, the Local Government Retirement System, and the Register of Deeds' Supplemental Pension Fund.

## ***Required Supplementary Information***

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

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

# WAKE COUNTY, NORTH CAROLINA

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

### *Schedule of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered-Employee Payroll*

	2021	2020	2019	2018	2017
Total Pension Liability - beginning balance	\$ 18,862,039	\$ 17,014,647	\$ 17,179,631	\$ 16,124,717	\$ 16,478,270
Service Cost	664,724	617,730	638,579	537,880	570,747
Interest	594,877	597,289	524,414	601,201	568,041
Changes in benefit terms	-	-	-	-	-
Difference between expected and actual experience	715,912	1,325,314	463,714	58,031	-
Changes in assumptions and other inputs	6,853,967	518,301	(623,177)	956,913	(358,851)
Benefit payments	(1,228,558)	(1,211,242)	(1,168,514)	(1,099,111)	(1,133,490)
Total Pension Liability - ending balance	<u>\$ 26,462,961</u>	<u>\$ 18,862,039</u>	<u>\$ 17,014,647</u>	<u>\$ 17,179,631</u>	<u>\$ 16,124,717</u>
		-	-		
Covered-employee payroll	<u>\$ 25,064,195</u>	<u>\$ 25,517,817</u>	<u>\$ 23,882,915</u>	<u>\$ 22,378,641</u>	<u>\$ 21,685,204</u>
Total Pension Liability as a percentage of covered-employee payroll	105.58%	73.92%	71.24%	76.77%	74.36%

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

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

# WAKE COUNTY, NORTH CAROLINA

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

### *Schedule of Changes in Total OPEB Liability and Related Ratios*

	2021	2020	2019	2018
Total OPEB Liability - beginning balance	\$ 415,753,783	\$ 389,385,647	\$ 397,934,783	\$ 425,174,365
Service Cost	8,141,450	9,304,353	9,952,337	11,423,301
Interest	14,683,245	14,969,573	14,005,022	12,677,243
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	(1,506,635)	15,885,637	132,574	(377,290)
Changes in assumptions and other inputs	112,166,760	(4,576,095)	(23,488,471)	(42,896,059)
Benefit payments	(8,823,774)	(9,215,332)	(9,150,598)	(8,066,777)
Total OPEB Liability - ending balance	<u>\$ 540,414,829</u>	<u>\$ 415,753,783</u>	<u>\$ 389,385,647</u>	<u>\$ 397,934,783</u>
Covered payroll	<u>\$ 104,126,454</u>	<u>\$ 104,126,454</u>	<u>\$ 115,050,642</u>	<u>\$ 115,050,642</u>
Total OPEB liability as a percentage of covered-employee payroll	519.00%	399.28%	338.45%	345.88%

### Notes to Schedule

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

The following are the discount rates used in each period:

Fiscal Year	Rate
2018	3.56%
2019	3.89%
2020	3.50%
2021	2.21%

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

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



# WAKE COUNTY, NORTH CAROLINA

## LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

*Last Eight Fiscal Years*

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

Year Ended June 30 *	County's proportion of the net pension liability (asset)	County's proportionate share of the net pension liability (asset)	County's covered- employee payroll	County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	3.13%	\$ 37,686,331	\$ 175,266,798	21.50%	94.35%
2015	2.99%	(17,635,411)	172,322,095	(10.23)%	102.64%
2016	3.08%	13,836,947	180,851,503	7.65%	98.09%
2017	3.22%	68,369,961	192,564,149	35.51%	91.47%
2018	3.33%	50,868,898	206,650,926	24.62%	94.18%
2019	3.42%	81,176,799	220,301,451	36.85%	91.63%
2020	3.53%	96,358,671	234,775,167	41.04%	90.86%
2021	3.52%	125,613,071	252,309,623	49.83%	88.61%

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

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

## WAKE COUNTY, NORTH CAROLINA

### Schedule of Employer Contributions

Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	County's covered- employee payroll	Contributions as a percentage of covered- employee payroll
2014	\$ 12,228,225	\$ 12,228,225	-	\$ 172,322,095	7.10%
2015	12,860,971	12,860,971	-	180,851,503	7.11%
2016	13,119,915	13,119,915	-	192,564,149	6.81%
2017	14,309,333	14,309,333	-	206,650,926	6.92%
2018	16,773,603	16,773,603	-	220,301,451	7.61%
2019	18,416,964	18,416,964	-	234,775,167	7.84%
2020	22,850,847	22,850,847	-	252,309,623	9.06%
2021	26,590,596	26,590,596	-	259,544,922	10.25%

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

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

# WAKE COUNTY, NORTH CAROLINA

## REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND Last Eight Fiscal Years

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

Year Ended June 30 *	County's proportion of the net pension liability (asset)	County's proportionate share of the net pension liability (asset)	County's covered- employee payroll	County's proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	11.18%	\$ (2,388,744)	\$ 123,821	-1929.19%	190.50%
2015	10.51%	(2,382,985)	127,567	-1868.03%	193.88%
2016	11.15%	(2,585,946)	131,075	-1972.88%	197.29%
2017	9.97%	(1,864,169)	135,158	-1379.25%	160.17%
2018	11.45%	(1,955,114)	145,882	-1340.20%	153.77%
2019	12.44%	(2,061,005)	141,474	-1456.81%	153.31%
2020	9.71%	(1,917,781)	153,131	-1252.38%	164.11%
2021	11.76%	(2,694,036)	156,252	-1460.09%	173.62%

## WAKE COUNTY, NORTH CAROLINA

### Schedule of Employer Contributions

Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	County's covered-employee payroll	Contributions as a percentage of covered- employee payroll
2014	\$ 85,839	\$ 85,839	\$ -	\$ 127,567	67.29%
2015	89,188	89,188	-	131,075	68.04%
2016	91,228	91,228	-	135,158	67.50%
2017	99,851	99,851	-	145,882	68.45%
2018	93,890	93,890	-	141,474	66.37%
2019	92,330	92,330	-	153,131	60.29%
2020	112,557	112,557	-	156,252	72.04%
2021	143,122	143,122	-	184,512	77.57%

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

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



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR END JUNE 30, 2021

## GENERAL FUND COMPARATIVES AND DETAILED BUDGETS

The General Fund is the County's chief operating fund. It accounts for the revenue and expenditures traditionally associated with operating governmental service functions.

# WAKE COUNTY, NORTH CAROLINA

## GENERAL FUND COMPARATIVE BALANCE SHEETS As of June 30, 2021 and 2020

	June 30, 2021	June 30, 2020
<b>ASSETS</b>		
Cash and investments - pooled equity	\$ 427,477,674	\$ 370,932,390
Cash and investments - cash equivalents	989,357	1,411,953
Cash and investments - restricted	6,891,675	7,301,386
Taxes receivable (net)	63,190,121	52,422,980
Accounts receivable (net)	16,990,845	12,484,377
Intergovernmental receivable (net)	31,804,478	17,565,717
Accrued interest receivable	-	29,416
Internal balances (due from other funds)	429,002	1,135,643
Prepaid expenditures	872,435	1,163,458
Inventories	299,437	262,048
Total assets	<u>\$ 548,945,024</u>	<u>\$ 464,709,368</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 47,383,569	\$ 48,570,206
Due to other governmental units	301,082	629,298
Total liabilities	<u>47,684,651</u>	<u>49,199,504</u>
DEFERRED INFLOWS OF RESOURCES	<u>19,339,889</u>	<u>14,372,042</u>
Fund balances:		
Non-spendable:		
Nonspendable inventories	299,437	262,048
FB Prepaid expenditures	872,435	1,163,458
Noncurrent receivable	51,786	65,373
Restricted:		
Stabilization by state statute	98,421,487	75,098,435
Register of deed automation	1,354,285	1,022,394
Committed:		
Revaluation reserve	2,211,278	2,639,517
LEO Special Separation Allowance	3,235,640	3,235,640
Future appropriations from excess ABC revenues	11,051,880	13,943,568
Future appropriations for behavioral health	16,078,145	14,220,119
Future insurance claims	5,285,744	2,557,750
Working capital	342,558,367	286,929,520
Planned expenditures	500,000	-
Total fund balance	<u>481,920,484</u>	<u>401,137,822</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 548,945,024</u>	<u>\$ 464,709,368</u>

# WAKE COUNTY, NORTH CAROLINA

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2021  
With Comparative Actual Amounts for the Year Ended June 30, 2020**

	2021			2020
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES:				
Taxes	\$ 1,346,073,003	\$ 1,397,741,793	\$ 51,668,790	\$ 1,332,107,627
Intergovernmental	73,519,753	82,979,342	9,459,589	81,695,115
Charges for services	62,480,120	67,425,142	4,945,022	66,015,258
Licenses and permits	4,737,920	6,607,475	1,869,555	5,568,944
Investment earnings	5,220	7,972	2,752	216,311
Miscellaneous	353,326	498,016	144,690	514,218
Total revenues	1,487,169,342	1,555,259,740	68,090,398	1,486,117,473
EXPENDITURES:				
Current:				
General government	88,237,198	82,318,179	5,919,019	69,504,390
Human services	201,629,838	179,209,699	22,420,139	184,968,436
Education	554,340,159	554,340,159	-	540,535,537
Community development and cultural	39,449,146	37,993,672	1,455,474	39,588,644
Environmental services	13,915,513	13,706,000	209,513	13,984,228
Public safety	151,076,686	145,066,162	6,010,524	158,231,525
General services administration	30,882,189	28,963,130	1,919,059	29,727,232
Total expenditures	1,079,530,729	1,041,597,001	37,933,728	1,036,539,992
REVENUES OVER (UNDER) EXPENDITURES	407,638,613	513,662,739	106,024,126	449,577,481
OTHER FINANCING SOURCES (USES):				
Transfers in	2,779,728	2,779,728	-	2,800,427
Transfers out	(435,695,054)	(435,695,054)	-	(403,902,813)
Capital lease proceeds	-	7,147	7,147	16,203
Financing agreement proceeds	-	-	-	2,498,956
Capital lease	-	(7,147)	(7,147)	(16,203)
Sale of assets and materials	40,000	35,249	(4,751)	32,012
Financing agreement	-	-	-	(2,498,956)
Total other financing sources (uses)	(432,875,326)	(432,880,077)	(4,751)	(401,070,374)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(25,236,713)	80,782,662	106,019,375	48,507,107
APPROPRIATED FUND BALANCE	25,236,713	-	(25,236,713)	-
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	80,782,662	\$ 80,782,662	48,507,107
FUND BALANCE AT BEGINNING OF YEAR		401,137,822		352,630,715
FUND BALANCE AT END OF YEAR		\$ 481,920,484		\$ 401,137,822

# ***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, 2021**

**With Comparative Actual Amounts for the Year Ended June 30, 2020**

	2021			2020
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES:				
TAXES				
Ad valorem property tax - current	\$ 1,121,294,000	\$ 1,127,026,492	\$ 5,732,492	\$ 1,096,611,968
Ad valorem property tax - prior	3,540,000	4,794,822	1,254,822	2,831,496
Tax penalties, interest and other	3,025,000	3,014,545	(10,455)	2,690,245
Sales tax	203,989,000	239,698,358	35,709,358	209,288,739
Leased rental vehicle tax	3,350,000	2,551,624	(798,376)	3,171,827
Real property transfer tax	9,653,000	18,737,453	9,084,453	15,354,797
Payments in lieu of taxes	1,222,003	1,918,499	696,496	2,158,555
Total Taxes	<u>1,346,073,003</u>	<u>1,397,741,793</u>	<u>51,668,790</u>	<u>1,332,107,627</u>
LICENSES AND PERMITS				
Beer and wine licenses	72,000	104,560	32,560	84,385
Marriage licenses	208,814	141,260	(67,554)	158,875
Building and construction permits	2,862,181	4,150,617	1,288,436	3,640,586
Weapon permits	510,000	1,116,865	606,865	594,535
Other permits	1,084,925	1,094,173	9,248	1,090,563
Total Licenses and Permits	<u>4,737,920</u>	<u>6,607,475</u>	<u>1,869,555</u>	<u>5,568,944</u>

(Continued)



# ***WAKE COUNTY, NORTH CAROLINA***

## **GENERAL FUND**

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

#### **DETAILED BUDGET AND ACTUAL (continued)**

**For the Year Ended June 30, 2021**

**With Comparative Actual Amounts for the Year Ended June 30, 2020**

	2021			2020
	Budget	Actual	Variance Positive/(Negative)	Actual
INTERGOVERNMENTAL				
Federal and State:				
Human services	\$ 65,815,031	\$ 68,382,206	\$ 2,567,175	\$ 64,737,981
Payments in lieu of taxes	255,000	419,004	164,004	393,585
Public library	600,000	600,416	416	596,449
Public safety	200,338	100,338	(100,000)	1,192,775
Other federal and state	2,536,700	2,247,358	(289,342)	2,461,439
Total Federal and State	69,407,069	71,749,322	2,342,253	69,382,229
Local:				
ABC Board	4,000,000	11,000,000	7,000,000	12,061,826
Other local	112,684	230,020	117,336	251,060
Total Local	4,112,684	11,230,020	7,117,336	12,312,886
Total Intergovernmental	73,519,753	82,979,342	9,459,589	81,695,115

(Continued)

# WAKE COUNTY, NORTH CAROLINA

## GENERAL FUND

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

#### DETAILED BUDGET AND ACTUAL (continued)

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			2020
	Budget	Actual	Variance Positive/(Negative)	Actual
CHARGES FOR SERVICES				
Environmental	\$ 371,423	\$ 239,440	\$ (131,983)	\$ 330,625
Client fees	1,324,279	792,881	(531,398)	974,641
Insurance	614,635	256,140	(358,495)	462,709
Medicaid fees	11,468,830	16,227,647	4,758,817	12,677,446
Medicare fees	44,203	38,199	(6,004)	41,022
Human services reimbursements	853,840	811,621	(42,219)	770,960
Inspection fees	891,272	1,125,708	234,436	1,203,834
Library fees	111,000	15,394	(95,606)	117,854
Parks & recreation fees	89,000	48,960	(40,040)	50,241
EMS fees	26,215,000	24,195,889	(2,019,111)	26,968,635
Facility use fees	22,000	29,415	7,415	104,099
Fire/Rescue fees	141,474	159,804	18,330	141,345
Sheriff fees	4,589,300	4,762,512	173,212	5,492,262
Planning fees	980,751	2,056,990	1,076,239	1,004,224
Court facility fees	1,010,000	795,409	(214,591)	874,910
Parking fees	1,215,000	666,598	(548,402)	1,060,269
Rental/lease income	285,325	281,619	(3,706)	283,152
Record fees	5,412,284	8,151,232	2,738,948	6,088,595
Reimbursements	2,745,798	2,799,693	53,895	3,649,941
Tax collection fees	1,035,000	1,146,286	111,286	1,039,643
Vending income	655,000	364,860	(290,140)	472,386
Other fees and charges	2,404,706	2,458,845	54,139	2,206,465
Total Charges for Services	62,480,120	67,425,142	4,945,022	66,015,258
INVESTMENT EARNINGS	5,220	7,972	2,752	216,311
OTHER MISCELLANEOUS	353,326	498,016	144,690	514,218
TOTAL REVENUES	1,487,169,342	1,555,259,740	68,090,398	1,486,117,473

(Continued)

# WAKE COUNTY, NORTH CAROLINA

## GENERAL FUND

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

#### DETAILED BUDGET AND ACTUAL (continued)

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021					2020	
	Budget	Actual	Variance Budget vs. Actual Positive/(Negative)	Encumbrances	Total (Actuals plus Encumbrances)	Variance Budget vs. Actuals plus Encumbrances Positive/(Negative)	Actual
EXPENDITURES:							
GENERAL GOVERNMENT							
County commissioners	\$ 619,951	\$ 535,550	\$ 84,401	\$ -	\$ 535,550	\$ 84,401	\$ 707,548
County manager	1,988,511	1,895,329	93,182	-	1,895,329	93,182	2,152,190
County attorney	3,161,593	3,099,874	61,719	-	3,099,874	61,719	3,100,478
Board of elections	8,212,286	7,829,406	382,880	77,876	7,907,282	305,004	7,525,332
Budget & management services	1,180,100	1,109,990	70,110	-	1,109,990	70,110	1,127,598
Communications office	1,105,941	990,014	115,927	-	990,014	115,927	1,110,717
Facilities design & construction	2,050,791	1,923,058	127,733	-	1,923,058	127,733	1,817,060
Finance	3,268,606	3,257,317	11,289	4,725	3,262,042	6,564	3,084,796
Human resources	3,791,390	3,773,307	18,083	19,787	3,793,094	(1,704)	3,668,649
Information services	20,359,645	19,604,782	754,863	15,913	19,620,695	738,950	19,522,489
Register of deeds	3,257,452	3,225,323	32,129	6,541	3,231,864	25,588	3,213,657
Tax Administration	10,016,899	9,481,136	535,763	4,615	9,485,751	531,148	10,093,697
Quasi-governmental	812,428	707,500	104,928	-	707,500	104,928	732,721
Non-departmental	19,629,737	16,103,725	3,526,012	331,102	16,434,827	3,194,910	8,153,430
COVID-19 Response	6,769,868	6,769,868	-	-	6,769,868	-	-
Public agencies	2,012,000	2,012,000	-	-	2,012,000	-	3,494,028
Total General Government	88,237,198	82,318,179	5,919,019	460,559	82,778,738	5,458,460	69,504,390
HUMAN SERVICES							
Human Services:							
Social services economic self sufficiency	54,629,523	52,135,549	2,493,974	33,257	52,168,806	2,460,717	53,661,848
Child welfare	34,397,687	31,290,866	3,106,821	41,149	31,332,015	3,065,672	31,425,998
Public health	30,463,520	28,207,332	2,256,188	13,840	28,221,172	2,242,348	29,602,559
Health clinics	21,053,414	18,132,077	2,921,337	73,150	18,205,227	2,848,187	19,392,899
Administration and operations	22,098,114	19,842,826	2,255,288	139,179	19,982,005	2,116,109	19,686,019
Total Human Services	162,642,258	149,608,650	13,033,608	300,575	149,909,225	12,733,033	153,769,323
Behavioral health - managed care	29,413,138	21,706,612	7,706,526	-	21,706,612	7,706,526	23,925,239
Housing	9,574,442	7,894,437	1,680,005	40,941	7,935,378	1,639,064	7,273,874
Total Human Services	201,629,838	179,209,699	22,420,139	341,516	179,551,215	22,078,623	184,968,436

Encumbrances are included for internal reporting purposes only.

(Continued)

# WAKE COUNTY, NORTH CAROLINA

## GENERAL FUND

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

#### DETAILED BUDGET AND ACTUAL (continued)

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021					2020	
	Budget	Actual	Variance Budget vs. Actual Positive/(Negative)	Encumbrances	Total (Actuals plus Encumbrances)	Variance Budget vs. Actuals plus Encumbrances Positive/(Negative)	Actual
EDUCATION							
Wake County Public Schools:							
Current expense	\$ 525,073,614	\$ 525,073,614	\$ -	\$ -	\$ 525,073,614	\$ -	\$ 513,103,536
Capital outlay	1,900,759	1,900,759	-	-	1,900,759	-	1,931,961
Other restricted	929,728	929,728	-	-	929,728	-	919,604
Total Wake County Public Schools	527,904,101	527,904,101	-	-	527,904,101	-	515,955,101
Wake Technical College:							
Current expense	24,748,030	24,748,030	-	-	24,748,030	-	24,580,436
Total Wake Technical College	24,748,030	24,748,030	-	-	24,748,030	-	24,580,436
Other education Initiatives	1,688,028	1,688,028	-	-	1,688,028	-	-
Total Education	554,340,159	554,340,159	-	-	554,340,159	-	540,535,537
COMMUNITY DEVELOPMENT AND CULTURAL							
Administration	882,482	776,271	106,211	-	776,271	106,211	900,380
Parks and recreation	3,522,097	3,077,270	444,827	73,419	3,150,689	371,408	3,359,383
Building inspections	6,067,516	6,023,713	43,803	14,927	6,038,640	28,876	6,003,962
Veterans services	313,155	305,643	7,512	1,549	307,192	5,963	305,472
Geographic information services	2,132,384	2,140,770	(8,386)	-	2,140,770	(8,386)	1,886,443
Public libraries	26,531,512	25,670,005	861,507	235,099	25,905,104	626,408	27,133,004
Total Community Development	39,449,146	37,993,672	1,455,474	324,994	38,318,666	1,130,480	39,588,644

Encumbrances are included for internal reporting purposes only.

(Continued)

# WAKE COUNTY, NORTH CAROLINA

## GENERAL FUND

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

#### DETAILED BUDGET AND ACTUAL (continued)

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021					2020	
	Budget	Actual	Variance Budget vs. Actual Positive/(Negative)	Encumbrances	Total (Actuals plus Encumbrances)	Variance Budget vs. Actuals plus Encumbrances Positive/(Negative)	Actual
ENVIRONMENTAL SERVICES							
Environmental services	\$ 13,915,513	\$ 13,706,000	\$ 209,513	\$ 25,337	\$ 13,731,337	\$ 184,176	\$ 13,984,228
Total Environmental Services	13,915,513	13,706,000	209,513	25,337	13,731,337	184,176	13,984,228
GENERAL SERVICES ADMINISTRATION							
General services administration	30,882,189	28,963,130	1,919,059	1,317,727	30,280,857	601,332	29,727,232
Total General Services Administration	30,882,189	28,963,130	1,919,059	1,317,727	30,280,857	601,332	29,727,232
PUBLIC SAFETY							
Sheriff Department:							
Sheriff	45,650,864	45,719,586	(68,722)	85,367	45,804,953	(154,089)	48,602,652
Detention	50,101,787	45,645,715	4,456,072	1,339	45,647,054	4,454,733	51,578,130
Total Sheriff Department	95,752,651	91,365,301	4,387,350	86,706	91,452,007	4,300,644	100,180,782
CCBI	7,004,370	6,981,058	23,312	-	6,981,058	23,312	7,108,656
Law enforcement special separation allowance	1,500,000	1,347,384	152,616	-	1,347,384	152,616	-
Emergency medical services	42,007,027	40,814,330	1,192,697	174,262	40,988,592	1,018,435	46,824,980
Fire services	2,820,561	2,650,341	170,220	5,735	2,656,076	164,485	2,800,982
Public safety communications	1,992,077	1,907,748	84,329	-	1,907,748	84,329	1,316,125
Total Public Safety	151,076,686	145,066,162	6,010,524	266,703	145,332,865	5,743,821	158,231,525
TOTAL EXPENDITURES	1,079,530,729	1,041,597,001	37,933,728	2,736,836	1,044,333,837	35,196,892	1,036,539,992

Encumbrances are included for internal reporting purposes only.

(Continued)

# WAKE COUNTY, NORTH CAROLINA

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**DETAILED BUDGET AND ACTUAL (continued)**  
**For the Year Ended June 30, 2021**  
**With Comparative Actual Amounts for the Year Ended June 30, 2020**

	2021			2020
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES OVER EXPENDITURES	\$ 407,638,613	\$ 513,662,739	\$ 106,024,126	\$ 449,577,481
OTHER FINANCING SOURCES (USES):				
Transfers in	2,779,728	2,779,728	-	2,800,427
Transfers out	(435,695,054)	(435,695,054)	-	(403,902,813)
Sale of assets & materials	40,000	35,249	(4,751)	32,012
Capital lease proceeds	-	7,147	7,147	16,203
Short-term financing proceeds	-	-	-	2,498,956
Capital leases	-	(7,147)	(7,147)	(16,203)
Short-term financing	-	-	-	(2,498,956)
Total other financing sources (uses)	(432,875,326)	(432,880,077)	(4,751)	(401,070,374)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(25,236,713)	80,782,662	106,019,375	48,507,107
APPROPRIATED FUND BALANCE	25,236,713	-	(25,236,713)	-
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	80,782,662	\$ 80,782,662	48,507,107
FUND BALANCE AT BEGINNING OF YEAR		401,137,822		352,630,715
FUND BALANCE AT END OF YEAR		\$ 481,920,484		\$ 401,137,822

# WAKE COUNTY, NORTH CAROLINA

## AFFORDABLE HOUSING FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (NON-GAAP BASIS) BUDGET AND ACTUAL From Project Inception Through June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Intergovernmental	\$ 85,565,253	\$ 32,803,782	\$ 10,366,705	\$ 43,170,487
Charges for services	4,115,615	4,002,542	419,873	4,422,415
Investment earnings	210,326	260,078	717	260,795
Miscellaneous	-	(519)	-	(519)
Total Revenues	89,891,194	37,065,883	10,787,295	47,853,178
EXPENDITURES:				
Human Services				
County funded	7,157,482	4,775,751	2,064,613	6,840,364
Emergency Rental Assistance Program	34,520,266	-	2,582,438	2,582,438
Housing and community revitalization	42,214,272	27,849,887	5,710,078	33,559,965
Home grants	7,116,129	2,904,859	821,885	3,726,744
HOPWA grants	4,339,717	2,656,751	577,613	3,234,364
Total Expenditures	95,347,866	38,187,248	11,756,627	49,943,875
REVENUES OVER (UNDER) EXPENDITURES	(5,456,672)	(1,121,365)	(969,332)	(2,090,697)
OTHER FINANCING SOURCES (USES):				
Transfers in	5,548,262	5,548,262	-	5,548,262
Transfers out	(91,590)	-	(91,590)	(91,590)
Total Other Financing Sources (Uses)	5,456,672	5,548,262	(91,590)	5,456,672
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ -	\$ 4,426,897	(1,060,922)	\$ 3,365,975
FUND BALANCE AT BEGINNING OF YEAR (Non-GAAP)			4,426,897	
FUND BALANCE AT END OF YEAR (Non-GAAP)			\$ 3,365,975	
Reconciling items for GAAP presentation:				
Fund balance at beginning of year (GAAP)			29,853,835	
Adjustments to loans			2,380,299	
Payments received on loan balances			(1,328,543)	
Change in estimate of loan portfolio allowance			555,525	
Total reconciling items:			31,461,116	
FUND BALANCE AT END OF YEAR (GAAP basis)			\$ 30,400,194	

# WAKE COUNTY, NORTH CAROLINA

## CORONAVIRUS RELIEF FUNDS (CRF) FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (NON-GAAP BASIS) BUDGET AND ACTUAL From Project Inception Through June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Intergovernmental	\$ 193,995,056	\$ 27,995,268	\$ 159,144,813	\$ 187,140,081
Investment earnings	517,000	33,416	439,612	473,028
Miscellaneous	100,000	100,000	-	100,000
Total Revenues	194,612,056	28,128,684	159,584,425	187,713,109
EXPENDITURES:				
Public Health Emergency Response	100,057,704	10,163,110	88,786,404	98,949,514
Community Response	20,205,497	288,432	19,501,594	19,790,026
Continuity of Operations	65,355,962	17,577,142	47,403,533	64,980,675
Economic Recovery	8,984,393	-	3,984,394	3,984,394
Total Expenditures	194,603,556	28,028,684	159,675,925	187,704,609
REVENUES OVER (UNDER) EXPENDITURES	8,500	100,000	(91,500)	8,500
OTHER FINANCING SOURCES (USES):				
Transfers out	(8,500)	-	(8,500)	(8,500)
Total Other Financing Sources (Uses)	(8,500)	-	(8,500)	(8,500)
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ -	\$ 100,000	(100,000)	\$ -
FUND BALANCE AT BEGINNING OF YEAR (Non-GAAP)			100,000	
FUND BALANCE AT END OF YEAR (Non-GAAP)			\$ -	



# ***WAKE COUNTY, NORTH CAROLINA***

**AMERICAN RESCUE PLAN FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (NON-GAAP BASIS)  
BUDGET AND ACTUAL  
From Project Inception Through June 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Intergovernmental	\$ 52,675,000	\$ -	\$ 1,254,161	\$ 1,254,161
Investment earnings	-	-	(468,248)	(468,248)
Total Revenues	52,675,000	-	785,913	785,913
EXPENDITURES:				
Public Health Emergency Response	41,225,000	-	1,254,161	1,254,161
Community Response	10,554,000	-	-	-
Continuity of Operations	896,000	-	-	-
Total Expenditures	52,675,000	-	1,254,161	1,254,161
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ -</u>	(468,248)	<u>\$ (468,248)</u>
FUND BALANCE AT BEGINNING OF YEAR (Non-GAAP)			-	
FUND BALANCE AT END OF YEAR (Non-GAAP)			<u>\$ (468,248)</u>	

# WAKE COUNTY, NORTH CAROLINA

## MAJOR FACILITIES FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN APPROPRIATED FUND BALANCE BUDGET AND ACTUAL For the Year Ended June 30, 2021

	2021		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Taxes:			
Occupancy tax	\$ 23,558,000	\$ 15,715,504	\$ (7,842,496)
Prepared food tax	24,500,000	29,225,463	4,725,463
Total taxes	48,058,000	44,940,967	(3,117,033)
Investment earnings	-	(58,508)	(58,508)
Total Revenues	48,058,000	44,882,459	(3,175,541)
EXPENDITURES:			
Raleigh hold harmless - occupancy	680,000	680,000	-
Cary hold harmless - occupancy	1,145,000	753,275	391,725
Greater Raleigh Convention and Visitors Bureau	5,974,000	4,013,626	1,960,374
Centennial Authority operations 7%	2,768,000	2,714,185	53,815
Raleigh annual distribution - \$1M	1,000,000	1,000,000	-
Convention Center	19,627,000	19,022,899	604,101
PNC Arena	9,000,000	9,000,000	-
Centennial Authority Facility Improvements	2,000,000	2,000,000	-
Cary Sports Venue	2,000,000	2,000,000	-
Total Expenditures	44,194,000	41,183,985	3,010,015
REVENUES OVER EXPENDITURES	3,864,000	3,698,474	(165,526)
OTHER FINANCING SOURCES (USES):			
Transfers out to General Fund	(1,400,000)	(1,400,000)	-
Transfers out to Capital Improvement Fund	(3,000,000)	(3,000,000)	-
Total Other Financing Sources (Uses)	(4,400,000)	(4,400,000)	-
APPROPRIATED FUND BALANCE	536,000	-	(536,000)
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ -	(701,526)	\$ (701,526)
FUND BALANCE AT BEGINNING OF YEAR		6,566,083	
FUND BALANCE AT END OF YEAR		\$ 5,864,557	

# 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, 2021

	2021		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Intergovernmental	\$ 12,783,013	\$ 20,252,704	\$ 7,469,691
Charges for services	-	11,500	11,500
Investment earnings	3,000,427	(3,468,704)	(6,469,131)
Total Revenues	15,783,440	16,795,500	1,012,060
EXPENDITURES:			
Debt service - principal	202,129,823	251,923,303	(49,793,480)
Debt service - interest	100,923,508	96,539,380	4,384,128
Miscellaneous	1,637,103	1,583,791	53,312
Future appropriated reserves	13,560,566	-	13,560,566
Total Expenditures	318,251,000	350,046,474	(31,795,474)
REVENUES (UNDER) EXPENDITURES	(302,467,560)	(333,250,974)	(30,783,414)
OTHER FINANCING SOURCES (USES):			
Transfers in	303,861,560	303,861,560	-
Transfers out	(1,394,000)	(1,394,000)	-
Bonds issued	-	56,675,697	56,675,697
Limited obligation bonds issued	-	460,034	460,034
Premiums on issuance	-	11,376,699	11,376,699
Total Other Financing Sources (Uses)	302,467,560	370,979,990	68,512,430
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	37,729,016	\$ 37,729,016
FUND BALANCE AT BEGINNING OF YEAR		137,806,558	
FUND BALANCE AT END OF YEAR		\$ 175,535,574	

# WAKE COUNTY, NORTH CAROLINA

## COUNTY CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL For the Year Ended June 30, 2021

	Actual			
	Project Authorization	Prior Years	Actual	Total To Date
REVENUES:				
Taxes	\$ 4,984	\$ 4,984	\$ -	\$ 4,984
Intergovernmental	19,546,058	15,442,315	5,137,000	20,579,315
Charges for services	15,500,724	12,830,463	1,710,634	14,541,097
Investment earnings	13,871,304	14,517,912	-	14,517,912
Miscellaneous	1,019,220	1,015,327	3,893	1,019,220
Total Revenues	49,942,290	43,811,001	6,851,527	50,662,528
EXPENDITURES:				
Capital projects:				
Automation CIP	75,413,871	46,036,362	6,536,347	52,572,709
Community capital projects	5,900,000	150,000	325,000	475,000
County building improvements	127,372,307	67,978,049	12,889,577	80,867,626
Criminal justice CIP	189,965,097	185,550,317	1,817,984	187,368,301
Public libraries CIP	36,078,622	30,325,238	1,073,530	31,398,768
Open space	5,078,853	4,624,517	457,156	5,081,673
Parks and recreation CIP	41,519,396	9,099,106	8,839,138	17,938,244
Public safety CIP	65,237,571	48,169,094	4,752,475	52,921,569
Economic development	17,109,206	7,176,308	3,170,698	10,347,006
Program wide projects	1,817,000	-	-	-
Total Expenditures	565,491,923	399,108,991	39,861,905	438,970,896
REVENUES UNDER EXPENDITURES	(515,549,633)	(355,297,990)	(33,010,378)	(388,308,368)
OTHER FINANCING SOURCES (USES):				
Transfers in	289,943,787	229,170,844	63,030,400	292,201,244
Bonds issued	63,096,818	74,819,579	-	74,819,579
Limited obligation bonds issued	148,860,000	148,860,000	-	148,860,000
Premiums on issuance	11,898,185	14,237,940	-	14,237,940
Sale of assets and materials	1,750,843	2,571,104	85,724	2,656,828
Total Other Financing Sources (Uses)	515,549,633	469,659,467	63,116,124	532,775,591
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 114,361,477	30,105,746	\$ 144,467,223
FUND BALANCE AT BEGINNING OF YEAR			114,361,477	
FUND BALANCE AT END OF YEAR			\$ 144,467,223	

# WAKE COUNTY, NORTH CAROLINA

## SCHOOL CAPITAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL For the Year Ended June 30, 2021

			Actual	
	Project Authorization	Prior Years	Actual	Total To Date
REVENUES:				
Intergovernmental	\$ 20,971,782	\$ 34,504,150	\$ -	\$ 34,504,150
Investment earnings	68,105,414	69,586,623	(30,175)	69,556,448
Miscellaneous	4,328	4,328	-	4,328
Total Revenues	89,081,524	104,095,101	(30,175)	104,064,926
EXPENDITURES:				
Wake County Public Schools	3,479,191,035	2,649,842,424	240,049,577	2,889,892,001
Total Expenditures	3,479,191,035	2,649,842,424	240,049,577	2,889,892,001
REVENUES UNDER EXPENDITURES	(3,390,109,511)	(2,545,747,323)	(240,079,752)	(2,785,827,075)
OTHER FINANCING SOURCES (USES):				
Transfers in	517,289,766	416,903,533	40,905,000	457,808,533
Transfers out	(50,927,725)	(49,997,997)	(929,728)	(50,927,725)
Bonds issued	1,383,462,537	1,672,446,913	105,809,100	1,778,256,013
Bond anticipation notes issued	865,521,769	395,252,699	155,330,792	550,583,491
Repayment of bond anticipation notes	-	(374,734,721)	(105,809,100)	(480,543,821)
Drawdown installment notes issued	(83,201)	474,703,780	30,391,987	505,095,767
Repayment of drawdown installment notes	-	(265,119,080)	(239,976,687)	(505,095,767)
Limited obligation bonds issued	555,432,578	336,968,969	203,927,560	540,896,529
Premiums on issuance	119,413,787	97,722,893	75,234,034	172,956,927
Sale of assets and materials	-	99,600	-	99,600
Total Other Financing Sources (Uses)	3,390,109,511	2,704,246,589	264,882,958	2,969,129,547
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 158,499,266	24,803,206	\$ 183,302,472
FUND BALANCE AT BEGINNING OF YEAR			158,499,266	
FUND BALANCE AT END OF YEAR			\$ 183,302,472	

# WAKE COUNTY, NORTH CAROLINA

## WAKE COMMUNITY COLLEGE CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL For the Year Ended June 30, 2021

		Actual		
	Project Authorization	Prior Years	Actual	Total To Date
REVENUES:				
Investment earnings	\$ 281,219	\$ 607,119	\$ -	\$ 607,119
Total Revenues	281,219	607,119	-	607,119
EXPENDITURES:				
Wake Technical College	395,373,218	139,911,550	83,133,592	223,045,142
Total Expenditures	395,373,218	139,911,550	83,133,592	223,045,142
REVENUES UNDER EXPENDITURES	(395,091,999)	(139,304,431)	(83,133,592)	(222,438,023)
OTHER FINANCING SOURCES (USES):				
Transfers in	38,141,066	30,242,097	8,033,000	38,275,097
Bonds issued	85,921,117	65,720,238	20,200,878	85,921,116
Bond anticipation notes issued	124,915,441	52,622,042	44,852,351	97,474,393
Repayment of bond anticipation notes	-	(37,061,491)	(52,100,559)	(89,162,050)
Drawdown installment notes issued	-	45,719,613	11,933,503	57,653,116
Repayment of drawdown installment notes	-	(16,549,592)	(41,590,870)	(58,140,462)
Limited obligation bonds issued	112,659,847	15,126,031	98,022,406	113,148,437
Premiums on issuance	33,454,528	1,554,847	31,899,681	33,454,528
Total Other Financing Sources (Uses)	395,091,999	157,373,785	121,250,390	278,624,175
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 18,069,354	38,116,798	\$ 56,186,152
FUND BALANCE AT BEGINNING OF YEAR			18,069,354	
FUND BALANCE AT END OF YEAR			\$ 56,186,152	



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR END JUNE 30, 2021

## COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

This section provides detailed statements and schedules for major and nonmajor funds, as well as budget to actual statements for all funds other than the General Fund.

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

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

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

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

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

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

The ***Fines and Forfeiture Fund*** accounts for the revenues received from court fines. Article IX section 7 of the North Carolina Constitution requires counties to forward all fines from the breach of penal law to the county's public school system.

The ***Human Services Client Fund*** accounts for the revenues received from the Social Security Administration to be used for disabled, or disadvantaged clients for whom the County assists.

### **Capital Project Funds**

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

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

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

The ***Housing Affordability and Community Revitalization Capital Fund*** accounts for projects focused on preserving and increasing affordable housing in Wake County.



# WAKE COUNTY, NORTH CAROLINA

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of June 30, 2021

	Total Nonmajor Special Revenue	Total Nonmajor Capital Project	Total
<b>ASSETS</b>			
Cash and investments - pooled equity	\$ 9,844,253	\$ 62,882,567	\$ 72,726,820
Taxes receivable (net)	141,889	1,664	143,553
Accounts receivable (net)	417,909	30,500	448,409
Intergovernmental receivable (net)	3,384,208	-	3,384,208
Prepaid expenditures	-	18,374	18,374
Total assets	<u>\$ 13,788,259</u>	<u>\$ 62,933,105</u>	<u>\$ 76,721,364</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,621,836	\$ 258,320	\$ 2,880,156
Internal balances (due to other funds)	429,002	-	429,002
Total liabilities	<u>3,050,838</u>	<u>258,320</u>	<u>3,309,158</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>154,046</u>	<u>30,500</u>	<u>184,546</u>
Fund balances:			
Non-Spendable:			
FB Prepaid expenditures	-	18,374	18,374
Restricted:			
Stabilization by state statute	2,758,843	9,104,345	11,863,188
Individuals, organizations, and other governments	608,278	-	608,278
Committed:			
Working capital	3,784,057	-	3,784,057
Assigned:			
Planned expenditures	3,432,197	6,752,443	10,184,640
Future capital projects	-	46,769,123	46,769,123
Total fund balances	<u>10,583,375</u>	<u>62,644,285</u>	<u>73,227,660</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,788,259</u>	<u>\$ 62,933,105</u>	<u>\$ 76,721,364</u>

# ***WAKE COUNTY, NORTH CAROLINA***

## **COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended June 30, 2021**

	Total Nonmajor Special Revenue	Total Nonmajor Capital Project	Total
<b>REVENUES:</b>			
Taxes	\$ 30,249,242	\$ -	\$ 30,249,242
Intergovernmental	36,752,702	-	36,752,702
Charges for services	3,123,807	23,706	3,147,513
Fines and forfeitures	2,505,908	-	2,505,908
Investment earnings	(25,982)	(213,611)	(239,593)
Miscellaneous	226	380,975	381,201
Total Revenues	72,605,903	191,070	72,796,973
<b>EXPENDITURES:</b>			
General government	2,740,815	-	2,740,815
Human services	34,780,283	1,419,145	36,199,428
Education	2,512,124	-	2,512,124
Community development and cultural	36,711	3,442,803	3,479,514
Environmental services	7,646	-	7,646
Public safety	27,522,579	1,567,727	29,090,306
General services administration	597	-	597
Total Expenditures	67,600,755	6,429,675	74,030,430
REVENUES OVER (UNDER) EXPENDITURES	5,005,148	(6,238,605)	(1,233,457)
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	1,145,744	26,282,000	27,427,744
Transfers out	(3,068,560)	-	(3,068,560)
Capital lease proceeds	4,860	-	4,860
Capital lease	(4,860)	-	(4,860)
Sale of assets and materials	105,878	10,120	115,998
Total Other Financing Sources (Uses)	(1,816,938)	26,292,120	24,475,182
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,188,210	20,053,515	23,241,725
FUND BALANCE AT BEGINNING OF YEAR	6,948,499	42,590,770	49,539,269
Prior Period Adjustment - change in accounting principle	446,666	-	446,666
FUND BALANCE AT END OF YEAR	\$ 10,583,375	\$ 62,644,285	\$ 73,227,660

# WAKE COUNTY, NORTH CAROLINA

## COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS As of June 30, 2021

	Grants Fund	Capital Area Workforce Development	Fire Tax District	Transportation	Fines and Forfeitures	Human Services Client	Total
<b>ASSETS</b>							
Cash and investments - pooled equity	\$ 4,418,733	\$ -	\$ 4,126,408	\$ 425,725	\$ 239,695	\$ 633,692	\$ 9,844,253
Taxes receivable (net)	-	-	141,889	-	-	-	141,889
Accounts receivable (net)	178,257	6,187	-	230,492	-	2,973	417,909
Intergovernmental receivable (net)	146,985	1,731,526	233,661	1,260,661	11,375	-	3,384,208
Total assets	<u>\$ 4,743,975</u>	<u>\$ 1,737,713</u>	<u>\$ 4,501,958</u>	<u>\$ 1,916,878</u>	<u>\$ 251,070</u>	<u>\$ 636,665</u>	<u>\$ 13,788,259</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 448,167	\$ 1,027,487	\$ 34,259	\$ 845,711	\$ 240,798	\$ 25,414	\$ 2,621,836
Internal balances (due to other funds)	-	429,002	-	-	-	-	429,002
Total liabilities	<u>448,167</u>	<u>1,456,489</u>	<u>34,259</u>	<u>845,711</u>	<u>240,798</u>	<u>25,414</u>	<u>3,050,838</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>154,046</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,046</u>
Fund balances:							
Non-spendable:							
Restricted:							
Stabilization by state statute	863,611	281,224	529,596	1,071,167	10,272	2,973	2,758,843
Individuals, organizations, and other governments	-	-	-	-	-	608,278	608,278
Committed:							
Working capital	-	-	3,784,057	-	-	-	3,784,057
Assigned:							
Planned expenditures	3,432,197	-	-	-	-	-	3,432,197
Total fund balances	<u>4,295,808</u>	<u>281,224</u>	<u>4,313,653</u>	<u>1,071,167</u>	<u>10,272</u>	<u>611,251</u>	<u>10,583,375</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,743,975</u>	<u>\$ 1,737,713</u>	<u>\$ 4,501,958</u>	<u>\$ 1,916,878</u>	<u>\$ 251,070</u>	<u>\$ 636,665</u>	<u>\$ 13,788,259</u>

# WAKE COUNTY, NORTH CAROLINA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	Grants Fund	Capital Area Workforce Development	Fire Tax District	Transportation	Fines and Forfeitures	Human Services Client	Total
<b>REVENUES:</b>							
Taxes	\$ -	\$ -	\$ 30,249,242	\$ -	\$ -	\$ -	\$ 30,249,242
Intergovernmental	22,890,932	6,481,255	-	4,336,786	-	3,043,729	36,752,702
Charges for services	74,216	43,364	200,000	2,805,711	-	516	3,123,807
Fines and forfeitures	-	-	-	-	2,505,908	-	2,505,908
Investment earnings	(4,279)	-	(12,999)	(4,503)	(765)	(3,436)	(25,982)
Miscellaneous	-	-	-	226	-	-	226
Total Revenues	22,960,869	6,524,619	30,436,243	7,138,220	2,505,143	3,040,809	72,605,903
<b>EXPENDITURES:</b>							
General government	2,740,815	-	-	-	-	-	2,740,815
Human services	19,322,620	6,408,085	-	6,190,607	-	2,858,971	34,780,283
Education	-	-	-	-	2,512,124	-	2,512,124
Community development and cultural	36,711	-	-	-	-	-	36,711
Environmental services	7,646	-	-	-	-	-	7,646
Public safety	1,198,781	-	26,323,798	-	-	-	27,522,579
General services administration	597	-	-	-	-	-	597
Total Expenditures	23,307,170	6,408,085	26,323,798	6,190,607	2,512,124	2,858,971	67,600,755
REVENUES OVER (UNDER) EXPENDITURES	(346,301)	116,534	4,112,445	947,613	(6,981)	181,838	5,005,148
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	1,045,654	100,090	-	-	-	-	1,145,744
Transfers out	-	-	(3,068,560)	-	-	-	(3,068,560)
Capital lease proceeds	-	-	4,860	-	-	-	4,860
Capital lease	-	-	(4,860)	-	-	-	(4,860)
Sale of assets and materials	3,200	-	-	102,678	-	-	105,878
Total Other Financing Sources (Uses)	1,048,854	100,090	(3,068,560)	102,678	-	-	(1,816,938)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	702,553	216,624	1,043,885	1,050,291	(6,981)	181,838	3,188,210
FUND BALANCE AT BEGINNING OF YEAR	3,593,255	64,600	3,269,768	20,876	-	-	6,948,499
Prior Period Adjustment - change in accounting principle	-	-	-	-	17,253	429,413	446,666
Fund Balances at beginning of year, as restated	3,593,255	64,600	3,269,768	20,876	17,253	429,413	7,395,165
FUND BALANCE AT END OF YEAR	\$ 4,295,808	\$ 281,224	\$ 4,313,653	\$ 1,071,167	\$ 10,272	\$ 611,251	\$ 10,583,375

# WAKE COUNTY, NORTH CAROLINA

## COMBINING BALANCE SHEET

### NONMAJOR CAPITAL PROJECT FUNDS

As of June 30, 2021

	Fire Capital Projects Fund	Major Facilities Capital Trust Fund	Affordable Housing Capital Projects Fund	Total
<b>ASSETS</b>				
Cash and investments - pooled equity	\$ 8,178,353	\$ 9,260,509	\$ 45,443,705	\$ 62,882,567
Taxes receivable (net)	-	1,664	-	1,664
Accounts receivable (net)	30,500	-	-	30,500
Prepaid expenditures	-	-	18,374	18,374
Total assets	<u>\$ 8,208,853</u>	<u>\$ 9,262,173</u>	<u>\$ 45,462,079</u>	<u>\$ 62,933,105</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 87,042	\$ 11,216	\$ 160,062	\$ 258,320
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>30,500</u>	<u>-</u>	<u>-</u>	<u>30,500</u>
Total liabilities	<u>117,542</u>	<u>11,216</u>	<u>160,062</u>	<u>288,820</u>
Fund balances:				
Non-spendable:				
Prepaid expenditures	-	-	18,374	18,374
Restricted:				
Stabilization by state statute	2,336,877	2,805,980	3,961,488	9,104,345
Assigned:				
Planned expenditures	2,073,338	4,679,105	-	6,752,443
Future capital projects	<u>3,681,096</u>	<u>1,765,872</u>	<u>41,322,155</u>	<u>46,769,123</u>
Total fund balances	<u>8,091,311</u>	<u>9,250,957</u>	<u>45,302,017</u>	<u>62,644,285</u>
Total liabilities and fund balances	<u>\$ 8,208,853</u>	<u>\$ 9,262,173</u>	<u>\$ 45,462,079</u>	<u>\$ 62,933,105</u>

# WAKE COUNTY, NORTH CAROLINA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECT FUNDS For the Year Ended June 30, 2021

	Fire Capital Projects Fund	Major Facilities Capital Trust Fund	Affordable Housing Capital Projects Fund	Total
<b>REVENUES:</b>				
Charges for services	\$ 23,706	\$ -	\$ -	\$ 23,706
Investment earnings	(25,940)	(34,161)	(153,510)	(213,611)
Miscellaneous	380,975	-	-	380,975
Total Revenues	378,741	(34,161)	(153,510)	191,070
<b>EXPENDITURES:</b>				
Capital Projects:				
Human services	-	-	1,419,145	1,419,145
Community development and cultural	-	3,442,803	-	3,442,803
Public safety	1,567,727	-	-	1,567,727
Total Expenditures	1,567,727	3,442,803	1,419,145	6,429,675
REVENUES (UNDER) EXPENDITURES	(1,188,986)	(3,476,964)	(1,572,655)	(6,238,605)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	3,081,000	3,000,000	20,201,000	26,282,000
Sale of assets and materials	10,120	-	-	10,120
Total Other Financing Sources (Uses)	3,091,120	3,000,000	20,201,000	26,292,120
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,902,134	(476,964)	18,628,345	20,053,515
FUND BALANCES AT BEGINNING OF YEAR	6,189,177	9,727,921	26,673,672	42,590,770
FUND BALANCES AT END OF YEAR	<u>\$ 8,091,311</u>	<u>\$ 9,250,957</u>	<u>\$ 45,302,017</u>	<u>\$ 62,644,285</u>

# WAKE COUNTY, NORTH CAROLINA

## GRANTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL From Project Inception Through June 30, 2021

		Actual		
	Project Authorization	Prior Years	Actual	Total To Date
REVENUES:				
Intergovernmental	\$ 55,254,555	\$ 28,979,298	\$ 22,890,932	\$ 51,870,230
Charges for services	1,389,235	1,529,310	74,216	1,603,526
Fines and forfeitures	62,045	62,481	-	62,481
Investment earnings	105,184	119,421	(4,279)	115,142
Miscellaneous	876,990	42,183	-	42,183
Total Revenues	57,688,009	30,732,693	22,960,869	53,693,562
EXPENDITURES:				
General administration	967,630	827,402	86,209	913,611
Human services	45,273,956	19,403,376	19,322,620	38,725,996
Community development	748,082	470,169	36,711	506,880
Public safety	9,904,333	7,509,338	1,198,781	8,708,119
Board of elections	2,699,053	-	2,654,606	2,654,606
Environmental services	417,902	226,625	7,646	234,271
General services administration	230,221	206,842	597	207,439
Total Expenditures	60,241,177	28,643,752	23,307,170	51,950,922
REVENUES OVER (UNDER) EXPENDITURES	(2,553,168)	2,088,941	(346,301)	1,742,640
OTHER FINANCING SOURCES (USES):				
Transfers in	2,849,193	1,803,539	1,045,654	2,849,193
Transfers out	(300,000)	(300,000)	-	(300,000)
Sale of assets and materials	3,975	775	3,200	3,975
Total Other Financing Sources (Uses)	2,553,168	1,504,314	1,048,854	2,553,168
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER USES	\$ -	\$ 3,593,255	702,553	\$ 4,295,808
FUND BALANCE AT BEGINNING OF YEAR			3,593,255	
FUND BALANCE AT END OF YEAR			\$ 4,295,808	

# 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, 2021

		Actual		
	Project Authorization	Prior Years	Actual	Total To Date
REVENUES:				
Intergovernmental	\$ 19,985,804	\$ 10,217,165	\$ 6,481,255	\$ 16,698,420
Charges for services	180,288	144,983	43,364	188,347
Miscellaneous	2,490	6,589	-	6,589
Total Revenues	20,168,582	10,368,737	6,524,619	16,893,356
EXPENDITURES:				
Title I - Adult	1,547,756	-	1,419,580	1,419,580
Title I - Dislocated Workers	3,006,805	1,021,270	1,475,527	2,496,797
Title I - Youth	4,479,587	2,896,448	1,464,116	4,360,564
Statewide activities	1,427,392	635,644	620,799	1,256,443
Dislocated Worker - supplemental	175,461	152,340	-	152,340
WIOA administration	3,210,506	2,077,576	580,426	2,658,002
AmeriCorps	664,901	475,728	-	475,728
Special grants	817,440	385,956	62,283	448,239
YouthBuild	1,080,000	898,705	127,144	1,025,849
Wake Tech DOL Grants	1,991,261	1,420,462	-	1,420,462
US DOL Direct Grants	1,500,000	302,430	414,461	716,891
NC Department of Public Safety	267,473	37,578	156,389	193,967
House Wake!	100,090	-	87,360	87,360
Total Expenditures	20,268,672	10,304,137	6,408,085	16,712,222
REVENUES OVER (UNDER) EXPENDITURES	(100,090)	64,600	116,534	181,134
OTHER FINANCING SOURCES (USES):				
Transfers in	100,090	-	100,090	100,090
Total Other Financing Sources (Uses)	100,090	-	100,090	100,090
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER USES	\$ -	\$ 64,600	216,624	\$ 281,224
FUND BALANCE AT BEGINNING OF YEAR			64,600	
FUND BALANCE AT END OF YEAR			\$ 281,224	



# 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, 2021

	2021		Variance
	Budget	Actual	Positive (Negative)
REVENUES:			
Taxes - ad valorem property	\$ 29,595,000	\$ 30,249,242	\$ 654,242
Charges for services	140,000	200,000	60,000
Investment earnings	51,000	(12,999)	(63,999)
Total Revenues	29,786,000	30,436,243	650,243
EXPENDITURES:			
Public Safety:			
Rural/Municipal fire districts	26,717,440	26,323,798	393,642
Total Expenditures	26,717,440	26,323,798	393,642
REVENUES OVER EXPENDITURES	3,068,560	4,112,445	1,043,885
OTHER FINANCING SOURCES (USES):			
Transfers out	(3,068,560)	(3,068,560)	-
Capital lease proceeds	-	4,860	4,860
Capital lease	-	(4,860)	(4,860)
Total Other Financing Sources (Uses)	(3,068,560)	(3,068,560)	-
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	1,043,885	\$ 1,043,885
FUND BALANCE AT BEGINNING OF YEAR		3,269,768	
FUND BALANCE AT END OF YEAR		\$ 4,313,653	

# WAKE COUNTY, NORTH CAROLINA

## TRANSPORTATION FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL For the Year Ended June 30, 2021

	2021		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Intergovernmental	\$ 7,849,502	\$ 4,336,786	\$ (3,512,716)
Charges for services	4,975,152	2,805,711	(2,169,441)
Investment earnings	-	(4,503)	(4,503)
Miscellaneous	16,070	226	(15,844)
Total Revenues	12,840,724	7,138,220	(5,702,504)
EXPENDITURES:			
Human services	13,660,024	6,190,607	7,469,417
Total Expenditures	13,660,024	6,190,607	7,469,417
REVENUES OVER EXPENDITURES	(819,300)	947,613	1,766,913
OTHER FINANCING SOURCES (USES):			
Sale of assets and materials	20,000	102,678	82,678
Total Other Financing Sources (Uses)	20,000	102,678	82,678
REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	(799,300)	1,050,291	1,849,591
APPROPRIATED FUND BALANCE	799,300	-	(799,300)
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	1,050,291	\$ 1,050,291
FUND BALANCE AT BEGINNING OF YEAR		20,876	
FUND BALANCE AT END OF YEAR		\$ 1,071,167	

# ***WAKE COUNTY, NORTH CAROLINA***

## **FINES AND FORFEITURES**

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

#### **BUDGET AND ACTUAL**

**For the Year Ended June 30, 2021**

	<u>2021</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ -	\$ 2,505,908	\$ 2,505,908
Investment earnings	-	(765)	(765)
Total Revenues	-	2,505,143	2,505,143
EXPENDITURES:			
Wake County Public Schools	-	2,512,124	(2,512,124)
Total Expenditures	-	2,512,124	(2,512,124)
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>(6,981)</u>	<u>\$ (6,981)</u>
FUND BALANCE AT BEGINNING OF YEAR		<u>-</u>	
Prior Period Adjustment - change in accounting principle		<u>17,253</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 10,272</u>	

# ***WAKE COUNTY, NORTH CAROLINA***

**HUMAN SERVICES CLIENT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2021**

	<u>2021</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ 3,043,729	\$ 3,043,729
Charges for services	-	516	516
Investment earnings	-	(3,436)	(3,436)
Total Revenues	<u>-</u>	<u>3,040,809</u>	<u>3,040,809</u>
EXPENDITURES:			
Human services	-	2,858,971	(2,858,971)
Total Expenditures	<u>-</u>	<u>2,858,971</u>	<u>(2,858,971)</u>
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	181,838	<u>\$ 181,838</u>
FUND BALANCE AT BEGINNING OF YEAR		<u>-</u>	
Prior Period Adjustment - change in accounting principle		<u>429,413</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 611,251</u>	

# WAKE COUNTY, NORTH CAROLINA

## FIRE CAPITAL PROJECTS FUND

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

#### BUDGET AND ACTUAL

From Project Inception Through June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Charges for services	\$ 367,456	\$ 419,068	\$ 23,706	\$ 442,774
Investment earnings	377,043	1,109,534	(25,940)	1,083,594
Miscellaneous	447,071	67,071	380,975	448,046
Total Revenues	1,191,570	1,595,673	378,741	1,974,414
EXPENDITURES:				
Capital projects:				
Fire and rescue CIP	20,730,411	14,716,149	1,567,727	16,283,876
Total Expenditures	20,730,411	14,716,149	1,567,727	16,283,876
REVENUES UNDER EXPENDITURES	(19,538,841)	(13,120,476)	(1,188,986)	(14,309,462)
OTHER FINANCING SOURCES (USES)				
Transfers in	18,218,844	17,824,524	3,081,000	20,905,524
Installment purchases issued	1,294,125	1,294,125	-	1,294,125
Sale of assets and materials	25,872	191,004	10,120	201,124
Total Other Financing Sources (Uses)	19,538,841	19,309,653	3,091,120	22,400,773
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 6,189,177	1,902,134	\$ 8,091,311
FUND BALANCE AT BEGINNING OF YEAR			6,189,177	
FUND BALANCE AT END OF YEAR			\$ 8,091,311	

# 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, 2021

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Charges for services	\$ 6,201,856	\$ 6,199,262	\$ -	\$ 6,199,262
Investment earnings	942,002	974,920	(34,161)	940,759
Miscellaneous	6,010	6,010	-	6,010
Total Revenues	<u>7,149,868</u>	<u>7,180,192</u>	<u>(34,161)</u>	<u>7,146,031</u>
EXPENDITURES:				
Capital projects:				
Community development and cultural	31,296,665	18,785,774	3,442,803	22,228,577
Total Expenditures	<u>31,296,665</u>	<u>18,785,774</u>	<u>3,442,803</u>	<u>22,228,577</u>
REVENUES UNDER EXPENDITURES	<u>(24,146,797)</u>	<u>(11,605,582)</u>	<u>(3,476,964)</u>	<u>(15,082,546)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	24,841,797	22,028,503	3,000,000	25,028,503
Transfers out	(1,295,000)	(1,295,000)	-	(1,295,000)
Installment purchases issued	600,000	600,000	-	600,000
Total Other Financing Sources (Uses)	<u>24,146,797</u>	<u>21,333,503</u>	<u>3,000,000</u>	<u>24,333,503</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 9,727,921</u>	<u>(476,964)</u>	<u>\$ 9,250,957</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>9,727,921</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 9,250,957</u>	

# WAKE COUNTY, NORTH CAROLINA

## AFFORDABLE HOUSING CAPITAL PROJECTS FUND SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL From Project Inception Through June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Investment earnings	\$ -	\$ 723,744	\$ (153,510)	\$ 570,234
Total Revenues	-	723,744	(153,510)	570,234
EXPENDITURES:				
Capital projects:				
Housing Operations	16,783,459	-	-	-
Equitable Housing and Support Services	26,200,574	-	878,692	878,692
Permanent Housing and Support Services	2,778,000	7,647	283,648	291,295
Homeless and Prevention Services	2,649,967	2,253,425	256,805	2,510,230
Total Expenditures	48,412,000	2,261,072	1,419,145	3,680,217
REVENUES UNDER EXPENDITURES	(48,412,000)	(1,537,328)	(1,572,655)	(3,109,983)
OTHER FINANCING SOURCES (USES)				
Transfers in	48,412,000	28,211,000	20,201,000	48,412,000
Total Other Financing Sources (Uses)	48,412,000	28,211,000	20,201,000	48,412,000
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 26,673,672	18,628,345	\$ 45,302,017
FUND BALANCE AT BEGINNING OF YEAR			26,673,672	
FUND BALANCE AT END OF YEAR			\$ 45,302,017	

# 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, 2021 and 2020**

	Solid Waste Operating Fund	Solid Waste Capital Project	June 30, 2021	June 30, 2020
<b>ASSETS</b>				
Cash and investments - pooled equity	\$ 24,993,890	\$ 8,308,099	\$ 33,301,989	\$ 30,919,082
Cash and investments - reserved	8,592,109	-	8,592,109	9,358,241
Taxes receivable (net)	102,505	6,597	109,102	104,236
Accounts receivable (net)	441,720	-	441,720	385,963
Intergovernmental receivable (net)	627,984	-	627,984	545,339
Internal balance (due from other funds)	227,004	-	227,004	500,021
Prepaid expenses	1,400	-	1,400	1,400
Accrued interest receivable	-	-	-	125,155
Total assets	<u>\$ 34,986,612</u>	<u>\$ 8,314,696</u>	<u>\$ 43,301,308</u>	<u>\$ 41,939,437</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,383,201	\$ 70,623	\$ 1,453,824	\$ 1,545,547
Internal balance (due to other funds)	278,801	-	278,801	160,477
Closure/post-closure care reserves	8,592,109	-	8,592,109	9,358,241
Total liabilities	<u>10,254,111</u>	<u>70,623</u>	<u>10,324,734</u>	<u>11,064,265</u>
DEFERRED INFLOWS OF RESOURCES	<u>96,863</u>	<u>-</u>	<u>96,863</u>	<u>96,035</u>
Fund balances:				
Non-spendable:				
Prepaid expenditures	1,400	-	1,400	1,400
Restricted:				
Stabilization by state statute	1,371,197	498,337	1,869,534	2,145,878
White goods	4,734,451	-	4,734,451	4,287,880
Assigned:				
Planned expenditures	1,173,150	7,745,736	8,918,886	8,420,296
Unassigned	17,355,440	-	17,355,440	15,923,683
Total fund balances	<u>24,635,638</u>	<u>8,244,073</u>	<u>32,879,711</u>	<u>30,779,137</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 34,986,612</u>	<u>\$ 8,314,696</u>	<u>\$ 43,301,308</u>	<u>\$ 41,939,437</u>

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



# ***WAKE COUNTY, NORTH CAROLINA***

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

### **SOLID WASTE OPERATING FUND**

**For the Year Ended June 30, 2021**

**With Comparative Actual Amounts for the Year Ended June 30, 2020**

	2021		2020
	Budget	Actual	Actual
REVENUES:			
Intergovernmental	\$ 2,354,168	\$ 2,554,029	\$ 2,330,917
Charges for services	10,081,809	10,157,408	9,971,945
Licenses and permits	8,600	7,100	8,900
Investment earnings	448,526	(132,096)	455,369
Miscellaneous	2,767,150	2,341,314	1,536,314
Total Revenues	15,660,253	14,927,755	14,303,445
EXPENDITURES:			
Cost of service	13,638,704	10,531,073	9,590,538
Administration	2,549,826	2,234,324	2,414,835
Total Expenditures	16,188,530	12,765,397	12,005,373
REVENUES OVER (UNDER) EXPENDITURES	(528,277)	2,162,358	2,298,072

(continued)

# WAKE COUNTY, NORTH CAROLINA

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

### SOLID WASTE OPERATING FUND (continued)

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		2020
	Budget	Actual	Actual
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	1,209,838	1,209,838	1,186,879
Transfers out	(2,872,273)	(450,000)	(450,000)
Total Other Financing Sources (Uses)	(1,662,435)	759,838	736,879
APPROPRIATED FUND BALANCE	2,190,712	-	-
REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 2,922,196	\$ 3,034,951
Reconciliation from budgetary basis of modified accrual to full accrual basis:			
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES:		\$ 2,922,196	\$ 3,034,951
Reconciling items:			
Compensated absences expenses		(13,243)	(6,132)
OPEB expenses		(98,633)	(21,030)
Risk management expenses		(1,540)	570
Pension expenses		(78,076)	(97,027)
Net increase/(decrease) in deferred revenue - charges for services		102,992	21,289
Investment earnings - Construction Fund		(24,502)	113,316
Expenditures - Construction Fund		(2,875,534)	(1,090,122)
Transfers In - Construction Fund		567,000	150,000
Acquisition of capital assets		691,892	694,883
Depreciation and depletion		(974,977)	(965,067)
Miscellaneous revenue		1,409,194	-
Change in net position		\$ 1,626,769	\$ 1,835,631

# 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, 2021

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
REVENUES:				
Investment earnings	\$ 1,715,170	\$ 2,179,694	\$ (24,502)	\$ 2,155,192
Miscellaneous	1,778,650	35,726	1,393,468	1,429,194
Total Revenues	3,493,820	2,215,420	1,368,966	3,584,386
EXPENDITURES:				
Enterprise infrastructure	33,704,000	22,792,911	2,875,534	25,668,445
Total Expenditures	33,704,000	22,792,911	2,875,534	25,668,445
REVENUES OVER (UNDER) EXPENDITURES	(30,210,180)	(20,577,491)	(1,506,568)	(22,084,059)
OTHER FINANCING SOURCES AND USES:				
Transfers in	30,210,180	27,220,909	2,989,273	30,210,182
Total other financing sources and uses	30,210,180	27,220,909	2,989,273	30,210,182
REVENUES, AND OTHER SOURCES, OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 6,643,418	1,482,705	\$ 8,126,123
Fund Balance at the beginning of the year			6,643,418	
FUND BALANCE AT THE END OF THE YEAR			\$ 8,126,123	

# WAKE COUNTY, NORTH CAROLINA

## BUDGETARY COMBINING BALANCE SHEET SOUTH WAKE LANDFILL PARTNERSHIP FUND (NON-GAAP) MODIFIED ACCRUAL BASIS OF ACCOUNTING As of June 30, 2021 and 2020

	South Wake Landfill	East Wake Transfer Station	June 30, 2021	June 30, 2020
<b>ASSETS</b>				
Cash and investments - pooled equity	\$ 3,039,533	\$ 203,304	\$ 3,242,837	\$ 4,598,522
Cash and investments - reserved	14,741,262	-	14,741,262	12,252,754
Cash and investments - cash equivalents	450	450	900	900
Accounts receivable (net)	538,415	1,406,656	1,945,071	2,099,078
Internal balance (due from other funds)	183,944	94,857	278,801	160,477
Accrued interest receivable	-	-	-	52,220
Total assets	<u>\$ 18,503,604</u>	<u>\$ 1,705,267</u>	<u>\$ 20,208,871</u>	<u>\$ 19,163,951</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,441,600	\$ 654,605	\$ 2,096,205	\$ 2,913,815
Due to other governmental units	1,389,158	-	1,389,158	1,375,053
Internal balance (due to other funds)	227,004	-	227,004	500,021
Construction reserves	-	1,049,535	1,049,535	1,102,994
Closure/post-closure care reserves	13,690,727	-	13,690,727	12,252,754
Total liabilities	<u>16,748,489</u>	<u>1,704,140</u>	<u>18,452,629</u>	<u>18,144,637</u>
DEFERRED INFLOWS OF RESOURCES	<u>2,183</u>	<u>-</u>	<u>2,183</u>	<u>15,254</u>
Fund balances:				
Restricted:				
Stabilization by state statute	723,459	1,127	724,586	550,872
Assigned:				
Planned expenditures	<u>1,029,473</u>	<u>-</u>	<u>1,029,473</u>	<u>453,188</u>
Total fund balances	<u>1,752,932</u>	<u>1,127</u>	<u>1,754,059</u>	<u>1,004,060</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,503,604</u>	<u>\$ 1,705,267</u>	<u>\$ 20,208,871</u>	<u>\$ 19,163,951</u>

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

# WAKE COUNTY, NORTH CAROLINA

**SOUTH WAKE LANDFILL PARTNERSHIP FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**For the Year Ended June 30, 2021**  
**With Comparative Actual Amounts for the Year Ended June 30, 2020**

	June 30, 2021						June 30, 2020
	South Wake Landfill		East Wake Transfer Station		Total		Total
	Budget	Actual	Budget	Actual	Budget	Actual	Actual
REVENUES:							
Charges for services	\$ 16,210,192	\$ 5,578,699	\$ 4,244,406	\$ 15,050,739	\$ 20,454,598	\$ 20,629,438	\$ 20,018,026
Investment earnings	402	(33,522)	-	(54,286)	402	(87,808)	168,387
Total Revenues	16,210,594	5,545,177	4,244,406	14,996,453	20,455,000	20,541,630	20,186,413
EXPENDITURES:							
Cost of service	9,969,904	9,938,167	5,470,137	4,815,725	15,440,041	14,753,892	14,442,234
Administration	280,490	213,494	601,326	596,430	881,816	809,924	783,731
Partner rebates	2,748,305	2,450,976	-	-	2,748,305	2,450,976	3,623,569
Total Expenditures	12,998,699	12,602,637	6,071,463	5,412,155	19,070,162	18,014,792	18,849,534
REVENUES OVER (UNDER) EXPENDITURES	3,211,895	(7,057,460)	(1,827,057)	9,584,298	1,384,838	2,526,838	1,336,879
OTHER FINANCING SOURCES (USES):							
Intrafund transfers in	-	9,359,986	-	-	-	9,359,986	9,080,391
Intrafund transfers out	-	-	-	(9,359,986)	-	(9,359,986)	(9,080,391)
Transfers out	(1,552,526)	(1,552,526)	(224,312)	(224,312)	(1,776,838)	(1,776,838)	(1,336,879)
Total Other Financing Sources (Uses)	(1,552,526)	7,807,460	(224,312)	(9,584,298)	(1,776,838)	(1,776,838)	(1,336,879)
APPROPRIATED FUND BALANCE	379,600	-	12,400	-	392,000	-	-
REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 2,038,969	\$ 750,000	\$ (2,038,969)	\$ -	\$ -	\$ 750,000	\$ -
Reconciliation from budgetary basis of modified accrual to full accrual basis:							
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES						750,000	-
Reconciling items							
Net change in deferred revenue						(13,222)	(131,621)
Compensated absences expenses						1,639	(3,462)
OPEB expenses						(32,879)	(6,935)
Risk management expenses						(528)	195
Pension expenses						(15,646)	(18,546)
Change in net position						\$ 689,364	\$ (160,369)

# WAKE COUNTY, NORTH CAROLINA

## BUDGETARY BALANCE SHEET CORPORATE FLEET FUND (NON-GAAP) MODIFIED ACCRUAL BASIS OF ACCOUNTING As of June 30, 2021 and 2020

	June 30, 2021	June 30, 2020
<b>ASSETS</b>		
Cash and investments - pooled equity	\$ 7,177,371	\$ 5,906,776
Accounts receivable (net)	1,152	50,516
Intergovernmental receivable (net)	10,360	31,618
Accrued interest receivable	-	18,339
Inventories	52,969	40,435
<b>TOTAL ASSETS</b>	<b>\$ 7,241,852</b>	<b>\$ 6,047,684</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 417,795	\$ 587,832
Fund Balances:		
Non-spendable:		
Inventories	52,969	40,435
Restricted:		
Stabilization by state statute	2,571,499	1,790,428
Assigned:		
Planned expenditures	979,165	350,328
Unassigned	3,220,424	3,278,661
<b>Total Fund Balances</b>	<b>6,824,057</b>	<b>5,459,852</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 7,241,852</b>	<b>\$ 6,047,684</b>

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

# WAKE COUNTY, NORTH CAROLINA

## CORPORATE FLEET FUND SCHEDULE OF REVENUES, EXPENDITURES AND APPROPRIATED FUND BALANCE BUDGET AND ACTUAL (NON-GAAP BASIS) As of June 30, 2021 and 2020

	2021		2020
	Budget	Actual	Actual
<b>REVENUES:</b>			
Charges for services	\$ 9,551,525	\$ 9,649,601	\$ 9,456,222
Miscellaneous	3,247	983	995
Investment earnings	20,000	(31,232)	72,760
Sale of assets and materials	393,900	730,957	549,198
Total Revenues	9,968,672	10,350,309	10,079,175
<b>EXPENDITURES:</b>			
Cost of service	10,273,055	7,320,549	6,462,844
Administration	1,714,555	1,665,555	1,560,142
Reserves	21,345	-	-
Total Expenditures	12,008,955	8,986,104	8,022,986
REVENUES UNDER EXPENDITURES	(2,040,283)	1,364,205	2,056,189
APPROPRIATED FUND BALANCE	2,040,283	-	-
REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES	-	1,364,205	2,056,189
Reconciliation from budgetary basis of modified accrual to full accrual basis:			
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES		\$ 1,364,205	\$ 2,056,189
Reconciling items			
Compensated absences expenses		(17,694)	(5,871)
OPEB expenses		(118,358)	(24,737)
Risk management expenses		(1,892)	701
Pension expenses		(69,482)	(83,808)
Acquisition of capital assets		3,713,892	2,819,714
Disposal of capital assets		(69,477)	(230,216)
Depreciation of capital assets		(3,834,507)	(3,687,785)
Change in net position		\$ 966,687	\$ 844,187

## ***WAKE COUNTY, NORTH CAROLINA***

### **COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES CUSTODIAL FUNDS**

**As of June 30, 2021**

	<u>Municipal Tax</u>	<u>Commissary Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments - pooled equity	\$ 58,746	\$ 488,807	\$ 547,553
Accounts receivable (net)	<u>5,283,362</u>	<u>-</u>	<u>5,283,362</u>
Total assets	<u>5,342,108</u>	<u>488,807</u>	<u>5,830,915</u>
<b>LIABILITIES</b>			
Accounts payable	36,424	-	36,424
Due to other governmental units	<u>5,274,658</u>	<u>-</u>	<u>5,274,658</u>
Total liabilities	<u>5,311,082</u>	<u>-</u>	<u>5,311,082</u>
<b>FUND BALANCE</b>			
Restricted for individuals, organizations, and other governments	<u>31,026</u>	<u>488,807</u>	<u>519,833</u>
Total fund balance	<u>\$ 31,026</u>	<u>\$ 488,807</u>	<u>\$ 519,833</u>



# ***WAKE COUNTY, NORTH CAROLINA***

## **COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS**

**For the Year Ended June 30, 2021**

	<u>Municipal Tax</u>	<u>Commissary Fund</u>	<u>Total</u>
<b>ADDITIONS</b>			
Contributions - commissary	\$ -	\$ 3,182,502	\$ 3,182,502
Tax collections for other governments	605,060,950	-	605,060,950
Net investment income	23,116	-	23,116
	<u>605,084,066</u>	<u>3,182,502</u>	<u>608,266,568</u>
<b>DEDUCTIONS</b>			
Payments of tax to other governments	605,086,461	-	605,086,461
Payments on behalf of inmates	-	3,333,394	3,333,394
	<u>605,086,461</u>	<u>3,333,394</u>	<u>608,419,855</u>
Total deductions			
Change in net position	(2,395)	(150,892)	(153,287)
Net position - beginning	<u>33,422</u>	<u>639,698</u>	<u>673,120</u>
Net position - ending	<u>\$ 31,027</u>	<u>\$ 488,806</u>	<u>\$ 519,833</u>



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR END JUNE 30, 2021

## CAPITAL ASSETS

The Capital Assets Section provides information about capital assets used in the operation of governmental funds.

# WAKE COUNTY, NORTH CAROLINA

## SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS BY FUNCTION AND CATEGORY As of June 30, 2021

Function	Land	Intangibles	Buildings	Improvements	Machinery and Equipment	Vehicles and Motorized Equipment	Computer Software	Infrastructure	Construction in progress	Total
General government	\$ 12,243,095	\$ -	\$ 64,130,277	\$ 3,171,116	\$ 7,595,102	\$ 756,783	\$ 23,434,627	\$ 340,990	\$ -	\$ 111,671,990
Human services	6,324,789	-	92,824,037	210,000	1,379,142	5,186,394	1,881,253	-	-	107,805,615
Education	1,303,610	-	30,541,487	3,947,902	-	-	-	-	-	35,792,999
Community development	109,516,612	1,032,044	128,512,115	3,104,587	1,501,723	321,712	2,142,136	369,318	-	246,500,247
Environmental services	17,145,437	-	4,979,210	-	267,416	476,631	-	22,651,661	-	45,520,355
Public safety	8,319,152	-	526,149,451	11,893,262	20,308,562	19,715,937	-	-	-	586,386,364
General services administration	64,740	-	818,786	275,889	5,256,896	32,148,568	-	616,014	-	39,180,893
Construction in progress	-	-	-	-	-	-	-	-	48,878,470	48,878,470
Total Governmental Capital Assets	<u>\$ 154,917,435</u>	<u>\$ 1,032,044</u>	<u>\$ 847,955,363</u>	<u>\$ 22,602,756</u>	<u>\$ 36,308,841</u>	<u>\$ 58,606,025</u>	<u>\$ 27,458,016</u>	<u>\$ 23,977,983</u>	<u>\$ 48,878,470</u>	<u>\$ 1,221,736,933</u>



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR END JUNE 30, 2021

## LONG-TERM GOVERNMENTAL LIABILITIES

This section provides information about changes in long-term governmental liabilities and the maturity schedules of outstanding debt.

# WAKE COUNTY, NORTH CAROLINA

## SCHEDULE OF CHANGES IN GOVERNMENTAL LONG-TERM DEBT

As of June 30, 2021

	Date of Issue	Interest Rate	Amount Issued	Debt Outstanding June 30, 2020	Net Additions (Retirements)	Debt Outstanding June 30, 2021
GENERAL OBLIGATION BONDS:						
2010C Refunding	05/13/10	2.00-5.00%	383,420,000	263,475,000	(49,270,000)	214,205,000
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	1,895,000	(1,895,000)	-
2011 Public Improvement	03/30/11	3.00-5.00%	116,800,000	61,500,000	(61,500,000)	-
2012A School Bonds	02/08/12	3.00-5.00%	96,790,000	56,100,000	(5,100,000)	51,000,000
2012B Refunding	02/08/12	5.00%	75,290,000	5,260,000	(5,260,000)	-
2013A School Bonds	05/06/13	2.50-5.00%	51,165,000	32,400,000	(2,700,000)	29,700,000
2013B Public Improvement	05/07/13	3.00-5.00%	125,250,000	79,200,000	(6,600,000)	72,600,000
2014 Public Improvement	09/02/14	3.25-5.00%	345,240,000	272,550,000	(18,170,000)	254,380,000
2015 Public Improvement	04/15/15	3.00-5.00%	94,000,000	74,250,000	(4,950,000)	69,300,000
2016A Refunding	11/01/16	5.00%	162,895,000	90,130,000	-	90,130,000
2017A Public Improvement	03/01/17	3.00-5.00%	33,700,000	28,645,000	(1,685,000)	26,960,000
2017B School Bonds	03/01/17	3.00-5.00%	82,415,000	70,040,000	(4,120,000)	65,920,000
2018A Public Improvement	03/08/18	3.00-5.00%	197,745,000	176,885,000	(10,405,000)	166,480,000
2019A Public Improvement	01/30/19	3.00-5.00%	151,055,000	143,100,000	(7,950,000)	135,150,000
2019B Refunding	01/30/19	5.00%	113,940,000	89,815,000	(24,520,000)	65,295,000
2019C Public Improvement	10/30/19	2.50-5.00%	36,860,000	36,860,000	(1,940,000)	34,920,000
2020A GO Refunding	04/29/20	5.00%	49,345,000	49,345,000	(695,000)	48,650,000
2020B GO Refunding	05/12/20	5.00%	14,330,000	14,330,000	-	14,330,000
2021 GO Refunding	04/01/21	4.00-5.00%	186,720,000		186,720,000	186,720,000
Total General Obligation Bonds				\$ 1,580,690,000	\$ (54,950,000)	\$ 1,525,740,000
OTHER LONG-TERM DEBT:						
Bond anticipation notes				36,078,529	42,273,483	78,352,012
Drawdown installment purchase				239,242,066	(239,242,066)	-
Limited obligation bonds				529,880,000	272,290,000	802,170,000
Installment purchase				3,719,115	(717,000)	3,002,115
Capitalized equipment leases				32,305	(5,925)	26,380
Other post-employment benefits				413,789,940	124,072,201	537,862,141
Net pension liability - LEOSA				18,862,039	7,600,922	26,462,961
Net pension liability - LGERS				95,819,800	29,087,650	124,907,450
Compensated absences				16,411,863	1,942,602	18,354,465
Total other long-term debt				1,353,835,657	237,301,867	1,591,137,524
TOTAL GOVERNMENTAL LONG-TERM DEBT				\$ 2,934,525,657	\$ 182,351,867	\$ 3,116,877,524

This table does not include premiums for General Obligation Bonds or Limited Obligation Bonds.

# WAKE COUNTY, NORTH CAROLINA

## SCHEDULE OF LONG-TERM DEBT MATURITIES AND ANNUAL DEBT SERVICE REQUIREMENTS FOR GOVERNMENTAL ACTIVITIES As of June 30, 2021

BONDED DEBT Fiscal Year Ended June 30	PUBLIC SCHOOLS		COMMUNITY COLLEGE		OTHER		TOTAL	
	Principal	Principal and Interest	Principal	Principal and Interest	Principal	Principal and Interest	Principal	Principal and Interest
2022	\$ 141,606,291	\$ 185,405,262	\$ 19,058,347	\$ 28,404,440	\$ 11,405,362	\$ 15,986,498	\$ 172,070,000	\$ 229,796,200
2023	139,607,336	175,657,085	20,109,674	28,470,600	11,122,991	15,133,860	170,840,001	219,261,545
2024	136,839,525	168,367,133	19,898,958	27,308,585	11,011,517	14,477,302	167,750,000	210,153,020
2025	136,391,550	120,424,876	19,875,782	26,344,645	11,017,668	13,943,943	167,285,000	160,713,464
2026	95,018,709	381,020,175	16,583,826	22,112,834	7,297,465	9,689,711	118,900,000	412,822,720
2027-2031	303,221,174	234,596,269	73,505,811	90,794,605	28,303,015	35,914,701	405,030,000	361,305,575
2032-2036	209,751,995	39,957,790	39,305,695	44,007,680	21,547,309	24,123,511	270,604,999	108,088,981
2037-2039	38,435,615	39,957,790	7,319,385	7,586,618	7,505,000	7,776,800	53,260,000	55,321,208
Total Bonded Debt	1,200,872,195	1,345,386,380	215,657,478	275,030,007	109,210,327	137,046,326	1,525,740,000	1,757,462,713
<b>OTHER LONG-TERM DEBT:</b>								
Total limited obligation bonds, installment purchases and capitalized leases:								
2022	30,967,929	56,064,038	5,357,071	9,660,035	12,293,863	20,291,224	48,618,863	86,015,297
2023	30,967,929	54,149,552	5,357,071	9,263,635	12,226,791	19,633,077	48,551,791	83,046,264
2024	17,801,186	52,601,156	5,357,071	8,995,782	12,161,428	18,978,428	35,319,685	80,575,366
2025	17,801,186	51,052,759	5,357,071	8,727,928	11,993,298	18,222,684	35,151,555	78,003,371
2026	17,801,186	49,504,363	5,357,071	8,460,075	11,826,000	17,472,016	34,984,257	75,436,454
2027-2031	154,839,645	224,376,001	26,785,355	38,284,186	57,127,115	76,774,519	238,752,115	339,434,706
2032-2036	154,839,645	187,488,472	26,781,157	31,926,571	54,530,000	61,573,175	236,150,802	280,988,218
2037-2039	71,692,237	75,808,631	11,282,763	11,957,869	5,245,000	5,323,675	88,220,000	93,090,175
Total Other Long-Term Debt	496,710,943	751,044,972	91,634,630	127,276,081	177,403,495	238,268,798	765,749,068	1,116,589,851
<b>TOTAL LONG-TERM DEBT</b>	<b>\$ 1,697,583,138</b>	<b>\$ 2,096,431,352</b>	<b>\$ 307,292,108</b>	<b>\$ 402,306,088</b>	<b>\$ 286,613,822</b>	<b>\$ 375,315,124</b>	<b>\$ 2,291,489,068</b>	<b>\$ 2,874,052,564</b>

On the Statement of Net Position as of June 30, 2021, the amounts reported as liabilities for general obligation bonds - schools, general obligation bonds - community college, general obligation bonds - other and limited obligation bonds also includes premiums on issuance of bonds of \$153,152,734, \$33,542,783, \$12,546,220 and \$159,035,881 respectively, which will be amortized over the life of its related debt.



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR END JUNE 30, 2021

## STATISTICAL SECTION

The Statistical Section provides trends, statistical and demographic information about the County.

# ***Statistical Section***

***This part of the 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.***

	<i><b><u>Page</u></b></i>
<i><b>Financial Trends</b></i>	<i><b>135</b></i>
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
<i><b>Revenue Capacity</b></i>	<i><b>140</b></i>
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
<i><b>Debt Capacity</b></i>	<i><b>146</b></i>
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
<i><b>Demographic and Economic Information</b></i>	<i><b>150</b></i>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
<i><b>Operating Information</b></i>	<i><b>152</b></i>
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	



# WAKE COUNTY, NORTH CAROLINA

TABLE 1

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 501,015,238	\$ 481,647,900	\$ 514,397,874	\$ 516,347,191	\$ 498,217,507	\$ 501,195,521	\$ 517,404,228	\$ 539,201,799	\$ 545,733,037	\$ 557,754,436
Restricted	194,344,857	205,986,156	174,547,627	384,569,749	330,499,243	222,312,515	308,540,955	360,537,544	280,499,264	366,340,681
Unrestricted	(1,496,839,039)	(1,419,397,209)	(1,380,105,906)	(1,588,121,415)	(1,686,182,914)	(1,765,284,179)	(2,220,686,272)	(2,391,773,036)	(2,342,476,675)	(2,433,159,433)
Total governmental activities net position	(801,478,944)	(731,763,153)	(691,160,405)	(687,204,475)	(857,466,164)	(1,041,776,143)	(1,394,741,089)	(1,492,033,693)	(1,516,244,374)	(1,509,064,316)
Business-type activities										
Net investment in capital assets	13,633,543	13,026,721	12,753,655	13,031,162	14,569,010	15,068,176	22,609,239	26,500,079	26,229,895	25,946,811
Restricted	4,034,015	4,542,124	7,104,803	5,987,408	6,056,990	19,253,925	9,993,083	9,207,418	15,309,949	16,668,130
Unrestricted	27,223,180	26,240,199	24,955,038	27,946,413	24,872,362	15,962,641	19,263,466	20,149,543	16,019,903	17,260,939
Total business-type activities net position	44,890,738	43,809,044	44,813,496	46,964,983	45,498,362	50,284,742	51,865,788	55,857,040	57,559,747	59,875,880
Primary government										
Net investment in capital assets	514,648,781	494,674,621	527,151,529	529,378,353	512,786,517	516,263,697	540,013,467	565,701,878	571,962,932	583,701,247
Restricted	198,378,872	210,528,280	181,652,430	390,557,157	336,556,233	241,566,440	318,534,038	369,744,962	295,809,213	383,008,811
Unrestricted	(1,469,615,859)	(1,393,157,010)	(1,355,150,868)	(1,560,175,002)	(1,661,310,552)	(1,749,321,538)	(2,201,422,806)	(2,371,623,493)	(2,326,456,772)	(2,415,898,494)
Total primary government net position	\$ (756,588,206)	\$ (687,954,109)	\$ (646,346,909)	\$ (640,239,492)	\$ (811,967,802)	\$ (991,491,401)	\$ (1,342,875,301)	\$ (1,436,176,653)	\$ (1,458,684,627)	\$ (1,449,188,436)

# WAKE COUNTY, NORTH CAROLINA

TABLE 2

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental Activities:										
General government	\$ 59,589,399	\$ 57,447,794	\$ 60,865,049	\$ 67,697,095	\$ 83,075,414	\$ 99,044,204	\$ 80,185,660	\$ 97,679,473	\$ 102,208,128	\$ 165,953,034
Human services	235,191,515	210,045,271	205,788,808	211,150,777	208,574,457	213,554,750	203,680,860	201,487,561	230,208,116	350,499,584
Education	467,744,519	423,906,638	455,501,432	555,325,661	744,326,523	797,456,473	782,647,207	833,134,178	890,269,328	880,896,499
Community development and cultural	72,248,767	73,419,595	77,962,399	82,956,045	90,192,355	90,601,804	94,338,763	124,181,812	108,144,635	94,715,897
Environmental services	8,560,310	8,647,932	9,853,941	8,376,306	25,539,274	11,323,588	12,658,925	14,174,144	15,390,675	15,927,095
Public safety	143,349,347	139,372,822	160,415,579	156,438,722	169,946,017	179,665,266	197,011,329	200,087,445	205,928,673	213,125,795
General services administration	21,913,044	23,127,651	27,622,029	26,171,169	27,303,740	28,182,737	23,328,303	31,530,790	37,301,467	30,250,539
Interest on long-term debt	92,679,977	66,354,069	65,867,422	70,672,162	114,306,796	88,754,145	63,623,613	98,784,457	90,319,011	114,361,490
Total governmental activities	1,101,276,878	1,002,321,772	1,063,876,659	1,178,787,937	1,463,264,576	1,508,582,967	1,457,474,660	1,601,059,860	1,679,770,033	1,865,729,933
Business-type activities:										
Solid waste	23,576,133	25,376,961	27,429,783	24,952,760	29,938,448	24,405,067	28,416,519	29,785,507	32,340,136	34,177,714
Total primary government expenses	1,124,853,011	1,027,698,733	1,091,306,442	1,203,740,697	1,493,203,024	1,532,988,034	1,485,891,179	1,630,845,367	1,712,110,169	1,899,907,647
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	7,396,357	7,831,642	7,145,238	9,352,103	9,789,639	8,064,187	9,154,064	9,242,462	10,933,918	14,365,084
Human services	25,935,891	21,954,285	20,072,420	17,306,740	20,285,322	24,154,518	21,611,239	22,295,355	21,128,832	49,076,796
Education	-	-	12,483	11,800	11,500	8,000	8,000	14,295	12,917	2,505,907
Community development and cultural	9,524,859	4,698,640	6,163,223	7,666,631	5,526,266	5,731,894	8,315,462	18,925,489	8,047,851	10,895,965
Environmental services	1,647,646	1,942,165	(254,415)	2,326,173	2,024,989	2,881,070	2,995,866	2,671,034	3,032,784	3,254,740
Public safety	29,494,441	32,543,421	31,253,703	32,842,889	34,945,056	35,528,506	39,273,674	36,052,746	39,845,176	39,431,172
General services administration	2,515,414	2,354,779	3,065,362	2,744,893	2,853,052	2,866,243	2,962,700	2,574,456	2,346,382	1,861,616
Operating grants and contributions:										
General government	3,365,340	1,883,518	1,892,488	1,798,846	16,409,314	1,282,965	5,152,979	1,724,895	5,748,370	61,827,343
Human services	119,719,778	120,556,434	101,438,548	101,650,078	106,066,571	109,785,997	82,565,794	79,199,832	90,977,740	183,881,975
Education	13,961,465	15,136,373	17,457,029	15,538,264	4,454,720	12,284,268	13,673,927	11,180,430	28,993,589	20,031,966
Community development and cultural	2,002,578	577,185	661,337	607,289	2,290,561	2,105,469	1,242,013	1,115,242	957,523	785,210
Environmental services	329,287	530,232	807,674	152,347	199,517	171,222	175,803	200,396	124,557	230,922
Public safety	3,084,164	782,594	1,389,125	1,871,402	1,859,644	1,113,285	1,557,629	1,347,853	1,620,952	531,034
General services administration	11,100	7,825	13,360	15,125	132,687	14,928	11,936	15,937	3,850	-
Total governmental activities program revenues	218,988,320	210,799,093	191,117,575	193,884,580	206,848,838	205,992,552	188,701,086	186,560,422	213,774,441	388,679,730
Business-type activities:										
Charges for services: solid waste	22,322,650	21,836,839	22,641,326	23,981,146	25,221,294	25,419,927	26,284,880	28,440,165	29,888,089	30,883,716
Operating grants and contributions: solid waste	1,688,916	1,601,437	1,638,999	1,760,881	1,964,590	2,097,102	2,433,484	2,278,073	2,330,917	2,554,029
Total business-type activities program revenues	24,011,566	23,438,276	24,280,325	25,742,027	27,185,884	27,517,029	28,718,364	30,718,238	32,219,006	33,437,745
Total primary government program revenues	242,999,886	234,237,369	215,397,900	219,626,607	234,034,722	233,509,581	217,419,450	217,278,660	245,993,447	422,117,475

# WAKE COUNTY, NORTH CAROLINA

TABLE 2

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (882,288,558)	\$ (791,522,679)	\$ (872,759,084)	\$ (984,903,357)	\$ (1,256,415,738)	\$ (1,302,410,415)	\$ (1,268,773,574)	\$ (1,414,499,438)	\$ (1,465,995,592)	\$ (1,477,050,203)
Business-type activities	435,433	(1,938,685)	(3,149,458)	789,267	(2,752,564)	3,111,962	301,845	932,731	(121,129)	(739,969)
Total primary government net expense	(881,853,125)	(793,461,364)	(875,908,542)	(984,114,090)	(1,259,168,302)	(1,299,298,453)	(1,268,471,729)	(1,413,566,707)	(1,466,116,721)	(1,477,790,172)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	666,196,637	675,565,832	704,500,482	763,304,541	836,704,096	873,850,162	916,010,246	1,001,983,686	1,133,252,950	1,167,326,970
Sales taxes	120,834,877	127,273,310	141,340,059	154,509,781	167,601,590	177,057,150	185,587,183	202,550,087	209,288,739	239,698,358
Occupancy and prepared food taxes	35,814,980	38,158,690	41,270,144	45,551,385	49,352,108	52,197,266	55,132,299	60,289,276	51,795,016	44,940,967
Other taxes	8,640,999	9,916,198	11,435,136	13,778,283	14,994,021	14,851,460	16,454,181	18,121,023	18,526,672	21,289,077
Grants and contributions										
not restricted to specific programs	9,500,462	5,294,595	9,977,509	7,510,466	8,708,612	8,753,474	9,235,090	11,140,276	13,341,756	12,199,855
Unrestricted investment earnings	3,778,383	2,517,197	2,239,488	1,717,475	5,157,359	4,320,332	9,524,439	20,572,770	14,346,490	(3,848,162)
Gain on sale of capital assets	-	-	-	-	-	855,639	748,511	474,029	274,220	855,519
Other	428,639	2,056,648	2,192,694	2,037,356	3,186,263	1,005,124	695,061	1,625,687	509,068	871,011
Transfers	404,000	456,000	406,320	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Total governmental activities	845,598,977	861,238,470	913,361,832	988,859,287	1,086,154,049	1,133,340,607	1,193,837,010	1,317,206,834	1,441,784,911	1,483,783,595
Business-type activities:										
Unrestricted investment earnings	323,376	85,443	196,199	227,482	456,407	217,718	763,080	1,508,750	737,072	(244,406)
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Other	1,817,578	1,227,548	4,364,031	1,584,738	1,279,536	1,906,700	2,307,430	1,999,771	1,536,764	3,750,508
Transfers	(404,000)	(456,000)	(406,320)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)
Total business-type activities	1,736,954	856,991	4,153,910	1,362,220	1,285,943	1,674,418	2,620,510	3,058,521	1,823,836	3,056,102
Total primary government	\$ (34,517,194)	\$ 68,634,097	\$ 41,607,200	\$ 6,107,417	\$ (171,728,310)	\$ (164,283,428)	\$ (72,014,209)	\$ (93,301,352)	\$ (22,507,974)	\$ 9,049,525
<b>Change in Net Position</b>										
Government activities	\$ (36,689,581)	\$ 69,715,791	\$ 40,602,748	\$ 3,955,930	(170,261,689)	(169,069,808)	(74,936,564)	(97,292,604)	(24,210,681)	\$ 6,733,392
Business-type activities	2,172,387	(1,081,694)	1,004,452	2,151,487	(1,466,621)	4,786,380	2,922,355	3,991,252	1,702,707	2,316,133
Total primary government	\$ (34,517,194)	\$ 68,634,097	\$ 41,607,200	\$ 6,107,417	\$ (171,728,310)	\$ (164,283,428)	\$ (72,014,209)	\$ (93,301,352)	\$ (22,507,974)	\$ 9,049,525

# WAKE COUNTY, NORTH CAROLINA

TABLE 3

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Non-spendable	\$ 680,079	\$ 660,291	\$ 1,147,817	\$ 1,141,838	\$ 1,087,851	\$ 1,028,455	\$ 1,914,948	\$ 1,577,971	\$ 327,421	\$ 1,223,658
Restricted	61,887,998	78,005,930	101,974,588	72,248,041	73,843,284	74,634,703	77,963,695	88,159,377	76,120,829	99,775,772
Committed	113,098,565	134,533,558	144,818,132	169,569,681	200,494,326	220,513,579	237,734,967	262,893,367	262,893,367	380,421,054
Assigned	31,602	400,000	5,772,283	2,679,506	1,134,000	-	-	-	-	500,000
Total General Fund	<u>\$ 175,698,244</u>	<u>\$ 213,599,779</u>	<u>\$ 253,712,820</u>	<u>\$ 245,639,066</u>	<u>\$ 276,559,461</u>	<u>\$ 296,176,737</u>	<u>\$ 317,613,610</u>	<u>\$ 352,630,715</u>	<u>\$ 339,341,617</u>	<u>\$ 481,920,484</u>
All Other Governmental Funds										
Non-spendable	\$ -	\$ -	\$ 3,449,786	\$ 3,440,499	\$ 1,054,756	\$ 963,368	\$ 907,632	\$ 553,520	\$ 25,426,938	\$ 372,891
Restricted	131,303,935	127,044,720	72,133,426	311,803,693	256,655,959	147,124,422	229,381,219	271,479,941	202,588,007	263,993,410
Committed	2,830,720	2,904,480	2,977,920	3,063,680	3,460,568	3,756,640	3,998,730	3,821,043	2,906,568	3,784,057
Assigned	449,655,862	498,239,963	406,360,257	505,942,505	234,606,723	227,731,010	191,567,046	179,175,130	283,558,995	400,833,474
Unassigned	-	-	-	-	(17,712)	-	(248,211)	(368,989)	-	(468,248)
Total All Other Governmental Funds	<u>\$ 583,790,517</u>	<u>\$ 628,189,163</u>	<u>\$ 484,921,389</u>	<u>\$ 824,250,377</u>	<u>\$ 495,760,294</u>	<u>\$ 379,575,440</u>	<u>\$ 425,606,416</u>	<u>\$ 454,660,645</u>	<u>\$ 514,480,508</u>	<u>\$ 668,515,584</u>

# WAKE COUNTY, NORTH CAROLINA

TABLE 4

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Taxes	\$ 832,640,691	\$ 852,063,846	\$ 901,382,287	\$ 979,019,405	\$ 1,068,205,202	\$ 1,118,023,378	\$ 1,173,020,937	\$ 1,282,185,781	\$ 1,410,853,726	\$ 1,472,932,002
Intergovernmental	151,985,131	144,768,159	133,637,071	129,143,820	140,095,040	135,511,608	114,580,623	108,638,730	144,284,737	314,558,884
Charges for services	72,565,052	66,497,667	67,072,200	65,902,956	70,562,864	71,653,479	74,274,439	85,543,976	75,997,210	72,714,662
Fines and forfeitures	1,745	2,118	4,084	1,852	42,805	-	376	54	-	2,505,908
Licenses and permits	3,413,382	4,062,881	4,701,663	5,000,558	5,185,433	5,371,824	5,381,270	5,799,060	5,568,944	6,607,475
Investment earnings	3,765,433	2,515,686	2,223,705	1,704,516	5,128,545	4,307,934	9,473,624	20,468,846	14,307,146	(3,816,927)
Miscellaneous	335,487	1,303,583	2,099,348	1,770,877	(1,116,598)	1,001,799	693,150	1,629,450	955,961	883,110
Total revenues	<u>1,064,706,921</u>	<u>1,071,213,940</u>	<u>1,111,120,358</u>	<u>1,182,543,984</u>	<u>1,288,103,291</u>	<u>1,335,870,022</u>	<u>1,377,424,419</u>	<u>1,504,265,897</u>	<u>1,651,967,724</u>	<u>1,866,385,114</u>
<b>Expenditures</b>										
General government	57,101,602	53,933,135	54,502,188	63,700,606	76,489,586	76,915,004	75,318,980	98,208,006	720,470,136	266,998,795
Human services	226,219,076	203,945,270	193,958,543	208,304,473	206,528,545	213,132,353	197,901,887	205,974,447	206,401,683	224,229,930
Education	467,388,048	427,414,362	469,890,207	557,621,603	743,976,648	796,583,759	781,773,290	833,134,178	876,169,328	880,035,452
Community development and cultural	69,050,159	70,259,896	76,436,700	88,510,963	97,445,854	93,512,015	99,963,971	132,496,941	111,480,449	96,522,693
Environmental services	12,152,613	7,864,404	8,354,834	9,354,942	10,035,460	10,681,469	11,998,552	13,211,167	14,033,631	13,713,646
Public safety	209,183,377	172,509,821	145,519,662	147,823,266	162,428,708	166,933,080	188,317,280	192,802,511	204,873,753	180,726,927
General services administration	21,090,881	22,429,768	25,332,207	26,215,178	26,880,922	28,220,046	28,557,988	29,819,778	29,732,643	28,963,727
Debt service										
Principal	164,498,331	145,652,849	152,250,703	152,115,583	170,027,054	188,894,216	178,804,981	190,431,748	193,181,554	251,923,303
Interest	88,561,925	89,523,701	90,030,119	90,952,459	98,236,050	89,476,403	93,708,750	98,286,386	104,928,259	96,539,380
Total expenditures	<u>1,315,246,012</u>	<u>1,193,533,206</u>	<u>1,216,275,163</u>	<u>1,344,599,073</u>	<u>1,592,048,827</u>	<u>1,664,348,345</u>	<u>1,656,345,679</u>	<u>1,794,365,162</u>	<u>2,461,271,436</u>	<u>2,039,653,853</u>
Excess of revenues over (under) expenditures	<u>(250,539,091)</u>	<u>(122,319,266)</u>	<u>(105,154,805)</u>	<u>(162,055,089)</u>	<u>(303,945,536)</u>	<u>(328,478,323)</u>	<u>(278,921,260)</u>	<u>(290,099,265)</u>	<u>(209,303,712)</u>	<u>(173,268,739)</u>
<b>Other Financing Sources (Uses)</b>										
Transfers in	256,643,030	225,977,117	241,246,092	296,777,100	309,595,234	329,903,244	333,113,962	362,738,779	411,766,460	446,037,432
Transfers out	(257,912,346)	(225,521,117)	(240,839,772)	(296,452,100)	(309,145,234)	(329,742,244)	(332,663,962)	(362,288,779)	(411,316,461)	(445,587,432)
Refunding bonds issued	75,290,000	-	-	-	191,835,000	162,895,000	-	113,940,000	63,675,000	-
Refunding installment purchases issued	-	2,234,325	-	-	-	-	-	-	-	-
Payment to refunded escrow agent	(94,006,298)	(2,234,325)	-	-	(233,084,360)	(190,000,000)	-	(124,534,612)	(77,054,156)	-
Bonds issued and premiums	131,715,590	203,154,626	-	490,519,615	42,128,289	153,487,962	239,143,833	220,947,457	55,463,468	301,196,089
Bond anticipation notes issued	-	-	-	-	1,301,000	98,928,537	168,652,564	53,328,720	36,078,529	200,183,143
Repayment of bond anticipation notes	-	-	-	-	-	-	(218,684,653)	(103,526,168)	-	(157,909,659)
Drawdown installment notes issued	-	-	-	-	-	3,928,079	114,447,523	163,293,070	239,242,065	42,325,490
Repayment of drawdown installment notes	-	-	-	-	-	-	(114,890,022)	(166,778,650)	-	(281,567,557)
Limited obligation bonds issued	-	-	-	-	-	-	155,290,000	196,805,000	-	302,410,000
Capital leases and installment purchases issued/repaid	7,573	940,674	1,500,796	2,373,329	5,027	2,089,630	1,235,305	17,946	16,203	12,007
Capital leases	-	-	-	-	-	-	-	-	(16,203)	(12,007)
Financing agreement proceeds	-	-	-	-	-	-	-	-	2,498,956	-
Financing agreement	-	-	-	-	-	-	-	-	(2,498,956)	-
Sales of assets and materials	88,513	68,147	92,956	92,379	1,870,446	420,537	744,559	227,836	91,111	236,971
Total other financing sources (uses)	<u>111,826,062</u>	<u>204,619,447</u>	<u>2,000,072</u>	<u>493,310,323</u>	<u>4,505,402</u>	<u>231,910,745</u>	<u>346,389,109</u>	<u>354,170,599</u>	<u>317,946,016</u>	<u>407,324,477</u>
Net change in fund balances	<u>\$ (138,713,029)</u>	<u>\$ 82,300,181</u>	<u>\$ (103,154,733)</u>	<u>\$ 331,255,234</u>	<u>\$ (299,440,134)</u>	<u>\$ (96,567,578)</u>	<u>\$ 67,467,849</u>	<u>\$ 64,071,334</u>	<u>\$ 108,642,304</u>	<u>\$ 234,055,738</u>
Debt service as a percentage of noncapital expenditures	19.91%	20.65%	20.51%	18.34%	16.96%	16.86%	16.73%	16.40%	16.30%	17.23%

**Assessed Value and Actual Value of Taxable Property<sup>1</sup>  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Public Service Companies</b>	<b>Total</b>	<b>*County-wide Tax Rate<sup>3</sup></b>	<b>Special Tax Districts Tax Rate<sup>3</sup></b>	<b>Average County Tax Rate<sup>3</sup></b>
2012	\$ 104,028,407,900	\$ 13,698,928,311	\$ 2,828,064,440	\$ 120,555,400,651	0.534	0.080	0.614
2013	105,310,957,601	14,311,760,539	2,827,432,989	122,450,151,129	0.534	0.080	0.614
2014	107,096,246,490	17,429,308,807	2,900,935,929	127,426,491,226	0.534	0.080	0.614
2015	109,552,757,999	15,528,241,566	2,866,523,443	127,947,523,008	0.578	0.080	0.658
2016	112,361,475,069	16,280,183,297	3,309,341,549	131,950,999,915	0.6145	0.080	0.695
2017	120,471,086,726	17,897,487,797	3,469,182,180	141,837,756,703	0.6005	0.096	0.6965
2018	122,874,155,245	17,897,487,797	3,447,570,780	144,219,213,822	0.6150	0.096	0.7110
2019	126,482,475,772	18,690,880,426	3,454,215,945	148,627,572,143	0.6544	0.096	0.7504
2020	<sup>2</sup> 130,415,759,631	21,684,607,511	3,572,974,390	155,673,341,532	0.7207	0.096	0.8167
2021	164,833,716,084	23,985,614,652	3,612,462,959	192,431,793,695	0.6000	0.091	0.6910

Notes:

\* Real estate reappraisal effective.

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

(2) A revaluation of real property is required by N.C. General Statutes at least every eight years. Wake County's last revaluation was completed tax year 2020 (fiscal year 2021). The next revaluation is 2024 (fiscal year 2025).

(3) Per \$100 of assessed value.

Source: Wake County Revenue Department

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

	2012	2013	2014	2015	2016	2017 <sup>2</sup>	2018	2019	2020	2021
<b>County District Rates</b>										
County-wide Rate <sup>1</sup>	\$ 0.5340	\$ 0.5340	\$ 0.5340	\$ 0.5780	\$ 0.6145	\$ 0.6005	\$ 0.6150	\$ 0.6544	\$ 0.7207	\$ 0.6000
Various Special Tax Districts	0.0800	0.0800	0.0800	0.0800	0.0800	0.0960	0.0960	0.0960	0.0960	0.0910
Total average direct rate	0.6140	0.6140	0.6140	0.6580	0.6945	0.6965	0.7110	0.7504	0.8167	0.6910
<b>Municipality Rates</b>										
Town of Angier	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300
Town of Apex	0.3400	0.3900	0.3900	0.3900	0.3900	0.3800	0.3800	0.4150	0.4150	0.3800
Town of Cary	0.3300	0.3300	0.3500	0.3500	0.3700	0.3500	0.3500	0.3500	0.3500	0.3500
Town of Clayton	0.5250	0.5250	0.5250	0.5250	0.5500	0.5500	0.5500	0.5800	0.5800	0.5800
Town of Fuquay-Varina	0.3850	0.3850	0.3850	0.3850	0.3850	0.4330	0.4325	0.4325	0.4325	0.3950
Town of Garner	0.4900	0.4900	0.4900	0.5000	0.5180	0.5180	0.5325	0.5325	0.5600	0.4971
Town of Holly Springs	0.4150	0.4350	0.4350	0.4350	0.4350	0.4330	0.4325	0.4325	0.4825	0.4216
Town of Knightdale	0.4100	0.4100	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4200
Town of Morrisville	0.3670	0.3670	0.3900	0.3900	0.4100	0.3900	0.3900	0.3900	0.3900	0.3600
City of Raleigh	0.3740	0.3830	0.3830	0.4040	0.4210	0.4180	0.4253	0.4382	0.4382	0.3552
Town of Rolesville	0.4400	0.4400	0.4400	0.4400	0.4400	0.4800	0.4800	0.4800	0.4800	0.4600
Town of Wake Forest	0.5100	0.5100	0.5100	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.4950
Town of Wendell	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4700
Town of Zebulon	0.5000	0.5130	0.5250	0.5250	0.5250	0.5750	0.5750	0.5920	0.5920	0.5500

Notes:

(1) All taxable property is subject to the County-wide tax. Most property in unincorporated areas also is subject to special district taxes.

(2) A revaluation of real property is required by N. C. General Statutes at least every eight years.

Revaluation was last completed for tax year 2020 (for Fiscal Year 2021).

Wake County's next revaluation will be completed for tax year 2024 (for Fiscal Year 2025).

Source: Wake County Department of Tax Administration

**WAKE COUNTY, NORTH CAROLINA**

TABLE 7

**Principal Property Tax Payers  
June 30, 2021  
Current Year and Nine Years Ago**

Taxpayer	Fiscal Year 2021			Fiscal Year 2012		
	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Duke Energy Progress, Inc	\$ 2,198,334,794	1	1.14%	\$ 1,539,985,652	1	1.28%
Highwoods Realty LP	793,398,763	2	0.41%	264,000,889	7	0.22%
SAS Institute, Inc	751,645,030	3	0.39%	498,736,086	2	0.41%
Cisco Systems, Inc	518,686,121	4	0.27%	461,467,059	3	0.38%
WMCI Raleigh, LLC	423,497,788	5	0.22%			
CVM Holdings, LLC	401,628,328	6	0.21%	334,450,819	5	0.28%
Network Appliance, Inc	335,386,365	7	0.17%			
Mid America Apartments LP	311,418,319	8	0.16%			
State Employees Credit Union	293,939,306	9	0.15%			
First Citizens Bank	288,493,250	10	0.15%			
Novartis Vaccines & Diagnostics				337,946,650	4	0.28%
NC Eastern Municipal Power Agency				292,809,888	6	0.24%
Bellsouth Telephone Co				252,247,667	8	0.21%
Weeks Realty LP				248,405,750	9	0.21%
G&I v LP				241,980,608	10	0.20%
	<u>\$ 6,316,428,064</u>		<u>3.27%</u>	<u>\$ 4,472,031,068</u>		<u>3.71%</u>

Source: Wake County Department of Tax Administration



**WAKE COUNTY, NORTH CAROLINA**

**TABLE 8**

**Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)			Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date						
	Adjustments	Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy								
2012	\$	665,819,212	\$	(2,298,064)	\$	663,521,148	\$	657,541,978	99.10%	\$	5,127,345	\$	662,669,323	99.87%
2013		676,163,798		(2,306,621)		673,857,177		667,843,411	99.11%		5,250,009		673,093,420	99.89%
2014		702,953,904		(1,690,243)		701,263,661		697,580,105	99.47%		3,078,549		700,658,654	99.91%
2015		760,907,032		(664,952)		760,242,080		758,063,799	99.71%		1,999,009		760,062,808	99.98%
2016		833,221,749		(835,817)		832,385,932		831,114,362	99.85%		1,058,724		832,173,086	99.97%
2017		877,544,091		(7,317,373)		870,226,718		869,108,487	99.87%		880,613		869,989,100	99.97%
2018		914,686,233		(1,989,030)		912,697,203		911,681,836	99.89%		711,377		912,393,213	99.97%
2019		999,314,645		(1,372,951)		997,941,694		996,947,099	99.90%		330,757		997,277,856	99.93%
2020		1,130,623,568		(1,373,567)		1,129,250,001		1,126,999,613	99.80%		587,258		1,127,586,871	99.85%
2021		1,173,469,163		(10,534,301)		1,162,934,862		1,161,494,700	99.88%		-		1,161,494,700	99.88%

**Notes:**

Taxes for the fiscal year ended June 30, 2021 at the collection rate of 99.88% are a composite of the following collections by category:

Vehicle taxes	99.26%
Real and personal property taxes	99.92%

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

Schedule of Ad Valorem Taxes Receivable  
As of June 30, 2021

Fiscal Year	Uncollected Balance June 30, 2020	Additions	Collections and Credits	Uncollected Balance June 30, 2021
2020-2021	\$ -	\$ 1,069,145,345	\$ 1,065,710,100	\$ 3,435,245
2019-2020	4,029,879	-	2,366,748	1,663,131
2018-2019	881,724	-	217,886	663,838
2017-2018	391,166	-	87,176	303,990
2016-2017	269,300	-	31,682	237,618
2015-2016	236,009	-	23,163	212,846
2014-2015	190,747	-	11,474	179,273
2013-2014	616,666	-	11,633	605,033
2012-2013	774,568	-	10,810	763,758
Total	<u>\$ 7,390,059</u>	<u>\$ 1,069,145,345</u>	<u>\$ 1,068,470,672</u>	\$ 8,064,732
Less allowance for uncollectable ad valorem taxes receivable				(3,146,060)
Ad valorem taxes receivable (net)				<u>\$ 4,918,672</u>
Reconciliation with revenues:				
Taxes - ad valorem - General Fund				\$ 1,053,003,922
Recycling fee - Solid Waste Operating Fund				9,053,927
Reconciling items:				
Prior year taxes collected				(31,710)
Interest and other costs				(1,831,467)
Rebates and releases				11,982,920
Deferred amounts				(3,336,169)
Accruals and prepaids				(370,751)
Total collections and credits				<u>\$ 1,068,470,672</u>
General Fund Taxes Receivable				\$ 4,816,167
Solid Waste Fund Accounts Receivable				102,505
				<u>\$ 4,918,672</u>

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

**Analysis of Current Tax Levy - Countywide Levy  
For the Year Ended June 30, 2021**

	County-wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate (General Fund)	\$ 185,372,078,194	0.60000	\$ 1,121,132,223	\$ 1,060,372,297	\$ 60,759,926
Motor vehicles taxed at prior year's rate	4,216,206,906	0.72070	21,668,470	-	21,668,470
Special Tax District levy	32,911,614,697	0.00091	29,999,654	27,370,286	2,629,368
Penalties	-		-	-	-
Total	<u>222,499,899,797</u>		<u>1,172,800,347</u>	<u>1,087,742,583</u>	<u>85,057,764</u>
Discoveries:					
Current year taxes	-		-	-	-
Prior year taxes	-		-	-	-
Penalties	-		668,816	668,816	-
Total	<u>-</u>		<u>668,816</u>	<u>668,816</u>	<u>-</u>
Abatements	(1,963,694,667)		(11,782,168)	(11,782,168)	-
Total property valuation	<u>\$ 220,536,205,130</u>				
Deferred Levy			1,247,867	1,247,867	-
Net levy			1,162,934,862	1,077,877,098	85,057,764
Uncollected taxes at June 30, 2021			1,440,162	810,013	630,149
Current year's taxes collected			<u>\$ 1,161,494,700</u>	<u>\$ 1,077,067,085</u>	<u>\$ 84,427,615</u>
Current levy collection percentage			99.88%	99.92%	99.26%

Includes Ad Valorem, Special District and NCVTS Vehicle Taxes.

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

Fiscal Year	Governmental Activities						Business-Type Activities				Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	General Obligation Bond Anticipation Notes	Drawdown Installment Notes	Limited Obligation Bonds	Installment Purchases	Qualified Zone Academy Bonds	Capital Leases	Total Governmental Activities	Capital Leases	Total Primary Government		
2012	\$ 1,934,669,373	\$ -	\$ -	\$ 316,910,261	\$ 5,693,721	\$ 817,311	\$ 132,027	\$ 2,258,222,693	\$ -	\$ 2,258,222,693	5.29%	2,371
2013	1,960,133,287	-	-	303,982,042	5,327,348	653,850	81,238	2,270,177,765	-	2,270,177,765	5.32%	2,328
2014	1,806,329,227	-	-	291,053,822	5,329,121	490,389	51,293	2,103,253,852	5,877	2,103,259,729	4.93%	2,106
2015	2,142,354,768	-	-	278,125,603	4,922,510	326,928	763,502	2,426,493,311	3,777	2,426,497,088	4.58%	2,414
2016	1,969,481,706	1,301,000	-	279,088,791	4,007,860	163,467	390,611	2,254,433,435	-	2,254,433,435	4.25%	2,201
2017	1,901,610,244	100,229,537	3,928,079	264,041,694	5,115,000	-	37,553	2,274,962,107	-	2,274,962,107	4.29%	2,173
2018	1,937,469,050	50,197,448	3,485,580	424,746,261	5,306,359	-	34,333	2,421,239,031	-	2,421,239,031	4.28%	2,258
2019	1,913,368,260	-	-	646,146,796	4,427,115	-	34,883	2,563,977,054	-	2,563,977,054	4.18%	2,347
2020	1,763,962,578	36,078,529	239,242,066	620,426,297 <sup>2</sup>	3,719,115	-	32,305	2,663,460,890	-	2,663,460,890	4.01%	2,396
2021	1,724,981,737 <sup>2</sup>	78,352,012	-	961,205,881	3,002,115	-	26,380	2,767,568,125	-	2,767,568,125	3.93%	2,450

**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. 2021 ratio is calculated using 2018 personal income.

(2) General Obligation Bonds and Limited Obligation Bonds include premiums on issuance of bonds of \$199,241,737 and \$159,035,881, respectively, which will be amortized over the life of the related debt.

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

<b>General Bonded Debt Outstanding</b>				<b>Percentage of Actual Taxable Value of Property<sup>1</sup></b>	<b>Per Capita<sup>2</sup></b>
<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>General Obligation Bond Anticipation Notes</b>	<b>Total General Bonded Debt</b>		
2012	\$ 1,934,669,373	\$ -	\$ 1,934,669,373	1.60%	2,030.91
2013	1,960,133,287	-	1,960,133,287	1.60%	2,010.34
2014	1,806,329,227	-	1,806,329,227	1.42%	1,808.70
2015	2,142,354,768	-	2,142,354,768	1.67%	2,130.88
2016	1,969,481,706	1,301,000	1,970,782,706	1.49%	1,924.22
2017	1,901,610,244	100,229,537	2,001,839,781	1.42%	1,912.36
2018	1,937,469,050	50,197,448	1,987,666,498	1.38%	1,853.82
2019	1,913,368,260	-	1,913,368,260	1.29%	1,751.68
2020	1,763,962,578	-	1,763,962,578	1.16%	1,586.64
2021	1,724,981,737 <sup>3</sup>	78,352,012	1,803,333,749	0.93%	1,596.70

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

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

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

(3) General Obligation Bonds include premiums on issuance of bonds of \$199,241,737 which will be amortized over the life of its related debt.

**WAKE COUNTY, NORTH CAROLINA**

TABLE 13

**Direct and Overlapping Governmental Activities Debt  
As of June 30, 2021**

	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Direct and Overlapping Debt</b>
<b>Municipality:</b>			
Apex	\$ 132,176,080	100%	\$ 132,176,080
Cary	366,209,241	100%	366,209,241
Garner	69,932,647	100%	69,932,647
Fuquay-Varina	39,526,223	100%	39,526,223
Holly Springs	111,674,730	100%	111,674,730
Knightdale	11,810,656	100%	11,810,656
Morrisville	27,747,858	100%	27,747,858
Raleigh	1,677,634,092	100%	1,677,634,092
Rolesville	4,342,000	100%	4,342,000
Wake Forest	44,960,123	100%	44,960,123
Wendell	2,431,934	100%	2,431,934
Zebulon *	1,767,127	100%	1,767,127
<b>Overlapping debt</b>	<b>2,490,212,711</b>		<b>2,490,212,711</b>
<b>Direct debt</b>	<b>2,767,568,125</b>		<b>2,767,568,125</b>
<b>Total direct and overlapping debt</b>	<b>\$ 5,257,780,836</b>		<b>\$ 5,257,780,836</b>

**Source:** Overlapping debt provided by each municipality, unless noted by \*, which are provided by State of North Carolina Local Government Commission. Beginning in FY21, municipalities are now providing all types of their debt

# WAKE COUNTY, NORTH CAROLINA

TABLE 14

## Legal Debt Margin Information Last Ten Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed Value of Property	\$ 120,555,400,651	\$ 122,450,151,129	\$ 127,426,491,226	\$ 127,947,523,008	\$ 131,950,999,915	\$ 141,411,010,294	\$ 144,219,213,822	\$ 148,627,572,143	\$ 155,673,341,532	\$ 192,431,793,695
Debt Limit, 8% of Assessed Value (Statutory Limitation)	\$ 9,644,432,052	\$ 9,796,012,090	\$ 10,194,119,298	\$ 10,235,801,841	\$ 10,556,079,993	\$ 11,312,880,824	\$ 11,537,537,106	\$ 11,890,205,771	\$ 12,453,867,323	\$ 15,394,543,496
Amount of Debt Applicable to Limit										
General Obligation Bonds	\$ 1,754,870,000	\$ 1,801,325,000	\$ 1,664,875,000	\$ 1,967,590,000	\$ 1,812,535,000	\$ 1,727,865,000	\$ 1,762,270,000	\$ 1,727,510,000	\$ 1,580,690,000	\$ 1,525,740,000
GO Bond Anticipation Notes	-	-	-	-	1,301,000	100,229,537	50,197,448	-	36,078,529	78,352,012
Other Long Term Debt	303,938,059	291,217,436	278,885,802	266,887,940	238,761,938	231,140,632	374,041,272	554,346,998	772,873,485	805,198,495
Bonds Authorized not Issued	65,700,000	145,450,000	950,450,000	511,210,000	509,909,000	294,865,463	147,152,552	1,017,000,000	980,140,000	849,830,000
Total net debt applicable to limit	2,124,508,059	2,237,992,436	2,894,210,802	2,745,687,940	2,562,506,938	2,354,100,632	2,333,661,272	3,298,856,998	3,369,782,014	3,259,120,507
Legal Debt Margin	\$ 7,519,923,993	\$ 7,558,019,654	\$ 7,299,908,496	\$ 7,490,113,901	\$ 7,993,573,055	\$ 8,958,780,192	\$ 9,203,875,834	\$ 8,591,348,773	\$ 9,084,085,309	\$ 12,135,422,989
Total net debt applicable to limit as a percentage of debt limit	22.03%	22.85%	28.39%	26.82%	24.28%	20.81%	20.23%	27.74%	27.06%	21.17%

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

**Demographic and Economic Statistics  
Last Ten Years**

<b>Year</b>	<b>Population Estimates<sup>1</sup></b>	<b>Personal Income<sup>2</sup> (thousands of dollars)</b>	<b>Per Capita Personal Income<sup>3</sup></b>	<b>School Enrollment<sup>4</sup></b>	<b>Unemployment Rate<sup>5</sup></b>
2012	929,070	46,320,314	48,626	146,687	7.1%
2013	952,143	47,064,181	48,285	149,508	6.0%
2014	974,289	50,257,552	50,835	153,039	4.9%
2015	998,691	53,028,913	53,625	155,000	4.7%
2016	1,024,198	56,592,270	54,549	156,644	4.2%
2017	1,046,791	60,216,950	56,162	158,374	3.6%
2018	1,072,203	64,461,643	59,014	160,429	3.6%
2019	1,092,305	69,222,569	62,264	160,471	3.9%
2020	1,111,761	*	*	161,907	7.1%
2021	1,129,410	*	*	157,673	4.1%

\* Information not yet available

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

(2) Bureau of Economic Analysis Regional, Economic Information System - Bureau of Economic Analysis March 2020.

(3) Bureau of Economic Analysis Regional Economic Account - computed using Census Bureau midyear population estimates available as of March 2020.

(4) North Carolina Department of Public Instruction. 2020-2021 Wake County Public Schools District Facts.

(5) Employment Security Commission of North Carolina; 2020-2021 - North Carolina Department of Commerce-Labor & Economic Analytics Division.



**WAKE COUNTY, NORTH CAROLINA**

TABLE 16

Principal Employers Current Year and Nine Years Ago						
Employer	2021*			2012*		
	Employees <sup>1</sup>	Rank	Percentage of Total County Employment <sup>2</sup>	Employees	Rank	Percentage of Total County Employment
State of North Carolina	24,083	1	4.15%	24,739	1	5.86%
Wake County Public School System	17,000	2	2.93%	17,572	2	4.16%
Wal-Mart	16,200	3	2.79%			
WakeMed Health & Hospitals	9,773	4	1.68%	7,607	5	1.80%
North Carolina State University	9,019	5	1.55%	7,730	4	1.83%
Food Lion	8,600	6	1.48%			
Target	8,000	7	1.38%			
UNC Rex Healthcare	6,900	8	1.19%	4,800	7	1.14%
SAS Institute, Inc.	5,567	9	0.96%	4,742	8	1.12%
Harris Teeter	5,346	10	0.92%			
IBM Corporation				10,500	3	2.49%
GlaxoSmithKline, Inc				4,900	6	1.16%
Wake County Government				4,272	9	1.01%
Cisco Systems				3,800	10	0.90%
	<u>110,488</u>		<u>19.03%</u>	<u>90,662</u>		<u>21.47%</u>

(1) **Source:** Wake County Economic Development / Greater Raleigh Chamber of Commerce

(2) **Source:** North Carolina Department of Commerce

\*Data unavailable for current year. Data from previous year has been used and restated to include only Wake County based employers.

FY17-FY20: Top 10 Employers included the Triangle Regional Area

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

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
General government	304.25	305.25	314.25	324.50	340.50	359.50	371.75	388.75	413.75	405.25
Human services	1,751.10	1,644.03	1,465.10	1,571.87	1,591.60	1,627.30	1,657.37	1,699.33	1,748.00	1,763.00
Community development and cultural	304.00	312.00	321.50	327.50	350.50	358.50	370.50	395.00	408.50	374.50
Environmental services	117.00	120.00	124.00	134.00	138.00	145.00	154.00	161.00	166.00	164.00
Public safety	1,199.50	1,237.50	1,285.50	1,301.50	1,339.50	1,384.50	1,418.00	1,446.00	1,480.00	1,516.00
General services administration	137.00	142.50	140.00	141.00	143.00	143.00	144.00	144.00	150.00	150.00
Total	3,812.85	3,761.28	3,650.35	3,800.37	3,903.10	4,017.80	4,115.62	4,234.08	4,366.25	4,372.75

**Operating Indicators By Function  
Last Ten Fiscal Years**

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>General Government</b>										
Registered voters	781,261	779,605	729,933	725,536	701,987	676,093	631,012	651,341	645,419	628,953
Taxable real estate parcels	451,709	442,980	434,150	421,932	412,438	406,596	401,352	392,989	381,677	367,323
Tax bills	*	*	*	*	*	*	*	*	1,164,651	1,153,607
Deeds and real estate documents recorded	276,475	202,289	156,980	166,102	183,096	170,421	163,046	148,233	208,162	179,048
<b>Human Services</b>										
Family medicaid recipients	111,691	121,027	121,314	120,314	107,084	98,185	89,815	81,379	76,116	73,839
Laboratory tests	*	*	*	*	*	*	*	180,000	163,837	235,000
School nurse health support services <sup>4</sup>	16,470	25,281	34,174	31,991	31,619	29,690	14,941	31,558	28,880	23,428
Families receiving maternal and child health case management services	5,978	6,515	5,893	5,875	*	6,151	6,008	6,300	4,402	4,328
Adult inpatient substance abuse services	*	*	*	*	*	*	*	*	336	484
Adult care home residents served through on-site inspections	2,370	2,058	2,593	2,504	2,548	2,648	2,538	2,373	2,381	2,861
Homeless sheltered at S. Wilmington St. Center	355	1,690	2,119	2,029	2,125	2,028	1,982	1,849	1,791	1,734
Persons testing for HIV/STD	6,174 <sup>7</sup>	15,085	17,540	17,398	17,715	18,958	17,919	20,364	21,107	22,420
Number of transportation trips provided	123,681	180,137	196,041	180,323	235,845	253,814	200,440	183,570	165,908	178,330
Food assistance for Household	46,665	36,979	30,820	33,188	34,596	38,071	39,235	38,585	*	85,892
<b>Education</b>										
Students attending public school <sup>1</sup>	157,673	161,907	160,471	160,429	159,549	157,180	155,184	152,384	149,508	146,687
Public school teachers <sup>1</sup>	10,673	10,739	10,647	10,616	10,733	10,357	10,598	10,563	9,810	9,810
Community college students-average semester <sup>2</sup>	34,680	43,511	40,672	38,800	38,800	41,566	35,080	34,427	33,338	32,236
Community college faculty <sup>2</sup>	2,120	2,369	2,284	2,251	2,261	2,251	2,305	1,329	1,921	1,344
<b>Community Development and Cultural</b>										
Libraries - circulation of youth services <sup>5</sup>	3,319,192	6,226,254	7,324,979	6,418,475	6,435,078	6,319,652	6,636,146	6,923,255	6,912,700	7,047,064
Libraries - circulation of adult services <sup>5</sup>	4,414,182	4,156,021	3,785,384	3,318,177	3,263,900	2,996,607	3,104,004	3,467,128	3,699,333	4,212,225
Park visitation	1,608,953	1,604,732	1,291,899	1,296,062	1,430,828	1,252,085	1,141,594	1,187,986	1,113,501	1,162,246
Residential permits issued -New, Addition, Alter <sup>3</sup>	2,148	1,909	1,429	846	1,041	1,521	1,347	1,367	1,239	716
Commercial permits issued -New, Addition, Alter <sup>3</sup>	136	136	161	105	338	219	200	157	136	167
Residential or Commercial-Accessory <sup>3</sup>	1,021	1,037	691	4,238	1,707	1,885	1,672	1,535	1,473	1,276
Trade Permits <sup>3</sup>	4,087	3,671	4,026	*	*	*	*	*	*	*
Inspections performed	77,999	69,543	65,489	66,631	62,047	59,639	53,664	53,517	44,329	35,510
<b>Environmental Services</b>										
Animal control service calls <sup>6</sup>	6,742	9,416	8,386	8,008	6,327	7,194	7,608	7,786	7,644	8,260
Animals impounded	6,931	9,320	10,965	10,619	10,616	11,621	11,632	13,805	13,805	15,517
Sanitation inspections	12,949	12,936	13,942	12,285	11,919	11,911	12,545	8,770	9,222	*
<b>Public Safety</b>										
Detention intake	18,837	24,998	28,952	28,667	28,086	34,801	36,350	36,847	38,070	*
Civil processes served	32,502	45,687	72,820	55,884	55,681	80,341	78,867	65,590	70,535	93,318
Pistol permits processed	60,167	39,749	18,843	16,171	20,658	18,141	20,216	18,304	35,883	21,163
Carry Conceal Permits - New and Renewal	16,881	9,778	10,060	*	*	*	*	*	*	*
Average daily jail population	1,100	1,238	1,201	1,198	1,170	1,176	1,155	1,297	1,306	1,227
Fire/medical incidents responded to by contracting fire departments	40,484	39,666	35,679	33,865	33,847	32,595	29,928	28,429	28,675	27,645
Wake EMS trips **	79,000	77,588	75,428	70,697	72,181	70,796	67,369	63,371	62,637	62,327
<b>Solid Waste</b>										
Tons received at South Wake Landfill	186,360	529,870	506,577	463,683	442,659	436,632	304,672	406,568	400,964	414,156
Tons received at East Wake Transfer Station	370,275	362,152	332,233	275,504	259,473	262,153	345,615	252,462	242,123	259,610
Household hazardous waste customers	*	*	*	*	*	*	43,509	36,996	29,560	30,863

\* Information not available.

(1) Wake County Public Schools.

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

(3) Permitting &amp; Inspections implemented new software system in July 2018. Grouping of Permit and Inspection data now reported in alternate manner.

(4) FY20/FY21: Decline due to transition to remote learning; COVID-19. Nurses were reallocated to COVID Mass Testing which are not included in count.

(5) Beginning FY20: Count of "Other Materials (Audio/Downloadable/Periodicals)" are now included.

(6) Beginning FY20: All services performed by Animal Control are now included.

(7) FY21: Data only provided from HHS Clinic A, CLinic E and NYS/offsite events

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

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

<b>Function/Program</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>General Services Administration</b>										
Rentable square footage managed <sup>2</sup>	4,341,345	4,317,993	4,229,569	4,172,318	4,160,865	4,097,495	4,085,555	4,085,365	3,620,925	3,250,403
Total square footage managed <sup>1</sup>	5,040,049	5,015,468	4,922,390	4,862,126	4,850,071	4,783,365	4,770,797	4,770,597	4,238,952	3,848,929
<b>Human Services</b>										
Number of centers	15	13	14	22	22	22	22	22	22	22
<b>Education</b>										
Number of schools	194	191	191	183	177	177	171	170	165	163
<b>Community Development and Cultural</b>										
Libraries - branches	23	22	22	22	22	21	20	20	20	20
Volume of library books	1,731,334	1,889,923	1,755,925	1,586,209	1,476,330	1,393,462	1,323,870	1,534,418	1,520,704	1,479,940
Number of County Parks	10	10	10	10	9	9	8	8	8	8
Number of School Parks <sup>3</sup>	7	8	16	16	16	16	16	16	16	16
<b>Public Safety</b>										
Sheriff - Stations	9	9	9	9	9	9	9	9	9	9
Detention capacity	1,568	1,568	1,574	1,522	1,552	1,568	1,568	1,568	1,568	1,568
EMS - Stations	17	15	15	15	15	15	15	15	15	15

(1) Total Square footage managed added for comparative purposes

(2) In order to increase comparability, prior years' square footage been updated using same data source as FY19

(3) Board of Commissioner's approved JUA on June 15, 2020, redefining responsibility of multiple School Parks from Wake County to WCPSS and other partners

# **Wake County, North Carolina**

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

***For the fiscal year ended June 30, 2021***

# Wake County, North Carolina

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**Independent Auditor's 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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2021 not presented here, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 3, 2021. Our report includes a reference to other auditors who audited the financial statements of the Wake County Board of Alcoholic Control (the "Board"), as described in our report on the County's financial statements. This report does not include the results of the 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**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Elliott Davis, PLLC". The signature is written in a cursive, flowing style.

Raleigh, North Carolina  
December 3, 2021



**Independent Auditor's Report on Compliance Applicable for Each Major  
Federal Program; Report on Internal Control Over Compliance; In  
Accordance With OMB Uniform Guidance and the State Single Audit  
Implementation Act**

Board of County Commissioners  
Wake County, North Carolina

**Report on Compliance for Each Major Federal Program**

We have audited Wake County, North Carolina's (the "County's") compliance with the types of compliance requirements described in the OMB *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, 2021. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with the federal and state statutes, regulations, and terms and conditions of its federal awards.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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; and the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

**Opinion on Each of Major Federal Program**

In our opinion, the County complied, in all material respects, with the types of 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, 2021.

## Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Uniform Guidance and which is described in the accompanying *Schedule of Findings and Questioned Costs* as item 2021-001. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Uniform Guidance, 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 a 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. 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying *Schedule of Findings and Questioned Costs* as items 2021-001, 2021-002 and 2021-003 to be significant deficiencies.

The County's response to the internal control over compliance findings identified in our audit are described in the accompanying *Schedule of Findings and Questioned Costs and Corrective Action Plan*. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal and State Awards Required by Uniform Guidance**

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 as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Wake County's basic financial statements. We issued our report thereon dated December 3, 2021, which contained an unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wake County's basic financial statements. The accompanying schedule of expenditures by Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic 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 basic financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Elliott Davis, PLLC". The signature is written in a cursive, flowing style.

Raleigh, North Carolina  
December 6, 2021

**Independent Auditor's Report on Compliance For Each Major State  
Program and on Internal Control over Compliance in Accordance with  
the Uniform Guidance and the State Single Audit Implementation Act**

Board of County Commissioners  
Wake County, North Carolina

**Report on Compliance for Each Major State Program**

We have audited Wake County, North Carolina's (the County's) 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 the County's major state programs for the year ended June 30, 2021. The County's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major state programs based on our audit of the types of compliance requirements referred to above. 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; and applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina* and the State Single Audit Implementation Act. Those standards, Uniform Guidance, 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 on compliance for each major state program. However, our audit does not provide a legal determination of the County's compliance.

**Opinion on Each Major State Program**

In our opinion, the County complied, in all material respects, with the types of 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, 2021.

## Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with applicable sections of the Uniform Guidance as described in the Audit Manual for Governmental Auditors in North Carolina and which are described in the accompanying *Schedule of Findings and Questioned Costs* as item 2021-001. Our opinion on each major state program is not modified with respect to this matter.

The County's response to the noncompliance findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 a 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. 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying *Schedule of Findings and Questioned Costs* as items 2021-001, 2021-002 and 2021-003 to be significant deficiencies.

The County's response to the internal control over compliance findings identified in our audit are described in the accompanying *Schedule of Findings and Questioned Costs*. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal and State Awards Required by Uniform Guidance and the State Single Audit Implementation Act**

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated December 3, 2021, which contained unmodified opinions on those financial statements. We did not audit the financial statements of the Wake County Board of Alcoholic Control (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 conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for the purposes of additional analysis as required by Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic 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 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.



Raleigh, North Carolina  
December 6, 2021

# Wake County, North Carolina

## Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program Titles	Federal	State Pass-through	Expenditures		Total	Provided to Subrecipients
	AL # / CFDA No	Identifying #	Federal (Direct and Pass-through from)	State		
Federal Awards:						
U.S. Department of Agriculture:						
Passed-through from N.C. Department of Health and Human Services, Division of Social Services:						
Supplemental Nutrition Assistance Program (SNAP) Cluster:						
State Administrative Matching Grants for SNAP	10.561		\$ 6,528,312	\$ -	\$ 6,528,312	\$ -
Total SNAP Cluster			6,528,312	-	6,528,312	-
Passed-through from N.C. Department of Health and Human Services, Division of Public Health						
Special Supplemental Nutritional Food Program for Women, Infants, and Children	10.557	403, 404, 405, 409, 415, 416	3,261,646	-	3,261,646	-
Total U.S. Department of Agriculture			9,789,958	-	9,789,958	-
U.S. Department of Housing and Urban Development:						
Community Developmental Block Grants/Entitlement Grants	14.218		1,572,767		1,572,767	-
Community Developmental Block Grants/Entitlement Grants - COVID	14.218-COVID		911,464		911,464	
Emergency Solutions Grants Program	14.231		178,562		178,562	-
Emergency Solutions Grants Program - COVID	14.231-COVID		1,116,811		1,116,811	
Home Investment Partnership Program	14.239		595,507		595,507	-
Housing Opportunities for Persons with AIDS - HOPWA	14.241		563,027		563,027	-
Continuum of Care Program	14.267		1,952,659		1,952,659	-
Passed-through from the City of Raleigh:						
Emergency Solutions Grants Program	14.231		134,191		134,191	-
Passed-through from Court Appointed Special Advocate (CASA):						
Continuum of Care Program	14.267		152,522		152,522	
Total U.S. Department of Housing and Urban Development			7,177,510	-	7,177,510	-
U.S. Department of Justice:						
Equitable Sharing Program	16.922		373,908		373,908	
Passed-through from City of Raleigh						
Edward Byrne Memorial Justice Assistance Grant Program	16.738		131,144		131,144	-
Total U.S. Department of Justice			505,052	-	505,052	-
U.S. Department of Labor						
Passed-through from N.C. Department of Economic and Community Development, Job Training Partnership Act:						
WIOA Cluster:						
WIOA - Adult Program	17.258	4020	2,307,532		2,307,532	1,469,834
WIOA-Youth Activities	17.259	4040	1,467,534		1,467,534	1,226,580
WIOA-Dislocated Workers Formula Grants	17.278	4030	1,217,343		1,217,343	1,181,639
Total WIOA Cluster			4,992,409	-	4,992,409	3,878,053
Reentry Employment Opportunities	17.270		414,462		414,462	326,488
Youth Build	17.274		127,145		127,145	57,956
WIOA National Dislocated Worker Grants / WIA National						
Emergency Grants - COVID	17.277-COVID		411,563		411,563	381,711
			953,170	-	953,170	766,155
Total U.S. Department of Labor			5,945,579	-	5,945,579	4,644,208
Federal Highway Administration						
Passed-through from N.C. Department of Transportation:						
Formula Grants for Rural Areas (Community Transporatation Program)	20.509	36233.106.15.3 / 36233.106.16.1		877,638	877,638	
NC DOT CARES Reimbursement - COVID	20.509-COVID	49233.64.1.2	692,811		692,811	
Public Health Vaccination Trip Cost - COVID	20.509-COVID	49458.9.1.2	101,930		101,930	
Highway Planning, Research & Construction Cluster:						
Highway Planning and Construction	20.205	48778.4.2	181,366		181,366	
Total Highway Planning, Research & Construction Cluster			181,366	-	181,366	-

# Wake County, North Carolina

## Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program Titles	Federal	State Pass-through	Expenditures		Total	Provided to Subrecipients
	AL # / CFDA No	Identifying #	Federal (Direct and Pass-through from)	State		
<b>Passed-through from the City of Raleigh, NC:</b>						
<u>Transit Services Program Cluster:</u>						
Federal Transit Formula Grant (FTA 5307)	20.507		2,227,825		2,227,825	
Enhanced Mobility of Seniors & Individuals w Disabilities (FTA 5310)	20.513		9,198		9,198	
Total Transit Services Program Cluster			2,237,023	-	2,237,023	-
<b>Total Federal Highway Administration</b>			<b>3,213,130</b>	<b>877,638</b>	<b>4,090,768</b>	<b>-</b>
<b>U.S. Department of the Treasury</b>						
Coronavirus Relief Fund	21.019		159,717,842		159,717,842	52,804,503
Emergency Rental Assistance Program (ERA)	21.023		2,582,437		2,582,437	2,565,000
Coronavirus State and Local Fiscal Recovery Funds (ARPA)	21.027		1,254,161		1,254,161	
<b>Passed-through from N.C. Department of Health and Human Services, Division of Public Health</b>						
CA 115 Infection Prevention Support - COVID	21.019	115	1,187,939		1,187,939	
<b>Passed-through from the N.C. Department of Health and Human Services, Division of Social Services:</b>						
Child Protective Services and Adult Protective Services - COVID	21.019		272,129		272,129	
<b>Passed-through from N.C. State Board of Elections:</b>						
2020 Elections; N.C. Session Law 2020-17; House Bill 1169 - COVID	21.019		1,114,864		1,114,864	
<b>Passed-through from N.C. Biotechnology Center:</b>						
2020 Biotechnology Grant - COVID	21.019		53,700		53,700	49,700
<b>Total U.S. Department of Treasury</b>			<b>166,183,072</b>	<b>-</b>	<b>166,183,072</b>	<b>55,419,203</b>
<b>U.S. Department of Education:</b>						
<b>Passed-through from N.C. Department of Public Instruction</b>						
School Safety National Activities	84.184		37,838	-	37,838	-
<b>Total U.S. Department of Education</b>			<b>37,838</b>	<b>-</b>	<b>37,838</b>	<b>-</b>
<b>U.S. Election Assistance Commission</b>						
<b>Passed-through from N.C. State Board of Elections</b>						
HAVA Election Security Grants - COVID	90.404-COVID	NC20101001-092	250,000	-	250,000	-
<b>Total U.S. Election Assistance Commission</b>			<b>250,000</b>	<b>-</b>	<b>250,000</b>	<b>-</b>
<b>U.S. Department of the Health and Human Services Administration for Children and Families</b>						
<b>Passed-through from the N.C. Department of Health and Human Services, Division of Social Services:</b>						
Promoting Safe and Stable Families Program	93.556		268,955		268,955	-
Temporary Assistance for Needy Families (TANF)	93.558	151	7,026,996		7,026,996	-
Child Support Enforcement	93.563		5,547,928		5,547,928	-
Low-Income Home Energy Assistance	93.568		4,909,345		4,909,345	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645		381,388		381,388	-
Social Services Block Grant	93.667		1,673,562	163,053	1,836,615	-
Chafee Foster Care Program For Successful Transition to Adulthood	93.674		241,128	(23,765)	217,363	
Chafee Foster Care Program For Successful Transition to Adulthood - COVID	93.674-COVID			3,644	3,644	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566		15,347	-	15,347	-
<u>Foster Care and Adoption Cluster:</u>						
Foster Care - Title IV-E	93.658		5,544,515	2,884,953	8,429,468	-
Foster Care - Title IV-E - COVID	93.658-COVID			200,400	200,400	
Adoption Assistance	93.659		476,589	118,862	595,451	-
Total Foster Care and Adoption Cluster			6,021,104	3,204,215	9,225,319	-



# Wake County, North Carolina

## Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program Titles	Federal	State Pass-through	Expenditures		Total	Provided to Subrecipients
	AL # / CFDA No	Identifying #	Federal (Direct and Pass-through from)	State		
<b>Passed-through from the N.C. Department of Health and Human Services, Division of Child Development and Early Education:</b>						
<u>Subsidized Child Care Cluster</u>						
<u>Child Care Development Fund Cluster:</u>						
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Administration	93.596		1,854,479	-	1,854,479	-
Total Child Care Development Fund Cluster			1,854,479	-	1,854,479	-
Smart Start	NA			215,756	215,756	-
Total Subsidized Child Care Cluster			1,854,479	215,756	2,070,235	-
<b><u>Centers for Medicare and Medicaid Services</u></b>						
<b>Passed-through from the N.C. Department of Health and Human Services, Division of Medical Assistance:</b>						
<u>Medicaid Cluster:</u>						
Medical Assistance Program (Medicaid)	93.778		18,238,149	82,874	18,321,023	-
Total Medicaid Cluster			18,238,149	82,874	18,321,023	-
Children's Health Insurance Program - N.C. Health Choice	93.767		373,469	13,507	386,976	-
<b><u>Centers for Disease Control and Prevention</u></b>						
<b>Passed-through from the N.C. Department of Health and Human Services, Division of Public Health:</b>						
Public Health Emergency Preparedness	93.069	514	80,667		80,667	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	551	40,868	102,871	143,739	
Injury Prevention and Control Research and State and Community Based Programs	93.136	491	83,409		83,409	
Immunization Cooperative Agreements	93.268	510, 715	173,474	52,158	225,632	
COVID-19 Vaccination program - COVID	93.268-COVID	716	2,556,347		2,556,347	
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.305	451	53,005	16,588	69,593	
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) - COVID	93.323-COVID	539, 543	11,282,553		11,282,553	
National and State Tobacco Control Program	93.387	451	11,806		11,806	
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response - COVID	93.354-COVID	619	551,988		551,988	
Well Integrated Screening and Evaluation for Women Across the Nation	93.436	465	10,740		10,740	
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	583	3,363		3,363	
Cancer Prevention and Control Programs	93.898	452	71,700	52,000	123,700	
HIV Prevention Activities - Health Department Based	93.940	536, 587, 825	239,653		239,653	
Sexually Transmitted Diseases Prevention and Control Grants	93.977	534, 610	58	236,596	236,654	
Preventive Health and Health Services Block Grant	93.991	886	28,565	3,746	32,311	
<b><u>Health Resources and Services Administration</u></b>						
HIV Care Formula Grants	93.917	574, 611, 822	2,726,111		2,726,111	
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918		552,389		552,389	
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease - COVID	93.918-COVID		113,594		113,594	
Maternal and Child Health Services Block Grants to the States	93.994	101, 151, 318, 351, 352, 834	866,965	173,959	1,040,924	
<b><u>Office of Assistant Secretary for Health</u></b>						
Family Planning Services	93.217	151	244,411	117,060	361,471	
<b><u>Substance Abuse and Mental Health Services Administration</u></b>						
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		331,916	-	331,916	-
<b>Total U.S. Department of Health and Human Services</b>			<b>66,575,432</b>	<b>4,414,262</b>	<b>70,989,694</b>	<b>-</b>

## Wake County, North Carolina

### Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program Titles	Federal	State Pass-through	Expenditures		Total	Provided to Subrecipients
	AL # / CFDA No	Identifying #	Federal (Direct and Pass-through from)	State		
U.S. Department of Homeland Security:						
Federal Emergency Management Agency						
Staffing for Adequate Fire and Emergency Response	97.083		217,239		217,239	
Passed-through from N.C. Department of Public Safety						
Emergency Management Performance Grant	97.042		62,500		62,500	
Emergency Management Performance Grant - COVID	97.042-COVID		300		300	
Total U.S. Department of Homeland Security			280,039	-	280,039	-
Total Federal Awards			259,957,610	5,291,900	265,249,510	60,063,411
State Awards:						
N.C. Department of Natural and Cultural Resources:						
Division of State Library:						
State Aid to Libraries				600,416	600,416	-
Total N.C. Department of Natural and Cultural Resources				600,416	600,416	-
N.C. Department of Health and Human Services:						
Division of Public Health:						
Community Health Medical Access				108,446	108,446	
CLAS Standards Advancing Health Equity		474		16,964	16,964	
General Aid to Counties		110		181,431	181,431	
HIV Non-Traditional Test Site		536,894		40,877	40,877	
School Nurse Funding Initiative		803		50,000	50,000	
Improving Community Outcomes for Maternal and Child Health		164		105,278	105,278	
Total Division of Public Health			-	502,996	502,996	-
Division of Social Services:						
Energy Assistance Private Grants			-	121,656	121,656	-
Division of Child Development:						
North Carolina Smart Start			-	490,038	490,038	-
Total N.C. Department of Health and Human Services			-	1,114,690	1,114,690	-
N.C. Department of Transportation						
County EMS Station Capital Improvements		72.1074	-	19,312	19,312	-
N.C. Department of Environmental Quality						
Environment Health Food & Lodging				180,409	180,409	
NC Electronic Recycling				130,800	130,800	
Scrap Tire Disposal Program				1,669,740	1,669,740	
White Goods Management Program				420,851	420,851	
Total N.C. Department of Environmental Quality			-	2,401,800	2,401,800	-
N.C. Department of Agriculture and Consumer Services						
State Farm Grant				25,500	25,500	
N.C. Department of Public Instruction						
Public School Building Capital Fund - Lottery Proceeds				18,632,860	18,632,860	
NC Department of Public Safety						
Capital Area Workforve Development Local ReEntry Council Services		19-RFP-014850-JJX		156,390	156,390	
Tier II Noncompetitive (LEPC Support and BEST Conference)		T2-2020-2070012		1,000	1,000	
Juvenile Crime Prevention Programs				1,915,688	1,915,688	1,767,118
Total NC Department of Public Safety			-	2,073,078	2,073,078	1,767,118
N.C Department of Military and Veteran Affairs						
Division of Veterans Affairs						
Veterans Service Program				2,000	2,000	
Total State Awards				24,869,656	24,869,656	1,767,118
Total Federal and State Awards			\$ 259,957,610	\$ 30,161,556	\$ 290,119,166	\$ 61,830,529

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## **Wake County, North Carolina**

### ***Notes to the Schedule of Expenditures of Federal and State Awards For the year ended June 30, 2021***

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#### **A. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal and state grant activity of the County under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) 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. Also, because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

#### **B. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the State Single Audit Implementation Act, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

#### **C. Cluster of Programs**

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes:

Subsidized Child Care and Foster Care Adoption

## Wake County, North Carolina

### Schedule of Findings and Questioned Costs For the year ended June 30, 2021

#### Section I. Summary of Auditor's Results

##### Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness identified? ☐ yes ☒ no
- Significant deficiency(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

##### Federal Awards

Internal control over major federal programs:

- Material weakness identified? ☐ yes ☒ no
- Significant deficiency(s) identified that are not considered to be material weaknesses? ☒ yes ☐ none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) ☒ yes ☐ no

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.557	Special Supplemental Nutritional Food Program for Women, Infants, and Children
10.561	Supplemental Nutrition Assistance Program (SNAP) Cluster
21.019	Coronavirus Relief Fund
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) - COVID
93.658, 93.659	Foster Care and Adoption Cluster
93.778	Medicaid Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B Programs \$3,000,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

**Wake County, North Carolina**  
***Schedule of Findings and Questioned Costs***  
***For the year ended June 30, 2021***

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**Section I. Summary of Auditor's Results, Continued**

State Awards

Internal control over major State programs:

- Material weakness identified? ☐ yes ☒ no
- Significant deficiency(s) identified that are not considered to be material weaknesses? ☒ yes ☐ none reported

Type of auditor's report issued on compliance for major State programs: Unmodified

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

Identification of major State programs:

Program Name

Public School Building Capital Funds Lottery Proceeds  
Juvenile Crime Prevention Programs

Other major state programs for the County are Medical Assistance Program (Medicaid) and Foster Care and Adoption Cluster which are state matches of federal programs. Therefore, these programs have been included in the list of major federal programs above.

**Section II. Financial Statement Findings**

**None Reported**

**Section III. Federal Award Findings and Questioned Costs**

**Finding 2021-001, Significant Deficiency over Special Tests and Provisions and Non-Material Noncompliance**

***Information on the federal program:*** DSS Crosscutting, U.S. Department of Social Services, passed through the N.C Department of Health and Human Services, Division of Social Services, Supplemental Nutrition Assistance Program (SNAP) Cluster, CFDA 10.561 and Medicaid Cluster, CFDA 93.778.

***Criteria or specific requirement:*** Per North Carolina DSS Crosscutting compliance supplement: "Counties must maintain adequate case documentation to substantiate the claim entry into the NC Fast Enterprise Program Integrity ("EPI"). This information includes but is not limited to the dates of the overpayment period, documentary evidence to substantiate that an overpayment occurred, such as wage stubs or verification from an employer, other income verification and household composition verification, and the budgets used to compute the amount of the overpayment."

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## Wake County, North Carolina

### *Schedule of Findings and Questioned Costs*

*For the year ended June 30, 2021*

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#### Section III. Federal Award Findings and Questioned Costs, Continued

##### **Finding 2021-001, Significant Deficiency over Special Tests and Provisions and Non-Material Noncompliance, continued**

**Condition:** We noted five instances in Supplemental Nutrition Assistance Program (SNAP) Cluster and one instance in Medicaid Cluster where adequate case documentation to substantiate the claims entry into the EPI was not maintained.

**Context:** We sampled 40 SNAP files and 20 Medicaid files that were entered into the EPI system. We noted the above condition in 5 of the 40 SNAP files tested and 1 of the 20 Medicaid files tested.

**Effect:** The County does not have supporting documentation for claims entered into EPI. There is a risk that claims may not be valid.

**Cause:** Documentation to support claims entered into EPI were not retained.

**Recommendation:** County DSS staff need to ensure that all documentation is maintained and matches what is entered into EPI.

##### **Finding 2021-002, Significant Deficiency over Eligibility**

**Information on the federal program:** Medicaid Cluster (Medicaid), CFDA 93.778, U.S. Department of Health and Human Services, passed through the N.C. Department of Health and Human Services, Division of Medical Assistance.

**Criteria or specific requirement:** Per the North Carolina Medicaid Assistance Program (Medicaid; Title XIX) Compliance Supplement and the DSS manuals (Aged, Blind and Disabled manual, Family and Children Medicaid manual and the Integrated Policy manual), case files for individuals or families receiving assistance are required to retain documentation to evidence appropriate eligibility determination, including:

- accurate computation of countable income
- verification of unearned income
- verification of earned income

**Conditions:** We noted in five instances, the total countable income was not recorded accurately into NC FAST based upon documentation in the case record.

**Context:** We sampled 93 from a total population of 13,083,181 payments made to the participants during the fiscal year. We noted the above condition in 5 of the 93 case files inspected for applicable payments.

**Effect:** Case files not containing all required documentation result in a risk that the County could provide services to individuals not eligible to receive such services or that such services could be denied to eligible individuals. For all the 5 cases, subsequent to being notified that required documentation had not been retained in case files, the County was able to obtain documentation to substantiate that the applicants tested were eligible to receive benefits. For one case the individual was deemed ineligible and resulted in immaterial known and likely questioned costs.

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## Wake County, North Carolina

### *Schedule of Findings and Questioned Costs For the year ended June 30, 2021*

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#### Section III. Federal Award Findings and Questioned Costs, Continued

##### **Finding 2021-002, Significant Deficiency over Eligibility, continued**

**Cause:** The County did not retain required documentation in case files at the time eligibility was determined.

**Recommendation:** We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures in place to ensure that all eligibility determination documentation is completed and retained by the County.

##### **Finding 2021-003, Significant Deficiency over Eligibility**

**Information on the federal program:** Foster Care and Adoption Cluster, CFDA 93.556 and 93.658, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Social Services.

**Criteria or specific requirement:** Per Form 5120 - Determination of Foster care Assistance Benefits and/or Medical Assistance Only, supervisor should sign and verify eligibility only after Income Maintenance Caseworker has verified AFDC need in Part V.

**Condition:** We noted in 17 instances, the Income Maintenance Caseworker signed to verify AFDC later than the Supervisor signed off to review.

**Context:** We sampled 40 case files of a total of 2,172 cases. We noted the above condition in 17 of the 40 inspected files.

**Effect:** Supervisors reviewing and signing off the eligibility determination prior to the Income Maintenance Caseworker results in a risk that the eligibility was determined based on incomplete AFDC need verification, that the County could provide services to individuals not eligible to receive such services or that such services could be denied to eligible individuals. Based on the cases tested there were no instances of benefits received by ineligible parties.

**Cause:** Proper internal controls are not in place to ensure the AFDC need verification is completed before the Supervisor verifies eligibility.

**Recommendation:** We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures in place to ensure that all eligibility determination documentation is completed on time.

#### Section IV. State Awards Findings and Questioned Costs

Findings 2021-001, 2021-002 and 2021-003 as listed in Section III *Federal Award Findings and Questioned Costs* are also considered to be state award findings.



## Finance Department

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December 6, 2021

Wake County, North Carolina respectfully submits the following correction action plan for the year ended June 30, 2021.

Name and address of independent public accounting firm:

Elliott Davis, PLLC  
5410 Trinity Road, Suite 320  
Raleigh, NC 27607

Audit Period: June 30, 2021

The findings from the June 30, 2021 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### FINDINGS – FEDERAL AWARD PROGRAMS AUDITS

**Finding 2021-001, Significant Deficiency over Special Tests and Provisions and Non-Material Noncompliance; DSS Crosscutting, U.S. Department of Social Services, passed through the N.C Department of Health and Human Services, Division of Social Services, Supplemental Nutrition Assistance Program (SNAP) Cluster, CFDA 10.561 and Medicaid Cluster, CFDA 93.778.**

***Recommendation:***

County DSS staff need to ensure that all documentation is maintained and matches what is entered into EPI.

***Corrective Action Plan:***

County is in the process of implementing an OnBase electronic document management system for storage and retrieval of files to ensure documents are maintained and match what is entered into EPI. Until the system goes live we will conduct quarterly random pulls from the records center to ensure documents are filed accurately and can more easily be located.

***Proposed Completion Date:***

Quarterly pulls beginning December 1, 2021; electronic document management system estimated completion date is December 31, 2022.

***Contact Person:***

Markette Hester, Department Program Integrity Manager



**Finding 2021-002, Significant Deficiency over Eligibility; Medicaid Cluster (Medicaid), CFDA 93.778, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Medical Assistance.**

***Recommendation:*** We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures in place to ensure that all eligibility determination documentation is completed and retained by the County.

***Corrective Action Plan:*** The county will complete a quarterly review for errors in income verification and calculation. For those staff identified by the targeted review with errors in these areas, supervisors will provide refresher training on Medicaid policy requirements. Additional targeted reviews will be completed monthly until the deficiencies are corrected.

***Proposed Completion Date:*** 12/31/2021 for the initial quarterly review  
1/31/2022 for refresher training for identified staff  
6/30/2022 for additional reviews as needed for identified staff

***Contact Person:*** Koren Harrison, Economic Benefits Assistant Division Director

**Finding 2021-003, Significant Deficiency over Eligibility; Foster Care and Adoption Cluster, CFDA 93.556 and 93.658, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Social Services.**

***Recommendation:*** We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures in place to ensure that all eligibility determination documentation is completed on time.

***Corrective Action Plan:***

- The county will complete targeted reviews to determine if the errors cited are widespread or limited to certain staff.
- Supervisors will receive refresher training to ensure increase knowledge base of IV-E Eligibility Determination for 5120; 5120-A; and 5120-E. Implement In Onboarding of new supervisors and as an Annual Requirement.
- Revise current workflow for 5120; 5120-A; and 5120-E to ensure timely completion and supervisor verification timeline is followed.

***Proposed Completion Date:*** 01/15/2022 and 04/15/2022 Targeted Reviews  
03/15/2022 Supervisor Training & Onboarding Implementation  
01/15/2022 Workflow Revision

***Name of Contact Person(s):*** Whitney Hill, Child Welfare Business & Fiscal Analyst  
Kimberly W. Herrington, Program Manager

Sincerely yours,



W. Patrick Flanary  
Director of Finance



## Finance Department

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### Wake County, North Carolina Summary Schedule of Prior Audit Findings For the year ended June 30, 2021

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#### **Finding 2020-001, Significant Deficiency over Special Tests and Provisions and Non-Material Noncompliance**

Condition: We noted 1 instance where adequate case documentation to substantiate the claims entry into the EPI was not maintained.

Current status: This finding has been repeated as a significant deficiency as current year finding number 2021-001.

#### **Finding 2020-002, Medicaid Cluster Significant Deficiency over Eligibility**

Condition: We noted in two instances, the case record did not contain evidence that the State Online Query OVS (SOLQ) was completed to verify the individual's date of birth. In one instance, the case record did not contain evidence that the State Online Query OVS (SOLQ) was completed to verify the individual's citizenship. In three instances, the case record did not contain evidence that the State Online Query OVS (SOLQ) was completed to verify the individual's Social Security Number (SSN). In one instance, the case file did not contain non-custodial parent information. In nine instances, the case record did not contain evidence that the household and relationship information to verify household composition. In ten instances, the total countable income was not recorded accurately into NC FAST based upon documentation in the case record. In five instances, the Employment Security Commission (ESC) OVS was not completed to verify the individual's earned income. In seven instances, SOLQ OVS/ OLV, Bendex OVS/OLV, SDX OVS, ESC OVS, and ACTS OVS were not completed to verify the individual's unearned income.

Current status: This finding has been repeated as a significant deficiency as current year finding number 2021-002.

#### **Finding 2020-003, Low Income Home Energy Assistance Significant Deficiency over Eligibility**

Condition: In two instances, the Eligibility worksheets were not retained in the file. In ten instances, the total countable income was not recorded accurately into the NC FAST system based upon documentation in the case record. We noted that in two instances the rights and responsibilities page of the application was not signed by the applicants. In one instance, the approval notice was not located in the case file.

Current status: This finding has been resolved.

**Wake County, North Carolina**

*Summary Schedule of Prior Audit Findings*

*For the year ended June 30, 2021*

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**Finding 2020-004, Low Income Home Energy Assistance Significant Deficiency over Eligibility**

Condition: We noted that in twelve instances the Approval/ Denial Notice form DSS-8107 was not marked sent in NC Fast resulting in the client not having an opportunity for a hearing.

Current status: This finding has been resolved.