

**FOR THE FISCAL  
YEAR ENDED  
JUNE 30,  
2023**

**Wake County, North Carolina**

# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**





# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**For the fiscal year ended June 30, 2023**

Prepared by the Wake County  
Finance Department





# Introduction

The Introduction provides background and general information about the County

## Wake County, North Carolina

### Board of County Commissioners



Shinica Thomas  
Chair  
*District 6*



Susan Evans  
Vice Chair  
*District 4*



Don Mial  
*District 1*



Matt Calabria  
*District 2*



Cheryl Stallings  
*District 3*



James West  
*District 5*



Vickie Adamson  
*District 7*

### County Administration

**County Manager:** David Ellis

**County Attorney:** Scott Warren

**Clerk to the Board:** Yvonne Gilyard

## Annual Comprehensive Financial Report For the fiscal year ended June 30, 2023

**Prepared by the Wake County Finance and Internal Audit Department:**

W. Patrick Flanary, Chief Financial Officer

<p>Alejandra Riquelme, Senior Accounting Technician            Alison Roach, Senior Accounting Technician            Ann Mattern, Insurance/Risk Analyst            Brittany Graves, Senior Accounting Technician            Brittany Longdaue, Buyer            Camilla Wilkins, Senior Accountant            Celena Sawyer, Accounting Supervisor            Charles Williford, CPA, Internal Auditor            Dawn Underwood, Buyer            India Dickerson, Accountant            Jala McDonald, Finance System Analyst            Jeanna Harris, Senior Accountant            John T. Stephenson, CPA, Internal Audit Director            Karen Thiessen, Revenue Manager            Kim Lorbacher, CPA, Controller            Lauren Casey, Senior Finance Systems Administrator            Latonya Hankins, CPA, Senior Internal Auditor            Lee Bonilla, Buyer            Mary Hutchings, CPA, Internal Auditor</p>	<p>Melissa England Carroll, Purchasing Manager            Pam Harrington, Financial Systems Manager            Pamela Wade, CPA, Internal Auditor, (I/T)            Russ O'Melia, Accounting Supervisor            Sandy Barnes, CPA, Internal Auditor            Sarah Gould, CPA, Internal Auditor            Seth Larson, CPA, Accounting Manager            Sharlene Popplewell-Johnson, Grants Compliance Officer            Sonya Hicks, Information Technology Analyst            Spencer Phillips, Senior Accountant            Tamara Williams, Accountant            Timothy Hedgepeth, Senior Accountant            Todd Taylor, Debt Manager            Tracey Aviles, Accountant            Travis Johnson, Executive Assistant            Trina Bell, Accounting Supervisor            Ty Stephens, Assistant Purchasing Manager            Varsha Kandakur, Senior Accountant            Wendi Brusseau, Senior Accountant</p>
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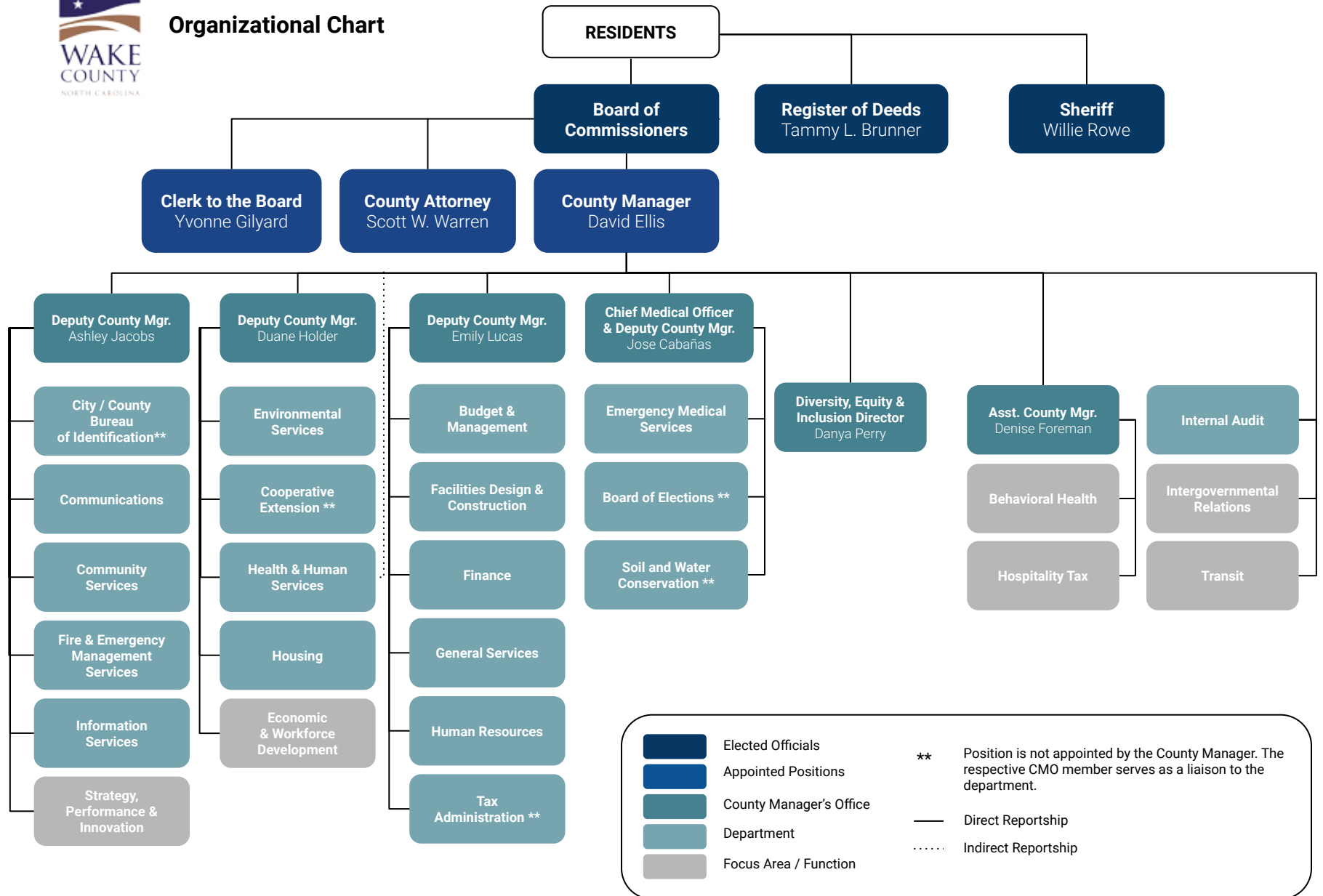
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## Organizational Chart





November 27, 2023

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, 2023, 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 provides 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 Mauldin & Jenkins, 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, 2023, 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, 2023 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 on 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 2023. 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 County’s annually budgeted funds include: General fund, Major Facilities fund, Debt Service fund, Fire Tax District fund, Transportation fund, Fines and Forfeiture fund, and Human Services Client fund. Most funds’ legal level of budgetary control is set at the functional level, with some operating at the program or project level.

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 discretely 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 2023 include:

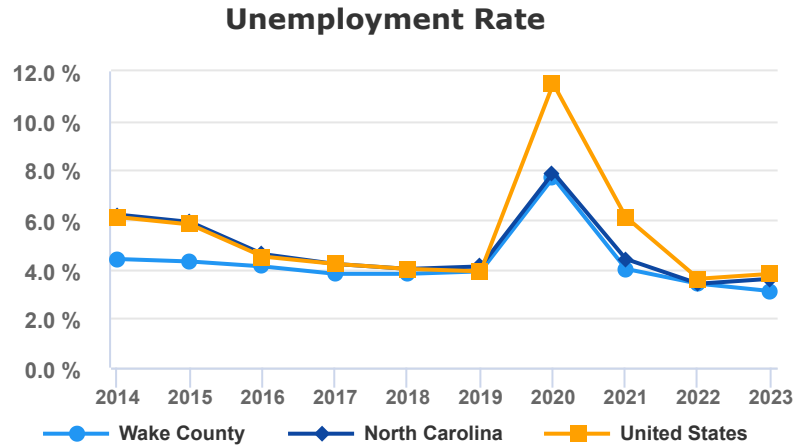
- **#2 Best Place to Live in the South (Raleigh)**  
U.S. News and World Report | June 2023
- **#1 Top State Business Climate**  
Site Selection Magazine | June 2023
- **#3 Best Place to Live in the United States (Raleigh)**  
U.S. News and World Report | May 2023
- **#3 Best Performing City in the US (Raleigh)**  
Milken Institute | May 2023
- **#2 Best Cities to Live in America**  
StudyFinds | April 2023
- **#5 Hottest Job Market in America (Raleigh)**  
The Wall Street Journal | April 2023
- **#2 Best City to buy a House (Raleigh)**  
National Association of Realtors | February 2023
- **#1 Best City in NC to Raise a Family**  
Stacker | February 2023
- **#1 Most Livable City in the US**  
Far & Wide | January 2023
- **Most Resilient Economy in the County (Cary)**  
SmartAsset | October 2022

## 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. Inflation and recession are the County's major challenges in 2023.

## Unemployment Rate

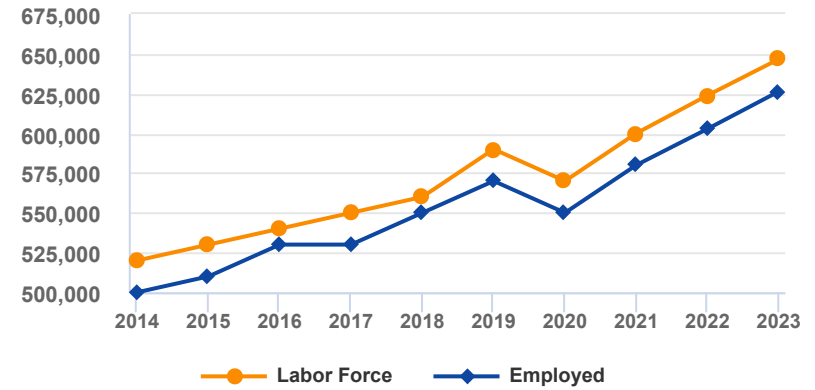
Wake County's average unemployment rate in June 2023 is 3.1%. Wake County's rate is lower than the State of North Carolina (3.6%) and lower than the United States (3.8%).



## Job Growth and Investment

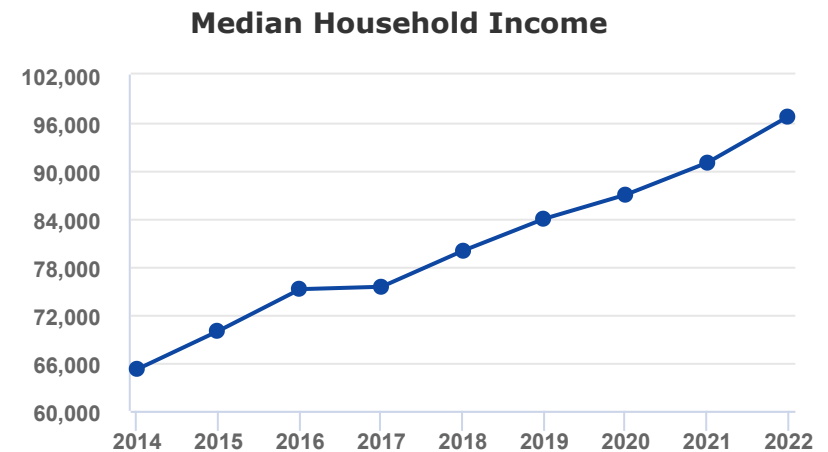
Job growth remains strong. Wake County continues to attract diverse companies creating new jobs. Wake County Economic Development reports that 40 different companies (18 new and 22 expanding) announced a total of 2,733 new jobs worth a total of \$519.8 million in new investments during 2022/2023. In 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.

## Labor Force and Employed



## 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 4.60% over the past five years.



### 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 17,000 employees.
- Wake County's population is highly educated. According to the United State Census Bureau, 54.7% 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 18.78 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 15<sup>th</sup> 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 86% of the County's outstanding \$3.02 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 62 people per day, and many of its goals and objectives center on the growing needs of the community. In FY23, Wake County made significant investments in public health and safety, housing affordability, child welfare, behavioral health and education, and employee recruitment and retention.

Wake County also landed more than \$520 million in economic investment and expansion opportunities in 2023. In November 2022, Fujifilm announced it will invest \$188 million in Wake County to build a new manufacturing facility in Morrisville. The plant will create more than 100 jobs.

In December 2022, Enzyvant Therapeutics and Altavant Sciences, both subsidiaries of the global biopharmaceutical giant Sumitovant Biopharma, announced the investment of \$34 million in Wake County to form a North Carolina-based biopharmaceutical company focused on delivering life-altering therapies for people with rare diseases. A manufacturing facility will be built in Morrisville, bringing more than 40 highly skilled laboratory medicine manufacturing jobs to the area.

In June 2023, the Board of Commissioners adopted a \$1.87 billion budget that includes significant investments in public health and safety, housing affordability, child welfare, behavioral health and education, while accounting for inflation and the rising costs of employee recruitment and retention. To address growing needs in a public-school system with more than 160,000 students, the fiscal year 2024 budget invests more than \$677 million into education. Overall operating investments are more than \$644.2 million in WCPSS and nearly \$33.5 million in Wake Tech. To fund additions to the FY2024 budget, the commissioners voted to increase the property tax to 3.75 cents, which will generate \$75 million in additional revenue.



## 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, 2022. This marks the 39<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, 2022. This is the 19<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, Mauldin & Jenkins, 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

*W. Patrick Flanary*

W. Patrick Flanary  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Wake County  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO



# 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

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**Members of the Board of County Commissioners**  
**Wake County, North Carolina**  
**Raleigh, North Carolina**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Wake County, North Carolina** (the "County"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditor, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Wake County, North Carolina as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison statements for the General Fund and the Major Facilities Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Wake County Board of Alcoholic Control (the "ABC Board") which represents 100% of the assets, net position, and revenue of the discretely presented component unit as of June 30, 2023. 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 ABC Board is based solely on the report of the other auditor.

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MEMBERS OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS



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***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the ABC Board were not audited in accordance with *Government Auditing Standards*. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical reporting requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***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-Employee Payroll – LEOSA, the Schedule of Changes in Net OPEB liability, Related Ratios and Investment Returns-OPEB, the Schedule of Employer Contributions and Schedule of Investment Returns-OPEB, the Schedule of the County's Proportionate Share of Net Pension Liability (Asset) – LGERS, the Schedule of the Employer Contributions – LGERS, the Schedule of the County's Proportionate Share of Net Pension Asset – RODSPF, and the Schedule of Employer Contributions – RODSPF, on pages 6-22, 102, 103, 104, 105, 106, 107, and 108, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit for the year ended June 30, 2023, 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 major funds budgetary schedules, combining and individual fund statements and schedules, the Schedule of Governmental Capital Assets by Function and Category, and General Obligation Indebtedness schedules (collectively the "supplementary information"), as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2023, 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 GAAS. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2023.

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We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the County as of and for the year ended June 30, 2022 (not presented herein), and have issued our report thereon dated November 22, 2022, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. The supplementary information included under the heading "Supplementary Information" in the table of contents for the year ended June 30, 2022, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2022 financial statements. The information was subjected to the audit procedures applied in the audit of the 2022 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 GAAS. In our opinion, the 2022 other supplemental financial data is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2022.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

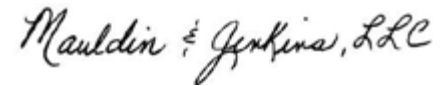
In conjunction with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we will also issue our report dated November 27, 2023, 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. That report will be issued under separate cover in the County's "Report of Independent Certified Public Accountants in Accordance with the Uniform Guidance and *Government Auditing Standards*." The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Raleigh, North Carolina  
November 27, 2023





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, 2023. 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 2023 continued to bring challenges to the County, including rapid population growth and rising costs due to inflation. Wake County is one of the fastest-growing counties in the United States, with a population that has increased by nearly 25% in the past decade per the 2020 US Census, with 62 new residents added a day. This growth has put a strain on the county's infrastructure and services. The County is also facing rising costs, including costs of employee salaries and benefits, healthcare, supplies, and construction projects. This has made it difficult to provide services without budgetary increases. Inflation reached a 40 year high in 2023, which further increased the costs faced by the County. The County continues to put major investments into affordable housing, education, health and human services and public safety to meet the needs of the citizens of Wake County.

The County continued to evaluate needs for its \$216.0 million allocation of the State and Local Fiscal Recovery Funds (SLFRF) received from the American Rescue Plan Act and has allocated nearly all funding to a variety of programs. Many programs continued into fiscal year 2023 that were started in prior fiscal years. Additional funding was allocated to extend successful programs through 2024, such as the food insecurity program and the Diversity Recruitment Initiative for the fire departments throughout the County. Major programs in fiscal year 2023 included \$4.2 million for the continued public health response, \$12.5 million on multiple housing programs that focused on housing and rental assistance, homelessness, and affordable housing and \$12.7 million on the 3-tiered retention bonus program that helped attract and retain County employees.

The Federal Emergency Rental Assistance Program continued through fiscal year 2023. The County partnered with the City of Raleigh and Telamon to provide rental assistance payments to qualified households across the County. The County's share of these rental assistance payments totaled \$16.0 million in fiscal year 2023.

### **Financial highlights for Wake County, North Carolina for the year ended June 30, 2023:**

- The County's governmental funds reported combined ending fund balances of \$1,554.6 million, compared with \$1,320.8 million at the end of the prior fiscal year.
- The combined General Fund and Debt Service Fund fund balances are measured together to assess the County's overall fiscal health. At the end of the 2023 fiscal year, the fund balances for the County's General Fund and Debt Service Fund were \$591.7 million and \$187.1 million, respectively, compared with each fund reporting fund balances of \$563.4 million and \$141.9 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 43.1% as of the end of fiscal year 2023 compared to 42.3% at the end of fiscal year 2022.



- The County adopted a resolution to establish an OPEB trust fund and contributed \$16.25 million during fiscal year 2023. The establishment of this trust fund will offset the County's OPEB liability and allow the earnings in the trust fund to be used to offset future retiree healthcare costs. The County also adopted an OPEB funding policy. This policy includes three components of funding which will contribute a minimum of \$3.0 million annually to the trust fund through the annual budget process, as well as, additional funding components based on positive annual financial performance and savings on debt refundings.
- 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 2023 was 61.95 cents, of which 18.78 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 2023, the County transferred from the General Fund the following amounts: \$334.4 million to fund debt service, \$53.6 million for Wake County Public School System capital projects, \$7.5 million for Wake Technical Community College capital projects, \$13.0 million for affordable housing capital projects, \$.2 million for grant matching requirements, and \$68.1 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 March 2023.
- In April 2023, the County issued \$302,325,000 Series 2023A General Obligation Public Improvement Bonds. These proceeds transferred to permanent debt the current drawn portion under the 2019A, 2019B, and 2021 Bond Anticipation Notes and provided additional funding to the WCPSS and WTCC capital programs.
- In April 2023, the County issued \$74,125,000 Series 2023B General Obligation Refunding Bonds. These bonds refunded the 2013A and 2013B General Obligation Bonds resulting in combined debt service savings of approximately \$7.9 million over the next nine years and a combined net present value economic gain of approximately \$5.4 million.
- In May 2023, the County issued \$58,070,000 Series 2023A Limited Obligation Bonds. These bonds transferred to permanent debt the current drawn portion under the 2021 Drawdown Installment Note.
- In May 2023, the County issued \$58,785,000 Series 2023B Limited Obligation Bonds. These proceeds will fund the new Public Health Center.

## 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, health and 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 25-27 of this report.

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

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

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

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

**Proprietary Funds** – 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.

**Fiduciary Funds** – *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Wake County has three fiduciary funds, one of which is an OPEB trust fund and two of which are 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.

### Government-Wide Financial Analysis:

**Net Position:** The County's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$1,282.1 million as of June 30, 2023. Net position is reported in three general categories: net investment in capital assets of \$433.7 million, restricted amounts totaling \$644.1 million, and an unrestricted net deficit of \$2,359.9 million.

One portion of Wake County's net position reflects its investment in capital assets (e.g., land, buildings, vehicles, leases, 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 decreased from \$592.7 million in the prior year to \$433.7 million on June 30, 2023. This decrease is mainly due to increased debt for County assets. Major asset additions include the construction of the Public Health Center and various fire stations, vehicles, 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. Additional information regarding the County's leases can be found in Note 9.

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 \$2,016,738,378, and the outstanding balance of the community college-related debt less unspent bond proceeds was \$412,385,807. 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.

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	\$ (2,016,738,378)
Community college debt	(412,385,807)
All other unrestricted	<u>69,196,029</u>
Total unrestricted net position	<u>\$ (2,359,928,156)</u>

### Wake County's Net Position in Millions of Dollars

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 1,842.3	\$ 1,654.8	\$ 76.1	\$ 69.5	\$ 1,918.4	\$ 1,724.3
Capital assets	864.2	877.6	25.7	25.5	889.9	903.1
Total assets	2,706.5	2,532.4	101.8	95.0	2,808.3	2,627.4
Deferred outflows of resources	164.3	197.5	0.9	1.0	165.2	198.5
Long-term liabilities/schools	2,144.0	2,120.8	-	-	2,144.0	2,120.8
Long-term liabilities/community colleges	441.4	369.7	-	-	441.4	369.7
Long-term liabilities/other	1,143.1	986.5	31.1	27.6	1,174.2	1,014.1
Other liabilities	292.6	335.9	5.5	5.0	298.1	340.9
Total liabilities	4,021.2	3,812.9	36.6	32.6	4,057.8	3,845.5
Deferred inflows of resources	197.8	260.3	0.1	0.6	197.9	260.9
Invested in capital assets	408.0	567.1	25.7	25.6	433.7	592.7
Restricted/various	626.8	445.0	17.3	15.5	644.1	460.5
Unrestricted	(2,382.9)	(2,355.4)	23.0	21.7	(2,359.9)	(2,333.7)
Total net position	\$ (1,348.1)	\$ (1,343.3)	\$ 66.0	\$ 62.8	\$ (1,282.1)	\$ (1,280.5)

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. The property tax collection rate is high with an overall collection percentage of 99.93%. 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.



## Changes in Net Position in Millions of Dollars

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 89.4	\$ 87.3	\$ 34.0	\$ 30.7	\$ 123.4	\$ 289.1
Operating grants and contributions	180.9	277.9	3.1	2.9	184.0	109.7
Property taxes	1,273.9	1,198.6	-	-	1,273.9	1,198.6
Sales taxes	312.0	283.9	-	-	312.0	283.9
Grants and contributions not restricted to specific programs	14.4	18.8	-	-	14.4	18.8
Other general revenues	157.3	88.4	4.1	3.3	161.4	91.7
Total revenues	2,027.9	1,955.0	41.2	36.9	2,069.1	1,991.9
Expenses:						
General government	139.1	151.6	-	-	139.1	151.6
Human services	311.6	331.6	-	-	311.6	331.6
Education	964.2	940.9	-	-	964.2	940.9
Community and environmental services	175.7	135.9	-	-	175.7	135.9
Public safety	293.8	205.9	-	-	293.8	205.9
Infrastructure	65.5	31.3	-	-	65.5	31.3
Interest on long-term debt	82.6	100.7	-	-	82.6	100.7
Solid waste	-	-	38.0	34.5	38.0	34.5
Total expenses	2,032.7	1,897.9	38.0	34.5	2,070.7	1,932.4
Increase (decrease) in net position before transfers	(4.8)	57.1	3.2	2.4	(1.6)	59.5
Change in net position	(4.8)	57.1	3.2	2.4	(1.6)	59.5
Net position (deficit), beginning of year	(1,452.0)	(1,509.1)	62.3	59.9	(1,389.7)	(1,449.2)
Prior period adjustment - change in accounting principle	108.7	-	0.5	-	109.2	-
Net position (deficit), beginning of year, as restated	(1,343.3)	(1,509.1)	62.8	59.9	(1,280.5)	(1,449.2)
Net position, end of the year	\$ (1,348.1)	\$ (1,452.0)	\$ 66.0	\$ 62.3	\$ (1,282.1)	\$ (1,389.6)

**Changes in Net Position:** Net position decreased \$4.8 million under the governmental activities while net position increased \$3.2 million under business type activities. Property and sales taxes continue to be a strong revenue source for the governmental activities coming in at \$1,273.9 million and \$312.0 million, respectively. Operating grants and contributions decreased from prior year by \$97 million due to many one-time grants related to the pandemic being complete. This would also impact the related grant expenditures which were mostly in our health and human services departments. The County continues to see growth in charges for services related to its solid waste operations under business-type activities, which contributed to most of the \$3.2 million increase. One major difference between fiscal year 2023 and 2022 is related to market conditions for our investments. The County earned a total of \$50.6 million for fiscal year 2023 compared to a \$11.9 million investment loss in fiscal year 2022.

The County established an OPEB trust fund and contributed \$16.25 million in fiscal year 2023. This resulted in a prior period adjustment for the change in accounting principle of \$108.7 million and \$.5 million in the governmental and business-type activities, respectively.

## 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, 2023, 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 2023 fiscal year, the County's total governmental funds reported combined ending fund balances of \$1,554.6 million, an increase of \$233.8 million from \$1,320.8 million for the prior fiscal year. The County's governmental fund balance increased during the fiscal year ended June 30, 2023 in large part because the County issued debt proceeds for County capital needs, which will be expended in future years. Also contributing to the fund balance increase were excess sales tax 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 2023 fiscal year, the fund balances for the County's General Fund and the Debt Service Fund were \$591.7 million and \$187.1 million, respectively, compared to fund balances of \$563.4 million and \$141.9 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 43.1% as of the end of fiscal year 2023 compared to 42.3% 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.

## Fund Balance Policy Compliance Analysis General Fund

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>
Non-spendable:			
Inventories/noncurrent receivables/prepaid expenses	\$ 1,171,948	\$ 2,583,042	\$ (1,411,094)
Restricted:			
Stabilization by State statute	128,586,068	136,809,363	(8,223,295)
Register of deeds automation	1,396,641	1,510,481	(113,840)
Committed:			
Revaluation reserve	2,228,122	2,623,228	(395,106)
LEO Separation Allowance	3,235,640	3,235,640	-
Future appropriations from excess ABC revenues	18,090,214	17,573,345	516,869
Future appropriations for behavioral health	31,506,680	18,074,181	13,432,499
Future appropriations for health and human services	680,000	-	680,000
Future insurance claims	-	1,745,744	(1,745,744)
Working capital	404,790,910	379,219,038	25,571,872
General fund balance	<u>591,686,223</u>	<u>563,374,062</u>	<u>28,312,161</u>
Subsequent Year's Adopted Budget	<u>1,864,435,000</u>	<u>1,717,521,000</u>	<u>146,914,000</u>
Fund Balance as a percentage of next year's budget (15% minimum)	<u>31.74%</u>	<u>32.80%</u>	<u>(1.07%)</u>
Working Capital	<u>404,790,910</u>	<u>379,219,038</u>	<u>25,571,872</u>
Working Capital as a percentage of next year's budget (10% minimum)	<u>21.71%</u>	<u>22.08%</u>	<u>(0.37%)</u>

### Fund Balance Policy Compliance Analysis General Fund and Debt Service

	June 30, 2023	June 30, 2022	Increase (Decrease)
General Fund Revenue, sales of assets & materials and transfers in	\$ 1,740,888,409	\$ 1,655,568,586	\$ 85,319,823
Debt Service Fund Revenue, transfers in, and premiums on bond issues	398,868,368	302,265,970	96,602,398
Combined revenue and transfers in	2,139,756,777	1,957,834,556	181,922,221
Less: General Fund transfers to Debt Service Fund	(334,421,000)	(292,221,554)	(42,199,446)
Combined General Fund and Debt Service Fund Revenue	<u>\$ 1,805,335,777</u>	<u>\$ 1,665,613,002</u>	<u>\$ 139,722,775</u>
Fund Balance			
General Fund	\$ 591,686,223	\$ 563,374,062	\$ 28,312,161
Debt Service	187,057,069	141,938,890	45,118,179
Combined Fund Balance	<u>\$ 778,743,292</u>	<u>\$ 705,312,952</u>	<u>\$ 73,430,340</u>
Fund Balance as a percentage of Current Year Revenues (30% minimum)	<u>43.1%</u>	<u>42.3%</u>	<u>0.8%</u>

At the end of fiscal year 2023, fund balance in the General fund was \$591.7 million, an increase of \$28.3 million. This increase is mainly attributed to the additional taxes received and expenditures savings throughout County departments. Additional information regarding the General fund will be covered in the General Fund Budgetary Highlights section. The Debt Service fund balance increased \$45.1 million to \$187.1 million. The Debt Service fund is funded by dedicated property and sales tax resources, which are relatively consistent from year to year; however, due to market conditions, the Debt Service fund earned \$41.3 million of interest in fiscal year 2023, compared to an \$8.2 million loss in fiscal year 2022. Debt service expenditures can fluctuate each year, so excess fund balance is planned to be strategically utilized as a funding source in those years when revenues are not expected to fully fund debt service expenditures, all while ensuring minimum fund balance levels.

**Capital Funds:** 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 \$349.8 million, an increase of \$98.0 million from the prior year in part due to the County dollars transferred from the General fund and the \$58.6 million of Limited Obligation bonds issued for the new Public Health building.

The *School Capital* fund had an increase of \$61.0 million to \$249.1 million at the end of fiscal year 2023. This increase is due to the additional general obligation debt issued in the current year which will fund future year projects as the short-term debt issued and County cash is used to pay current year expenditures. These changes were anticipated with the County's long-term capital and debt planning model.

The *Wake Community College Capital* fund had an increase of \$11.2 million to \$47.6 million at the end of fiscal year 2023. This increase is due to additional general obligation debt issued in the current year which will fund future year projects, as the short-term debt issued and County cash is used to pay current year expenditures. This change was anticipated with the County's long-term capital and debt planning model.

**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 2023 amounted to approximately \$22.9 million, an increase of \$1.7 million from the \$21.2 million reported at the end of fiscal year 2022. This increase resulted mainly from contract savings on recycling and convenience center contracts. Otherwise, the differences between the two fiscal years are minimal.

### General Fund Budgetary Highlights:

During the fiscal year ended June 30, 2023, 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 \$28.3 million during the fiscal year ended June 30, 2023, a substantial amount more than the amount of usage planned of \$64.5 million. The total of \$92.8 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 \$26.8 million more than the amounts projected in the final budget and expenditures that were \$65.7 million less than anticipated. Property taxes were \$7.1 million higher than budgeted based on actual tax billed being slightly higher than estimates and the overall collection rate achieved of 99.93% exceeding the budgeted collection rate of 99.5%. Sales taxes were \$12.7 million higher than the budgeted amount due to the continued increase in sales, inflation and a strong local economy during the fiscal year. Real property transfer taxes were lower than the budgeted amount by \$5.1 million due to slowing of the residential housing market. The slow down of the residential housing market also impacted licenses and permits as they were also \$1.1 million under budget. Charges for services were \$3.5 million dollars over budget and the biggest factor in this increase was related to increased EMS revenue collected. Call volume for EMS remained steady and Medicaid transitions to private-payor based Medicaid resulted in an increased Medicaid fee schedule. Intergovernmental revenues were \$8.5 million more than budgeted amounts due to the additional funding of \$6.5 million received from the ABC Board for excess profits. The additional revenue from the ABC Board was committed to fund balance for future County needs.

Actual expenditures were \$65.7 million less than budgeted amounts resulting from lower than projected spending by most County departments. Health & Human Services expenditures were underspent by approximately \$35.9 million, the result of savings of \$22.3 million on the behavioral health care managed contracts. These savings were committed as fund balance for future behavioral health needs. The additional \$13.5 million underspent in Health & Human Services were from savings in salaries from vacant key positions in public health and the health clinics and less money used on drugs and medical supplies as programs continued to use excess supplies purchased during the pandemic. Public

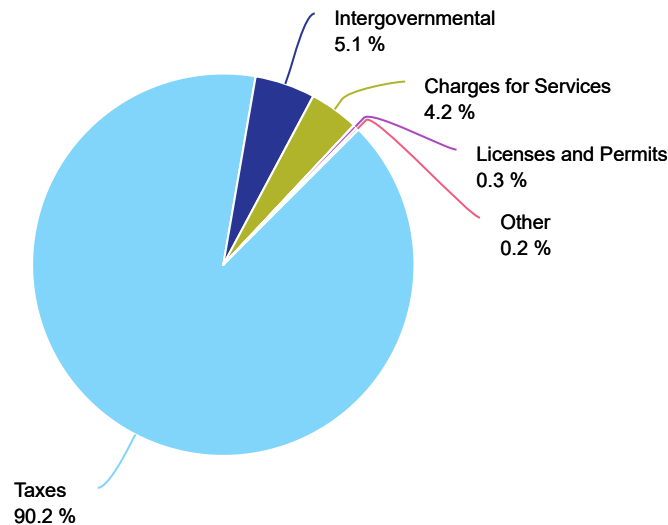


Safety expenditures were under budget by approximately \$11.0 million, primarily due to savings from vacant positions in both the Sheriff and EMS departments.

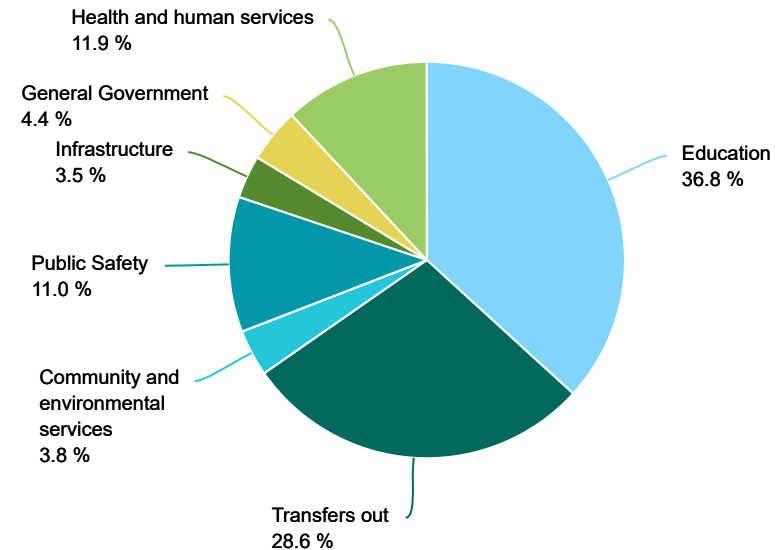
The County's general government departments' budgets were underspent by a total of \$13.1 million. Major savings in Non-Departmental, Tax Administration and Finance were due to contract savings and decreased bank fees due to better market rate conditions allowing the County to offset its fees. The County continues to have \$8.0 million dollars budgeted for the Community Engagement program, which was funded with revenue replacement from the County's ARPA allocation. Other savings in the budget were related to lapsed salaries from vacant positions.

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

**Where Does the Money Come From?**



**Where Does the Money Go?**



## Capital Asset and Debt Administration:

**Capital assets.** The County's investment in capital assets for governmental and business-type activities as of June 30, 2023, totals approximately \$889.9 million (net of amortization and depreciation).

Major capital asset additions during the 2023 fiscal year within Governmental Activities included construction of Public Health Center, various EMS stations, renovations to existing county buildings, land for the open space program and vehicles. Within the Business-type Activities, additions included the continued construction of the landfill gas system projects.

### Capital Assets (net of Amortization and Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 157,780,607	\$ 154,917,435	\$ 382,327	\$ 382,327	\$ 158,162,934	\$ 155,299,762
Landfills	-	-	3,341,229	3,786,196	3,341,229	3,786,196
Buildings	554,536,906	568,314,662	15,708,747	16,167,980	570,245,653	584,482,642
Machinery and equipment	25,107,649	30,232,549	480,266	268,996	25,587,915	30,501,545
Vehicles and motorized equipment	19,699,647	16,540,357	-	-	19,699,647	16,540,357
Improvements other than Buildings	12,077,302	12,664,562	216,615	233,956	12,293,917	12,898,518
Computer Software	2,879,999	4,671,318	-	-	2,879,999	4,671,318
Infrastructure	14,185,055	14,712,426	-	-	14,185,055	14,712,426
Intangibles	1,032,044	1,032,044	-	-	1,032,044	1,032,044
Right-to-use lease assets	42,148,431	45,467,193	-	-	42,148,431	45,467,193
Construction in progress	34,763,520	29,090,154	5,540,357	4,755,173	40,303,877	33,845,327
Total	<u>\$ 864,211,160</u>	<u>\$ 877,642,700</u>	<u>\$ 25,669,541</u>	<u>\$ 25,594,628</u>	<u>\$ 889,880,701</u>	<u>\$ 903,237,328</u>

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

**Long-term Debt:** As of June 30, 2023, the County had total general obligation bonded debt outstanding of approximately \$1.9 billion, of which \$1.5 billion and \$324.3 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 leases, limited obligation bonds and installment purchases. The County also had direct placement bond anticipation notes outstanding of \$107.8 million. These will be refinanced with permanent financing, general obligation bonds, in the future. There were \$21.5 million drawdown installment notes outstanding, as these had not been replaced with permanent financing. A summary of total outstanding debt associated with governmental activities is shown below.

**Outstanding Debt - Governmental Activities**

	2023	2022
General Obligation bonds (schools)*	\$ 1,468,430,881	\$ 1,395,861,564
General Obligation bonds (community college)*	324,269,064	254,059,301
General Obligation bonds (other)*	142,068,723	156,598,805
Limited obligation bonds*	979,409,322	903,631,077
Bond anticipation notes	36,253,724	107,773,717
Draw down installment notes	22,763,012	21,456,797
Installment purchases	-	2,278,115
Leases	43,819,021	46,343,985
Total	<u>\$ 3,017,013,747</u>	<u>\$ 2,888,003,361</u>

\*Includes premium on issuance cost.

Wake County's total debt increased \$129.0 million during the fiscal year ended June 30, 2023. This increase occurred because the County issued, among other things, \$376.5 million in general obligation debt (excluding \$52.4 million in premiums) during the fiscal year, compared to the retirement of \$267.1 million in general obligation bonds (excluding \$33.4 million in premiums). A portion of this issuance was used to pay off \$213.7 million of the direct placement bond anticipation notes and to refund \$83.7 million of tax-exempt debt. The County issued \$116.9 million of additional limited obligation debt (excluding \$16.6 million in premiums) during the fiscal year and retired \$47.9 million (excluding \$9.8 million in premiums). A portion of this issuance was used to pay off \$66.2 million of the drawdown installment notes. The County also issued \$142.2 million direct placement bond anticipation notes and \$67.5 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 10 of the Basic Financial Statements.

**Economic Factors and Next Year's Budgets and Rates:**

- The unemployment rate for Wake County was 3.1% at June 30, 2023, which is a decrease of 0.3% from the prior year rate of 3.4%.
- 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, 2023 to \$312.0 million, from \$283.9 million in the prior fiscal year, an 9.9% increase. Continued growth in the County's population and inflation were the contributing factors of the increase.

- Wake County continues to grow, with a population of 1,175,021 people at June 30, 2023. The school system had a slight decrease to the system enrollment, with a total of 158,412 enrolled for the 2022-2023 school year. Student enrollment for is still under the pre-pandemic enrollment. School enrollment is projected to be at 159,051 for the 2023-2024 school year.
- Investment market conditions in fiscal year 2023 were significantly different than in fiscal year 2022. The average yield on investments was 2.5% for the fiscal year 2023, compared to .28% for fiscal year 2022. 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 gain on all funds of \$51.9 million for the fiscal year ended June 30, 2023, on an average portfolio balance of more than \$1,471.1 million. The overall gain included realized earnings of \$42.3 million and an unrealized gain of \$9.6 million. This is a major difference compared to the overall loss of \$11.8 million in fiscal year 2022 on an average portfolio balance of more than \$1,236.33 million. The County routinely holds investments until maturity to maximize earnings.

These factors and others were considered when management prepared Wake County's budget ordinance for the 2024 fiscal year.

### **Budget Highlights for the Fiscal Year Ending June 30, 2024:**

**Governmental Activities.** The County approved an original budget of approximately \$1.87 billion for the General Fund for fiscal year 2024, compared to \$1.71 billion for the fiscal year 2023. The General Fund budget included a property tax rate of 65.70 cents per \$100 of property valuation which is an increase from the 61.95 in fiscal year 2023. This projected budget includes a growth in the tax base of 2.9%. Sales tax revenues are projected to increase by 5.0% over the FY23 amended budget. On the expenditure side, much of the \$157.9 million of budget increases went to education, housing affordability, child welfare, and debt and capital expenditures. The County increased General Fund operating support for WCPSS by \$50.0 million to \$644.3 million. The County continued to focus on its employees by adding an additional 71.75 positions and approving a merit increase for all employees of 2% - 6.5%. The County hopes to continue to reduce staff turnover and attract top talent during fiscal year 2024.

### **Requests for Information:**

This report is designed to provide a general overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Chief Financial Officer, Wake County, North Carolina, 301 S. McDowell Street, Raleigh, NC 27601. Additional information concerning Wake County can also be obtained by referring to the County's website at <https://www.wake.gov>. 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

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR END JUNE 30, 2023

# Statement of Net Position

## As of June 30, 2023

**ASSETS**

	Governmental Activities	Primary Government Business-type Activities	Total	Component Unit Board of Alcoholic Control
Cash and investments - pooled equity	\$ 1,173,522,825	\$ 42,220,688	\$ 1,215,743,513	\$ -
Cash and investments - reserved	133,965,929	26,950,793	160,916,722	-
Cash and investments - cash equivalents	1,116,738	900	1,117,638	43,227,110
Taxes receivable (net)	89,002,299	121,544	89,123,843	-
Accounts receivable (net)	28,603,177	5,540,102	34,143,279	-
Intergovernmental receivable (net)	51,959,168	742,989	52,702,157	-
Accrued interest receivable	9,368,257	494,070	9,862,327	-
Loans receivable (net)	52,526,686	-	52,526,686	-
Special assessments	413,804	-	413,804	-
Prepaid items	2,791,463	1,400	2,792,863	745,216
Inventories	653,994	-	653,994	27,812,871
Restricted assets:				
Restricted cash equivalents	296,888,722	-	296,888,722	-
Net pension asset:				
ROD Supplemental Pension	1,454,905	-	1,454,905	-
Capital assets not being depreciated:				
Land	157,780,607	382,327	158,162,934	12,364,877
Construction in progress	34,763,520	5,540,357	40,303,877	-
Intangibles	1,032,044	-	1,032,044	-
Capital assets (net of accumulated depreciation/amortization)				
Landfills	-	3,341,229	3,341,229	-
Buildings	554,536,906	15,708,747	570,245,653	12,580,839
Improvements	12,077,302	216,616	12,293,918	1,244,781
Machinery and equipment	25,107,649	480,266	25,587,915	1,433,507
Vehicles and motorized equipment	19,699,648	-	19,699,648	340,003
Computer software	2,879,999	-	2,879,999	-
Infrastructure	14,185,055	-	14,185,055	-
Right-to-use lease assets	42,148,431	-	42,148,431	6,218,301
Total assets	2,706,479,128	101,742,028	2,808,221,156	105,967,505

**DEFERRED OUTFLOWS OF RESOURCES**

LGRS pension	135,670,743	770,750	136,441,493	4,904,173
ROD supplemental pension	913,048	-	913,048	-
LEO separation allowance	7,428,623	-	7,428,623	174,835
Other post employment benefit	20,327,523	86,524	20,414,047	3,188,228
Total deferred outflows of resources	164,339,937	857,274	165,197,211	8,267,236

**LIABILITIES**

Accounts payable and accrued liabilities	96,962,716	3,516,405	100,479,121	23,860,907
Due to other governmental units	161,706,206	1,948,120	163,654,326	-
Unearned revenues	1,000,000	-	1,000,000	-
Accrued interest payable	32,848,528	-	32,848,528	-



**Statement of Net Position (continued)**  
**As of June 30, 2023**

	Governmental Activities	Primary Government Business-type Activities	Total	Component Unit Board of Alcoholic Control
<b>LIABILITIES, continued</b>				
Long term liabilities:				
Amounts due within one year:				
Leases	2,935,484	-	2,935,484	-
General obligation bonds - schools	161,548,508	-	161,548,508	-
General obligation bonds - community college	21,896,562	-	21,896,562	-
General obligation bonds - other	12,094,930	-	12,094,930	-
Limited obligation bonds	54,340,000	-	54,340,000	-
Compensated absences payable	16,561,000	108,000	16,669,000	-
Closure/post closure costs	-	4,205,878	4,205,878	-
Risk management liabilities	2,841,211	-	2,841,211	-
Amounts due beyond one year:				
Total pension liability - LEOSSA	24,699,018	-	24,699,018	871,049
Net pension liability - LGERS	201,628,890	1,088,491	202,717,381	6,797,357
Net OPEB liability	448,662,119	1,909,751	450,571,870	10,396,332
Noncurrent leases	40,883,537	-	40,883,537	5,659,232
Noncurrent bond anticipation notes	36,253,724	-	36,253,724	-
Noncurrent drawdown installment purchase	22,763,012	-	22,763,012	-
General obligation bonds - schools	1,306,882,373	-	1,306,882,373	-
General obligation bonds - community college	302,372,502	-	302,372,502	-
General obligation bonds - other	129,973,793	-	129,973,793	-
Limited obligation bonds	925,069,322	-	925,069,322	-
Compensated absences payable	8,330,067	54,799	8,384,866	-
Construction reserves	-	999,900	999,900	-
Closure/post closure costs	-	22,744,915	22,744,915	-
Risk management liabilities	8,853,619	4,716	8,858,335	-
Total liabilities	4,021,107,121	36,580,975	4,057,688,096	47,584,877
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Prepaid taxes and deposits	2,550,322	600	2,550,922	-
LGERS Pension	2,621,403	14,498	2,635,901	28,716
ROD Supplemental Pension	38,012	-	38,012	-
LEO Separation Allowance	5,524,418	-	5,524,418	187,270
Other post employment benefit	8,111,188	34,525	8,145,713	2,997,430
Unamortized gains on debt refundings	178,972,252	-	178,972,252	-
Total deferred inflows of resources	197,817,595	49,623	197,867,218	3,213,416
<b>NET POSITION</b>				
Net investment in capital assets	407,952,916	25,669,542	433,622,458	27,734,603
Restricted for:				
Stabilization by state statute	618,541,910	6,348,769	624,890,679	-
Register of deeds automation	1,396,641	-	1,396,641	-
Individuals, organizations, and other governments	653,217	-	653,217	-
Unexpended settlement funds	4,734,028	-	4,734,028	-
White goods	-	6,099,034	6,099,034	-
Net pension asset	1,454,905	-	1,454,905	6,578,982
Planned expenses	-	4,940,248	4,940,248	-
Unrestricted (See Note 1.P)	(2,382,839,268)	22,911,111	(2,359,928,157)	29,122,863
Total net position (deficit)	\$ (1,348,105,651)	\$ 65,968,704	\$ (1,282,136,947)	\$ 63,436,448

## Statement of Activities

For the Year Ended June 30, 2023

	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	
<b>FUNCTIONS/PROGRAMS</b>							
<b>Primary Government:</b>							
Governmental activities:							
General government	\$ 139,068,553	\$ 8,803,071	\$ 1,943,250	\$ (128,322,232)	\$ -	\$ (128,322,232)	\$ -
Health and human services	311,638,739	21,642,372	161,106,254	(128,890,113)	-	(128,890,113)	-
Education	964,228,577	2,457,247	11,735,413	(950,035,917)	-	(950,035,917)	-
Community and environmental services	175,745,223	8,294,140	2,858,954	(164,592,129)	-	(164,592,129)	-
Public safety	293,833,366	45,936,786	3,229,894	(244,666,686)	-	(244,666,686)	-
Infrastructure	65,519,220	2,289,966	10,000	(63,219,254)	-	(63,219,254)	-
Interest on long-term debt	82,652,924	-	-	(82,652,924)	-	(82,652,924)	-
Total governmental activities	2,032,686,602	89,423,582	180,883,765	(1,762,379,255)	-	(1,762,379,255)	-
Business-type activities:							
Solid waste	38,041,159	33,990,481	3,128,482		(922,196)	(922,196)	-
Total primary government	\$ 2,070,727,761	\$ 123,414,063	\$ 184,012,247	(1,762,379,255)	(922,196)	(1,763,301,451)	-
<b>Component unit:</b>							
Board of Alcoholic Control	\$ 217,672,593	\$ 224,145,954	\$ -				\$ 6,473,361
Property taxes				1,273,901,391	-	1,273,901,391	-
Sales taxes				311,964,166	-	311,964,166	-
Occupancy and prepared food taxes				80,017,288	-	80,017,288	-
Other taxes				20,713,897	-	20,713,897	-
Grants and contributions not restricted to specific programs				14,396,641	-	14,396,641	-
Unrestricted investment earnings				48,535,846	2,054,764	50,590,610	218,583
Gain on sale of capital assets				4,630,038	-	4,630,038	-
Other				3,401,230	2,061,030	5,462,260	(94,056)
Total general revenues				1,757,560,497	4,115,794	1,761,676,291	124,527
Total general revenues and transfers				1,757,560,497	4,115,794	1,761,676,291	124,527
Change in net position				(4,818,758)	3,193,598	(1,625,160)	6,597,888
Net position (deficit), beginning of year				(1,452,024,139)	62,312,261	(1,389,711,878)	56,838,560
Prior period adjustment - change in accounting principle				\$ 108,737,246	\$ 462,845	\$ 109,200,091	\$ -
Net position (deficit), beginning of year, as restated				\$ (1,343,286,893)	\$ 62,775,106	\$ (1,280,511,787)	\$ -
Net position (deficit), end of year				\$ (1,348,105,651)	\$ 65,968,704	\$ (1,282,136,947)	\$ 63,436,448

## Balance Sheet Governmental Funds

As of June 30, 2023

	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	\$ 527,312,497	\$ 1,824,490	\$ -	\$ -	\$ 22,232,665	\$ 164,500,429	\$ 234,176,618	\$ 124,235,987	\$ 19,320,621	\$ 62,253,916	\$ 1,155,857,223
Cash and investments - cash equivalents	1,116,438	-	-	-	300	-	-	-	-	-	1,116,738
Cash and investments - restricted	6,860,403	-	-	127,105,526	-	9,212,960	131,326,579	127,291,716	29,057,467	4,699,571	435,554,222
Taxes receivable (net)	74,713,597	-	-	-	7,020,932	-	461,350	6,648,437	-	157,984	89,002,300
Accounts receivable (net)	13,472,230	-	-	-	-	-	25,270	1,231,422	8,616,394	434,784	23,780,100
Intergovernmental receivable (net)	29,743,601	8,173,457	-	-	-	6,818,938	759,423	-	-	11,256,139	56,751,558
Special assessments	-	-	-	-	-	-	413,804	-	-	-	413,804
Loans receivable (net)	-	44,699,983	3,648,450	4,178,252	-	-	-	-	-	-	52,526,685
Internal balances (due from other funds)	6,068,713	-	-	-	-	-	-	-	-	-	6,068,713
Prepaid expenditures	546,614	171,187	-	-	-	135,202	-	-	-	20,461	873,464
Inventories	597,547	-	-	-	-	-	-	-	-	-	597,547
Accrued interest receivable	39,431	688	-	907,981	161,512	7,903,948	-	38,131	-	262,490	9,314,181
Total assets	<u>\$ 660,471,071</u>	<u>\$ 54,869,805</u>	<u>\$ 3,648,450</u>	<u>\$ 132,191,759</u>	<u>\$ 29,415,409</u>	<u>\$ 188,571,477</u>	<u>\$ 367,163,044</u>	<u>\$ 259,445,693</u>	<u>\$ 56,994,482</u>	<u>\$ 79,085,345</u>	<u>\$ 1,831,856,535</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES											
Liabilities:											
Accounts payable and accrued liabilities	\$ 51,924,177	\$ 311,475	\$ -	\$ 1,433,657	\$ 20,015,108	\$ 1,514,408	\$ 16,372,893	\$ -	\$ -	\$ 4,433,258	\$ 96,004,976
Due to other governmental units	3,045,199	5,503,232	3,648,450	128,278,927	1,238	-	320	10,367,250	9,360,352	7,494	160,212,462
Internal balances (due to other funds)	-	-	-	-	-	-	-	-	-	6,068,713	6,068,713
Total liabilities	<u>54,969,376</u>	<u>5,814,707</u>	<u>3,648,450</u>	<u>129,712,584</u>	<u>20,016,346</u>	<u>1,514,408</u>	<u>16,373,213</u>	<u>10,367,250</u>	<u>9,360,352</u>	<u>10,509,465</u>	<u>262,286,151</u>
DEFERRED INFLOWS OF RESOURCES	13,815,472	-	-	-	-	-	1,000,000	-	-	145,570	14,961,042

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

(Continued)

# Balance Sheet Governmental Funds (continued)

As of June 30, 2023

	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	\$ 597,547	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	597,547
Prepaid expenditures	546,614	171,187	-	-	-	135,202	-	-	-	20,461	873,464
Noncurrent receivable	27,787	44,699,983	-	2,479,175	-	-	-	-	-	-	47,206,945
Restricted:											
Stabilization by state statute	128,586,068	4,183,928	-	-	7,182,444	14,722,886	139,330,752	249,078,443	8,616,394	14,739,393	566,440,308
Individuals, organizations, and other governments	-	-	-	-	-	-	-	-	-	653,217	653,217
Unexpended settlement funds	-	-	-	-	-	-	-	-	-	4,699,571	4,699,571
Register of deeds automation	1,396,641	-	-	-	-	-	-	-	-	-	1,396,641
Committed:											
Revaluation reserve	2,228,122	-	-	-	-	-	-	-	-	-	2,228,122
LEO Separation Allowance	3,235,640	-	-	-	-	-	-	-	-	-	3,235,640
Future appropriations from excess ABC revenues	18,090,214	-	-	-	-	-	-	-	-	-	18,090,214
Future appropriations for behavioral heath	31,506,680	-	-	-	-	-	-	-	-	-	31,506,680
Future appropriations health and human services	680,000	-	-	-	-	-	-	-	-	-	680,000
Working capital	404,790,910	-	-	-	-	-	-	-	-	5,641,413	410,432,323
Assigned:											
Planned expenditures	-	-	-	-	2,216,619	-	194,087,623	-	21,717,085	17,659,430	235,680,757
Future capital projects	-	-	-	-	-	-	16,371,456	-	17,300,651	25,017,437	58,689,544
Debt service	-	-	-	-	-	172,198,981	-	-	-	-	172,198,981
Unassigned	-	-	-	-	-	-	-	-	-	(612)	(612)
Total fund balances	591,686,223	49,055,098	-	2,479,175	9,399,063	187,057,069	349,789,831	249,078,443	47,634,130	68,430,310	1,554,609,342
Total liabilities, deferred inflows of resources, and fund balances	\$ 660,471,071	\$ 54,869,805	\$ 3,648,450	\$ 132,191,759	\$ 29,415,409	\$ 188,571,477	\$ 367,163,044	\$ 259,445,693	\$ 56,994,482	\$ 79,085,345	\$ 1,831,856,535

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

**Reconciliation of the Balance Sheet to the Statement of Net Position****As of June 30, 2023**

Fund balances - governmental funds	\$ 1,554,609,342
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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	809,186,952
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Right-to-use lease assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Right-to-use lease assets at historical cost	49,197,422
Accumulated Amortization	(7,048,991)

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	11,411,415
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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	1,454,905
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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	38,839,291
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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.	(3,934,859,170)
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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	108,615,693
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Internal service funds is used by management to charge the costs of fleet and health and dental insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	<u>20,487,490</u>
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Net position of governmental activities	<u><u>\$ (1,348,105,651)</u></u>
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The notes to the financial statements are an integral part of this statement

## Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Fund

For the Year Ended June 30, 2023

	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	\$1,571,659,072	\$ -	\$ -	\$ -	\$ 80,017,288	\$ -	\$ -	\$ -	\$ -	\$ 35,575,652	\$ 1,687,252,012	
Intergovernmental	88,231,409	28,971,918	-	35,289,244	-	11,735,413	2,611,230	-	-	28,441,191	195,280,405	
Charges for services	72,453,319	623,263	-	-	-	4,252	4,456,198	-	-	3,586,023	81,123,055	
Fines and forfeitures	-	-	-	-	-	-	-	-	-	5,193,290	5,193,290	
Licenses and permits	5,448,058	-	-	-	-	-	-	-	-	-	5,448,058	
Investment earnings (losses)	311,366	(1,260)	-	4,834,703	601,100	41,331,831	-	202,199	-	868,310	48,148,249	
Miscellaneous	395,649	8,222	-	-	-	24,174	200,700	63	3,603,815	19,902	4,252,525	
Total Revenues	<u>1,738,498,873</u>	<u>29,602,143</u>	<u>-</u>	<u>40,123,947</u>	<u>80,618,388</u>	<u>53,095,670</u>	<u>7,268,128</u>	<u>202,262</u>	<u>3,603,815</u>	<u>73,684,368</u>	<u>2,026,697,594</u>	
<b>EXPENDITURES:</b>												
Current:												
General government	75,603,212	-	220,675	42,049,462	-	2,459,393	31,195,158	-	-	623,363	152,151,263	
Health and human services	203,428,864	12,289,706	-	-	-	-	-	-	-	44,268,600	259,987,170	
Education	628,388,458	-	-	-	-	-	-	217,880,206	114,612,185	2,480,920	963,361,769	
Community and environmental services	64,531,673	-	-	-	73,292,186	-	23,192,327	-	-	1,063,578	162,079,764	
Environmental services	-	-	-	-	-	-	-	-	-	-	-	
Public safety	188,378,541	-	-	-	-	-	20,483,849	-	-	38,975,400	247,837,790	
Infrastructure	60,429,576	-	-	-	-	-	-	-	-	8,000	60,437,576	
Debt service:												
Principal	2,547,343	-	-	-	-	317,258,115	-	-	-	-	319,805,458	
Interest	5,125	-	-	-	-	107,183,831	-	-	-	1,429	107,190,385	
Total Expenditures	<u>1,223,312,792</u>	<u>12,289,706</u>	<u>220,675</u>	<u>42,049,462</u>	<u>73,292,186</u>	<u>426,901,339</u>	<u>74,871,334</u>	<u>217,880,206</u>	<u>114,612,185</u>	<u>87,421,290</u>	<u>2,272,851,175</u>	
REVENUES OVER (UNDER) EXPENDITURES	<u>515,186,081</u>	<u>17,312,437</u>	<u>(220,675)</u>	<u>(1,925,515)</u>	<u>7,326,202</u>	<u>(373,805,669)</u>	<u>(67,603,206)</u>	<u>(217,677,944)</u>	<u>(111,008,370)</u>	<u>(13,736,922)</u>	<u>(246,153,581)</u>	

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

(Continued)

# Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Fund (continued)

For the Year Ended June 30, 2023

	Major Funds									Total Nonmajor Funds	Total Governmental 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		
<b>OTHER FINANCING SOURCES (USES):</b>											
Transfers in	2,335,944	-	-	-	-	336,168,533	98,574,497	53,648,000	7,500,000	17,861,966	516,088,940
Transfers out	(489,544,710)	-	-	-	(4,400,000)	(1,662,000)	-	(935,944)	-	(32,193,030)	(528,735,684)
Bonds issued	-	-	-	-	-	-	-	237,227,284	65,076,743	-	302,304,027
Refunding bonds issued	-	-	-	-	-	74,504,180	-	-	-	-	74,504,180
Bond anticipation notes issued	-	-	-	-	-	-	-	59,059,564	83,097,487	-	142,157,051
Refunding of bond anticipation notes	-	-	-	-	-	-	-	(137,444,820)	(76,231,988)	-	(213,676,808)
Drawdown installment notes issued	-	-	-	-	-	-	-	67,489,340	-	-	67,489,340
Refunding of drawdown installment notes	-	-	-	-	-	-	-	(66,183,126)	-	-	(66,183,126)
Limited obligation bonds issued	-	-	-	-	-	308,970	58,630,486	57,557,274	-	-	116,496,730
Premiums on issuance	-	-	-	-	-	9,604,165	8,369,514	8,267,582	42,746,818	-	68,988,079
Lease proceeds	281,255	-	-	-	-	-	-	-	-	-	281,255
Sale of assets and materials	53,591	-	-	-	-	-	9,275	-	-	154,176	217,042
<b>Total Other Financing Sources (Uses)</b>	<b>(486,873,920)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,400,000)</b>	<b>418,923,848</b>	<b>165,583,772</b>	<b>278,685,154</b>	<b>122,189,060</b>	<b>(14,176,888)</b>	<b>479,931,026</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>28,312,161</b>	<b>17,312,437</b>	<b>(220,675)</b>	<b>(1,925,515)</b>	<b>2,926,202</b>	<b>45,118,179</b>	<b>97,980,566</b>	<b>61,007,210</b>	<b>11,180,690</b>	<b>(27,913,810)</b>	<b>233,777,445</b>
<b>Fund Balances at beginning of year</b>	<b>563,374,062</b>	<b>31,742,661</b>	<b>220,675</b>	<b>4,404,690</b>	<b>6,472,861</b>	<b>141,938,890</b>	<b>251,809,265</b>	<b>188,071,233</b>	<b>36,453,440</b>	<b>96,344,120</b>	<b>1,320,831,897</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 591,686,223</b>	<b>\$ 49,055,098</b>	<b>\$ -</b>	<b>\$ 2,479,175</b>	<b>\$ 9,399,063</b>	<b>\$ 187,057,069</b>	<b>\$ 349,789,831</b>	<b>\$ 249,078,443</b>	<b>\$ 47,634,130</b>	<b>\$ 68,430,310</b>	<b>\$ 1,554,609,342</b>

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



## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances

### of Governmental Funds to the Statement of Activities

#### For the Year Ended June 30, 2023

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

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 233,777,445</b>
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.	19,272,412
Right-to-use lease asset capital outlay expenditures which were capitalized.	283,859
Amortization expense for leases	(3,596,822)
Depreciation expense for the fiscal year being reported, less depreciation in Corporate Fleet Fund	(32,512,151)
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.	(151,232,322)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(315,926)
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.	(110,936,717)
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	38,841,212
An internal service fund is used by management to charge the costs of the County's fleet of vehicles to individual funds. The net revenue of the internal service fund is reported within the governmental activities.	1,600,252
<b>Change in net position of governmental activities</b>	<b>\$ (4,818,758)</b>

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

**General Fund****Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual****For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 1,551,509,099	\$ 1,555,977,099	\$ 1,571,659,072	\$ 15,681,973
Intergovernmental	79,201,696	79,774,500	88,231,409	8,456,909
Charges for services	68,674,028	68,966,342	72,453,319	3,486,977
Licenses and permits	6,593,901	6,593,901	5,448,058	(1,145,843)
Investment earnings (losses)	200	200	311,366	311,166
Miscellaneous	358,132	364,732	395,649	30,917
Total Revenues	<u>1,706,337,056</u>	<u>1,711,676,774</u>	<u>1,738,498,873</u>	<u>26,822,099</u>
<b>EXPENDITURES:</b>				
Current:				
General government	61,118,358	88,995,908	75,881,541	13,114,367
Health and human services	237,431,953	240,382,821	204,495,506	35,887,315
Education	628,908,804	628,908,804	628,388,458	520,346
Community and environmental services	67,565,803	67,710,749	65,186,939	2,523,810
Public safety	199,349,497	199,923,487	188,931,902	10,991,585
Infrastructure	61,715,619	63,092,092	60,428,446	2,663,646
Total Expenditures	<u>1,256,090,034</u>	<u>1,289,013,861</u>	<u>1,223,312,792</u>	<u>65,701,069</u>
REVENUES OVER EXPENDITURES	<u>450,247,022</u>	<u>422,662,913</u>	<u>515,186,081</u>	<u>92,523,168</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	2,335,944	2,335,944	2,335,944	-
Transfers out	(460,430,966)	(489,544,710)	(489,544,710)	-
Lease proceeds	-	-	281,255	281,255
Sale of assets and materials	30,000	30,000	53,591	23,591
Total Other Financing Sources (Uses)	<u>(458,065,022)</u>	<u>(487,178,766)</u>	<u>(486,873,920)</u>	<u>304,846</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(7,818,000)</u>	<u>(64,515,853)</u>	<u>28,312,161</u>	<u>92,828,014</u>
APPROPRIATED FUND BALANCE	<u>7,818,000</u>	<u>64,515,853</u>	<u>-</u>	<u>(64,515,853)</u>
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ -</u>	<u>28,312,161</u>	<u>\$ 28,312,161</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>563,374,062</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 591,686,223</u>	

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

**Major Facilities Fund**  
**Statement of Revenues, Expenditures and Changes in Appropriated Fund Balance -**  
**Budget and Actual**

**For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Occupancy tax	\$ 29,068,000	\$ 39,068,000	\$ 36,528,571	\$ (2,539,429)
Prepared food tax	37,485,000	45,485,000	43,488,717	(1,996,283)
Investment earnings (losses)	-	-	601,100	601,100
Total Revenues	66,553,000	84,553,000	80,618,388	(3,934,612)
EXPENDITURES:				
Raleigh hold harmless - occupancy	680,000	680,000	680,000	-
Cary hold harmless - occupancy	1,421,000	1,921,000	1,793,929	127,071
Greater Raleigh Convention and Visitors Bureau	7,352,000	9,852,000	9,216,893	635,107
Centennial Authority operations 7%	3,947,000	4,997,000	4,732,453	264,547
Raleigh annual distribution - \$1M	1,000,000	1,000,000	1,000,000	-
Convention Center	32,635,000	44,493,000	41,508,911	2,984,089
PNC Arena	9,000,000	9,000,000	9,000,000	-
Cary sports venue	3,000,000	3,000,000	3,000,000	-
Cary Indoor Sports Facilities	2,360,000	2,360,000	2,360,000	-
Unallocated	758,000	2,850,000	-	2,850,000
Total Expenditures	62,153,000	80,153,000	73,292,186	6,860,814
REVENUES OVER EXPENDITURES	4,400,000	4,400,000	7,326,202	2,926,202
OTHER FINANCING SOURCES (USES):				
Transfers out to General Fund	(4,400,000)	(4,400,000)	(4,400,000)	-
Total Other Financing Sources (Uses)	(4,400,000)	(4,400,000)	(4,400,000)	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ -	2,926,202	\$ 2,926,202
FUND BALANCE AT BEGINNING OF YEAR			6,472,861	
FUND BALANCE AT END OF YEAR			\$ 9,399,063	

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

# Statement of Net Position Proprietary Funds

As of June 30, 2023

	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	Health and Dental Fund
<b>ASSETS</b>					
Current assets:					
Cash and investments - pooled equity	\$ 39,838,043	\$ 2,382,645	\$ 42,220,688	\$ 9,814,648	\$ 3,151,384
Cash and investments - reserved	8,432,561	18,518,232	26,950,793	-	-
Cash and investments - cash equivalents	-	900	900	-	-
Taxes receivable (net)	121,544	-	121,544	-	-
Accounts receivable (net)	201,633	3,533,198	3,734,831	4,751	25,935
Intergovernmental receivable (net)	742,989	-	742,989	-	-
Loan receivable	1,805,271	-	1,805,271	-	-
Internal balance (due from other funds)	434,537	152,889	587,426	-	-
Prepaid expenses	1,400	-	1,400	-	1,918,000
Inventories	-	-	-	56,448	-
Accrued interest receivable	348,559	145,510	494,069	71,391	22,184
Total current assets	51,926,537	24,733,374	76,659,911	9,947,238	5,117,503
Noncurrent assets:					
Capital assets not being depreciated:					
Land	382,327	-	382,327	-	-
Construction in progress	5,540,357	-	5,540,357	-	-
Capital assets (net of accumulated depreciation):					
Landfills	3,341,229	-	3,341,229	-	-
Buildings	15,708,747	-	15,708,747	-	-
Machinery and equipment	480,267	-	480,267	91,699	-
Vehicles	-	-	-	12,784,077	-
Improvements	216,616	-	216,616	-	-
Total non-current assets	25,669,543	-	25,669,543	12,875,776	-
Total assets	77,596,080	24,733,374	102,329,454	22,823,014	5,117,503
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	706,681	150,593	857,274	636,730	-

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

(Continued)

# Statement of Net Position Proprietary Funds (continued)

As of June 30, 2023

	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	Health and Dental Fund
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 1,964,919	\$ 1,551,486	\$ 3,516,405	\$ 977,664	\$ 1,579,602
Due to other governmental units	-	1,948,120	1,948,120	-	-
Internal balances (due to other funds)	152,889	434,537	587,426	-	-
Compensated absences	92,000	16,000	108,000	61,000	-
Closure/postclosure care costs	785,524	3,420,354	4,205,878	-	-
Risk management liabilities	3,537	1,179	4,716	5,969	2,526,675
Total current liabilities	2,998,869	7,371,676	10,370,545	1,044,633	4,106,277
Noncurrent liabilities:					
Net pension liability - LGERS	922,452	166,039	1,088,491	829,250	-
Net OPEB Liability	1,432,313	477,438	1,909,751	2,005,239	-
Compensated absences	51,850	2,949	54,799	57,214	-
Construction reserves	-	999,900	999,900	-	-
Closure/postclosure care costs	7,647,037	15,097,878	22,744,915	-	-
Total noncurrent liabilities	10,053,652	16,744,204	26,797,856	2,891,703	-
Total liabilities	13,052,521	24,115,880	37,168,401	3,936,336	4,106,277
<b>DEFERRED INFLOWS OF RESOURCES</b>	38,619	11,004	49,623	46,796	348
<b>NET POSITION</b>					
Net investment in capital assets	25,669,543	-	25,669,543	12,875,776	-
Restricted:					
Stabilization by state statue	5,591,686	757,083	6,348,769	4,922,445	70,771
White goods	6,099,034	-	6,099,034	-	-
Planned expenses	4,940,248	-	4,940,248	1,678,391	940,107
Unrestricted	22,911,110	-	22,911,110	-	-
Total net position	\$ 65,211,621	\$ 757,083	\$ 65,968,704	\$ 19,476,612	\$ 1,010,878

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

## Statement of Revenues, Expenses, and Changes in Fund Net Position Proprietary Funds

For the Year Ended June 30, 2023

	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	Health and Dental Fund
OPERATING REVENUES:					
Intergovernmental					
Licenses and permits	\$ 10,500	\$ -	\$ 10,500	\$ -	\$ -
Charges for services	9,668,841	24,311,118	33,979,959	12,032,755	56,788,219
Miscellaneous	2,040,345	20,686	2,061,031	2,224	-
Total Operating Revenues	11,719,686	24,331,804	36,051,490	12,034,979	56,788,219
OPERATING EXPENSES:					
Cost of service	12,883,806	17,175,184	30,058,990	6,346,610	68,384,431
Administration	3,163,851	871,587	4,035,438	2,565,353	5,771
Partner rebates	-	2,897,946	2,897,946	-	-
Depreciation and amortization	1,048,785	-	1,048,785	3,827,879	-
Total Operating Expenses	17,096,442	20,944,717	38,041,159	12,739,842	68,390,202
OPERATING INCOME (LOSS)	(5,376,756)	3,387,087	(1,989,669)	(704,863)	(11,601,983)
NON-OPERATING REVENUES:					
Intergovernmental	3,128,482	-	3,128,482	-	-
Investment earnings (losses)	1,540,726	514,049	2,054,775	421,480	(33,883)
Sale of assets and materials	-	-	-	872,757	-
Total Non-Operating Revenues (Expenses), net	4,669,208	514,049	5,183,257	1,294,237	(33,883)
INCOME BEFORE TRANSFERS	(707,548)	3,901,136	3,193,588	589,374	(11,635,866)
TRANSFERS:					
Transfers in	3,892,742	-	3,892,742	-	12,646,744
Transfers out	-	(3,892,742)	(3,892,742)	-	-
Total Transfers	3,892,742	(3,892,742)	-	-	12,646,744
CHANGE IN NET POSITION	3,185,194	8,394	3,193,588	589,374	1,010,878
TOTAL NET POSITION, BEGINNING OF YEAR	61,679,293	632,968	62,312,261	18,401,251	-
PRIOR PERIOD ADJUSTMENT - CHANGE IN ACCOUNTING PRINCIPLE	347,134	115,721	462,855	485,987	-
NET POSITION - BEGINNING OF YEAR, AS RESTATED	\$ 62,026,427	\$ 748,689	\$ 62,775,116	\$ 18,887,238	\$ -
TOTAL NET POSITION, END OF YEAR	\$ 65,211,621	\$ 757,083	\$ 65,968,704	\$ 19,476,612	\$ 1,010,878

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

# Statement of Cash Flows Proprietary Funds

For the Year Ended June 30, 2023

	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	Health and Dental Fund
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 9,760,608	\$ 23,400,282	\$ 33,160,890	\$ 12,044,808	\$ 56,762,632
Cash payments to suppliers for goods and services	(13,094,452)	(17,779,829)	(30,874,281)	(6,969,201)	(66,201,925)
Cash payments to employees for services	(1,949,981)	(416,952)	(2,366,933)	(1,339,667)	-
Cash received from other operating revenues	2,050,845	20,686	2,071,531	2,224	-
Net cash provided (used) by operating activities	(3,232,980)	5,224,187	1,991,207	3,738,164	(9,439,293)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Intergovernmental revenue	3,094,351	-	3,094,351	-	-
Transfers in	3,892,742	-	3,892,742	-	12,646,744
Transfers out	-	(3,892,742)	(3,892,742)	-	-
Net cash provided (used) by noncapital financing activities	6,987,093	(3,892,742)	3,094,351	-	12,646,744
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(1,123,699)	-	(1,123,699)	(6,993,514)	-
Proceeds from sale of assets and materials	-	-	-	917,230	-
Net cash used by capital and related financing activities	(1,123,699)	-	(1,123,699)	(6,076,284)	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received on investments	1,158,230	353,470	1,511,700	344,131	(56,067)
Net cash provided by investing activities	1,158,230	353,470	1,511,700	344,131	(56,067)
Net increase (decrease) in cash and cash equivalents	\$ 3,788,644	\$ 1,684,915	\$ 5,473,559	\$ (1,993,989)	\$ 3,151,384
Cash and cash equivalents at beginning of year	44,481,960	19,216,862	63,698,822	11,808,637	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 48,270,604	\$ 20,901,777	\$ 69,172,381	\$ 9,814,648	\$ 3,151,384

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

(Continued)



# Statement of Cash Flows Proprietary Funds (continued)

For the Year Ended June 30, 2023

	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	Health and Dental Fund
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ (5,376,756)	\$ 3,387,087	\$ (1,989,669)	\$ (704,863)	\$ (11,601,983)
Adjustments to reconcile operating income/loss to net cash provided (used) by operating activities:					
Depreciation and amortization	1,048,785	-	1,048,785	3,827,879	-
Increase/(decrease) in accounts receivable, taxes receivable, interest receivable and intergovernmental receivables	91,767	(910,836)	(819,069)	12,053	(25,935)
Increase in inventories and prepaids	-	-	-	(4,149)	(1,918,000)
Decrease in deferred outflows of resources	79,300	59,630	138,930	144,300	-
Increase in accounts payable, accrued liabilities and due to other governmental units	379,525	274,490	654,015	159,834	1,579,602
Increase in noncurrent liabilities	966,174	2,515,284	3,481,458	629,955	2,526,675
Decrease in deferred inflows of resources	(421,775)	(101,468)	(523,243)	(326,845)	348
Total adjustments	2,143,776	1,837,100	3,980,876	4,443,027	2,162,690
Net cash provided (used) by operating activities	\$ (3,232,980)	\$ 5,224,187	\$ 1,991,207	\$ 3,738,164	\$ (9,439,293)

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

## Statement of Fiduciary Net Position Fiduciary Funds

As of June 30, 2023

	<u>Custodial Funds</u>	<u>OPEB Trust Fund</u>
<b>Assets</b>		
Cash and investments - pooled equity	\$ 621,829	\$ 17,472,236
Accounts receivable (net)	<u>6,128,937</u>	<u>-</u>
Total assets	<u>6,750,766</u>	<u>17,472,236</u>
<b>Liabilities</b>		
Accounts payable	40,201	-
Due to other governmental units	<u>6,159,390</u>	<u>-</u>
Total liabilities	<u>6,199,591</u>	<u>-</u>
<b>Net Position</b>		
Restricted for individuals, organizations, and other governments	551,175	-
Restricted for OPEB benefits	<u>-</u>	<u>17,472,236</u>
Total net position	<u>\$ 551,175</u>	<u>\$ 17,472,236</u>

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

## Statement of Changes in Fiduciary Net Position Fiduciary Funds

For the Year Ended June 30, 2023

	Custodial Funds	OPEB Trust Fund
Additions:		
Contributions - commissary	\$ 3,776,809	\$ -
Contributions - employer	-	16,250,000
Tax collections for other governments	686,681,767	-
Net investment income	88,664	1,222,775
Total additions	<u>690,547,240</u>	<u>17,472,775</u>
Deductions:		
Benefits	3,768,881	539
Taxes remitted to local government	<u>686,790,958</u>	<u>-</u>
Total deductions	<u>690,559,839</u>	<u>539</u>
Net increase/(decrease) in fiduciary net position	<u>(12,599)</u>	<u>17,472,236</u>
Net position - beginning	<u>563,774</u>	<u>-</u>
Net position - ending	<u>\$ 551,175</u>	<u>\$ 17,472,236</u>

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

## Notes to the Financial Statements For the Year Ended June 30, 2023

### 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, health and 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.

**NOTE 1. Summary of Significant Accounting Policies (Cont.)****B. Government-wide and Fund Financial Statements (Cont.)**

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. 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.

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

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

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

**General Fund** - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes and Federal and State grants. The primary expenditures are for education, health and 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.

**NOTE 1. Summary of Significant Accounting Policies (Cont.)****C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont.)**

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.

Additionally, the County reports the following fund types:

Non-major special revenue funds: The County has a variety of non-major special revenue funds including: Grants Fund, Fire Tax Fund, Capital Area Workforce Development Fund, Transportation Fund, Fines and Forfeitures Fund, Human Services Client Fund, and Opioid Settlement Fund.

Non-major capital projects funds: The County has multiple non-major capital projects funds including: Fire Capital Projects Fund, Major Facilities Capital Trust Fund, and Affordable Housing Capital Projects Fund.

Internal Service Fund – The County has two internal service funds. The Corporate Fleet Fund accounts for the fleet service needs of all County departments. The Health and Dental Fund accounts for health and dental benefits of County current employees and qualifying retirees.

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 use the economic resource measurement focus. The County maintains two custodial funds:

**NOTE 1. Summary of Significant Accounting Policies (Cont.)****C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont.)**

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.

OPEB Trust Fund - The OPEB Trust fund was established to accumulate resources for the purpose of offsetting the County's OPEB liability. It accounts for the County's contributions for healthcare coverage provided to qualified retirees.

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 OPEB trust funds are not required by State law to be budgeted. All capital project funds and special revenue funds other than the Fire District Tax fund, Major Facilities Fund, Fines and Forfeitures fund, Human Services Client fund, Transportation Fund, Solid Waste Operating fund, South Wake Partnership fund, Corporate Fleet fund, and Health and Dental 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 function. However, any transfer exceeding \$150,000 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



**NOTE 1. Summary of Significant Accounting Policies (Cont.)****E. Deposits and Investments (Cont.)**

authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and a Securities and Exchange Commission registered (2a-7) mutual fund.

As required, the County's investments are stated at fair value as determined by quoted market prices. The NCCMT Government Portfolio and North Carolina Local Government Investment Pool (NCLGIP), 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 and register of deeds automation are also classified as restricted assets because their use is restricted per North Carolina General Statutes.

General Statute 159-30.1 allows local governments to establish an Other Post Employment Benefits (OPEB) Trust Fund managed by the staff of the Department of the State Treasurer and operated in accordance with State laws and regulations. General Statute 159-30(g) allows the County to make contributions to the Fund. The Fund is not registered with the SEC. The State Treasurer in his discretion may invest the proceeds in equities of certain publicly held companies and longer short-term fixed income investments as detailed in General Statutes 147-69.2(b)(1-6) and (8). Funds submitted are managed in three different sub-funds, the State Treasurer's Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by General Statute 147-69.1; the Bond Index Fund (BIF) consisting of high quality debt securities, eligible under General Statute 147-69.2(b)(1)-(6); and BlackRock's MSCI All Country World Index (ACWI) Equity Index Non-Lendable Class B Fund under General Statute 147-69.2(b)(8). Under the authority of General Statute 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund.

**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 reports a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets 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, prepaid rent and deposits, taxes receivable beyond period of availability, unamortized gains on debt refundings, other receivables and OPEB or pension related deferrals.

The County has deferred inflows and outflows related to the recording of changes in its net pension liability – LGERS, net pension liability – ROD, total pension liability – LEOSA, and net other postemployment benefit (OPEB) liability. Certain changes in the net pension liability and net OPEB liability are recognized as expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension liability and net OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses

**NOTE 1. Summary of Significant Accounting Policies (Cont.)****G. Deferred Outflows/Inflows of Resources (Cont.)**

are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability and net OPEB liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into expense over the expected remaining service lives of plan members. Changes in proportion and differences between employer contributions and proportionate share of contributions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on plan investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period.

**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, 2022.

Ad valorem taxes collected within 30 days after the fiscal year end for the year ended June 30, 2023 and prior years are accrued within the funds because the amounts are considered measurable and available. The remaining ad valorem taxes receivable are not accrued, as the amount is not considered available. These taxes receivable are significantly past due and are not considered to be an available resource to finance the operations of the subsequent year. GAAP states that property taxes, which are measurable but not available, should be initially recorded as deferred inflows of resources under the modified accrual basis of accounting. The receivable amount is reduced by an allowance for uncollectible taxes and an amount equal to the net receivable is shown as deferred inflows of resources on the combined balance sheet. In addition, property taxes collected in advance of the fiscal year to which they apply are recorded as deferred inflows of resources.

**I. Allowances for Uncollectible Accounts**

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

**J. Inventories and Prepaid Expenditures**

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

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

**K. Capital Assets and Right-to-Use Lease Assets**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

**NOTE 1. Summary of Significant Accounting Policies (Cont.)****K. Capital Assets and Right-to-Use Lease Assets (Cont.)**

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.

**Right-to-Use Lease Assets**

The County has recorded right-to-use lease assets as a result of implementing GASB 87. The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives and plus any ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease based on the shorter of the life of the asset or lease term.

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

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

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

**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.

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

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

**N. Net Position/Fund Balances**

Net position in the government-wide and proprietary fund financial statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represent constraints on resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through State statute. Planned expenses for proprietary funds represent encumbered funds in the subsequent fiscal year or ending fund balances of capital projects funds.

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.

Restricted Unexpended Settlement funds - ending fund balance of the Opioid Settlement Fund to be used toward prevention and treatment of opioid addiction related to a national settlement with four pharmaceutical companies.

**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 Appropriations Health and Human Services - portion of fund balance that is committed by the Board of Commissioners for Health and Human Services activities.

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.

**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.

**NOTE 1. Summary of Significant Accounting Policies (Cont.)****N. Net Position/Fund Balances (Cont.)**

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

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

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. The plan does not issue a stand-alone financial report. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's Post Employment Healthcare Benefits Plan and additions to/deductions from Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. 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 \$(3,934,859,170) difference are as follows:

Outstanding long-term debt payable (per Note 10)	\$ (3,716,894,841)
Less:	
Accrued interest payable	(32,787,655)
Payable to granting agency	(2,300,750)
Risk management liabilities	(6,856,375)
Add:	
Portion of internal service fund's compensated absences included in Note 10	118,214
Portion of internal service fund's net OPEB liability included in Note 10	2,005,239
Portion of internal service fund's net pension employment benefits included in Note 10	829,250
Unamortized portion of deferred inflow of resources related to advanced debt refundings (to be amortized over life of debt)	<u>(178,972,252)</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (3,934,859,170)</u>

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 reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities shows some expenses that do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. Specifically, these are related to pension and other postemployment benefits.



**NOTE 1. Summary of Significant Accounting Policies (Cont.)****P. Reconciliation of Government-wide and Fund Financial Statements (Cont.)****Net change in pension and other post employment benefits expense:**

Local Government Employee Retirement System (LGERS)	\$ (57,359,144)
Register of Deeds (ROD)	(315,584)
Law Enforcement Special Separation Allowance (LEOSSA)	(2,306,395)
Other Post Employment Benefits (OPEB)	(50,955,594)
	<u>\$ (110,936,717)</u>

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 \$(151,232,322) difference are as follows:

**NOTE 1. Summary of Significant Accounting Policies (Cont.)****P. Reconciliation of Government-wide and Fund Financial Statements (Cont.)**

Debt issued or incurred:	
GO bonds issued	\$ (376,450,000)
GO bond anticipation notes issued	(142,157,052)
Drawdown installment financing notes issued	(67,489,340)
Limited obligation bonds issued	(58,785,000)
Limited obligation refunding bonds issued	(58,070,000)
Lease payable recorded	(283,859)
Premiums on refunding bond issuance - GO Bonds	(52,350,983)
Premiums on refunding bond issuance - LOBs	(16,637,096)
Increases in compensated absences liability	(22,349,009)
Increases in compensated absences liability - Corporate Fleet Fund	90,787
Change in risk management liabilities	1,385,591
Interest expense accrual and other adjustments	(1,808,671)
Total Increases	<u>(794,904,632)</u>
Principal repayments:	
General obligation debt - schools	173,016,318
General obligation debt - community college	70,826,410
General obligation debt - other	23,272,272
Limited obligation bonds	47,865,000
Installment purchase payments	2,278,115
Lease payments	2,808,823
Refunded GO bond anticipation notes	213,677,045
Refunded drawdown installment notes	66,183,126
Current year amortization of bond premiums - GO Bonds	33,436,985
Current year amortization of bond premiums - LOB Bonds	9,848,851
Change in deferred portion of advanced debt refundings	(16,006,649)
Decreases in compensated absences liability	16,526,566
Decreases in compensated absences liability - Corporate Fleet Fund	(60,552)
Total Decreases	<u>643,672,310</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (151,232,322)</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 outlay increases exceeded the book value of capital asset decreases in fiscal year being reported. The details of this \$19,272,412 difference are as follows:

Capital Asset Increases:	
Capital asset increases	\$ 20,636,664
Less acquisitions for the Corporate Fleet Fund	(6,993,514)
Increase in construction in progress	13,616,790
Total Increases	<u>27,259,940</u>
Capital Asset Decreases:	
Capital asset disposals	\$ (3,189,272)
Add disposals for the Corporate Fleet Fund	2,456,703
Decrease in construction in progress	(7,943,424)
Accumulated depreciation related to capital asset disposals	3,100,695
Less accumulated depreciation related to capital asset disposals in the Corporate Fleet Fund	(2,412,230)
Total Decreases	<u>(7,987,528)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 19,272,412</u>

**Q. Unrestricted (deficit)**

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

School system debt	\$ (2,016,738,378)
Community college debt	(412,385,807)
All other unrestricted	<u>69,196,029</u>
Total unrestricted net position	<u>\$ (2,359,928,156)</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 \$2,016,738,378, and the outstanding balance of the community college-related debt less unspent bond proceeds was \$412,385,807. For additional information regarding the County's debt see Note 1.M. and Note 10.

**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 \$29,892,808 to the College for operating purposes during the current year. In addition, the County made debt service payments of \$25,149,790 on general obligation bonds and \$9,263,635 on limited 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 as of June 30, 2023. Complete financial statements for the College may be obtained at their administrative offices at 9101 Fayetteville Road, Raleigh, NC 27603.

**Raleigh-Durham Airport Authority**

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

**Centennial Authority**

The Centennial Authority is a local political subdivision of the State of North Carolina created pursuant to Section 4, 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 \$4,732,453 for operations and \$9,000,000 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 as of June 30, 2023. 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.

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

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, 2023. 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****A. Deposits**

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

At year-end, the County's deposits had a carrying amount of \$303,074,575 and a bank balance of \$305,266,413. Of the bank balance, \$2,350,000 was covered by federal depository insurance and \$302,916,413 in interest-bearing deposits was covered by collateral held under the pooling method.

**Note 4. Deposits and Investments (Cont.)****B. Investments**

As of June 30, 2023, 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 <sup>1</sup>	\$ 254,798,400	\$ 49,189,250	\$ 122,874,737	\$ 82,734,413
U.S. Government Agencies	Fair Value - Level <sup>1</sup>	710,488,974	687,804,724	-	22,684,250
Commercial paper	Fair Value - Level <sup>2</sup>	98,479,548	98,479,548	-	-
N.C. Capital Management Trust - Government portfolio	Fair Value - Level <sup>1</sup>	213,113,069	213,113,069	-	-
N.C. Local Government Investment Pool	Amortized cost	95,335,181	95,335,181	-	-
Total fair value		<u>\$ 1,372,215,172</u>	<u>\$ 1,143,921,772</u>	<u>\$ 122,874,737</u>	<u>\$ 105,418,663</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, 2023, 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+ 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, 2023.

**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, 2023, all of the County's investments were in the County's name.



**Note 4. Deposits and Investments (Cont.)****OPEB Trust**

At June 30, 2023 the Wake County's OPEB Trust had \$17,472,236 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Trust pursuant to G.S. 159-30.1. The State Treasurer's OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the Wake County's OPEB Trust was invested as follows: State Treasurer's Short Term Investment Fund (STIF) 25.05%, which is reported as cash and cash equivalents; State Treasurer's Bond Index Fund (BIF) 18.09% and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund (EIF) 56.86% (the equities were split with 62.20% in domestic securities and 37.80% in international securities).

Level of the fair value hierarchy: Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are measured at fair value by the custodian using Level 2 inputs. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2023, of 0.7 years. Level 2 inputs in this case involves inputs—other than quoted prices—included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share.

Ownership of the BIF is determined monthly at fair value using the same Level 2 inputs as the STIF and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. The BIF, which does not have a credit rating, was valued at \$1 per unit, and had an average maturity of 8.70 years on June 30, 2023.

The BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The Fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2023 the fair value of the funds was \$ 31.815788 per share. Fair value for this Blackrock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation technique: North Carolina Department of State Treasurer OPEB Trust investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

**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 \$120,150 and \$47,978, 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 \$44,699,983 is considered nonspendable and it is not expected to be collected in the subsequent fiscal year.

	General Fund	Affordable Housing Fund	Coronavirus Relief Fund	American Rescue Plan 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	\$ 6,271,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 714,593	\$ 6,985,704
Sales	71,561,301	-	-	-	-	-	461,350	6,648,437	-	31,579	78,702,667
Prepared food & occupancy	-	-	-	-	7,020,932	-	-	-	-	-	7,020,932
Accounts	76,795,544	-	2,419	-	-	-	25,553	1,231,422	8,616,394	440,546	87,111,878
Intergovernmental	30,134,857	8,173,457	-	-	-	6,818,938	3,426,599	-	-	11,256,139	59,809,990
Special Assessments	-	-	-	-	-	-	413,804	-	-	-	413,804
Loans receivable	-	49,455,953	3,648,450	4,278,252	-	-	-	-	-	-	57,382,655
Interest	39,431	688	-	907,981	161,512	7,903,948	-	38,131	-	262,490	9,314,181
Gross receivables	184,802,244	57,630,098	3,650,869	5,186,233	7,182,444	14,722,886	4,327,306	7,917,990	8,616,394	12,705,347	306,741,811
Less allowance for bad debts	(66,833,385)	(4,755,970)	(2,419)	(100,000)	-	-	(2,667,459)	-	-	(593,950)	(74,953,183)
Net total receivables	\$ 117,968,859	\$ 52,874,128	\$ 3,648,450	\$ 5,086,233	\$ 7,182,444	\$ 14,722,886	\$ 1,659,847	\$ 7,917,990	\$ 8,616,394	\$ 12,111,397	\$ 231,788,628

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	\$ 2,535,749	\$ -	\$ 126,405	\$ 2,662,154
Other receivables	8,747,792	-	1,122	8,748,914
<b>Total Unavailable</b>	<b>11,283,541</b>	<b>-</b>	<b>127,527</b>	<b>11,411,068</b>
<b>Deferred:</b>				
Prepaid property taxes not yet earned	2,389,069	1,000,000	18,043	3,407,112
Prepaid rent not yet earned	6,296	-	-	6,296
Deposits on account	136,566	-	-	136,566
<b>Total Deferred</b>	<b>2,531,931</b>	<b>1,000,000</b>	<b>18,043</b>	<b>3,549,974</b>
<b>Total deferred inflows of resources</b>	<b>\$ 13,815,472</b>	<b>\$ 1,000,000</b>	<b>\$ 145,570</b>	<b>\$ 14,961,042</b>

Governmental funds report deferred inflows of resources in connection with pre-paid property taxes and 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, 2023 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 154,917,435	\$ 2,863,172	\$ -	\$ 157,780,607
Construction in progress	29,090,154	13,616,790	(7,943,424)	34,763,520
Intangibles	1,032,044	-	-	1,032,044
Total capital assets, not being depreciated/amortized	<u>185,039,633</u>	<u>16,479,962</u>	<u>(7,943,424)</u>	<u>193,576,171</u>
Capital assets, being depreciated/amortized:				
Buildings	847,955,363	6,423,413	-	854,378,776
Improvements other than buildings	22,602,756	-	-	22,602,756
Machinery and equipment	65,094,906	1,516,984	-	66,611,890
Vehicles and motorized equipment	63,180,084	9,838,894	(3,189,272)	69,829,706
Computer Software	28,762,381	-	-	28,762,381
Infrastructure	24,573,379	-	-	24,573,379
Right-to-use lease assets	48,919,362	278,060	-	49,197,422
Total capital assets being depreciated/amortized	<u>1,101,088,230</u>	<u>18,057,351</u>	<u>(3,189,272)</u>	<u>1,115,956,310</u>
Less accumulated depreciation/amortization for:				
Buildings	279,640,701	20,201,169	-	299,841,870
Improvements other than buildings	9,938,194	587,260	-	10,525,454
Machinery and equipment	34,862,357	6,641,884	-	41,504,241
Vehicles and motorized equipment	46,639,727	6,591,026	(3,100,695)	50,130,058
Computer software	24,091,062	1,791,320	-	25,882,382
Infrastructure	9,860,953	527,371	-	10,388,324
Right-to-use lease assets	3,452,169	3,596,822	-	7,048,991
Total accumulated depreciation/amortization	<u>408,485,163</u>	<u>\$ 39,936,852</u>	<u>\$ (3,100,695)</u>	<u>445,321,320</u>
Total capital assets, being depreciated/amortized, net	<u>692,603,067</u>			<u>670,634,990</u>
Governmental activities capital assets, net	<u>\$ 877,642,700</u>			<u>\$ 864,211,161</u>

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

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 382,327	\$ -	\$ -	\$ 382,327
Construction in progress	4,755,173	785,184	-	5,540,357
Total capital assets, not being depreciated	<u>5,137,500</u>	<u>785,184</u>	<u>-</u>	<u>5,922,684</u>
Capital assets, being depreciated:				
Landfills	35,596,682	-	-	35,596,682
Buildings	18,367,593	-	-	18,367,593
Improvements	588,689	-	-	588,689
Machinery and equipment	1,474,035	338,516	-	1,812,551
Total capital assets being depreciated	<u>56,026,999</u>	<u>338,516</u>	<u>-</u>	<u>56,365,515</u>
Less accumulated depreciation for:				
Landfills	31,810,486	444,967	-	32,255,453
Buildings	2,199,613	459,233	-	2,658,846
Improvements	354,733	17,340	-	372,073
Machinery and equipment	1,205,039	127,246	-	1,332,285
Total accumulated depreciation	<u>35,569,871</u>	<u>\$ 1,048,786</u>	<u>\$ -</u>	<u>36,618,657</u>
Total capital assets, being depreciated, net	<u>20,457,128</u>			<u>19,746,858</u>
Business-type activities capital assets, net	<u>\$ 25,594,628</u>			<u>\$ 25,669,542</u>

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

Depreciation and amortization expenses were charged to functions as follows:

Governmental activities:

General government	\$ 2,588,970
Health and human services	4,969,322
Education	866,807
Community and environmental services	5,118,817
Public safety	20,848,190
Infrastructure	<u>5,544,746</u>

Total depreciation expense - Governmental activities	<u>39,936,852</u>
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Business-type activities:

Environmental services - solid waste	<u>1,048,785</u>
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Total depreciation and amortization	<u>\$ 40,985,637</u>
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As of June 30, 2023, fiscal year, the construction in progress balance for governmental activities was made up of the following projects:

**Construction in Progress:**

	<b>Expended At June 30, 2023</b>
Document Management Projects	\$ 1,123,726
CAD System Replacement	8,404,054
Other Automation Projects	3,893,797
Community Services Buildings	23,900
Public Health Buildings	11,144,963
Open Space Preservation	2,831,403
Public Safety	<u>7,341,677</u>
	<u>\$ 34,763,520</u>

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

As of June 30, 2023, internal balances total \$6,068,713 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, 2023 are \$587,426. 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, 2023.

The County's General Fund transferred funds during fiscal year 2023 to fund debt service payments, capital improvements, economic developments, and the County match for State and federal grant programs. The \$3,892,742 transferred from the South Wake Landfill Partnership Fund serves two purposes: the \$1,445,742 to the Solid Waste Operating Fund is for expenses incurred in the Solid Waste Operating Fund on behalf of the South Wake Landfill Fund and the \$2,447,000 to the Solid Waste Capital Fund is for various capital projects including the East Wake Transfer Station wall and floor repair and South Wake Landfill gas system.

	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	Health and Dental Fund	Total Transfers out
General Fund	\$ -	\$ 334,421,000	\$ 68,129,000	\$ 53,648,000	\$ 7,500,000	\$ 13,199,966	\$ -	\$ -	\$ 12,646,744	\$ 489,544,710
Major Facilities Fund	1,400,000	-	-	-	-	3,000,000	-	-	-	4,400,000
Debt Service Fund	-	-	-	-	-	1,662,000	-	-	-	1,662,000
School Capital Fund	935,944	-	-	-	-	-	-	-	-	935,944
Other Governmental Funds	-	1,747,533	30,445,497	-	-	-	-	-	-	32,193,030
South Wake Partnership Fund	-	-	-	-	-	-	1,445,742	2,447,000	-	3,892,742
Total transfers in	<u>\$ 2,335,944</u>	<u>\$ 336,168,533</u>	<u>\$ 98,574,497</u>	<u>\$ 53,648,000</u>	<u>\$ 7,500,000</u>	<u>\$ 17,861,966</u>	<u>\$ 1,445,742</u>	<u>\$ 2,447,000</u>	<u>\$ 12,646,744</u>	<u>\$ 532,628,426</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. Premiums, insurance claims and administrative costs are accounted for in the Health & Dental Internal Service Fund.

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

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

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, 2023 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 \$3,000,000. The Finance Director and the Tax Collector are covered by individual fidelity bonds of \$500,000 each.

The claims liability of \$11,699,547 at June 30, 2023 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 2022 and 2023 are as follows:

**Note 8. Risk Management – Property, Liability, Workers’ Compensation, and Self-Insured Employee Medical Coverages (Cont.)****Changes in Claims Liability**

	<b>Workers’ compensation</b>	<b>Property and liability</b>	<b>Self-insured group medical</b>	<b>Dental benefits</b>	<b>Total</b>
<b>Balance, as of June 30, 2021</b>	\$ 4,736,436	\$ 3,988,709	\$ 2,734,000	\$ 119,000	\$ 11,578,145
Claims incurred, fiscal year 2022	641,442	893,171	53,275,532	2,702,956	57,513,101
Payments and changes in estimates, fiscal year 2022	(1,724,748)	(673)	(52,749,532)	(2,708,956)	(57,183,909)
<b>Balance, as of June 30, 2022</b>	3,653,130	4,881,207	3,260,000	113,000	11,907,337
Claims incurred, fiscal year 2023	1,474,143	1,023,274	58,962,542	2,650,731	64,110,690
Payments and changes in estimates, fiscal year 2023	(1,822,975)	(1,148,232)	(58,677,542)	(2,669,731)	(64,318,480)
<b>Balance, as of June 30, 2023</b>	<u>\$ 3,304,298</u>	<u>\$ 4,756,249</u>	<u>\$ 3,545,000</u>	<u>\$ 94,000</u>	<u>\$ 11,699,547</u>
<b>Amount reported in funds</b>	<u>\$ 756,702</u>	<u>\$ 1,549,458</u>	<u>\$ 2,472,858</u>	<u>\$ 53,817</u>	<u>\$ 4,832,835</u>

**Note 9. Leases****Right-to-Use Lease Assets**

The County has recorded seventeen active right-to-use lease assets. The assets are for rights to use equipment and buildings. The related leases are discussed in the leases payable subsection of this note. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

Right-to-use lease asset activity for the County as of June 30, 2023, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Right-to-use assets				
Leased equipment	\$ 37,371	\$ 2,568	\$ -	\$ 39,939
Leased buildings	48,881,991	275,492	-	49,157,483
Total right to use assets	48,919,362	278,060	-	49,197,422
Less accumulated amortization for:				
Leased equipment	18,418	8,656	-	27,074
Leased buildings	3,433,751	3,588,166	-	7,021,917
Total accumulated amortization	3,452,169	3,596,822	-	7,048,991
Right-to-use assets, net	\$ 45,467,193	\$ (3,318,762)	\$ -	\$ 42,148,431



**Note 9. Leases (Cont.)**Leases Payable

On 07/01/2021, Wake County entered into a 48 month lease as Lessee for the use of Cameron Village Shopping Center. An initial lease liability was recorded in the amount of \$1,956,288. As of 06/30/2023, the value of the lease liability is \$1,005,108. Wake County is required to make monthly fixed payments of \$40,195. The lease has an interest rate of 0.8140%. The value of the right to use asset as of 06/30/2023 of \$1,956,288 with accumulated amortization of \$978,144..

On 07/01/2021, Wake County entered into a 100 month lease as Lessee for the use of the Western Health & Human Services Building. An initial lease liability was recorded in the amount of \$1,021,484. As of 06/30/2023, the value of the lease liability is \$790,927. Wake County is required to make monthly fixed payments of \$9,739. The lease has an interest rate of 0.6480%. The value of the right to use asset as of 06/30/2023 of \$1,021,484 with accumulated amortization of \$244,423. Wake County has 2 extension option(s), each for 60 months.

On 07/01/2021, Wake County entered into a 13 month lease as Lessee for the use of Toshiba E-Studio 5506ACT Copier. An initial lease liability was recorded in the amount of \$1,936. As of 06/30/2023, the value of the lease liability is \$0 and the asset was fully amortized.

On 07/01/2021, Wake County entered into a 222 month lease as Lessee for the use of the Board of Elections Warehouse Building. An initial lease liability was recorded in the amount of \$7,555,880. As of 06/30/2023, the value of the lease liability is \$7,019,386. Wake County is required to make monthly fixed payments of \$31,926. The lease has an interest rate of 1.8030%. The value of the right to use asset as of 06/30/2023 of \$7,555,880 with accumulated amortization of \$816,852. Wake County has 2 extension option(s), each for 60 months.

On 07/01/2021, Wake County entered into a 31 month lease as Lessee for the use of Toshiba E-Studio 3508a Copier. An initial lease liability was recorded in the amount of \$1,316. As of 06/30/2023, the value of the lease liability is \$299. Wake County is required to make monthly fixed payments of \$83. The lease has an interest rate of 0.6480%. The value of the right to use asset as of 06/30/2023 of \$1,316 with accumulated amortization of \$1,019.

On 07/01/2021, Wake County entered into a 411 month lease as Lessee for the use of Mt. Herman Church Road EMS Land Lease. An initial lease liability was recorded in the amount of \$280,009. As of 06/30/2023, the value of the lease liability is \$268,751. Wake County is required to make monthly fixed payments of \$1,000. The lease has an interest rate of 2.4250%. The value of the right to use asset as of 06/30/2023 of \$280,009 with accumulated amortization of \$16,327.

On 07/01/2021, Wake County entered into a 13 month lease as Lessee for the use of Toshiba E-Studio 5516AC Copier. An initial lease liability was recorded in the amount of \$2,508. During the fiscal year an extension was signed as of 06/30/2023 for an initial liability of \$2,567. The value of the lease liability is now \$1,006. Wake County is required to make monthly fixed payments of \$145. The lease has an interest rate of 2.024%. The value of the right to use asset as of 06/30/2023 of \$2,567 with accumulated amortization of \$1,567.

On 07/01/2021, Wake County entered into a 125 month lease as Lessee for the use of the EMS Warehouse & Training Center. An initial lease liability was recorded in the amount of \$6,647,921. As of 06/30/2023, the value of the lease liability is \$5,598,781. Wake County is required to make monthly fixed payments of \$48,999. The lease has an interest rate of 1.5250%. The value of the right to use asset as of 06/30/2023 of \$6,647,921 with accumulated amortization of \$1,271,653.

On 07/01/2021, Wake County entered into a 231 month lease as Lessee for the use of the Somerset Park Health & Human Services Center. An initial lease liability was recorded in the amount of \$22,854,165. As of 06/30/2023, the value of the lease liability is \$21,325,494. Wake County is required

**Note 9. Leases (Cont.)**

to make monthly fixed payments of \$92,297. The lease has an interest rate of 1.8030%. The value of the right to use asset as of 06/30/2023 of \$22,854,165 with accumulated amortization of \$2,374,459. Wake County has 1 extension option for 60 months.

On 07/01/2021, Wake County entered into a 21 month lease as Lessee for the use of Toshiba E-Studio 3515AC Copier. An initial lease liability was recorded in the amount of \$3,417. As of 06/30/2023, the value of the lease liability is \$0 and the asset has been fully amortized.

On 07/01/2021, Wake County entered into a 192 month lease as Lessee for the use of the Departure Drive Health & Human Services Center. An initial lease liability was recorded in the amount of \$5,678,626. As of 06/30/2023, the value of the lease liability is \$5,150,502. Wake County is required to make monthly fixed payments of \$28,541. The lease has an interest rate of 1.5940%. The value of the right to use asset as of 06/30/2023 of \$5,678,626 with accumulated amortization of \$709,828. Wake County has 2 extension option(s), each for 60 months.

On 07/01/2021, Wake County entered into a 48 month lease as Lessee for the use of two Xerox Copiers - C8170H. An initial lease liability was recorded in the amount of \$13,509. As of 06/30/2023, the value of the lease liability is \$6,806. Wake County is required to make monthly fixed payments of \$286. The lease has an interest rate of 0.8140%. The value of the right to use asset as of 06/30/2023 of \$13,509 with accumulated amortization of \$6,754.

On 07/01/2021, Wake County entered into a 84 month lease as Lessee for the use of Southgate Community Library. An initial lease liability was recorded in the amount of \$713,636. As of 06/30/2023, the value of the lease liability is \$529,239. Wake County is required to make monthly fixed payments of \$8,195. The lease has an interest rate of 1.2960%. The value of the right to use asset as of 06/30/2023 of \$713,636 with accumulated amortization of \$203,896.

On 07/01/2021, Wake County entered into a 147 month lease as Lessee for the use of the Midtown North Office Park. An initial lease liability was recorded in the amount of \$958,598. As of 06/30/2023, the value of the lease liability is \$901,796. Wake County is required to make monthly fixed payments of \$6,234. The lease has an interest rate of 1.4540%. The value of the right to use asset as of 06/30/2023 of \$964,832 with accumulated amortization of \$118,143. Wake County has 1 extension option for 60 months.

On 07/01/2021, Wake County entered into a 168 month lease as Lessee for the use of Duraleigh Road Community Library. An initial lease liability was recorded in the amount of \$1,209,152. As of 06/30/2023, the value of the lease liability is \$1,048,414. Wake County is required to make monthly fixed payments of \$7,865. The lease has an interest rate of 1.2960%. The value of the right to use asset as of 06/30/2023 of \$1,209,152 with accumulated amortization of \$172,736. Wake County has 1 extension option for 84 months.

On 07/01/2021, Wake County entered into a 45 month lease as Lessee for the use of Toshiba E-Studio 3515AC Copier - CT6001. An initial lease liability was recorded in the amount of \$5,968. As of 06/30/2023, the value of the lease liability is \$2,806. Wake County, NC is required to make monthly fixed payments of \$161. The lease has an interest rate of 0.8140%. The value of the right to use asset as of 06/30/2023 of \$5,968 with accumulated amortization of \$3,183.

On 07/01/2021, Wake County entered into a 38 month lease as Lessee for the use of Toshiba E-Studio 5516ACT Copier - CT4318. An initial lease liability was recorded in the amount of \$5,602. As of 06/30/2023, the value of the lease liability is \$2,076. Wake County, NC is required to make monthly fixed payments of \$271. The lease has an interest rate of 0.6480%. The value of the right to use asset as of 06/30/2023 of \$5,602 with accumulated amortization of \$3,538.

On 07/01/2021, Wake County entered into a 21 month lease as Lessee for the use of Toshiba E-Studio 5516ACT Copier - CT12281. An initial lease liability was recorded in the amount of \$3,116. As of 06/30/2023, the value of the lease liability is \$0 and the asset has been fully amortized.

**Note 9. Leases (Cont.)**

On 07/01/2022, Wake County entered into a 40 month lease as Lessee for the use of Weatherbridge 3-additional space. An initial lease liability was recorded in the amount of \$390,949. As of 06/30/2023, the value of the lease liability is \$167,624. Wake County, NC is required to make monthly fixed payments of \$9,131. The lease has an interest rate of 0.6480%. The value of the right to use asset as of 06/30/2023 of \$390,949 with accumulated amortization of \$230,913.

Principal and Interest Requirements to Maturity

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2024	\$ 2,935,484	\$ 714,067	\$ 3,649,551
2025	2,992,134	671,327	3,663,461
2026	2,544,216	629,123	3,173,339
2027	2,664,958	587,280	3,252,238
2028	2,789,333	543,383	3,332,716
2029-2033	13,621,641	2,019,975	15,641,616
2034-2038	11,781,506	928,196	12,709,702
2039-2043	4,361,936	104,153	4,466,089
2044-2048	47,263	12,737	60,000
2049-2053	53,349	6,651	60,000
2054-2056	27,201	804	28,005
Total	<u>\$ 43,819,021</u>	<u>\$ 6,217,696</u>	<u>\$ 50,036,717</u>

**Note 10. 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, 2023 are comprised of the following:

In 2010, tax-exempt \$383,420,000 Series 2010 C General Obligation Refunding Bonds were issued with maturities ranging from \$1,736 to \$47,549,174. The Series 2010 C General Obligation Refunding Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2014, tax-exempt \$345,240,000 Series 2014 General Obligation Public Improvement Bonds were issued with maturities ranging from \$578,931 to \$17,600,751. The Series 2014 General Obligation Public Improvement Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2015, tax-exempt \$94,000,000 Series 2015 General Obligation Public Improvement Bonds were issued with maturities ranging from \$1,876,596 to \$3,054,255. The Series 2015 General Obligation Public Improvement Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2016, tax-exempt \$162,895,000 Series 2016 A General Obligation Refunding Bonds were issued with maturities ranging from \$9,340,000 to \$27,055,000. The Series 2016 A General Obligation Refunding Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2017, tax-exempt \$33,700,000 Series 2017 A General Obligation Public Improvement Bonds were issued with maturities ranging from \$1,685,000 to \$1,685,000. The Series 2017 A General Obligation Public Improvement Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2017, tax-exempt \$82,415,000 Series 2017 B General Obligation Public Improvement Bonds were issued with maturities ranging from \$4,120,000 to \$4,125,000. The Series 2017 B General Obligation Public Improvement Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2018, tax-exempt \$197,745,000 Series 2018 A General Obligation Public Improvement Bonds were issued with maturities ranging from \$1,318,719 to \$9,129,944. The Series 2018 A General Obligation Public Improvement Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2019, tax-exempt \$151,055,000 Series 2019 A General Obligation Public Improvement Bonds were issued with maturities ranging from \$471,350 to \$7,483,353. The Series 2019 A General Obligation Public Improvement Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2019, tax-exempt \$113,940,000 Series 2019 B General Obligation Refunding Bonds were issued with maturities ranging from \$39,867 to \$20,964,600. The Series 2019 B General Obligation Refunding Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2019, tax-exempt \$36,860,000 Series 2019 C Parks Greenways Recreation Open Space Bonds were issued with maturities ranging from \$1,940,000 to \$1,940,000. The Series 2019 C Parks Greenways Recreation Open Space Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2020, tax-exempt \$49,345,000 Series 2020 A General Obligation Refunding Bonds were issued with maturities ranging from \$69,618 to \$5,754,414. The Series 2020 A General Obligation Refunding Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2020, tax-exempt \$14,330,000 Series 2020 B General Obligation Refunding Bonds were issued with maturities ranging from \$340,000 to \$1,875,000. The Series 2020 B General Obligation Refunding Bonds were publicly sold and are repaid from the Debt Service Fund.

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

In 2021, tax-exempt \$186,720,000 Series 2021 General Obligation Public Improvement And Refunding Bonds were issued with maturities ranging from \$430,223 to \$5,140,000. The Series 2021 General Obligation Public Improvement And Refunding Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2022, tax-exempt \$206,065,000 Series 2022 A General Obligation Public Improvement Bonds were issued with maturities ranging from \$1,280,000 to \$9,565,000. The Series 2022 A General Obligation Public Improvement Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2022, tax-exempt \$39,705,000 Series 2022 B General Obligation Refunding Bonds were issued with maturities ranging from \$4,335,000 to \$4,645,000. The Series 2022 B General Obligation Refunding Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2022, tax-exempt \$41,525,000 Series 2022 C General Obligation Park, Greenway, Recreation and Open Space Bonds were issued with maturities ranging from \$2,185,000 to \$2,190,000. The Series 2022 C General Obligation Park, Greenway, Recreation and Open Space Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2023, Tax-Exempt \$302,325,000 Series 2023 A General Obligation Public Improvement Bonds were issued with maturities ranging from \$16,790,000 to \$16,805,000. The Series 2023 A General Obligation Public Improvement Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2023, Tax-Exempt \$74,125,000 Series 2023 B General Obligation Refunding Bonds were issued with maturities ranging from \$7,935,000 to \$8,510,000. The Series 2023 B General Obligation Refunding Bonds were publicly sold and are repaid from the Debt Service Fund.

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

Issue	Closing Date	Maturity Date	Interest Rates	Original Issue Amount	Outstanding Amount	Purpose
Series 2010 C General Obligation Refunding Bonds	05/13/2010	03/1/2026	5.000%	\$ 383,420,000	\$ 126,455,000	Refunding
Series 2014 General Obligation Public Improvement Bonds	09/3/2014	09/1/2034	3.000% - 5.000%	345,240,000	218,040,000	New Money
Series 2015 General Obligation Public Improvement Bonds	04/15/2015	04/1/2035	3.000% - 5.000%	94,000,000	59,400,000	New Money
Series 2016 A General Obligation Refunding Bonds	11/1/2016	03/1/2026	5.000%	162,895,000	53,225,000	Refunding
Series 2017 A General Obligation Public Improvement Bonds	03/1/2017	03/1/2037	3.000% - 5.000%	33,700,000	23,590,000	New Money
Series 2017 B General Obligation Public Improvement Bonds	03/1/2017	03/1/2037	3.000% - 5.000%	82,415,000	57,680,000	Refunding
Series 2018 A General Obligation Public Improvement Bonds	03/8/2018	03/1/2037	3.000% - 5.000%	197,745,000	145,670,000	Refunding
Series 2019 A General Obligation Public Improvement Bonds	01/30/2019	03/1/2038	3.000% - 5.000%	151,055,000	119,250,000	Mixed
Series 2019 B General Obligation Refunding Bonds	01/30/2019	03/1/2025	5.000%	113,940,000	16,485,000	Refunding
Series 2019 C Parks Greenways Recreation Open Space Bonds	10/30/2019	11/1/2038	2.000% - 5.000%	36,860,000	31,040,000	New Money
Series 2020 A General Obligation Refunding Bonds	04/29/2020	04/1/2029	5.000%	49,345,000	37,050,000	Refunding
Series 2020 B General Obligation Refunding Bonds	05/12/2020	08/1/2029	5.000%	14,330,000	12,360,000	Refunding
Series 2021 General Obligation Public Improvement And Refunding Bonds	04/1/2021	04/1/2038	2.000% - 5.000%	186,720,000	158,085,000	Mixed
Series 2022 A General Obligation Public Improvement Bonds	03/10/2022	02/1/2041	2.500% - 5.000%	206,065,000	195,225,000	Mixed
Series 2022 B General Obligation Refunding Bonds	03/10/2022	02/1/2031	5.000%	39,705,000	35,060,000	Refunding
Series 2022 C General Obligation Park, Greenway, Recreation and Open Space	03/10/2022	02/1/2041	3.000% - 5.000%	41,525,000	39,335,000	New Money
Series 2023 A General Obligation Public Improvement Bonds	04/18/2023	05/1/2041	3.750% - 5.000%	302,325,000	302,325,000	Mixed
Series 2023 B General Obligation Refunding Bonds	04/18/2023	05/1/2032	5.000%	74,125,000	74,125,000	Refunding
Bonds			Total	<u>\$ 2,515,410,000</u>	<u>\$ 1,704,400,000</u>	

General Obligation Bond Anticipation Notes:

General Obligation Bond Anticipation Notes serviced by the General Fund and payable at June 30, 2023 are comprised of the following:

Series 2021 GO BAN (Truist) – Community College General Obligation Bond Anticipation Notes (BANs)	<u>36,253,724</u>
	<u>\$ 36,253,724</u>

Issue	Closing Date	Maturity Date	Interest Rates	Outstanding Amount	Purpose
Series 2021 GO BAN (Truist) – Community College	08/10/2021	04/01/2026	1.000%	36,253,724	New Money
		Total		<u>\$ 36,253,724</u>	

**Note 10. Long-term Debt (Cont.)****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 one outstanding Installment Financing Agreement as of June 30, 2023.

Issue	Closing Date	Maturity Date	Interest Rates	Outstanding Amount	Purpose
Series 2021 IFA BAN (Truist) – Public Schools	8/10/2021	4/1/2026	1.000%	\$ 22,763,012	New Money
			Total	<u>\$ 22,763,012</u>	

**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.



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

Limited Obligation Bonds serviced by the General Fund and payable at June 30, 2023 are comprised of the following:

In 2016, tax-exempt \$191,835,000 Series 2016 A Refunding Limited Obligation Bonds were issued with maturities ranging from \$5,000,000 to \$11,585,000. The Series 2016 A Refunding Limited Obligation Bonds were publicly sold and are repaid from the Debt Service Fund. Collateralized by the Criminal Justice Center.

\$ 151,280,000

In 2018, tax-exempt \$155,290,000 Series 2018 A Limited Obligation Bonds were issued with maturities ranging from \$74,114 to \$8,013,432. The Series 2018 A Limited Obligation Bonds were publicly sold and are repaid from the Debt Service Fund. Collateralized by Apex High School, Apex, NC.

122,590,000

In 2019, tax-exempt \$196,805,000 Series 2019 Limited Obligation Bonds were issued with maturities ranging from \$571,970 to \$9,787,754. The Series 2019 Limited Obligation Bonds were publicly sold and are repaid from the Debt Service Fund. Collateralized by Willow Springs High School (Fuquay-Varina, NC) and Parkside Elementary School (Morrisville, NC).

165,725,000

In 2021, tax-exempt \$302,410,000 Series 2021 Limited Obligation Bonds were issued with maturities ranging from \$4,621,958 to \$13,166,743. The Series 2021 Limited Obligation Bonds were publicly sold and are repaid from the Debt Service Fund. Collateralized by Barton Pond Elementary School (Raleigh, NC), Neuse River Middle School (Raleigh, NC) and Fuquay-Varina High School (Fuquay-Varina, NC)

266,830,000

In 2023, Tax-Exempt \$58,070,000 Series 2023 A Limited Obligation Bonds were issued with maturities ranging from \$3,225,000 to \$3,230,000. The Series 2023 A Limited Obligation Bonds were publicly sold and are repaid from the Debt Service Fund.

58,070,000

In 2023, Tax-Exempt \$58,785,000 Series 2023 B Limited Obligation Bonds were issued with maturities ranging from \$3,265,000 to \$3,270,000. The Series 2023 B Limited Obligation Bonds were publicly sold and are repaid from the Debt Service Fund.

58,785,000

Total limited obligation bonds outstanding

\$ 823,280,000

Issue	Closing Date	Maturity Date	Interest Rates	Original Issue Amount	Outstanding Amount	Purpose
Series 2016 A Refunding Limited Obligation Bonds	06/16/2016	12/01/2036	3.000% - 5.000%	\$ 191,835,000	\$ 151,280,000	Refunding
Series 2018 A Limited Obligation Bonds	06/28/2018	08/01/2037	3.000% - 5.000%	155,290,000	122,590,000	Mixed
Series 2019 Limited Obligation Bonds	06/27/2019	09/01/2038	4.000% - 5.000%	196,805,000	165,725,000	Mixed
Series 2021 Limited Obligation Bonds	02/18/2021	03/01/2038	3.000% - 5.000%	302,410,000	266,830,000	Refunding
Series 2023A Limited Obligation Bonds	05/10/2023	04/01/2041	5.000%	58,070,000	58,070,000	Refunding
Series 2023B Limited Obligation Bonds	05/10/2023	04/01/2041	5.000%	58,785,000	58,785,000	New Money
Total				<u>\$ 963,195,000</u>	<u>\$ 823,280,000</u>	



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

During fiscal year 2023, all outstanding installment purchase financings were paid off.

The annual requirements to amortize all general obligation debt outstanding as of June 30, 2023 are as follows:

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 195,540,000	\$ 75,237,465	\$ 270,777,465
2025	195,165,000	64,795,171	259,960,171
2026	146,815,000	55,217,621	202,032,621
2027	114,360,000	48,216,684	162,576,684
2028	112,620,000	42,914,784	155,534,784
2029-2033	500,570,000	139,782,506	640,352,506
2034-2038	347,945,000	49,587,775	397,532,775
2039-2043	91,385,000	6,085,375	97,470,375
	<u>\$ 1,704,400,000</u>	<u>\$ 481,837,381</u>	<u>\$ 2,186,237,381</u>

The annual requirements to amortize limited obligation bond debt outstanding as of June 30, 2023 are as follows:

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 54,340,000	\$ 37,271,648	\$ 91,611,648
2024	54,345,000	35,187,738	89,532,738
2025	54,315,000	32,471,238	86,786,238
2026	54,280,000	29,756,363	84,036,363
2027	54,240,000	27,043,238	81,283,238
2028-2032	270,390,000	95,348,188	365,738,188
2033-2037	251,545,000	35,077,944	286,622,944
2038-2042	29,825,000	2,154,100	31,979,100
	<u>\$ 823,280,000</u>	<u>\$ 294,310,457</u>	<u>\$ 1,117,590,457</u>

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

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, 2023, the statutory debt limit of the County is as follows:

Statutory Debt Limit	\$ 16,252,248,655
Total Debt	3,814,330,757
Legal Debt Margin	<u>\$ 12,437,917,898</u>

Purpose	Date Approved	Original Authorized	Bonds Issued	Authorized and Unissued <sup>1</sup>
Schools	11/6/2018	\$ 548,000,000	\$ 476,765,000	\$ 71,235,000 <sup>2</sup>
Community College	11/6/2018	349,000,000	161,935,000	187,065,000 <sup>2</sup>
Parks, Greenways, Recreation and Open Space	11/6/2018	120,000,000	78,385,000	41,615,000
Schools	11/8/2022	530,700,000	-	530,700,000 <sup>2</sup>
Community College	11/8/2022	353,200,000	-	353,200,000 <sup>2</sup>
Total				<u>\$ 1,183,815,000</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

**Defeased Debt:**

In 2023 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 governmentwide financial statements. As of June 30, 2023, the amount of defeased debt outstanding was \$11,005,000 for a hospital bond issue, of which the final defeasance payment will be April 1, 2026.

**Conduit Debt Obligations:**

Wake County Industrial Facilities and Pollution Control Financing Authority has used industrial revenue bonds and special purpose bonds to provide financial assistance to private businesses and non-profit organizations 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. Four series of industrial revenue bonds and special purpose bonds remain outstanding at June 30, 2023 with aggregate principal payable of \$54.5 million.

**Note 10. Long-term Debt (Cont.)****Current Refunding:**

In April of 2023, the County issued \$74,125,000 par of Series 2023B general obligation refunding bonds to provide necessary resources, together with other available resources, to current refund \$83,700,000 of the outstanding general obligation 2013A and 2013B serial bonds ("refunded bonds"). As a result, the refunded bonds are legally defeased and the liability has been removed from the governmental activities column on the County's Statement of Net Position. The current refunding was undertaken to reduce combined future debt service payments over the next nine years by \$7,946,788 and resulted in a combined net present value economic gain of \$5,418,706.

**Debt Related to Capital Activities:**

Of the total Governmental Activities debt listed, only \$431,540,378 relates to assets the County holds title. Unspent cash related to the debt amounts to \$131,326,579. The general fund, enterprise fund and internal service funds are used to liquidate any pension or other post-employment benefits in fiscal year 2023.

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

Long-term liability activity for the year ended June 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
<b>Governmental activities:</b>					
General obligation bonds	\$ 1,595,065,000	\$ 376,450,000	\$ 267,115,000	\$ 1,704,400,000	\$ 195,540,000
Plus: Premiums on issuance	<u>211,454,670</u>	<u>52,350,983</u>	<u>33,436,985</u>	<u>230,368,668</u>	<u>N/A</u>
Total general obligation bonds payable	1,806,519,670	428,800,983	300,551,985	1,934,768,668	195,540,000
Limited obligation bonds	754,290,000	116,855,000	47,865,000	823,280,000	54,340,000
Plus: Premiums on issuance	<u>149,341,077</u>	<u>16,637,096</u>	<u>9,848,851</u>	<u>156,129,322</u>	<u>N/A</u>
Total limited obligation bonds payable	903,631,077	133,492,096	57,713,851	979,409,322	54,340,000
Direct Placement Bond Anticipation Notes	107,773,717	142,157,052	213,677,045	36,253,724	-
Direct Placement Drawdown Installment Notes	21,456,797	67,489,340	66,183,125	22,763,012	-
Direct Placement Installment Purchases	2,278,115	-	2,278,115	-	-
Leases	46,343,985	283,859	2,808,823	43,819,021	2,935,484
Net OPEB Liability	463,163,191	14,208,845	28,709,917	448,662,119	-
Total pension liability (LEOSSA)	30,449,158	1,754,604	7,504,744	24,699,018	-
Net pension liability (LGRS)	56,652,336	144,976,554	-	201,628,890	-
Compensated absences	<u>19,068,624</u>	<u>22,349,009</u>	<u>16,526,566</u>	<u>24,891,067</u>	<u>16,561,000</u>
Total Governmental Activities	<u>\$ 3,457,336,670</u>	<u>\$ 955,512,342</u>	<u>\$ 695,954,171</u>	<u>\$ 3,716,894,841</u>	<u>\$ 269,376,484</u>
<b>Business-type activities:</b>					
Landfill	\$ 23,913,581	\$ 3,331,860	\$ 294,648	\$ 26,950,793	\$ 4,205,878
Net OPEB Liability	1,971,476	60,480	122,205	1,909,751	-
Net pension liability (LGRS)	286,710	801,781	-	1,088,491	-
Compensated absences	126,011	173,566	136,778	162,799	108,000
Construction Reserve	<u>1,015,417</u>	<u>-</u>	<u>15,517</u>	<u>999,900</u>	<u>-</u>
Total Business-type Activities	<u>\$ 27,313,195</u>	<u>\$ 4,367,687</u>	<u>\$ 569,148</u>	<u>\$ 31,111,734</u>	<u>\$ 4,313,878</u>

**Note 11. Compliance Audits of Federal and State Assisted Programs**

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

**Note 12. Multiple-Employer Pension Plan Obligations****Local Governmental Employees' Retirement System**

Plan Description. Wake County contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The LGERS is included in the 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 postretirement 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.

**Note 12. Multiple-Employer Pension Plan Obligations (Cont.)**

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, 2023, was 13.04% of compensation for law enforcement officers and 12.13% 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 \$38,402,515 for the year ended June 30, 2023.

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.

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

At June 30, 2023, the County reported a liability of \$202,717,381 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2022, the County's proportion was 3.59%, which was a decrease of -.12% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense of \$57,872,360. At June 30, 2023, 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	\$ 8,734,908	\$ 856,408
Changes of assumptions	20,226,649	-
Net difference between projected and actual earnings on pension plan investments	67,000,216	-
Changes in proportion and differences between County contributions and proportionate share of contributions	2,077,205	1,779,493
County contributions subsequent to the measurement date	38,402,515	-
Total	<u>\$ 136,441,493</u>	<u>\$ 2,635,901</u>

**Note 12. Multiple-Employer Pension Plan Obligations (Cont.)**

\$38,402,515 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an decrease of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$	30,563,405
2025		25,970,518
2026		6,948,996
2027		31,920,158
	\$	<u>95,403,077</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, (a) an investment rate of return of 6.50%, net of pension plan investment expense, including inflation, (b) projected salary increases ranging from 3.25% per year to 8.25% per year and (c) an inflation component of 2.50%.

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, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

**Note 12. Multiple-Employer Pension Plan Obligations (Cont.)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation Protection	6.0%	2.7%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 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 6.50%. 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.

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 6.50%, 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 (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
County's proportionate share of the net pension liability (asset)	\$ 365,878,766	\$ 202,717,381	\$ 68,262,926

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 12. Multiple-Employer Pension Plan Obligations (Cont.)****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 2023 was \$314,102,150. The County's contributions were calculated using the base salary amount of \$314,827,991. The County made contributions amounting to \$15,741,300. Employees made voluntary contributions of \$7,443,756..

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

**Note 13. Law Enforcement Officers' Special Separation Allowance**

Plan Description. Wake County administers a public employee retirement system (LEOSSA), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The LEOSSA is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. 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, 2021, the Valuation Date, the LEOSSA's membership consisted of:

Retirees receiving benefits	65
Active plan members	376
Total	441

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

Actuarial Assumptions. The entry age normal actuarial cost method was used in the December 31, 2021 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 4.31% 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 Pub 2010 mortality tables projected forward from 2010 using generational improvement with scale 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 LEOSA are financed by through investment earnings. The County paid \$1,331,957 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, 2023, the County reported a total pension liability of \$24,699,018. The total pension liability was measured as of December 31, 2022, based on a December 31, 2021 actuarial valuation. The total pension liability was rolled forward to December 31, 2022 utilizing updated procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the County recognized pension expense of \$2,998,952. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 3,392,154	\$ 1,946,862
Changes in assumptions	3,326,775	3,577,556
County contributions subsequent to measurement date	709,694	-
Total	<u>\$ 7,428,623</u>	<u>\$ 5,524,418</u>

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

\$709,694 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, 2024. 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:

2024	\$	1,161,934
2025		953,884
2026		318,220
2027		(814,215)
2028		(425,312)
	\$	<u>1,194,511</u>

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 4.31%, 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 (3.31%) or 1-percentage-point higher (5.31%) than the current rate.

	<u>1% Decrease (3.31%)</u>	<u>Discount Rate (4.31%)</u>	<u>1% Increase (5.31%)</u>
Total pension liability	26,458,625	24,699,018	23,075,002

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

Total Pension Liability as of December 31, 2021	\$	30,449,158
Changes for the year:		
Service Cost		1,084,482
Interest		670,122
Difference between expected and actuarial experience		(2,392,368)
Changes of assumptions and other inputs		(3,780,419)
Benefits payments		(1,331,957)
Net changes		<u>(5,750,140)</u>
Total Pension Liability as of December 31, 2022	\$	<u>24,699,018</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.25% at December 31, 2021 to 4.31% at December 31, 2022. The assumed inflation rate remained consistent with the prior year at 2.50%, while real wage growth decreased from 1.00% to .75%.

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

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, 2021 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, 2020.

**Note 14. Register of Deeds' Supplemental Pension Fund**

Plan Description. Wake County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a non-contributory, cost-sharing multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any county register of deeds who is retired under the Local Governmental Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the 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.

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 \$91,906 for the year ended June 30, 2023.

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

At June 30, 2023, the County reported an asset of \$1,454,905 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2022, the County's proportion was 10.99%, which was a decrease of -.94% from its proportion measured as of June 30, 2021.

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

For the year ended June 30, 2023, the County recognized pension expense of \$315,584. At June 30, 2023, 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	\$ 11,209	\$ 26,373
Changes in assumptions	77,031	-
Net difference between projected and actual earnings on pension plan investments	604,710	-
Changes in proportion and differences between County contributions and proportionate share of contributions	128,192	11,639
County contributions subsequent to the measurement date	91,906	-
Total	<u>\$ 913,048</u>	<u>\$ 38,012</u>

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

\$91,906 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$	231,683
2025		198,049
2026		201,314
2027		152,084
	\$	<u>783,130</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, (a) an investment rate of return of 3.00%, net of pension plan investment expense, including inflation, (b) projected salary increases ranging from 3.25% per year to 8.25% per year and (c) an inflation component of 2.50%.

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, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2011 through December 31, 2015.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement. The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2023 is 1.40%.

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 3.00%. 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.

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

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 3.00%, 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 (2.00%) or 1-percentage-point higher (4.00%) than the current rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	\$ (1,027,774)	\$ (1,454,905)	\$ (1,814,566)

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

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

	LGERS	LEOSSA	RODSPF	Total
Pension Expense	\$ 57,872,360	\$ 2,998,952	\$ 315,584	\$ 61,186,896
Pension Liability (Asset)	202,717,381	24,699,018	(1,454,905)	225,961,494
Proportionate share of the pension liability	3.59%	N/A	10.99%	
Deferred Outflows of Resources:				
Differences between expected and actual experience	8,734,908	3,392,154	11,209	12,138,271
Changes in assumptions	20,226,649	3,326,775	77,031	23,630,455
Net difference between projected and actual earnings on pension plan investments	67,000,216	-	604,710	67,604,926
Changes in proportion and differences between contributions and proportionate share of contributions	2,077,205	-	128,192	2,205,397
Benefit payments and administrative costs paid subsequent to the measurement date	38,402,515	709,694	91,906	39,204,115
Total Deferred Outflows of Resources	136,441,493	7,428,623	913,048	144,783,164
Deferred Inflows of Resources:				
Differences between expected and actual experience	856,408	1,946,862	26,373	2,829,643
Changes in assumptions	-	3,577,556	-	3,577,556
Changes in proportion and differences between contributions and proportionate share of contributions	1,779,493	-	11,639	1,791,132
Total Deferred Inflows of Resources	2,635,901	5,524,418	38,012	8,198,331

**Note 16. Post-Employment Benefits**

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

Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2023, the County made contributions of \$126,596.

**Note 17. Other Post-Employment Benefits (OPEB)**

**Plan Description.** In addition to providing pension benefits, Wake County has elected to provide healthcare benefits, as a single-employer defined benefit plan to retirees of the County. Employees hired before July 1, 2011 who retire from the North Carolina Local Government Employees' Retirement System under early, normal or disabled retirement conditions; remained continuously employed in a benefit eligible position; and were enrolled in the County's health insurance program prior to separation from the County may continue in the County's retiree health insurance program based date of hire and years of creditable service as described in the table below. 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 <sup>5</sup>	Not Eligible	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.



**Note 17. Other Post-Employment Benefits (OPEB) (Cont.)**

Membership in the plan included the following at June 30, 2021, the date of the latest actuarial valuation:

Retirees receiving benefits	1,287
Active plan members	1,415
Total	<u>2,702</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. Contributions to the OPEB Trust fund are made according to an adopted policy. This policy includes three components of funding which will contribute at least \$3.0 million annually to the trust fund through the annual budget process, as well as, additional funding components based on positive annual financial performance and savings on debt refundings.

**Investment Policy** Wake County's policy regarding the allocation of invested assets is established and may be amended by the Board of Commissioners by a majority vote of its members. The County has established a trust and invested through the State of North Carolina's Ancillary Government Participant Investment Program (AGPIP). Through the AGPIP, the trust is invested in North Carolina OPEB Short-term, Blackrock Index fund and North Carolina Fixed Income. Target Allocations are as follows:

<u>Asset Class</u>	<u>Target Allocation</u>
Bond Index Fund	30.00%
Equity Index Fund	55.00%
Short Term Investment Fund	15.00%
Total	<u>100.00%</u>

**Rate of Return** The long term expected real rate of return is 4.00%

The components of the net OPEB liability of the County at June 30, 2023, were as follows:

Total OPEB liability	\$ 468,044,106
Plan fiduciary net position	<u>17,472,236</u>
County's net OPEB liability	450,571,870
Plan Fiduciary net position as a percentage of the total OPEB liability	3.73%

**Actuarial assumptions and other inputs** The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurements unless otherwise specified. The actuarial assumptions included a wage inflation rate of 3.25%, salary increases from 3.25% to 8.41%, discount rate of 3.66% and health care cost trends of 7.00% for 2021 decreasing to an ultimate rate of 4.50% by 2031 for Pre-Medicare and 5.125% for 2021 decreasing to an ultimate rate of 4.50% by 2024 for Medicare.

**Note 17. Other Post-Employment Benefits (OPEB) (Cont.)**

This discount rate being used is the single equivalent rate comprising the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond Buyer blended with the long term rate of return through 2029, when the fiduciary net position is expected to be fully depleted.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

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

At June 30, 2023, the County reported a total OPEB liability of \$468,044,106. The total OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation June 30, 2021. For the year ended June 30, 2023, the County recognized an OPEB expense of \$51,259,131.

At June 30, 2023, the components of the net OPEB liability of the County, measured as of June 30, 2023, were as follows;

	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a)-(b)</b>
<b>Balances as of June 30, 2022</b>	\$ 465,134,667	\$ -	\$ 465,134,667
<b>Changes for the year:</b>			
Service Cost at the end of the year	7,809,615	-	7,809,615
Interest on TOL and cash flows	16,266,446	-	16,266,446
Difference between expected and actual experience	(348,867)	-	(348,867)
Changes in assumptions or other inputs	(9,457,869)	-	(9,457,869)
Contributions - employer*	-	27,609,886	(27,609,886)
Benefit payments	(11,359,886)	1,222,236	(12,582,122)
Plan administrative expenses*	-	(11,359,886)	11,359,886
<b>Net Changes</b>	<u>2,909,439</u>	<u>17,472,236</u>	<u>(14,562,797)</u>
<b>Balance as of June 30, 2023</b>	<u>\$ 468,044,106</u>	<u>\$ 17,472,236</u>	<u>\$ 450,571,870</u>

\*Includes payments made outside the trust.

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,070,341	\$ 456,419
Changes of assumptions or other inputs	18,343,706	6,968,956
Net difference between projected and actual earnings on plan investment	-	720,338
<b>Total</b>	<u>\$ 20,414,047</u>	<u>\$ 8,145,713</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.21% to 3.66%.

**Note 17. Other Post-Employment Benefits (OPEB) (Cont.)**

Amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ended June 30:		
2024	\$	17,453,883
2025		(2,760,805)
2026		(2,244,661)
2027		(180,083)
Total	\$	<u>12,268,334</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.66%) or 1-percentage point higher (4.66%) than the current discount rate.

	Discount Rate Sensitivity		
	1% Decrease (2.66%)	Current (3.66%)	1% Increase (4.66%)
Net OPEB Liability	\$ 538,645,172	\$ 450,571,870	\$ 381,451,405

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	\$ 371,366,320	\$ 450,571,870	\$ 552,738,173

**Note 18. Commitments and Contingencies**

The County is a party to some pending civil actions which are being vigorously defended. The County Attorney estimates that the potential liability resulting from such litigation not covered by insurance or barred by sovereign immunity is not material and would not have a substantial adverse effect on the financial position of the County as of June 30, 2023.

**Note 19. Closure and Postclosure Landfill Costs**

The County owns six solid waste landfills which are accounted for in the Solid Waste Operating Fund and the South Wake Landfill Partnership Fund. State and federal laws and regulations require the County to place a final cover on its landfills when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The current estimate of closure and postclosure maintenance and monitoring costs is approximately \$36.7 million, which includes the North Carolina Department of Environmental Quality's Potential Assessment and Corrective Action (PACA). The PACA

**Note 19. Closure and Postclosure Landfill Costs (Cont.)**

represents a contingency amount of \$5.2 million that the County has through alternative means proven financial assurance. The landfill closure and postclosure liability of \$26,950,793 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, 2023. The liability represents a cumulative amount reported to date based on the following facilities.

The North Wake Unlined Landfill and the Feltonsville Unlined Landfill have been closed for approximately 24 years and no additional closure costs are expected at these facilities. The County is currently responsible for monitoring these sites for an additional 13 years and 5 years for post-closure care, respectively. 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 Feltonsville 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. Postclosure costs associated with the Feltonsville 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 14 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 15 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 32.83% 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 postclosure costs related to Phase 2A have been included in this year's estimates. The entire landfill is estimated to close June 2047. The County will recognize the remaining estimated cost of closure and post-closure care costs of \$7 million as the remaining estimated capacity is filled. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**Note 20. Pollution Remediation Liability**

During fiscal year 2010, the County received notification from the North Carolina Department of Environment Quality (NCDEQ) regarding post closure activities associated with the closed East Wake Landfill. Groundwater contamination and other volatile compounds have been detected at levels above the State groundwater standards. NCDEQ issued a Facility Compliance Inspection Report requiring the County to implement corrective action to address five deficiencies. The County has completed the necessary corrective action in addressing all of the deficiencies. The property is divided into four areas. Areas A, B & C are managed under the jurisdiction of the Inactive Hazardous Site Pre-Regulatory Landfill Unit (PRLF), and the County has ceased all voluntary environmental assessment activities pertaining to these areas. Area D remains under the regulations of NCDEQ Solid Waste Section and is managed and paid for by the County. The County completed all work related to Area D in September 2015, and Area D now is compliant with NCDEQ Solid Waste post-closure monitoring requirements. At this time, the County is managing the necessary monitoring on an annual budgetary basis and does not anticipate the needs for additional reserves to be set aside. This will be continued to be monitored as required by NCDEQ. At June 30, 2023, no pollution remediation liabilities were included in accounts payable and accrued liabilities in the Solid Waste Construction Fund.

**Note 21. Fund Balance**

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

Total fund balance - General Fund:	\$ 591,686,223
Less:	
Inventories	597,547
Prepaid expenditures	546,614
Noncurrent receivable	27,787
Stabilization by state statute	128,586,068
Register of deeds automation	1,396,641
Revaluation reserve	2,228,122
LEO Separation Allowance	3,235,640
Future appropriations from excess ABC revenues	18,090,214
Future appropriations for behavioral health	31,506,680
Future appropriations health and human services	680,000
Working capital	404,790,910
Remaining fund balance	\$ -

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, 2023 are as follows:

General Fund	Major Funds			Nonmajor Funds	
	Affordable Housing Fund	American Rescue Plan Fund	County Capital Projects Fund	School Capital Fund	Other Governmental Funds
\$ 15,996,389	\$ 1,534,643	\$ 26,917,368	\$ 137,670,904	\$ 494,738,478	\$ 12,416,457

**Note 22. Stewardship, Compliance, and Accountability**

The Fines and Forfeitures Fund had a deficit balance of \$(612) as of June 30, 2023. This fund is established to track fines and forfeitures from penal violations. All fines are due to the Wake County Public School System(WCPSS) in adherence to Article IX section 7 of the North Carolina Constitution. Due to the timing of payments to WCPSS, outgoing payments exceeded collections.

The Debt Service Fund expenditures exceeded budget due to the closing of a bond refunding which occurred during Fiscal Year 2023. The 2023B General Obligation Refunding ("2023B GO") issued par bonds of \$83,700,000, the proceeds of which fully redeemed the remaining outstanding 2013A and 2013B serial bonds. By issuing the new 2023B GO bonds at a lower bond rate, economic savings were achieved by the County. The 2023B GO bonds were fully authorized by the Wake County Board of Commissioners and the NC Local Government Commission (division of the Office of the NC State Treasurer) and were rated the highest triple-A rating by all three bond rating agencies (Moody's, S&P, and Fitch). An escrow agent was not required for the closing of the 2023B GO bonds as the refunding was deemed a "current" refunding. Upon receiving closing proceeds of the 2023B GO bonds on the closing date, the County immediately forwarded the proceeds to the Depository Trust & Clearing Corporation (a repository for public bond holder transactions) for the purpose of the immediate redemption of remaining outstanding 2013A and 2013B serial bonds. By the very nature of a bond refunding transaction, sources generated by the bond refunding provide total means to fully cover needed uses of the bond refunding. Thus the impact of the bond refunding to the County's Debt Service Fund is a net zero effect – unbudgeted additional expenditures captured in the Debt Service Fund resulting from the bond refunding were fully offset and fully paid by unbudgeted additional revenues captured in the Debt Service Fund resulting from the bond refunding.

**Note 23. Comparative Data**

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

**Note 24. Discretely Presented Component Unit Disclosure****A. 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, 2023, the Board's deposits had a carrying amount of \$43,207,710 and a bank balance of \$41,572,305. All of the bank balance was either insured by federal depository insurance or collateralized under the pooling method.

**B. 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.

**Note 24. Discretely Presented Component Unit Disclosure (Cont.)****B. Risk Management (Cont.)**

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.

**Note 25. Prior Period Adjustment**

A prior period adjustment was made for fiscal year 2023 related to the OPEB liability. During fiscal year 2023, the County established an OPEB Trust account for the purpose of accumulating assets to offset the liability. For this process, the County's actuary aligned the measurement date with the reporting date, which updated the discount rate decreasing the liability and impacting deferred outflows of resources and deferred inflows of resources. This remeasurement required a prior period adjustment of \$108,737,246 for Governmental Activities and \$462,845 for Business-type Activities.





## 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 Net OPEB Liability, Related Ratios and Investment Returns
- 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

**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**

	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability - beginning balance	\$ 30,449,158	\$ 26,462,961	\$ 18,862,039	\$ 17,014,647	\$ 17,179,631	\$ 16,124,717	\$ 16,478,270
Service Cost	1,084,482	1,275,986	664,724	617,730	638,579	537,880	570,747
Interest	670,122	498,321	594,877	597,289	524,414	601,201	568,041
Difference between expected and actual experience	(2,392,368)	4,209,352	715,912	1,325,314	463,714	58,031	-
Changes in assumptions and other inputs	(3,780,419)	(711,067)	6,853,967	518,301	(623,177)	956,913	(358,851)
Benefit payments	(1,331,957)	(1,286,395)	(1,228,558)	(1,211,242)	(1,168,514)	(1,099,111)	(1,133,490)
Total Pension Liability - ending balance	\$ 24,699,018	\$ 30,449,158	\$ 26,462,961	\$ 18,862,039	\$ 17,014,647	\$ 17,179,631	\$ 16,124,717
Covered-employee payroll	\$ 26,956,593	\$ 29,773,739	\$ 25,064,195	\$ 25,517,817	\$ 23,882,915	\$ 22,378,641	\$ 21,685,204
Total Pension Liability as a percentage of covered-employee payroll	91.63%	102.27%	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 scheduled is intended to show 10 years of information, additional years' information will be displayed as it becomes available.*

**Other Post-Employment Benefits (OPEB) - Required Supplementary Information****Schedule of Changes in Net OPEB Liability, Related Ratios and Investment Returns**

	2023	2022	2021	2020	2019	2018
Total OPEB Liability - beginning balance	\$ 465,134,667	\$ 540,414,829	\$ 415,753,783	\$ 389,385,647	\$ 397,934,783	\$ 425,174,365
Service Cost	7,809,615	12,820,452	8,141,450	9,304,353	9,952,337	11,423,301
Interest	16,266,446	12,123,521	14,683,245	14,969,573	14,005,022	12,677,243
Difference between expected and actual experience	(348,867)	9,834,113	(1,506,635)	15,885,637	132,574	(377,290)
Changes in assumptions and other inputs	(9,457,869)	16,632,985	112,166,760	(4,576,095)	(23,488,471)	(42,896,059)
Benefit payments	(11,359,886)	(9,370,525)	(8,823,774)	(9,215,332)	(9,150,598)	(8,066,777)
Total OPEB Liability - ending balance	<u>\$ 468,044,106</u>	<u>\$ 582,455,375</u>	<u>\$ 540,414,829</u>	<u>\$ 415,753,783</u>	<u>\$ 389,385,647</u>	<u>\$ 397,934,783</u>
Plan fiduciary net position:						
Contributions - County	\$ 27,609,886	\$ -	\$ -	\$ -	\$ -	\$ -
Net investment income	1,222,236	-	-	-	-	-
Benefit payments	(11,359,886)	-	-	-	-	-
Net change in plan fiduciary net position	<u>17,472,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending	<u>\$ 17,472,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB liability - ending	<u>\$ 450,571,870</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	3.73%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	<u>\$ 92,583,365</u>	<u>\$ 92,583,365</u>	<u>\$ 104,126,454</u>	<u>\$ 104,126,454</u>	<u>\$ 115,050,642</u>	<u>\$ 115,050,642</u>
Net OPEB liability as a percentage of covered-employee payroll	486.67%	629.11%	519.00%	399.28%	338.45%	345.88%

**Schedule of Employer Contributions**

Fiscal Year Ending June 30	Fiscal Year	
	2023	
Actualrily Determined Contributions	\$	29,555,054
Contributions in relation to the Actuarially Determined Contribution		27,609,886
Annual contibution dificiency	\$	1,945,168
Covered payroll	\$	92,583,365
Actual contributions as a percentage of covered payroll		29.82%

**Schedule of Investment Returns**

Fiscal Year Ending June 30	Fiscal Year	
	2023	
Annual money-weighted rate of return, net of investment expense		15.72%

**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%
2022	2.16%
2023	3.65%

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.*

\* Beginning in FY2023, the County established a OPEB Trust Fund and restated the beginning balance of the liability.

**Local Governmental Employees' Retirement System****Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)**

<b>Year Ended June 30 *</b>	<b>County's proportion of the net pension liability</b>	<b>County's proportionate share of the net pension liability (asset)</b>	<b>County's covered-payroll</b>	<b>County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</b>	<b>Plan fiduciary net position as a percentage of the total pension liability</b>
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	49.79%	88.61%
2022	3.71%	56,939,046	259,544,922	21.94%	95.51%
2023	3.59%	202,717,381	275,871,373	73.48%	84.14%

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

**Schedule of Employer Contributions**

<u>Year Ended June 30</u>	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>County's covered payroll</u>	<u>Contributions as a percentage of covered- payroll</u>
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%
2022	31,564,217	31,564,217	-	275,871,373	11.44%
2023	38,402,515	38,402,515	-	314,827,991	12.20%

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

**Register of Deeds' Supplemental Pension Fund****Schedule of the County's Proportionate Share of the Net Pension Asset**

<b>Year Ended June 30 *</b>	<b>County's proportion of the net pension asset</b>	<b>County's proportionate share of the net pension asset</b>	<b>County's covered payroll</b>	<b>County's proportionate share of the net pension asset as a percentage of its covered payroll</b>	<b>Plan fiduciary net position as a percentage of the total pension asset</b>
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	(1724.16%)	173.62%
2022	11.93%	(2,291,248)	184,512	(1241.79%)	156.53%
2023	10.99%	(1,454,905)	185,946	(782.43%)	139.04%

**Schedule of Employer Contributions**

<b>Year Ended June 30</b>	<b>Contractually required contribution</b>	<b>Contributions in relation to the contractually required contribution</b>	<b>Contribution deficiency (excess)</b>	<b>County's covered payroll</b>	<b>Contributions as a percentage of covered payroll</b>
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%
2022	125,973	125,973	-	185,946	67.75%
2023	91,906	91,906	-	201,978	45.50%

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







# 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.

## General Fund Comparative Balance Sheets

As of June 30, 2023 and 2022

	June 30, 2023	June 30, 2022
<b>ASSETS</b>		
Cash and investments - pooled equity	\$ 527,312,497	\$ 486,230,942
Cash and investments - cash equivalents	1,116,438	1,061,061
Cash and investments - restricted	6,860,403	7,549,809
Taxes receivable (net)	74,713,597	72,606,616
Accounts receivable (net)	13,472,230	13,402,854
Intergovernmental receivable (net)	29,743,601	38,695,205
Internal balances (due from other funds)	6,068,713	10,974,428
Prepaid expenditures	546,614	2,026,555
Inventories	597,547	520,877
Accrued interest receivable	39,431	-
Total assets	<u>\$ 660,471,071</u>	<u>\$ 633,068,347</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 51,924,177	\$ 55,168,428
Due to other governmental units	3,045,199	406,086
Total liabilities	<u>54,969,376</u>	<u>55,574,514</u>
DEFERRED INFLOWS OF RESOURCES	<u>13,815,472</u>	<u>14,119,771</u>
Fund balances:		
Non-spendable:		
Nonspendable inventories	597,547	520,877
FB Prepaid expenditures	546,614	2,026,555
Noncurrent receivable	27,787	35,610
Restricted:		
Stabilization by state statute	128,586,068	136,809,363
Register of deed automation	1,396,641	1,510,481
Committed:		
Revaluation reserve	2,228,122	2,623,228
LEO Special Separation Allowance	3,235,640	3,235,640
Future appropriations from excess ABC revenues	18,090,214	17,573,345
Future appropriations for behavioral health	31,506,680	18,074,181
Future appropriations for health and human services	680,000	1,745,744
Working capital	404,790,910	379,219,038
Total fund balance	<u>591,686,223</u>	<u>563,374,062</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 660,471,071</u>	<u>\$ 633,068,347</u>

## Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			2022
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES:				
Taxes	\$ 1,555,977,099	\$ 1,571,659,072	\$ 15,681,973	\$ 1,477,822,526
Intergovernmental	79,774,500	88,231,409	8,456,909	90,514,596
Charges for services	68,966,342	72,453,319	3,486,977	78,449,963
Licenses and permits	6,593,901	5,448,058	(1,145,843)	6,067,616
Investment earnings (losses)	200	311,366	311,166	(46,152)
Miscellaneous	364,732	395,649	30,917	433,118
Total revenues	<u>1,711,676,774</u>	<u>1,738,498,873</u>	<u>26,822,099</u>	<u>1,653,241,667</u>
EXPENDITURES:				
Current:				
General government	88,995,908	75,881,541	13,114,367	68,488,014
Health and human services	240,382,821	204,495,506	35,887,315	187,883,714
Education	628,908,804	628,388,458	520,346	574,744,372
Community and environmental services	67,710,749	65,186,939	2,523,810	55,990,443
Public safety	199,923,487	188,931,902	10,991,585	147,658,009
Infrastructure	63,092,092	60,428,446	2,663,646	54,328,874
Total expenditures	<u>1,289,013,861</u>	<u>1,223,312,792</u>	<u>65,701,069</u>	<u>1,089,093,426</u>
REVENUES OVER (UNDER) EXPENDITURES	422,662,913	515,186,081	92,523,168	564,148,241
OTHER FINANCING SOURCES (USES):				
Transfers in	2,335,944	2,335,944	-	2,288,050
Transfers out	(489,544,710)	(489,544,710)	-	(485,021,582)
Lease proceeds	-	281,255	281,255	-
Sale of assets and materials	30,000	53,591	23,591	38,869
Total other financing sources (uses)	<u>(487,178,766)</u>	<u>(486,873,920)</u>	<u>304,846</u>	<u>(482,694,663)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(64,515,853)	28,312,161	92,828,014	81,453,578
APPROPRIATED FUND BALANCE	<u>64,515,853</u>	<u>-</u>	<u>(64,515,853)</u>	<u>-</u>
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>28,312,161</u>	<u>\$ 28,312,161</u>	<u>81,453,578</u>
FUND BALANCE AT BEGINNING OF YEAR		<u>563,374,062</u>		<u>481,920,484</u>
FUND BALANCE AT END OF YEAR		<u>\$ 591,686,223</u>		<u>\$ 563,374,062</u>

## Schedule of Revenues, Expenditures and Changes in Fund Balance Detailed Budget and Actual

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive/ (Negative)	2022
	Budget	Actual		Actual
REVENUES:				
TAXES				
Ad valorem property tax - current	\$ 1,224,701,000	\$ 1,233,490,816	\$ 8,789,816	\$ 1,155,062,632
Ad valorem property tax - prior	4,557,000	2,722,135	(1,834,865)	4,069,509
Tax penalties, interest and other	2,515,000	2,704,880	189,880	3,505,590
Sales tax	299,229,000	311,964,166	12,735,166	283,904,751
Leased rental vehicle tax	3,350,000	4,181,745	831,745	4,006,083
Real property transfer tax	21,604,096	16,532,152	(5,071,944)	25,354,056
Payments in lieu of taxes	21,003	63,178	42,175	1,919,905
Total Taxes	1,555,977,099	1,571,659,072	15,681,973	1,477,822,526
LICENSES AND PERMITS				
Beer and wine licenses	72,000	99,811	27,811	97,032
Marriage licenses	177,069	184,640	7,571	179,340
Building and construction permits	4,580,000	3,341,894	(1,238,106)	4,241,911
Weapon permits	663,300	592,537	(70,763)	480,890
Other permits	1,101,532	1,229,176	127,644	1,068,443
Total Licenses and Permits	6,593,901	5,448,058	(1,145,843)	6,067,616
INTERGOVERNMENTAL				
Federal and State:				
Human services	69,595,274	69,507,020	(88,254)	69,241,542
Payments in lieu of taxes	255,000	445,948	190,948	439,687
Aid to public libraries	600,000	664,550	64,550	611,651
Public safety	100,338	233,461	133,123	103,213
Other federal and state	2,586,688	4,207,199	1,620,511	2,361,208
Total Federal and State	73,137,300	75,058,178	1,920,878	72,757,301
Local:				
ABC Board	6,500,000	13,016,869	6,516,869	17,521,465
Other local	137,200	156,362	19,162	235,830
Total Local	6,637,200	13,173,231	6,536,031	17,757,295
Total Intergovernmental	79,774,500	88,231,409	8,456,909	90,514,596

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

(Continued)

# Schedule of Revenues, Expenditures and Changes in Fund Balance Detailed Budget and Actual (continued)

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive/ (Negative)	2022
	Budget	Actual		Actual
CHARGES FOR SERVICES				
Environmental	\$ 371,423	\$ 313,002	\$ (58,421)	\$ 332,047
Client fees	1,361,578	942,928	(418,650)	924,646
Insurance	468,438	397,706	(70,732)	370,865
Medicaid fees	11,276,244	15,176,408	3,900,164	15,334,556
Medicare fees	44,203	23,807	(20,396)	37,034
Human services reimbursements	894,191	918,119	23,928	813,160
Inspection fees	1,063,347	1,025,535	(37,812)	1,104,668
Library fees	109,000	124,822	15,822	108,523
Parks & recreation fees	89,000	72,248	(16,752)	87,289
EMS fees	31,644,675	33,566,339	1,921,664	36,756,427
Facility use fees	22,000	25,520	3,520	28,952
Fire/Rescue fees	154,974	145,222	(9,752)	146,817
Sheriff fees	4,576,300	3,618,579	(957,721)	3,985,574
Planning fees	1,846,950	2,146,421	299,471	1,719,699
Court facility fees	800,000	973,312	173,312	874,890
Parking fees	995,000	985,829	(9,171)	964,312
Rental/lease income	273,207	265,681	(7,526)	269,541
Record fees	6,226,300	4,892,414	(1,333,886)	6,927,476
Reimbursements	3,208,221	2,964,476	(243,745)	3,145,198
Tax collection fees	2,179,000	2,296,453	117,453	1,215,193
Vending income	401,000	414,113	13,113	415,854
Other fees and charges	961,291	1,164,385	203,094	2,887,242
Total Charges for Services	68,966,342	72,453,319	3,486,977	78,449,963
INVESTMENT EARNINGS (LOSSES)	200	311,366	311,166	(46,152)
OTHER MISCELLANEOUS	364,732	395,649	30,917	433,118
TOTAL REVENUES	1,711,676,774	1,738,498,873	26,822,099	1,653,241,667

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

(Continued)



# Schedule of Revenues, Expenditures and Changes in Fund Balance Detailed Budget and Actual (continued)

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023						2022
	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	\$ 1,030,549	\$ 1,023,124	\$ 7,425	\$ -	\$ 1,023,124	\$ 7,425	\$ 751,448
County manager	4,370,423	4,370,399	24	-	4,370,399	24	3,150,225
County attorney	4,065,827	3,937,289	128,538	7,697	3,944,986	120,841	3,380,884
Board of elections	11,639,060	10,945,297	693,763	114,894	11,060,191	578,869	7,775,453
Budget & management services	1,827,167	1,721,149	106,018	35,454	1,756,603	70,564	1,409,737
Communications office	2,256,645	2,122,116	134,529	-	2,122,116	134,529	1,395,637
Finance	3,689,157	2,660,700	1,028,457	35,605	2,696,305	992,852	2,688,633
Internal Audit	1,354,628	927,579	427,049	11,000	938,579	416,049	650,410
Human resources	6,452,852	6,412,511	40,341	5,397	6,417,908	34,944	4,852,877
Register of deeds	3,942,686	3,695,608	247,078	133,476	3,829,084	113,602	3,425,826
Tax Administration	13,640,513	12,525,635	1,114,878	-	12,525,635	1,114,878	9,662,630
Non-departmental	26,866,465	25,540,134	1,326,331	878,313	26,418,447	448,018	21,344,254
COVID-19 Response	7,859,936	-	7,859,936	7,859,936	7,859,936	-	8,000,000
Total General Government	88,995,908	75,881,541	13,114,367	9,081,772	84,963,313	4,032,595	68,488,014
HEALTH AND HUMAN SERVICES							
Human Services:							
Social services economic self sufficiency	60,096,864	56,732,646	3,364,218	205	56,732,851	3,364,013	53,215,712
Child welfare	40,423,371	39,864,746	558,625	30,050	39,894,796	528,575	32,053,065
Public health	35,598,442	32,752,054	2,846,388	30,464	32,782,518	2,815,924	29,994,927
Health clinics	23,073,796	20,378,223	2,695,573	58,391	20,436,614	2,637,182	19,393,755
Administration and operations	26,405,775	24,582,121	1,823,654	211,209	24,793,330	1,612,445	22,091,597
Total Human Services	185,598,248	174,309,790	11,288,458	330,319	174,640,109	10,958,139	156,749,056
Behavioral health - managed care	39,806,388	17,455,889	22,350,499	2,285,506	19,741,395	20,064,993	22,818,342
Housing	12,262,637	10,412,603	1,850,034	9,850	10,422,453	1,840,184	8,316,316
Cooperative Extension	2,715,548	2,317,224	398,324	19,871	2,337,095	378,453	224,663
Total Health and Human Services	240,382,821	204,495,506	35,887,315	2,645,546	207,141,052	33,241,769	188,108,377

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

(Continued)

# Schedule of Revenues, Expenditures and Changes in Fund Balance Detailed Budget and Actual (continued)

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023						2022
	Budget	Actual	Variance Budget vs. Actual Positive/(Negative)	Encumbrances	Total (Actuals plus Encumbrances)	Variance Budget vs. Actuals plus Encumbrances Positive/(Negative)	Actual
<b>EDUCATION</b>							
Wake County Public Schools:							
Current expense	\$ 593,317,101	\$ 593,317,101	\$ -	\$ -	\$ 593,317,101	\$ -	\$ 543,317,051
Other restricted	935,944	935,944	-	-	935,944	-	888,050
Total Wake County Public Schools	594,253,045	594,253,045	-	-	594,253,045	-	544,205,101
Wake Technical College:							
Current expense	30,235,154	29,892,808	342,346	-	29,892,808	342,346	28,501,243
Total Wake Technical College	30,235,154	29,892,808	342,346	-	29,892,808	342,346	28,501,243
Other education Initiatives	4,420,605	4,242,605	178,000	-	4,242,605	178,000	2,038,028
Total Education	628,908,804	628,388,458	520,346	-	628,388,458	520,346	574,744,372
<b>COMMUNITY AND ENVIRONMENTAL SERVICES</b>							
Administration	1,042,574	1,048,900	(6,326)	-	1,048,900	(6,326)	918,921
Parks and recreation	4,273,798	4,166,794	107,004	115,083	4,281,877	(8,079)	3,469,193
Building inspections	7,872,766	7,382,995	489,771	4,438	7,387,433	485,333	6,402,339
Veterans services	-	-	-	-	-	-	345,783
Geographic information services	2,793,975	2,450,718	343,257	-	2,450,718	343,257	2,067,720
Public libraries	31,512,655	30,203,620	1,309,035	6,258	30,209,878	1,302,777	26,760,643
Environmental services	19,350,125	19,081,105	269,020	6,205	19,087,310	262,815	15,122,997
Soil and water conservation	864,856	852,807	12,049	-	852,807	12,049	678,184
Total Community and environmental services	67,710,749	65,186,939	2,523,810	131,984	65,318,923	2,391,826	55,765,780
<b>INFRASTRUCTURE</b>							
General services administration	35,599,091	33,991,176	1,607,915	657,210	34,648,386	950,705	31,429,976
Information services	24,833,904	24,147,875	686,029	210,915	24,358,790	475,114	20,802,157
Facilities, design & construction	2,659,097	2,289,395	369,702	-	2,289,395	369,702	2,096,741
Total Infrastructure	63,092,092	60,428,446	2,663,646	868,125	61,296,571	1,795,521	54,328,874

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

(Continued)



**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Detailed Budget and Actual (continued)**

**For the Year Ended June 30, 2023**

**With Comparative Actual Amounts for the Year Ended June 30, 2022**

	2023						2022
	Budget	Actual	Variance Budget vs. Actual Positive/(Negative)	Encumbrances	Total (Actuals plus Encumbrances)	Variance Budget vs. Actuals plus Encumbrances Positive/(Negative)	Actual
PUBLIC SAFETY							
Sheriff Department:							
Sheriff	55,805,060	58,176,538	(2,371,478)	61,343	58,237,881	(2,432,821)	50,751,224
Detention	55,726,709	49,984,448	5,742,261	178,916	50,163,364	5,563,345	48,317,816
Total Sheriff Department	111,531,769	108,160,986	3,370,783	240,259	108,401,245	3,130,524	99,069,040
CCBI	8,682,138	8,677,810	4,328	-	8,677,810	4,328	7,412,481
Law enforcement special separation allowance	1,442,383	1,516,170	(73,787)	-	1,516,170	(73,787)	1,409,729
Emergency medical services	72,435,640	65,270,636	7,165,004	2,808,832	68,079,468	4,356,172	34,639,180
Fire services	3,978,955	3,702,507	276,448	23,825	3,726,332	252,623	3,175,197
Public safety communications	1,852,602	1,603,793	248,809	196,045	1,799,838	52,764	1,952,382
Total Public Safety	199,923,487	188,931,902	10,991,585	3,268,961	192,200,863	7,722,624	147,658,009
TOTAL EXPENDITURES	1,289,013,861	1,223,312,792	65,701,069	15,996,388	1,239,309,180	49,704,681	1,089,093,426

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

(Continued)

# **Schedule of Revenues, Expenditures and Changes in Fund Balance Detailed Budget and Actual (continued)**

**For the Year Ended June 30, 2023**

**With Comparative Actual Amounts for the Year Ended June 30, 2022**

	2023			2022
	Budget	Actual	Variance Positive/ (Negative)	Actual
REVENUES OVER EXPENDITURES	\$ 422,662,913	\$ 515,186,081	\$ 92,523,168	\$ 564,148,241
OTHER FINANCING SOURCES (USES):				
Transfers in	2,335,944	2,335,944	-	2,288,050
Transfers out	(489,544,710)	(489,544,710)	-	(485,021,582)
Sale of assets & materials	30,000	53,591	23,591	38,869
Lease proceeds	-	281,255	281,255	-
Total other financing sources (uses)	(487,178,766)	(486,873,920)	304,846	(482,694,663)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(64,515,853)	28,312,161	92,828,014	81,453,578
APPROPRIATED FUND BALANCE	64,515,853	-	(64,515,853)	-
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	28,312,161	\$ 28,312,161	81,453,578
FUND BALANCE AT BEGINNING OF YEAR		563,374,062		481,920,484
FUND BALANCE AT END OF YEAR		\$ 591,686,223		\$ 563,374,062

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

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# 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.

**Affordable Housing Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance (Non-GAAP Basis)**  
**Budget And Actual**  
**From Project Inception Through June 30, 2023**

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Intergovernmental	\$ 140,701,381	\$ 88,076,936	\$ 29,880,554	\$ 117,957,490
Charges for services	4,874,693	4,307,271	623,263	4,930,534
Investment earnings (losses)	210,326	259,693	(1,260)	258,433
Miscellaneous	8,222	(519)	8,222	7,703
Total Revenues	145,794,622	92,643,381	30,510,779	123,154,160
EXPENDITURES:				
Human Services				
County funded	8,341,613	6,928,367	405,000	7,333,367
Emergency Rental Assistance Program	71,855,639	47,039,378	16,008,170	63,047,548
Housing and community revitalization	50,403,407	36,939,321	6,244,810	43,184,131
Home grants	13,803,907	5,383,046	178,163	5,561,209
HOPWA grants	6,846,728	3,969,160	1,160,302	5,129,462
Total Expenditures	151,251,294	100,259,272	23,996,445	124,255,717
REVENUES OVER (UNDER) EXPENDITURES	(5,456,672)	(7,615,891)	6,514,334	(1,101,557)
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	5,456,672	-	5,456,672
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ -	\$ (2,159,219)	6,514,334	\$ 4,355,115
FUND BALANCE AT BEGINNING OF YEAR (Non-GAAP)			(2,159,219)	
FUND BALANCE AT END OF YEAR (Non-GAAP)			\$ 4,355,115	
Reconciling items for GAAP presentation:				
Fund balance at beginning of year (GAAP)			31,742,661	
Adjustments to loans			11,546,112	
Payments received on loan balances			(908,636)	
Change in estimate of loan portfolio allowance			160,627	
Total reconciling items:			42,540,764	
FUND BALANCE AT END OF YEAR (GAAP basis)			\$ 49,055,098	

**Coronavirus Relief Funds (CRF) Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

**From Project Inception Through June 30, 2023**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total To Date</b>
REVENUES:				
Intergovernmental	\$ 193,995,056	\$ 193,995,056	\$ -	\$ 193,995,056
Investment earnings	517,000	517,000	-	517,000
Miscellaneous	100,000	100,000	-	100,000
Total Revenues	194,612,056	194,612,056	-	194,612,056
EXPENDITURES:				
Public Health Emergency Response	100,258,626	100,034,994	223,626	100,258,620
Community Response	20,074,507	20,077,461	(2,951)	20,074,510
Continuity of Operations	65,286,030	65,286,032	-	65,286,032
Economic Recovery	8,984,393	8,984,394	-	8,984,394
Total Expenditures	194,603,556	194,382,881	220,675	194,603,556
REVENUES OVER (UNDER) EXPENDITURES	8,500	229,175	(220,675)	8,500
OTHER FINANCING (USES):				
Transfers out	(8,500)	(8,500)	-	(8,500)
Total Other Financing (Uses)	(8,500)	(8,500)	-	(8,500)
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ -	\$ 220,675	(220,675)	\$ -
FUND BALANCE AT BEGINNING OF YEAR			\$ 220,675	

**American Rescue Plan Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

**From Project Inception Through June 30, 2023**

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Intergovernmental	\$ 215,946,541	\$ 52,803,819	\$ 35,289,244	\$ 88,093,063
Investment earnings (losses)	513,289	(2,355,528)	4,834,703	2,479,175
Total Revenues	216,459,830	50,448,291	40,123,947	90,572,238
EXPENDITURES:				
Affordable Housing Development	48,197,909	-	7,652,109	7,652,109
Public Health Emergency Response	24,695,420	14,129,492	4,930,444	19,059,936
Community Response	55,244,281	5,519,496	9,376,196	14,895,692
Continuity of Operations	36,909,718	9,170,080	16,462,654	25,632,734
Community Engagement	9,730,064	200,000	1,600,000	1,800,000
Technology	6,946,250	-	270,000	270,000
Water Quality & Stormwater	857,000	-	-	-
Emergency Operations	7,969,148	-	364,732	364,732
Other Programs	25,910,040	17,024,533	1,393,327	18,417,860
Total Expenditures	216,459,830	46,043,601	42,049,462	88,093,063
REVENUES AND OTHER SOURCES (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 4,404,690	(1,925,515)	\$ 2,479,175
FUND BALANCE AT BEGINNING OF YEAR			4,404,690	
FUND BALANCE AT END OF YEAR			\$ 2,479,175	



**Major Facilities Fund**  
**Schedule of Revenues, Expenditures And Changes in Appropriated Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2023**

	2023		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Taxes:			
Occupancy tax	\$ 39,068,000	\$ 36,528,571	\$ (2,539,429)
Prepared food tax	45,485,000	43,488,717	(1,996,283)
Total taxes	84,553,000	80,017,288	(4,535,712)
Investment earnings	-	601,100	601,100
Total Revenues	84,553,000	80,618,388	(3,934,612)
EXPENDITURES:			
Raleigh hold harmless - occupancy	680,000	680,000	-
Cary hold harmless - occupancy	1,921,000	1,793,929	127,071
Greater Raleigh Convention and Visitors Bureau	9,852,000	9,216,893	635,107
Centennial Authority operations 7%	4,997,000	4,732,453	264,547
Raleigh annual distribution - \$1M	1,000,000	1,000,000	-
Convention Center	44,493,000	41,508,911	2,984,089
PNC Arena	9,000,000	9,000,000	-
Cary Sports Venue	3,000,000	3,000,000	-
Cary Indoor Sports Facilities	2,360,000	2,360,000	-
Unallocated	2,850,000	-	2,850,000
Total Expenditures	80,153,000	73,292,186	6,860,814
REVENUES OVER EXPENDITURES	4,400,000	7,326,202	2,926,202
OTHER FINANCING (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 (Uses)	(4,400,000)	(4,400,000)	-
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ -	2,926,202	\$ 2,926,202
FUND BALANCE AT BEGINNING OF YEAR		6,472,861	
FUND BALANCE AT END OF YEAR		\$ 9,399,063	



**Debt Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

**For the Year Ended June 30, 2023**

	2023		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Intergovernmental	\$ 10,026,416	\$ 11,735,413	\$ 1,708,997
Charges for services	-	4,252	4,252
Investment earnings	2,953,051	41,331,831	38,378,780
Miscellaneous	20,000	24,174	4,174
Total Revenues	12,999,467	53,095,670	40,096,203
EXPENDITURES:			
Debt service - principal	233,558,115	317,258,115	(83,700,000)
Debt service - interest	110,110,279	108,044,828	2,065,451
Miscellaneous	3,837,606	1,598,396	2,239,210
Total Expenditures	347,506,000	426,901,339	(79,395,339)
REVENUES (UNDER) EXPENDITURES	(334,506,533)	(373,805,669)	(39,299,136)
OTHER FINANCING SOURCES (USES):			
Transfers in	336,168,533	336,168,533	-
Transfers out	(1,662,000)	(1,662,000)	-
Refunding Bonds issued	-	74,504,180	74,504,180
Limited obligation bonds issued	-	308,970	308,970
Premiums on issuance	-	9,604,165	9,604,165
Total Other Financing Sources (Uses), net	334,506,533	418,923,848	84,417,315
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	45,118,179	45,118,179
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	45,118,179	\$ 45,118,179
FUND BALANCE AT BEGINNING OF YEAR		141,938,890	
FUND BALANCE AT END OF YEAR		\$ 187,057,069	

**County Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2023**

	Project Authorization	Prior Years	Actual Actual	Total To Date
REVENUES:				
Taxes	\$ 4,984	\$ 4,984	\$ -	\$ 4,984
Intergovernmental	23,619,647	19,224,864	2,611,230	21,836,094
Charges for services	25,559,995	14,119,190	4,456,198	18,575,388
Investment earnings	12,022,586	12,097,397	-	12,097,397
Miscellaneous	684,384	483,684	200,700	684,384
Total Revenues	61,891,596	45,930,119	7,268,128	53,198,247
EXPENDITURES:				
Capital projects: Automation CIP	91,773,799	48,097,084	10,894,294	58,991,378
Community capital projects	16,500,000	902,685	798,315	1,701,000
County building improvements	192,602,394	72,992,418	20,300,864	93,293,282
Criminal justice CIP	22,614,636	11,453,080	4,528,866	15,981,946
Public libraries CIP	17,305,222	7,267,598	2,440,285	9,707,883
Open space	713,271	713,291	-	713,291
Parks and recreation CIP	113,579,769	24,317,995	17,389,914	41,707,909
Public safety CIP	94,530,465	52,458,651	15,954,983	68,413,634
Economic development	19,028,413	9,735,130	2,563,813	12,298,943
Program wide projects	27,757,188	-	-	-
Total Expenditures	596,405,157	227,937,932	74,871,334	302,809,266
REVENUES UNDER EXPENDITURES	(534,513,561)	(182,007,813)	(67,603,206)	(249,611,019)
OTHER FINANCING SOURCES (USES):				
Transfers in	434,097,336	336,709,694	98,574,497	435,284,191
Bonds issued	86,093,754	86,091,537	-	86,091,537
Limited obligation bonds issued	-	-	58,630,486	58,630,486
Premiums on issuance	8,515,286	8,807,589	8,369,514	17,177,103
Sale of assets and materials	1,609,488	2,208,258	9,275	2,217,533
Total Other Financing Sources (Uses)	530,315,864	433,817,078	165,583,772	599,400,850
APPROPRIATED FUND BALANCE	\$ 4,197,697	\$ -		\$ -
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 251,809,265	97,980,566	\$ 349,789,831
FUND BALANCE AT BEGINNING OF YEAR			251,809,265	
FUND BALANCE AT END OF YEAR			\$ 349,789,831	

**School Capital Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

**For the Year Ended June 30, 2023**

	Project Authorization	Prior Years	Actual Actual	Total To Date
REVENUES:				
Intergovernmental	\$ 20,971,782	\$ 34,504,150	\$ -	\$ 34,504,150
Investment earnings (losses)	68,105,414	69,508,588	202,199	69,710,787
Miscellaneous	4,328	4,328	63	4,391
Total Revenues	89,081,524	104,017,066	202,262	104,219,328
EXPENDITURES:				
Wake County Public Schools	4,182,524,365	3,177,291,217	217,880,206	3,395,171,423
Total Expenditures	4,182,524,365	3,177,291,217	217,880,206	3,395,171,423
REVENUES UNDER EXPENDITURES	(4,093,442,841)	(3,073,274,151)	(217,677,944)	(3,290,952,095)
OTHER FINANCING SOURCES (USES):				
Transfers in	629,167,219	516,038,533	53,648,000	569,686,533
Transfers out	(53,002,038)	(52,066,094)	(935,944)	(53,002,038)
Bonds issued	1,825,481,370	1,980,803,996	237,227,284	2,218,031,280
Bond anticipation notes issued	430,198,565	764,250,900	59,059,564	823,310,464
Refunding of bond anticipation notes	-	(685,865,644)	(137,444,820)	(823,310,464)
Drawdown installment notes issued	517,794,397	21,456,797	67,489,340	88,946,137
Refunding of drawdown installment notes	-	-	(66,183,126)	(66,183,126)
Limited obligation bonds issued	607,314,016	540,896,529	57,557,274	598,453,803
Premiums on issuance	136,489,312	175,730,767	8,267,582	183,998,349
Sale of assets and materials	-	99,600	-	99,600
Total Other Financing Sources (Uses), net	4,093,442,841	3,261,345,384	278,685,154	3,540,030,538
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 188,071,233	61,007,210	\$ 249,078,443
FUND BALANCE AT BEGINNING OF YEAR			188,071,233	
FUND BALANCE AT END OF YEAR			\$ 249,078,443	

**Wake Community College Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

**For the Year Ended June 30, 2023**

	Project Authorization	Prior Years	Actual	Total To Date
REVENUES:				
Investment earnings	\$ 75,955	\$ 401,855	\$ -	\$ 401,855
Miscellaneous	-	-	3,603,815	3,603,815
Total Revenues	75,955	401,855	3,603,815	4,005,670
EXPENDITURES:				
Wake Technical College	570,071,866	279,116,849	114,612,186	393,729,035
Total Expenditures	570,071,866	279,116,849	114,612,186	393,729,035
REVENUES UNDER EXPENDITURES	(569,995,911)	(278,714,994)	(111,008,371)	(389,723,365)
OTHER FINANCING SOURCES (USES):				
Transfers in	60,003,046	45,137,076	7,500,000	52,637,076
Bonds issued	160,512,341	95,435,596	65,076,744	160,512,340
Bond anticipation notes issued	161,527,653	146,090,298	83,097,487	229,187,785
Refunding of bond anticipation notes	-	(116,701,837)	(76,231,988)	(192,933,825)
Limited obligation bonds issued	111,751,529	111,752,773	-	111,752,773
Premiums on issuance	76,201,342	33,454,528	42,746,818	76,201,346
Total Other Financing Sources (Uses), net	569,995,911	315,168,434	122,189,061	437,357,495
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 36,453,440	11,180,690	\$ 47,634,130
FUND BALANCE AT BEGINNING OF YEAR			36,453,440	
FUND BALANCE AT END OF YEAR			\$ 47,634,130	

## 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.

The **Opioid Settlement Fund** accounts for activities related to prevention and treatment of opioid addiction.

### 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.

## Combining Balance Sheet Nonmajor Governmental Fund

As of June 30, 2023

	Total Nonmajor Special Revenue	Total Nonmajor Capital Project	Total
<b>ASSETS</b>			
Cash and investments - pooled equity	\$ 14,721,649	\$ 47,532,267	\$ 62,253,916
Cash and investments - restricted	4,699,571	-	4,699,571
Taxes receivable (net)	126,405	31,579	157,984
Accounts receivable (net)	434,784	-	434,784
Intergovernmental receivable (net)	11,256,139	-	11,256,139
Prepaid expenditures	-	20,461	20,461
Accrued interest receivable	103,723	158,767	262,490
Total assets	<u>\$ 31,342,271</u>	<u>\$ 47,743,074</u>	<u>\$ 79,085,345</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 3,277,342	\$ 1,155,916	\$ 4,433,258
Due to other governmental units	7,296	198	7,494
Internal balances (due to other funds)	6,068,713	-	6,068,713
Total liabilities	<u>9,353,351</u>	<u>1,156,114</u>	<u>10,509,465</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>145,570</u>	<u>-</u>	<u>145,570</u>
Fund balances:			
Non-Spendable:			
Prepaid expenditures	-	20,461	20,461
Restricted:			
Stabilization by state statute	5,905,377	8,834,016	14,739,393
Individuals, organizations, and other governments	653,217	-	653,217
Unexpended settlement funds	4,699,571	-	4,699,571
Committed:			
Working capital	5,641,413	-	5,641,413
Assigned:			
Planned expenditures	4,944,384	12,715,046	17,659,430
Future capital projects	-	25,017,437	25,017,437
Unassigned	(612)	-	(612)
Total fund balances	<u>21,843,350</u>	<u>46,586,960</u>	<u>68,430,310</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 31,342,271</u>	<u>\$ 47,743,074</u>	<u>\$ 79,085,345</u>

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Governmental Funds**

**For the Year Ended June 30, 2023**

	<b>Total Nonmajor Special Revenue</b>	<b>Total Nonmajor Capital Project</b>	<b>Total</b>
<b>REVENUES:</b>			
Taxes	\$ 35,575,652	\$ -	\$ 35,575,652
Intergovernmental	28,441,191	-	28,441,191
Charges for services	3,558,548	27,475	3,586,023
Fines and forfeitures	5,193,290	-	5,193,290
Investment earnings (losses)	373,787	494,523	868,310
Miscellaneous	19,902	-	19,902
Total Revenues	<u>73,162,370</u>	<u>521,998</u>	<u>73,684,368</u>
<b>EXPENDITURES:</b>			
General government	623,363	-	623,363
Health and human services	28,801,625	15,466,975	44,268,600
Education	2,480,920	-	2,480,920
Community and environmental services	92,531	971,047	1,063,578
Public safety	34,859,016	4,117,813	38,976,829
Infrastructure	8,000	-	8,000
Total Expenditures	<u>66,865,455</u>	<u>20,555,835</u>	<u>87,421,290</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>6,296,915</u>	<u>(20,033,837)</u>	<u>(13,736,922)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	199,966	17,662,000	17,861,966
Transfers out	(1,747,533)	(30,445,497)	(32,193,030)
Sale of assets and materials	98,101	56,075	154,176
Total Other Financing Sources (Uses)	<u>(1,449,466)</u>	<u>(12,727,422)</u>	<u>(14,176,888)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>4,847,449</u>	<u>(32,761,259)</u>	<u>(27,913,810)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>16,995,901</u>	<u>79,348,219</u>	<u>96,344,120</u>
FUND BALANCE AT END OF YEAR	<u>\$ 21,843,350</u>	<u>\$ 46,586,960</u>	<u>\$ 68,430,310</u>

## Combining Balance Sheet Nonmajor Special Revenue Funds

As of June 30, 2023

	Grants Fund	Capital Area Workforce Development	Fire Tax District	Transportation	Fines and Forfeitures	Human Services Client	Opioid Settlement Fund	Total
<b>ASSETS</b>								
Cash and investments - pooled equity	\$ 7,846,023	\$ -	\$ 6,062,357	\$ -	\$ 107,778	\$ 705,491	\$ -	\$ 14,721,649
Cash and investments - restricted	-	-	-	-	-	-	4,699,571	4,699,571
Taxes receivable (net)	-	-	126,405	-	-	-	-	126,405
Accounts receivable (net)	250,058	1,603	3,849	168,133	9,787	1,354	-	434,784
Intergovernmental receivable (net)	1,117,290	1,557,485	284,697	8,291,141	-	5,526	-	11,256,139
Accrued interest receivable	12,746	-	49,075	-	741	6,704	34,457	103,723
Total assets	<u>\$ 9,226,117</u>	<u>\$ 1,559,088</u>	<u>\$ 6,526,383</u>	<u>\$ 8,459,274</u>	<u>\$ 118,306</u>	<u>\$ 719,075</u>	<u>\$ 4,734,028</u>	<u>\$ 31,342,271</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable and accrued liabilities	\$ 588,116	\$ 711,609	\$ 131,269	\$ 1,682,111	\$ 118,918	\$ 45,319	\$ -	\$ 3,277,342
Due to other governmental units	341	-	-	-	-	6,955	-	7,296
Internal balances (due to other funds)	-	658,887	-	5,409,826	-	-	-	6,068,713
Total liabilities	<u>588,457</u>	<u>1,370,496</u>	<u>131,269</u>	<u>7,091,937</u>	<u>118,918</u>	<u>52,274</u>	<u>-</u>	<u>9,353,351</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>1,122</u>	<u>144,448</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,570</u>
<b>Fund balances (deficits):</b>								
<b>Restricted:</b>								
Stabilization by state statute	3,693,276	187,470	609,253	1,367,337	-	13,584	34,457	5,905,377
Individuals, organizations, and other governments	-	-	-	-	-	653,217	-	653,217
Unexpended settlement funds	-	-	-	-	-	-	4,699,571	4,699,571
<b>Committed:</b>								
Working capital	-	-	5,641,413	-	-	-	-	5,641,413
Assigned	4,944,384	-	-	-	-	-	-	4,944,384
Unassigned	-	-	-	-	(612)	-	-	(612)
Total fund balances (deficits)	<u>8,637,660</u>	<u>187,470</u>	<u>6,250,666</u>	<u>1,367,337</u>	<u>(612)</u>	<u>666,801</u>	<u>4,734,028</u>	<u>21,843,350</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 9,226,117</u>	<u>\$ 1,559,088</u>	<u>\$ 6,526,383</u>	<u>\$ 8,459,274</u>	<u>\$ 118,306</u>	<u>\$ 719,075</u>	<u>\$ 4,734,028</u>	<u>\$ 31,342,271</u>



## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds

For the Year Ended June 30, 2023

	Grants Fund	Capital Area Workforce Development	Fire Tax District	Transportation	Fines and Forfeitures	Human Services Client	Opioid Settlement Fund	Total
<b>REVENUES:</b>								
Taxes	\$ -	\$ -	\$ 35,575,652	\$ -	\$ -	\$ -	\$ -	\$ 35,575,652
Intergovernmental	12,110,502	6,102,969	-	6,931,818	-	-	3,295,902	28,441,191
Charges for services	51,800	57,058	-	3,449,690	-	-	-	3,558,548
Fines and forfeitures	-	-	-	-	2,457,247	2,736,043	-	5,193,290
Investment earnings (losses)	42,089	-	306,533	(41,845)	7,217	9,745	50,048	373,787
Miscellaneous	125	-	-	887	18,890	-	-	19,902
Total Revenues	12,204,516	6,160,027	35,882,185	10,340,550	2,483,354	2,745,788	3,345,950	73,162,370
<b>EXPENDITURES:</b>								
General government	623,363	-	-	-	-	-	-	623,363
Health and human services	8,928,820	6,107,768	-	11,153,693	-	2,611,345	-	28,801,626
Education	-	-	-	-	2,480,919	-	-	2,480,919
Community and environmental services	92,531	-	-	-	-	-	-	92,531
Public safety	1,354,661	-	33,504,355	-	-	-	-	34,859,016
Infrastructure	8,000	-	-	-	-	-	-	8,000
Total Expenditures	11,007,375	6,107,768	33,504,355	11,153,693	2,480,919	2,611,345	-	66,865,455
REVENUES OVER (UNDER) EXPENDITURES	1,197,141	52,259	2,377,830	(813,143)	2,435	134,443	3,345,950	6,296,915
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers in	199,966	-	-	-	-	-	-	199,966
Transfers out	-	-	(1,747,533)	-	-	-	-	(1,747,533)
Sale of assets and materials	38,364	-	-	59,737	-	-	-	98,101
Total Other Financing Sources (Uses),net	238,330	-	(1,747,533)	59,737	-	-	-	(1,449,466)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,435,471	52,259	630,297	(753,406)	2,435	134,443	3,345,950	4,847,449
FUND BALANCE AT BEGINNING OF YEAR	7,202,189	135,211	5,620,369	2,120,743	(3,047)	532,358	1,388,078	16,995,901
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 8,637,660	\$ 187,470	\$ 6,250,666	\$ 1,367,337	\$ (612)	\$ 666,801	\$ 4,734,028	\$ 21,843,350

## Combining Balance Sheet Nonmajor Capital Project Funds

As of June 30, 2023

	Fire Capital Projects Fund	Major Facilities Capital Trust Fund	Affordable Housing Capital Projects Fund	Total
<b>ASSETS</b>				
Cash and investments - pooled equity	\$ 8,853,401	\$ 13,436,175	\$ 25,242,691	\$ 47,532,267
Taxes receivable (net)	-	11,892	19,687	31,579
Accrued interest receivable	62,996	95,771	-	158,767
Prepaid expenditures	-	-	20,461	20,461
Total assets	<u>\$ 8,916,397</u>	<u>\$ 13,543,838</u>	<u>\$ 25,282,839</u>	<u>\$ 47,743,074</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 152,415	\$ 198,916	\$ 804,585	\$ 1,155,916
Due to other governmental unit	-	-	198	198
Total liabilities	<u>152,415</u>	<u>198,916</u>	<u>804,783</u>	<u>1,156,114</u>
Fund balances:				
Non-spendable:				
Prepaid expenditures	-	-	20,461	20,461
Restricted:				
Stabilization by state statute	3,084,228	3,752,831	1,996,957	8,834,016
Committed:				
Assigned:				
Planned expenditures	3,345,895	9,369,151	-	12,715,046
Future capital projects	2,333,859	222,940	22,460,638	25,017,437
Total fund balances	<u>8,763,982</u>	<u>13,344,922</u>	<u>24,478,056</u>	<u>46,586,960</u>
Total liabilities and fund balances	<u>\$ 8,916,397</u>	<u>\$ 13,543,838</u>	<u>\$ 25,282,839</u>	<u>\$ 47,743,074</u>

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Project Funds

For the Year Ended June 30, 2023

	Fire Capital Projects Fund	Major Facilities Capital Trust Fund	Affordable Housing Capital Projects Fund	Total
<b>REVENUES:</b>				
Charges for services	\$ -	\$ 27,475	\$ -	\$ 27,475
Investment earnings (losses)	328,492	399,722	(233,691)	494,523
Total Revenues	328,492	427,197	(233,691)	521,998
<b>EXPENDITURES:</b>				
Capital Projects:				
Health and human services	-	-	15,466,975	15,466,975
Community and environmental services	-	971,047	-	971,047
Public safety	4,117,813	-	-	4,117,813
Total Expenditures	4,117,813	971,047	15,466,975	20,555,835
REVENUES (UNDER) EXPENDITURES	(3,789,321)	(543,850)	(15,700,666)	(20,033,837)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,662,000	3,000,000	13,000,000	17,662,000
Transfers out	-	-	(30,445,497)	(30,445,497)
Sale of assets and materials	56,075	-	-	56,075
Total Other Financing Sources (Uses), net	1,718,075	3,000,000	(17,445,497)	(12,727,422)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,071,246)	2,456,150	(33,146,163)	(32,761,259)
FUND BALANCES AT BEGINNING OF YEAR	10,835,228	10,888,772	57,624,219	79,348,219
FUND BALANCES AT END OF YEAR	\$ 8,763,982	\$ 13,344,922	\$ 24,478,056	\$ 46,586,960

**Grants Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

**From Project Inception Through June 30, 2023**

	Project Authorization	Prior Years	Actual Actual	Total To Date
REVENUES:				
Intergovernmental	\$ 142,462,040	\$ 113,973,013	\$ 12,110,502	\$ 126,083,515
Charges for services	2,039,395	1,833,845	51,800	1,885,645
Fines and forfeitures	62,045	62,518	-	62,518
Investment earnings	121,325	102,506	42,089	144,595
Miscellaneous	718,988	41,180	125	41,305
Total Revenues	145,403,793	116,013,062	12,204,516	128,217,578
EXPENDITURES:				
General administration	1,637,825	989,861	623,363	1,613,224
Human services	132,740,030	101,377,788	8,928,820	110,306,608
Community and environmental services	1,832,611	770,362	92,531	862,893
Public safety	11,833,837	8,148,339	1,354,661	9,503,000
Infrastructure	242,571	207,638	8,000	215,638
Total Expenditures	148,286,874	111,493,988	11,007,375	122,501,363
REVENUES OVER (UNDER) EXPENDITURES	(2,883,081)	4,519,074	1,197,141	5,716,215
OTHER FINANCING SOURCES (USES):				
Transfers in	3,179,106	2,979,140	199,966	3,179,106
Transfers out	(300,000)	(300,000)	-	(300,000)
Sale of assets and materials	3,975	3,975	38,364	42,339
Total Other Financing Sources (Uses)	2,883,081	2,683,115	238,330	2,921,445
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER USES	\$ -	\$ 7,202,189	1,435,471	\$ 8,637,660
FUND BALANCE AT BEGINNING OF YEAR			7,202,189	
FUND BALANCE AT END OF YEAR			\$ 8,637,660	

**Capital Area Workforce Development Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

**From Project Inception Through June 30, 2023**

	Project Authorization	Prior Years	Actual Actual	Total To Date
REVENUES:				
Intergovernmental	\$ 33,209,589	\$ 19,897,849	\$ 6,102,969	\$ 26,000,818
Charges for services	264,099	209,023	57,058	266,081
Miscellaneous	2,490	6,589	-	6,589
Total Revenues	33,476,178	20,113,461	6,160,027	26,273,488
EXPENDITURES:				
Title I - Adult	5,212,246	2,978,830	1,670,156	4,648,986
Title I - Dislocated Workers	4,236,216	2,804,490	1,078,860	3,883,350
Title I - Youth	6,340,284	4,155,776	1,532,964	5,688,740
Statewide activities	1,903,546	1,335,321	247,302	1,582,623
Dislocated Worker - supplemental	175,461	152,340	-	152,340
WIOA administration	3,955,053	2,763,664	379,345	3,143,009
AmeriCorps	664,901	475,728	-	475,728
National emergency grants	1,927,284	384,788	689,135	1,073,923
Special grants	4,517,867	819,595	154,479	974,074
YouthBuild	1,045,690	1,045,697	-	1,045,697
Wake Tech DOL Grants	1,420,462	1,420,462	-	1,420,462
US DOL Direct Grants	1,490,694	1,289,164	201,530	1,490,694
NC Department of Public Safety	586,473	365,065	153,997	519,062
House Wake!	87,420	87,420	-	87,420
Total Expenditures	33,563,597	20,078,340	6,107,768	26,186,108
REVENUES OVER (UNDER) EXPENDITURES	(87,419)	35,121	52,259	87,380
OTHER FINANCING SOURCES:				
Transfers in	87,419	100,090	-	100,090
Total Other Financing Sources	87,419	100,090	-	100,090
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER USES	\$ -	\$ 135,211	52,259	\$ 187,470
FUND BALANCE AT BEGINNING OF YEAR			135,211	
FUND BALANCE AT END OF YEAR			\$ 187,470	

**Fire Tax District Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

**For the Year Ended June 30, 2023**

	2023		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Taxes - ad valorem property	\$ 35,080,000	\$ 35,575,652	\$ 495,652
Charges for services	20,000	-	(20,000)
Investment earnings	51,000	306,533	255,533
Total Revenues	35,151,000	35,882,185	731,185
EXPENDITURES:			
Public Safety:			
Rural/Municipal fire districts	33,896,667	33,504,355	392,312
Total Expenditures	33,896,667	33,504,355	392,312
REVENUES OVER EXPENDITURES	1,254,333	2,377,830	1,123,497
OTHER FINANCING SOURCES (USES):			
Transfers out	(1,747,533)	(1,747,533)	-
Appropriated fund balance	493,200	-	(493,200)
Total Other Financing Sources (Uses)	(1,254,333)	(1,747,533)	(493,200)
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	630,297	\$ 630,297
FUND BALANCE AT BEGINNING OF YEAR		5,620,369	
FUND BALANCE AT END OF YEAR		\$ 6,250,666	

**Transportation Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

**For the Year Ended June 30, 2023**

	2023		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Intergovernmental	\$ 6,870,057	\$ 6,931,818	\$ 61,761
Charges for services	4,657,135	3,449,690	(1,207,445)
Investment earnings (losses)	-	(41,845)	(41,845)
Miscellaneous	116,529	887	(115,642)
Total Revenues	11,643,721	10,340,550	(1,303,171)
EXPENDITURES:			
Human services	11,793,214	11,153,693	639,521
Total Expenditures	11,793,214	11,153,693	639,521
REVENUES OVER EXPENDITURES	(149,493)	(813,143)	(663,650)
OTHER FINANCING SOURCES (USES):			
Sale of assets and materials	20,000	59,737	39,737
Total Other Financing Sources (Uses)	20,000	59,737	39,737
REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	(129,493)	(753,406)	(623,913)
APPROPRIATED FUND BALANCE	129,493	-	(129,493)
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	(753,406)	\$ (753,406)
FUND BALANCE AT BEGINNING OF YEAR		2,120,743	
FUND BALANCE AT END OF YEAR		\$ 1,367,337	

**Fines and Forfeitures**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

**For the Year Ended June 30, 2023**

	2023		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Fines and forfeitures	\$ 2,750,000	\$ 2,457,247	\$ (292,753)
Investment earnings	-	7,217	7,217
Miscellaneous	-	18,890	18,890
Total Revenues	2,750,000	2,483,354	(266,646)
EXPENDITURES:			
Wake County Public Schools	2,750,000	2,480,919	269,081
Total Expenditures	2,750,000	2,480,919	269,081
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	2,435	\$ 2,435
FUND BALANCE AT BEGINNING OF YEAR		(3,047)	
FUND BALANCE (DEFICIT) AT END OF YEAR		\$ (612)	



**Human Services Client**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

**For the Year Ended June 30, 2023**

	2023		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Fines and forfeitures	\$ 2,750,000	\$ 2,736,043	\$ (13,957)
Investment earnings	-	9,745	9,745
Total Revenues	<u>2,750,000</u>	<u>2,745,788</u>	<u>(4,212)</u>
EXPENDITURES:			
Human services	<u>2,750,000</u>	<u>2,611,345</u>	<u>138,655</u>
Total Expenditures	<u>2,750,000</u>	<u>2,611,345</u>	<u>138,655</u>
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>134,443</u>	<u>\$ 134,443</u>
FUND BALANCE AT BEGINNING OF YEAR		<u>532,358</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 666,801</u>	

**Opioid Settlement Capital Projects Fund**  
**Schedule of Revenues and Expenditures and Changes in Fund Balance**  
**Budget and Actual**

**From Project Inception Through June 30, 2023**

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Intergovernmental	\$ 5,025,000	\$ 1,388,078	\$ 3,295,902	\$ 4,683,980
Investment earnings	-	-	50,048	50,048
Total Revenues	<u>5,025,000</u>	<u>1,388,078</u>	<u>3,345,950</u>	<u>4,734,028</u>
EXPENDITURES:				
Health and human services	<u>5,025,000</u>	-	-	-
Total Expenditures	<u>5,025,000</u>	-	-	-
REVENUES UNDER EXPENDITURES	-	<u>1,388,078</u>	<u>3,345,950</u>	<u>4,734,028</u>
OTHER FINANCING SOURCES (USES)				
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 1,388,078</u>	<u>3,345,950</u>	<u>\$ 4,734,028</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>1,388,078</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 4,734,028</u>	

**Fire Capital Projects Fund**  
**Schedule of Revenues and Expenditures and Changes in Fund Balance**  
**Budget and Actual**

**From Project Inception Through June 30, 2023**

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Charges for services	\$ 210,000	\$ 143,612	\$ -	\$ 143,612
Investment earnings	781,004	612,151	328,492	940,643
Miscellaneous	380,000	380,975	-	380,975
Total Revenues	1,371,004	1,136,738	328,492	1,465,230
EXPENDITURES:				
Capital projects:				
Fire and rescue CIP	21,052,904	10,325,968	4,117,813	14,443,781
Total Expenditures	21,052,904	10,325,968	4,117,813	14,443,781
REVENUES UNDER EXPENDITURES	(19,681,900)	(9,189,230)	(3,789,321)	(12,978,551)
OTHER FINANCING SOURCES				
Transfers in	19,506,648	19,754,555	1,662,000	21,416,555
Installment purchases issued	-	63,694	-	63,694
Sale of assets and materials	175,252	206,209	56,075	262,284
Total Other Financing Sources	19,681,900	20,024,458	1,718,075	21,742,533
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 10,835,228	(2,071,246)	\$ 8,763,982
FUND BALANCE AT BEGINNING OF YEAR			10,835,228	
FUND BALANCE AT END OF YEAR			\$ 8,763,982	

**Major Facilities Capital Trust Fund**  
**Schedule of Revenues and Expenditures and Changes in Fund Balance**  
**Budget and Actual**

**From Project Inception Through June 30, 2023**

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Charges for services	\$ 2,907,426	\$ 2,880,949	\$ 27,475	\$ 2,908,424
Investment earnings (losses)	1,009,545	838,453	399,722	1,238,175
Miscellaneous	6,010	6,010	-	6,010
Total Revenues	<u>3,922,981</u>	<u>3,725,412</u>	<u>427,197</u>	<u>4,152,609</u>
EXPENDITURES:				
Capital projects:				
Community and environmental services	32,786,316	18,549,975	971,047	19,521,022
Total Expenditures	<u>32,786,316</u>	<u>18,549,975</u>	<u>971,047</u>	<u>19,521,022</u>
REVENUES UNDER EXPENDITURES	<u>(28,863,335)</u>	<u>(14,824,563)</u>	<u>(543,850)</u>	<u>(15,368,413)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	29,558,335	26,408,335	3,000,000	29,408,335
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), net	<u>28,863,335</u>	<u>25,713,335</u>	<u>3,000,000</u>	<u>28,713,335</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 10,888,772</u>	<u>2,456,150</u>	<u>\$ 13,344,922</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>10,888,772</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 13,344,922</u>	

**Affordable Housing Capital Projects Fund**  
**Schedule of Revenues and Expenditures and Changes in Fund Balance**  
**Budget and Actual**

**From Project Inception Through June 30, 2023**

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Investment earnings (losses)	\$ -	\$ 11,803	\$ (233,691)	\$ (221,888)
Total Revenues	-	11,803	(233,691)	(221,888)
EXPENDITURES:				
Capital projects:				
Housing Operations	14,414,459	-	-	-
Equitable Housing and Support Services	22,016,568	4,037,807	13,167,097	17,204,904
Permanent Housing and Support Services	8,452,909	1,488,852	2,233,455	3,722,307
Homeless and Prevention Services	1,000,000	190,358	66,423	256,781
Total Expenditures	45,883,936	5,717,017	15,466,975	21,183,992
REVENUES UNDER EXPENDITURES	(45,883,936)	(5,705,214)	(15,700,666)	(21,405,880)
OTHER FINANCING SOURCES (USES)				
Transfers in	76,329,433	63,329,433	13,000,000	76,329,433
Transfers out	(30,445,497)	-	(30,445,497)	(30,445,497)
Total Other Financing Sources (Uses)	45,883,936	63,329,433	(17,445,497)	45,883,936
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 57,624,219	(33,146,163)	\$ 24,478,056
FUND BALANCE AT BEGINNING OF YEAR			57,624,219	
FUND BALANCE AT END OF YEAR			\$ 24,478,056	

**Budgetary Combining Balance Sheet**  
**Solid Waste Operating and Capital Project Funds (Non-GAAP)**  
**Modified Accrual Basis of Accounting**

**As of June 30, 2023 and 2022**

	<b>Solid Waste Operating Fund</b>	<b>Solid Waste Capital Project</b>	<b>June 30, 2023</b>	<b>June 30, 2022</b>
<b>ASSETS</b>				
Cash and investments - pooled equity	\$ 30,286,231	\$ 9,551,812	\$ 39,838,043	\$ 36,594,866
Cash and investments - reserved	8,432,561	-	8,432,561	7,887,094
Taxes receivable (net)	95,038	26,506	121,544	102,787
Accounts receivable (net)	2,006,904	-	2,006,904	2,321,432
Intergovernmental receivable (net)	742,989	-	742,989	708,858
Internal balance (due from other funds)	434,537	-	434,537	230,533
Prepaid expenses	1,400	-	1,400	1,400
Accrued interest receivable	275,172	73,387	348,559	-
Total assets	<u>\$ 42,274,832</u>	<u>\$ 9,651,705</u>	<u>\$ 51,926,537</u>	<u>\$ 47,846,970</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,184,653	\$ 780,266	\$ 1,964,919	\$ 1,613,848
Internal balance (due to other funds)	152,889	-	152,889	158,372
Closure/post-closure care reserves	<u>8,432,561</u>	<u>-</u>	<u>8,432,561</u>	<u>7,887,094</u>
Total liabilities	<u>9,770,103</u>	<u>780,266</u>	<u>10,550,369</u>	<u>9,659,314</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>1,895,425</u>	<u>-</u>	<u>1,895,425</u>	<u>1,892,895</u>
Fund balances:				
Non-spendable:				
Prepaid expenses	1,400	-	1,400	1,400
Stabilization by state statute	1,660,495	3,931,191	5,591,686	1,957,901
White goods	6,099,034	-	6,099,034	5,521,277
Planned expenses	-	4,940,248	4,940,248	7,447,305
Unassigned	<u>22,848,375</u>	<u>-</u>	<u>22,848,375</u>	<u>21,366,878</u>
Total fund balances	<u>30,609,304</u>	<u>8,871,439</u>	<u>39,480,743</u>	<u>36,294,761</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 42,274,832</u>	<u>\$ 9,651,705</u>	<u>\$ 51,926,537</u>	<u>\$ 47,846,970</u>

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

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP Basis)****Solid Waste Operating Fund****For the Year Ended June 30, 2023****With Comparative Actual Amounts for the Year Ended June 30, 2022**

	2023		2022
	Budget	Actual	Actual
REVENUES:			
Intergovernmental	\$ 2,807,646	\$ 3,128,482	\$ 2,872,917
Charges for services	9,700,844	9,666,911	10,379,010
Licenses and permits	7,000	10,500	7,400
Investment earnings	-	-	-
Miscellaneous	3,086,833	2,040,202	1,407,865
Investment earnings (losses)	177,935	1,220,519	(326,593)
Total Revenues	15,780,258	16,066,614	14,340,599
EXPENDITURES:			
Cost of service	13,777,158	12,402,581	10,220,920
Administration	3,252,728	2,653,632	2,378,833
Partner rebates	-	-	-
Depreciation and amortization	-	-	-
Total Expenditures	17,029,886	15,056,213	12,599,753
REVENUES OVER (UNDER) EXPENDITURES	(1,249,628)	1,010,401	1,740,846

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP Basis)**  
**Solid Waste Operating Fund (continued)**

**For the Year Ended June 30, 2023**

**With Comparative Actual Amounts for the Year Ended June 30, 2022**

	2023		2022
	Budget	Actual	Actual
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	1,445,742	1,445,742	1,223,406
Transfers out	(259,000)	(259,000)	-
Total Other Financing Sources (Uses)	1,186,742	1,186,742	1,223,406
APPROPRIATED FUND BALANCE	62,886	-	-
REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 2,197,143	\$ 2,964,252
Reconciliation from budgetary basis of modified accrual to full accrual basis:			
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES:		\$ 2,197,143	\$ 2,964,252
Reconciling items:			
Compensated absences expenses		(34,214)	(9,538)
OPEB expenses		17,587	(126,481)
Risk management expenses		82	(1,029)
Pension expenses		(61,088)	31,852
Net increase/(decrease) in deferred revenue - charges for services		1,930	(9,000)
Investment earnings - Construction Fund		320,207	(76,004)
Expenditures - Construction Fund		(2,037,509)	(2,184,092)
Transfers In - Construction Fund		2,706,000	265,000
Acquisition of capital assets		1,123,699	624,819
Depreciation and depletion		(1,048,785)	(976,999)
Miscellaneous revenue		142	2,445,892
Change in net position		\$ 3,185,194	\$ 2,948,672



**Solid Waste Construction Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP Basis)**  
**From Project Inception Through June 30, 2023**

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Miscellaneous	\$ 579,583	\$ 275,793	\$ 143	\$ 275,936
Investment earnings (losses)	1,167,552	1,054,497	320,207	1,374,704
Total Revenues	1,747,135	1,330,290	320,350	1,650,640
EXPENDITURES:				
Enterprise infrastructure	31,729,333	20,725,254	2,037,509	22,762,763
Total Expenditures	31,729,333	20,725,254	2,037,509	22,762,763
REVENUES OVER (UNDER) EXPENDITURES	(29,982,198)	(19,394,964)	(1,717,159)	(21,112,123)
OTHER FINANCING SOURCES AND USES:				
Transfers in	\$ 29,982,198	\$ 27,277,563	\$ 2,706,000	\$ 29,983,563
Total other financing sources and uses	29,982,198	27,277,563	2,706,000	29,983,563
REVENUES, AND OTHER SOURCES, OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 7,882,599	988,841	\$ 8,871,440
Fund Balance at the beginning of the year			7,882,599	
FUND BALANCE AT THE END OF THE YEAR			\$ 8,871,440	

**Budgetary Combining Balance Sheet**  
**South Wake Landfill Partnership Fund (Non-GAAP)**  
**Modified Accrual Basis of Accounting**

**As of June 30, 2023 and 2022**

	South Wake Landfill	East Wake Transfer Station	June 30, 2023	June 30, 2022
<b>ASSETS</b>				
Cash and investments - pooled equity	\$ 2,382,646	\$ -	\$ 2,382,646	\$ 3,189,452
Cash and investments - reserved	18,518,232	-	18,518,232	16,026,510
Cash and investments - cash equivalents	450	450	900	900
Accounts receivable (net)	854,077	2,679,121	3,533,198	2,616,879
Internal balance (due from other funds)	1,135,542	93,292	1,228,834	158,372
Accrued interest receivable	98,994	46,516	145,510	-
Total assets	<u>\$ 22,989,941</u>	<u>\$ 2,819,379</u>	<u>\$ 25,809,320</u>	<u>\$ 21,992,113</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 812,738	\$ 738,748	\$ 1,551,486	\$ 1,739,187
Due to other governmental units	1,948,120	-	1,948,120	1,705,002
Internal balance (due to other funds)	434,537	1,075,945	1,510,482	230,533
Construction reserves	-	999,900	999,900	1,015,417
Closure/post-closure care reserves	18,518,232	-	18,518,232	16,026,487
Total liabilities	<u>21,713,627</u>	<u>2,814,593</u>	<u>24,528,220</u>	<u>20,716,626</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>5,761</u>	<u>3,659</u>	<u>9,420</u>	<u>3,818</u>
Fund balances:				
Restricted:				
Stabilization by state statue	1,006,907	1,127	1,008,034	905,690
Assigned:				
Planned expenses	263,646	-	263,646	365,979
Total fund balances	<u>1,270,553</u>	<u>1,127</u>	<u>1,271,680</u>	<u>1,271,669</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,989,941</u>	<u>\$ 2,819,379</u>	<u>\$ 25,809,320</u>	<u>\$ 21,992,113</u>

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

**South Wake Landfill Partnership Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP Basis)**

**For the Year Ended June 30, 2023**

**With Comparative Actual Amounts for the Year Ended June 30, 2022**

	June 30, 2023				Total		June 30, 2022
	South Wake Landfill		East Wake Transfer Station		Budget	Actual	Total
	Budget	Actual	Budget	Actual	Budget	Actual	Actual
REVENUES:							
Charges for services	\$ 21,286,934	\$ 7,643,125	\$ 5,329,066	\$ 16,662,392	\$ 26,616,000	\$ 24,305,517	\$ 20,376,716
Miscellaneous	-	-	-	20,686	-	20,686	33
Investment earnings (losses)	-	371,345	-	142,704	-	514,049	(164,313)
Total Revenues	21,286,934	8,014,470	5,329,066	16,825,782	26,616,000	24,840,252	20,212,436
EXPENDITURES:							
Cost of service	11,857,685	10,766,347	7,277,280	6,408,899	19,134,965	17,175,246	15,898,529
Administration	330,384	285,952	587,681	588,366	918,065	874,317	882,357
Partner rebates	2,727,554	2,897,946	-	-	2,727,554	2,897,946	2,425,535
Total Expenditures	14,915,623	13,950,245	7,864,961	6,997,265	22,780,584	20,947,510	19,206,421
REVENUES OVER (UNDER) EXPENDITURES	6,371,311	(5,935,775)	(2,535,895)	9,828,517	3,835,416	3,892,742	1,006,015
OTHER FINANCING SOURCES (USES):							
Intrafund transfers in	-	8,494,254	-	-	-	8,494,254	7,757,528
Intrafund transfers out	-	-	-	(8,494,254)	-	(8,494,254)	(7,757,528)
Transfers out	(2,558,479)	(2,558,479)	(1,334,263)	(1,334,263)	(3,892,742)	(3,892,742)	(1,488,406)
Total Other Financing Sources (Uses)	(2,558,479)	5,935,775	(1,334,263)	(9,828,517)	(3,892,742)	(3,892,742)	(1,488,406)
APPROPRIATED FUND BALANCE	56,606	-	720	-	57,326	-	-
REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 3,869,438	\$ -	\$ (3,869,438)	\$ -	\$ -	\$ -	\$ (482,391)
Reconciliation from budgetary basis of modified accrual to full accrual basis:							
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES							- (482,391)
Reconciling items							
Net change in deferred revenue						5,601	1,786
Compensated absences expenses						(2,574)	(1,111)
OPEB expenses						5,862	(42,159)
Risk management expenses						62	(354)
Pension expenses						(557)	11,938
Change in net position					\$ 8,394	\$ (512,291)	

**Budgetary Balance Sheet**  
**Corporate Fleet Fund (Non-GAAP)**  
**Modified Accrual Basis of Accounting**

**As of June 30, 2023 and 2022**

	June 30, 2023	June 30, 2022
<b>ASSETS</b>		
Cash and investments - pooled equity	\$ 9,814,648	\$ 11,808,637
Accounts receivable (net)	4,751	1,256
Intergovernmental receivable (net)	-	15,548
Inventories	56,448	52,299
Accrued interest receivable	71,391	-
<b>TOTAL ASSETS</b>	<u>\$ 9,947,238</u>	<u>\$ 11,877,740</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 977,662	\$ 823,788
Fund Balances:		
Non-spendable:		
Inventories	56,448	52,299
Restricted:		
Stabilization by state statute	4,922,445	5,645,897
Assigned:		
Planned expenses	366,188	4,056,963
Unassigned	<u>3,624,495</u>	<u>1,298,793</u>
<b>Total Fund Balances</b>	<u>8,969,576</u>	<u>11,053,952</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 9,947,238</u>	<u>\$ 11,877,740</u>

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

**Corporate Fleet Fund**  
**Schedule of Revenues, Expenditures and Appropriated Fund Balance**  
**Budget and Actual (Non-GAAP Basis)**  
**As of June 30, 2023 and 2022**

	2023		2022
	Budget	Actual	Actual
<b>REVENUES:</b>			
Charges for services	\$ 11,701,277	\$ 12,032,755	\$ 11,596,431
Miscellaneous	5,260	2,224	2,306
Investment earnings (losses)	20,000	421,480	(127,668)
Sale of assets and materials	482,500	917,230	447,466
Total Revenues	12,209,037	13,373,689	11,918,535
<b>EXPENDITURES:</b>			
Cost of service	19,503,302	13,435,585	9,511,822
Administration	2,393,047	2,022,482	1,681,818
Total Expenditures	21,896,349	15,458,067	11,193,640
REVENUES UNDER EXPENDITURES	(9,687,312)	(2,084,378)	724,895
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	-	-	3,505,000
Total Other Financing Sources	-	-	3,505,000
APPROPRIATED FUND BALANCE	9,687,312	-	-
REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES	-	(2,084,378)	4,229,895
Reconciliation from budgetary basis of modified accrual to full accrual basis:			
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES		\$ (2,084,378)	\$ 4,229,895
Reconciling items			
Compensated absences expenses		(30,235)	13,191
OPEB expenses		(326,985)	(151,778)
Risk management expenses		(1,523)	(1,267)
Pension expenses		(88,667)	13,909
Acquisition of capital assets		6,993,514	4,118,060
Disposal of capital assets		(44,473)	(138,157)
Depreciation of capital assets		(3,827,879)	(3,572,520)
Change in net position		\$ 589,374	\$ 4,511,333

**Budgetary Balance Sheet**  
**Health and Dental Fund (Non-GAAP)**  
**Modified Accrual Basis of Accounting**

**As of June 30, 2023 and 2022**

	June 30, 2023	June 30, 2022
<b>ASSETS</b>		
Cash and investments - pooled equity	\$ 3,151,384	\$ -
Accounts receivable (net)	25,935	-
Prepaid expenses	1,918,000	-
Accrued interest receivable	22,184	-
<b>TOTAL ASSETS</b>	<u>\$ 5,117,503</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,579,602	\$ -
Risk management liabilities	2,526,675	-
<b>TOTAL LIABILITIES</b>	<u>\$ 4,106,277</u>	<u>\$ -</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>\$ 348</u>	<u>\$ -</u>
Fund Balances:		
Non-spendable:		
Prepaid expenses	1,010,878	
<b>Total Fund Balances</b>	<u>1,010,878</u>	<u>-</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 5,117,503</u>	<u>\$ -</u>

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

**Health and Dental Fund**  
**Schedule of Revenues, Expenditures and Appropriated Fund Balance**  
**Budget and Actual (Non-GAAP Basis)**  
**As of June 30, 2023 and 2022**

	2023		2022
	Budget	Actual	Actual
<b>REVENUES:</b>			
Charges for services	\$ 55,320,000	\$ 56,788,219	\$ -
Investment (losses)	-	(33,883)	-
Total Revenues	55,320,000	56,754,336	-
<b>EXPENDITURES:</b>			
Cost of service	67,987,744	68,384,431	-
Administration	2,000	5,771	-
Total Expenditures	67,989,744	68,390,202	-
REVENUES UNDER EXPENDITURES	(12,669,744)	(11,635,866)	-
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	12,646,744	12,646,744	-
Total Other Financing Sources	12,646,744	12,646,744	-
APPROPRIATED FUND BALANCE	23,000	-	-
REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES	-	1,010,878	-

## Combining Statement of Fiduciary Assets And Liabilities Fiduciary Funds

As of June 30, 2023

	<u>Municipal Tax</u>	<u>Commissary Fund</u>	<u>OPEB Trust Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and investments - pooled equity	\$ 105,854	\$ 515,975	\$ 17,472,236	\$ 18,094,065
Accounts receivable (net)	<u>6,128,937</u>	<u>-</u>	<u>-</u>	<u>6,128,937</u>
Total assets	<u>6,234,791</u>	<u>515,975</u>	<u>17,472,236</u>	<u>24,223,002</u>
<b>LIABILITIES</b>				
Accounts payable	40,201	-	-	40,201
Due to other governmental units	<u>6,159,390</u>	<u>-</u>	<u>-</u>	<u>6,159,390</u>
Total liabilities	<u>6,199,591</u>	<u>-</u>	<u>-</u>	<u>6,199,591</u>
<b>FUND BALANCE</b>				
Total fund balance	<u>\$ 35,200</u>	<u>\$ 515,975</u>	<u>\$ 17,472,236</u>	<u>\$ 18,023,411</u>



## Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds

For the Year Ended June 30, 2023

	<u>Municipal Tax</u>	<u>Commissary Fund</u>	<u>OPEB Trust Fund</u>	<u>Total</u>
<b>ADDITIONS</b>				
Contributions - commissary	\$ -	\$ 3,776,809	\$ -	\$ 3,776,809
Contributions - employer	-	-	16,250,000	16,250,000
Tax collections for other governments	686,681,767	-	-	686,681,767
Net investment income	88,664	-	1,222,775	1,311,439
Total additions	<u>686,770,431</u>	<u>3,776,809</u>	<u>17,472,775</u>	<u>708,020,015</u>
<b>DEDUCTIONS</b>				
Benefits	686,790,957	3,768,882	539	690,560,378
Total deductions	<u>686,790,957</u>	<u>3,768,882</u>	<u>539</u>	<u>690,560,378</u>
Change in net position	(20,526)	7,927	17,472,236	17,459,637
Net position - beginning	<u>55,726</u>	<u>508,048</u>	<u>-</u>	<u>563,774</u>
Net position - ending	<u>\$ 35,200</u>	<u>\$ 515,975</u>	<u>\$ 17,472,236</u>	<u>\$ 18,023,411</u>



## Capital Assets

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

## Schedule of Governmental Capital Assets by Function and Category

As of June 30, 2023

Function	Land	Intangibles	Buildings	Improvements	Machinery and Equipment	Vehicles and Motorized Equipment	Computer Software	Leases	Infrastructure	Construction in progress	Total
General government	\$ 12,243,095	\$ -	\$ 64,130,277	\$ 3,171,116	\$ 3,965,130	\$ 769,156	\$ -	\$ 7,575,779	\$ 340,990	\$ -	\$ 92,195,543
Human services	6,324,789	-	94,129,316	210,000	1,457,408	5,159,533	3,185,618	29,829,767	-	-	140,296,431
Education	1,303,610	-	30,541,487	3,947,902	-	-	-	-	-	-	35,792,999
Community and environmental services	129,525,221	1,032,044	138,609,472	3,104,587	2,049,127	828,626	2,142,136	3,879,076	23,616,375	-	304,786,664
Public safety	8,319,152	-	526,149,438	11,893,262	49,740,932	23,687,701	-	6,947,968	-	-	626,738,453
Infrastructure	64,740	-	818,786	275,889	9,399,293	39,384,690	23,434,627	964,832	616,014	-	74,958,871
Construction in progress	-	-	-	-	-	-	-	-	-	34,763,520	34,763,520
Total Governmental Capital Assets	<u>\$ 157,780,607</u>	<u>\$ 1,032,044</u>	<u>\$ 854,378,776</u>	<u>\$ 22,602,756</u>	<u>\$ 66,611,890</u>	<u>\$ 69,829,706</u>	<u>\$ 28,762,381</u>	<u>\$ 49,197,422</u>	<u>\$ 24,573,379</u>	<u>\$ 34,763,520</u>	<u>\$ 1,309,532,481</u>





# Long-Term Governmental Liabilities

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

**Schedule of Changes in Governmental Long-Term Debt****As of June 30, 2023**

	<b>Date of Issue</b>	<b>Interest Rate</b>	<b>Amount Issued</b>	<b>Debt Outstanding June 30, 2022</b>	<b>Net Additions (Retirements)</b>	<b>Debt Outstanding June 30, 2023</b>
<b>GENERAL OBLIGATION BONDS:</b>						
2010C Refunding	05/13/10	2.00-5.00%	383,420,000	168,755,000	(42,300,000)	126,455,000
2013A School Bonds	05/06/13	2.50-5.00%	51,165,000	27,000,000	(27,000,000)	-
2013B Public Improvement	05/07/13	3.00-5.00%	125,250,000	66,000,000	(66,000,000)	-
2014 Public Improvement	09/02/14	3.25-5.00%	345,240,000	236,210,000	(18,170,000)	218,040,000
2015 Public Improvement	04/15/15	3.00-5.00%	94,000,000	64,350,000	(4,950,000)	59,400,000
2016A Refunding	11/01/16	5.00%	162,895,000	71,980,000	(18,755,000)	53,225,000
2017A Public Improvement	03/01/17	3.00-5.00%	33,700,000	25,275,000	(1,685,000)	23,590,000
2017B School Bonds	03/01/17	3.00-5.00%	82,415,000	61,800,000	(4,120,000)	57,680,000
2018A Public Improvement	03/08/18	3.00-5.00%	197,745,000	156,075,000	(10,405,000)	145,670,000
2019A Public Improvement	01/30/19	3.00-5.00%	151,055,000	127,200,000	(7,950,000)	119,250,000
2019B Refunding	01/30/19	5.00%	113,940,000	40,850,000	(24,365,000)	16,485,000
2019C Public Improvement	10/30/19	2.50-5.00%	36,860,000	32,980,000	(1,940,000)	31,040,000
2020A GO Refunding	04/29/20	5.00%	49,345,000	42,895,000	(5,845,000)	37,050,000
2020B GO Refunding	05/12/20	5.00%	14,330,000	13,990,000	(1,630,000)	12,360,000
2021 GO Refunding	04/01/21	4.00-5.00%	186,720,000	172,410,000	(14,325,000)	158,085,000
2022A Public Improvement	03/10/22	2.50-5.00%	206,065,000	206,065,000	(10,840,000)	195,225,000
2022B GO Refunding	03/10/22	5.00%	39,705,000	39,705,000	(4,645,000)	35,060,000
2022C Public Improvement	03/10/22	5.00%	41,525,000	41,525,000	(2,190,000)	39,335,000
2023A Public Improvement	04/18/23	3.75-5.00%	302,325,000	-	302,325,000	302,325,000
2023B GO Refunding	04/18/23	5.00%	74,125,000	-	74,125,000	74,125,000
Total General Obligation Bonds				\$ 1,595,065,000	\$ 109,335,000	\$ 1,704,400,000
<b>OTHER LONG-TERM DEBT:</b>						
Bond anticipation notes				107,773,717	(71,519,993)	36,253,724
Drawdown installment purchase				21,456,797	1,306,215	22,763,012
Limited obligation bonds				754,290,000	68,990,000	823,280,000
Installment purchase				2,278,115	(2,278,115)	-
Capitalized equipment leases				46,343,985	(2,524,964)	43,819,021
Other post-employment benefits				579,704,108	(131,041,989)	448,662,119
Net pension liability - LEOSA				30,449,158	(5,750,140)	24,699,018
Net pension liability - LGERS				56,652,336	144,976,554	201,628,890
Compensated absences				19,068,624	5,822,443	24,891,067
Total other long-term debt				1,618,016,840	7,980,011	1,625,996,851
<b>TOTAL GOVERNMENTAL LONG-TERM DEBT</b>				<b>\$ 3,213,081,840</b>	<b>\$ 117,315,011</b>	<b>\$ 3,330,396,851</b>

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

## Schedule of Long-Term Debt Maturities and Annual Debt Service Requirements for Governmental Activities

As of June 30, 2023

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
2024	\$ 161,548,508	\$ 220,510,709	\$ 21,896,562	\$ 33,487,262	\$ 12,094,930	\$ 16,779,494	\$ 195,540,000	\$ 270,777,465
2025	161,175,532	211,577,755	21,893,386	32,206,518	12,096,082	16,175,899	195,165,000	259,960,171
2026	119,837,692	162,357,049	18,601,430	27,818,892	8,375,878	11,856,680	146,815,000	202,032,621
2027	90,245,534	127,102,838	17,288,892	25,575,407	6,825,574	9,898,438	114,360,000	162,576,684
2028	88,453,659	121,144,446	17,339,911	24,822,192	6,826,431	9,568,147	112,620,000	155,534,784
2029-2033	389,850,384	494,823,670	77,898,679	103,678,874	32,820,937	41,849,962	500,570,000	640,352,506
2034-2038	260,367,000	296,107,200	59,055,139	69,522,263	28,522,861	31,903,311	347,945,000	397,532,775
2039-2042	63,300,000	67,522,550	19,590,000	21,035,275	8,495,000	8,912,550	91,385,000	97,470,375
Total Bonded Debt	1,334,778,309	1,701,146,217	253,563,999	338,146,683	116,057,693	146,944,481	1,704,400,000	2,186,237,381
<b>Other Long-Term Debt:</b>								
Total limited obligation bonds and installment purchases:								
2024	\$ 34,192,929	\$ 58,415,110	\$ 5,357,071	\$ 8,995,782	\$ 14,790,000	\$ 24,200,756	\$ 54,340,000	\$ 91,611,648
2025	34,197,929	57,025,009	5,357,071	8,727,928	14,790,000	23,779,800	54,345,000	89,532,738
2026	34,197,929	55,315,113	5,357,071	8,460,075	14,760,000	23,011,050	54,315,000	86,786,238
2027	34,197,929	53,605,216	5,357,071	8,192,221	14,725,000	22,238,925	54,280,000	84,036,363
2028	34,197,929	51,895,320	5,357,071	7,924,368	14,685,000	21,463,550	54,240,000	81,283,238
2029-2033	170,950,119	234,192,406	26,784,881	35,611,656	72,655,000	95,934,125	270,390,000	365,738,188
2034-2038	170,901,718	195,094,721	26,778,282	29,856,973	53,865,000	61,671,250	251,545,000	286,622,944
2039-2042	19,458,030	20,621,191	571,970	583,409	9,795,000	10,774,500	29,825,000	31,979,100
Total Other Long-Term Debt	532,294,512	726,164,086	80,920,488	108,352,412	210,065,000	283,073,956	823,280,000	1,117,590,457
<b>Total Long-Term Debt</b>	<b>\$ 1,867,072,821</b>	<b>\$ 2,427,310,303</b>	<b>\$ 334,484,487</b>	<b>\$ 446,499,095</b>	<b>\$ 326,122,693</b>	<b>\$ 430,018,437</b>	<b>\$ 2,527,680,000</b>	<b>\$ 3,303,827,838</b>

On the Statement of Net Position as of June 30, 2023, 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 \$176,149,895, \$37,321,479, \$16,897,294 and \$156,129,322 respectively, which will be amortized over the life of its related debt.







# **Statistical Section**

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



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.

**Financial Trends.....166**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

**Revenue Capacity.....171**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

**Debt Capacity.....177**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

**Demographic and Economic Information.....181**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

**Operating Information.....183**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 514,397,874	\$ 516,347,191	\$ 498,217,507	\$ 501,195,521	\$ 517,404,228	\$ 539,201,799	\$ 545,733,037	\$ 557,754,436	\$ 567,068,232	\$ 407,952,915
Restricted	174,547,627	384,569,749	330,499,243	222,312,515	308,540,955	360,537,544	280,499,264	366,340,681	445,049,051	626,780,701
Unrestricted	(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)	(2,464,141,422)	(2,382,839,267)
Total governmental activities net position	(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)	(1,452,024,139)	(1,348,105,651)
Business-type activities										
Net investment in capital assets	12,753,655	13,031,162	14,569,010	15,068,176	22,609,239	26,500,079	26,229,895	25,946,811	25,594,628	25,669,542
Restricted	7,104,803	5,987,408	6,056,990	19,253,925	9,993,083	9,207,418	15,309,949	16,668,130	15,559,451	17,388,051
Unrestricted	24,955,038	27,946,413	24,872,362	15,962,641	19,263,466	20,149,543	16,019,903	17,260,939	21,158,182	22,911,111
Total business-type activities net position	44,813,496	46,964,983	45,498,362	50,284,742	51,865,788	55,857,040	57,559,747	59,875,880	62,312,261	65,968,704
Primary government										
Net investment in capital assets	527,151,529	529,378,353	512,786,517	516,263,697	540,013,467	565,701,878	571,962,932	583,701,247	592,662,860	433,622,457
Restricted	181,652,430	390,557,157	336,556,233	241,566,440	318,534,038	369,744,962	295,809,213	383,008,811	460,608,502	644,168,752
Unrestricted	(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)	(2,442,983,240)	(2,359,928,156)
Total primary government net position	\$ (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)	\$ (1,389,711,878)	\$ (1,282,136,947)

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental Activities:										
General government	\$ 48,061,007	\$ 54,241,118	\$ 68,791,865	\$ 83,237,262	\$ 63,141,911	\$ 79,121,239	\$ 80,868,579	\$ 144,425,194	\$ 128,694,978	\$ 139,068,553
Human services	205,788,808	211,150,777	208,574,457	213,554,750	203,680,860	201,487,561	230,208,116	350,499,584	331,586,306	311,638,739
Education	455,501,432	555,325,661	744,326,523	797,456,473	782,647,207	833,134,178	890,269,328	880,896,499	940,854,158	964,228,577
Community and environmental services	87,816,340	91,332,351	115,731,629	101,925,392	106,997,688	138,355,956	123,535,310	110,642,992	135,970,990	175,745,223
Public safety	160,415,579	156,438,722	169,946,017	179,665,266	197,011,329	200,087,445	205,928,673	213,125,795	205,881,552	293,833,366
Infrastructure	40,426,071	39,627,146	41,587,289	43,989,679	40,372,052	50,089,024	58,641,016	51,778,379	54,178,167	65,519,220
Interest on long-term debt	65,867,422	70,672,162	114,306,796	88,754,145	63,623,613	98,784,457	90,319,011	114,361,490	51,827,749	82,652,924
Total governmental activities	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	1,848,993,900	2,032,686,602
Business-type activities:										
Solid waste	27,429,783	24,952,760	29,938,448	24,405,067	28,416,519	29,785,507	32,340,136	34,177,714	34,479,328	38,041,159
Total primary government expenses	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	1,883,473,228	2,070,727,761
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	7,139,613	9,334,365	9,775,139	8,056,687	9,123,657	9,242,462	10,933,918	14,365,084	11,493,337	8,803,071
Human services	20,072,420	17,306,740	20,285,322	24,154,518	21,611,239	22,295,355	21,128,832	49,076,796	21,450,636	21,642,372
Education	12,483	11,800	11,500	8,000	8,000	14,295	12,917	2,505,907	1,979,766	2,457,247
Community and environmental services	5,908,808	9,992,804	7,551,255	8,612,964	11,311,328	21,596,523	11,080,635	14,150,705	9,658,566	8,294,140
Public safety	31,253,703	32,842,889	34,945,056	35,528,506	39,273,674	36,052,746	39,845,176	39,431,172	40,634,630	45,936,786
Infrastructure	3,070,990	2,762,631	2,867,552	2,873,743	2,993,108	2,574,456	2,346,382	1,861,616	2,158,239	2,289,966
Operating grants and contributions:										
General government	1,892,488	1,798,846	16,409,314	1,282,965	5,152,979	1,724,895	5,748,370	61,827,343	2,924,703	1,943,250
Human services	101,438,545	101,650,078	106,066,571	109,785,997	82,565,794	79,199,832	90,977,740	183,881,975	259,511,666	161,106,254
Education	17,457,029	15,538,264	4,454,720	12,284,268	13,673,927	11,180,430	28,993,589	20,031,966	10,240,742	11,735,413
Community and environmental services	1,469,011	759,636	2,490,078	2,276,691	1,417,816	1,315,638	1,082,080	1,016,132	3,391,253	2,858,954
Public safety	1,389,125	1,871,402	1,859,644	1,113,285	1,557,629	1,347,853	1,620,952	531,034	1,819,562	3,229,894
Infrastructure	13,360	15,125	132,687	14,928	11,936	15,937	3,850	-	500	10,000
Total governmental activities program revenues	191,117,575	193,884,580	206,848,838	205,992,552	188,701,086	186,560,422	213,774,441	388,679,730	365,263,600	270,307,347
Business-type activities:										
Charges for services: solid waste	22,641,326	23,981,146	25,221,294	25,419,927	26,284,880	28,440,165	29,888,089	30,883,716	30,757,945	33,990,481
Operating grants and contributions: solid waste	1,638,999	1,760,881	1,964,590	2,097,102	2,433,484	2,278,073	2,330,917	2,254,029	2,872,917	3,128,482
Total business-type activities program revenues	24,280,325	25,742,027	27,185,884	27,517,029	28,718,364	30,718,238	32,219,006	33,137,745	33,630,862	37,118,963
Total primary government program revenues	215,397,900	219,626,607	234,034,722	233,509,581	217,419,450	217,278,660	245,993,447	421,817,475	398,894,462	307,426,310
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (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)	\$(1,483,730,300)	\$(1,762,379,255)
Business-type activities	(3,149,458)	789,267	(2,752,564)	3,111,962	301,845	932,731	(121,129)	(739,969)	(848,466)	(922,196)
Total primary government net expense	(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)	(1,484,578,766)	(1,763,301,451)

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	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	1,198,633,637	1,273,901,391
Sales taxes	141,340,059	154,509,781	167,601,590	177,057,150	185,587,183	202,550,087	209,288,739	239,698,358	283,904,751	311,964,166
Occupancy and prepared food taxes	41,270,144	45,551,385	49,352,108	52,197,266	55,132,299	60,289,276	51,795,016	44,940,967	67,051,616	80,017,288
Other taxes	11,435,136	13,778,283	14,994,021	14,851,460	16,454,181	18,121,023	18,526,672	21,289,077	29,360,139	20,713,897
Grants and contributions not restricted to specific programs	9,977,509	7,510,466	8,708,612	8,753,474	9,235,090	11,140,276	13,341,756	12,199,855	18,775,688	14,396,641
Unrestricted investment earnings	2,239,488	1,717,475	5,157,359	4,320,332	9,524,439	20,572,770	14,346,490	(3,848,162)	(11,294,621)	48,535,846
Gain on sale of capital assets	-	-	-	855,639	748,511	474,029	274,220	855,519	360,356	4,630,038
Other	2,192,694	2,037,356	3,186,263	1,005,124	695,061	1,625,687	509,068	871,011	2,898,274	3,401,230
Transfers	406,320	450,000	450,000	450,000	450,000	450,000	450,000	450,000	-	-
Total governmental activities	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	1,589,689,840	1,757,560,497
Business-type activities:										
Unrestricted investment earnings	196,199	227,482	456,407	217,718	763,080	1,508,750	737,072	(244,406)	(566,910)	2,054,764
Other	4,364,031	1,584,738	1,279,536	1,906,700	2,307,430	1,999,771	1,536,764	3,750,508	3,851,757	2,061,030
Transfers	(406,320)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	-	-
Total business-type activities	4,153,910	1,362,220	1,285,943	1,674,418	2,620,510	3,058,521	1,823,836	3,056,102	3,284,847	4,115,794
Total primary government	\$ 41,607,200	\$ 6,107,417	\$ (171,728,310)	\$ (164,283,428)	\$ (72,014,209)	\$ (93,301,352)	\$ (22,507,974)	\$ 9,049,525	\$ 108,395,921	\$ (1,625,160)
<b>Change in Net Position</b>										
Government activities	\$ 40,602,748	\$ 3,955,930	\$ (170,261,689)	\$ (169,069,808)	\$ (74,936,564)	\$ (97,292,604)	\$ (24,210,681)	\$ 6,733,392	\$ 105,959,540	\$ (4,818,758)
Business-type activities	1,004,452	2,151,487	(1,466,621)	4,786,380	2,922,355	3,991,252	1,702,707	2,316,133	2,436,381	3,193,598
Total primary government	\$ 41,607,200	\$ 6,107,417	\$ (171,728,310)	\$ (164,283,428)	\$ (72,014,209)	\$ (93,301,352)	\$ (22,507,974)	\$ 9,049,525	\$ 108,395,921	\$ (1,625,160)

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Non-spendable	\$ 1,147,817	\$ 1,141,838	\$ 1,087,851	\$ 1,028,455	\$ 1,914,948	\$ 1,577,971	\$ 327,421	\$ 1,223,658	\$ 2,583,042	\$ 1,171,948
Restricted	101,974,588	72,248,041	73,843,284	74,634,703	77,963,695	88,159,377	76,120,829	99,775,772	138,319,844	129,982,709
Committed	144,818,132	169,569,681	200,494,326	220,513,579	237,734,967	262,893,367	262,893,367	380,421,054	422,471,176	460,531,566
Assigned	5,772,283	2,679,506	1,134,000	-	-	-	-	500,000	-	-
Total General Fund	<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>	<u>\$ 563,374,062</u>	<u>\$ 591,686,223</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	\$ 191,449	\$ 326,850
Restricted	72,133,426	311,803,693	256,655,959	147,124,422	229,381,219	271,479,941	202,588,007	263,993,410	301,083,310	490,404,229
Committed	2,977,920	3,063,680	3,460,568	3,756,640	3,998,730	3,821,043	2,906,568	3,784,057	5,070,034	5,623,370
Assigned	406,360,257	505,942,505	234,606,723	227,731,010	191,567,046	179,175,130	283,558,905	400,833,474	451,116,089	466,569,282
Unassigned	-	-	(17,712)	-	(248,211)	(368,989)	-	(468,248)	(3,047)	(612)
Total All Other Governmental Funds	<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>\$ 514,480,418</u>	<u>\$ 668,515,584</u>	<u>\$ 757,457,835</u>	<u>\$ 962,923,119</u>

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Taxes	\$ 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	\$ 1,579,834,763	\$ 1,687,252,012
Intergovernmental	133,637,071	129,143,820	140,095,040	135,511,608	114,580,623	108,638,730	144,284,737	314,558,884	296,673,328	195,280,405
Charges for services	67,072,200	65,902,956	70,562,864	71,653,479	74,274,439	85,543,976	75,997,210	72,714,662	83,410,361	81,123,055
Fines and forfeitures	4,084	1,852	42,805	-	376	54	-	2,505,908	1,979,766	5,193,290
Licenses and permits	4,701,663	5,000,558	5,185,433	5,371,824	5,381,270	5,799,060	5,568,944	6,607,475	6,067,616	5,448,058
Investment earnings	2,223,705	1,704,516	5,128,545	4,307,934	9,473,624	20,468,846	14,307,146	(3,816,927)	(11,166,953)	48,148,249
Miscellaneous	2,099,348	1,770,877	(1,116,598)	1,001,799	693,150	1,629,450	955,961	883,110	2,898,485	4,252,525
Total revenues	1,111,120,358	1,182,543,984	1,288,103,291	1,335,870,022	1,377,424,419	1,504,265,897	1,651,967,724	1,866,385,114	1,959,697,366	2,026,697,594
<b>Expenditures</b>										
General government	54,502,188	63,700,606	76,489,586	76,915,004	75,318,980	98,208,006	720,470,136	266,998,795	171,475,819	152,151,263
Human services	193,958,543	208,304,473	206,528,545	213,132,353	197,901,887	205,974,447	206,401,683	224,229,930	325,060,060	259,987,170
Education	469,890,207	557,621,603	743,976,648	796,583,759	781,773,290	833,134,178	876,169,328	880,035,452	939,992,025	963,361,769
Community and environmental services	84,791,534	97,865,905	107,481,314	104,193,484	111,962,523	145,708,108	125,514,080	110,236,339	131,703,017	162,079,764
Public safety	145,519,662	147,823,266	162,428,708	166,933,080	188,317,280	192,802,511	204,873,753	180,726,927	189,262,756	247,837,790
Infrastructure	25,332,207	26,215,178	26,880,922	28,220,046	28,557,988	29,819,778	29,732,643	28,963,727	31,430,175	60,437,576
Principal	152,250,703	152,115,583	170,027,054	188,894,216	178,804,981	190,431,748	193,181,554	251,923,303	269,143,143	319,805,458
Interest	90,030,119	90,952,459	98,236,050	89,476,403	93,708,750	98,286,386	104,928,259	96,539,380	105,180,806	107,190,385
Total expenditures	1,216,275,163	1,344,599,073	1,592,048,827	1,664,348,345	1,656,345,679	1,794,365,162	2,461,271,436	2,039,653,853	2,163,247,801	2,272,851,175
Excess of revenues over (under) expenditures	(105,154,805)	(162,055,089)	(303,945,536)	(328,478,323)	(278,921,260)	(290,099,265)	(209,303,712)	(173,268,739)	(203,550,435)	(246,153,581)
<b>Other Financing Sources (Uses)</b>										
Transfers in	241,246,092	296,777,100	309,595,234	329,903,244	333,113,962	362,738,779	411,766,460	446,037,432	494,775,712	516,088,940
Transfers out	(240,839,772)	(296,452,100)	(309,145,234)	(329,742,244)	(332,663,962)	(362,288,779)	(411,316,461)	(445,587,432)	(498,280,713)	(528,735,684)
Refunding bonds issued	-	-	191,835,000	162,895,000	-	113,940,000	63,675,000	-	-	-
Payment to refunded escrow agent	-	-	(233,084,360)	(190,000,000)	-	(124,534,612)	(77,054,156)	-	-	74,504,180
Bonds issued and premiums	-	490,519,615	42,128,289	153,487,962	239,143,833	220,947,457	55,463,468	301,196,089	326,348,364	371,292,106
Bond anticipation notes issued	-	-	1,301,000	98,928,537	168,652,564	53,328,720	36,078,529	200,183,143	262,291,757	142,157,051
Repayment of bond anticipation notes	-	-	-	-	(218,684,653)	(103,526,168)	-	(157,909,659)	(232,870,052)	(213,676,808)
Drawdown installment notes issued	-	-	-	3,928,079	114,447,523	163,293,070	239,242,065	42,325,490	21,456,797	67,489,340
Repayment of drawdown installment notes	-	-	-	-	(114,890,022)	(166,778,650)	-	(281,567,557)	-	(66,183,126)
Limited obligation bonds issued	-	-	-	-	155,290,000	196,805,000	-	302,410,000	-	116,496,730
Leases and installment purchases issued/repaid	1,500,796	2,373,329	5,027	2,089,630	1,235,305	17,946	16,203	12,007	-	281,255
Leases	-	-	-	-	-	-	(16,203)	(12,007)	-	-
Financing agreement proceeds	-	-	-	-	-	-	2,498,956	-	-	-
Financing agreement	-	-	-	-	-	-	(2,498,956)	-	-	-
Sales of assets and materials	92,956	92,379	1,870,446	420,537	744,559	227,836	91,111	236,971	224,399	217,042
Total other financing sources (uses)	2,000,072	493,310,323	4,505,402	231,910,745	346,389,109	354,170,599	317,946,016	407,324,477	373,946,264	479,931,026
Net change in fund balances	\$ (103,154,733)	\$ 331,255,234	\$ (299,440,134)	\$ (96,567,578)	\$ 67,467,849	\$ 64,071,334	\$ 108,642,304	\$ 234,055,738	\$ 170,395,829	\$ 233,777,445
Debt service as a percentage of noncapital expenditures	20.51%	18.34%	16.96%	16.86%	16.73%	16.40%	16.30%	17.23%	17.41%	18.95%

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

Fiscal Year	Real Property	Personal Property	Public Service Companies	Total	*County-wide Tax Rate <sup>3</sup>	Special Tax Districts Tax Rate <sup>3</sup>	Average County Tax Rate <sup>3</sup>
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	0.615	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	0.697
2018	122,874,155,245	17,897,487,797	3,447,570,780	144,219,213,822	0.6150	0.096	0.711
2019	126,482,475,772	18,690,880,426	3,454,215,945	148,627,572,143	0.6544	0.096	0.7504
2020	130,415,759,631	21,684,607,511	3,572,974,390	155,673,341,532	0.7207	0.096	0.8167
2021 <sup>2</sup>	164,833,716,084	23,985,614,652	3,612,462,959	192,431,793,695	0.6000	0.091	0.6910
2022	167,914,600,900	24,887,995,618	3,731,411,649	196,534,008,167	0.6000	0.103	0.7027
2023	172,306,847,506	26,971,314,139	3,874,946,548	203,153,108,193	0.6195	0.103	0.7222

Notes:

\*Real estate reappraisal effective.

<sup>(1)</sup>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.

<sup>(2)</sup>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).

<sup>(3)</sup>Per \$100 of assessed value.

Source: Wake County Tax Administration

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>County District Rates</b>										
County-wide Rate <sup>1</sup>	\$ 0.5340	\$ 0.5780	\$ 0.6145	\$ 0.6005	\$ 0.6150	\$ 0.6544	\$ 0.7207	\$ 0.6000	\$ 0.6000	\$ 0.6195
Various Special Tax Districts	0.0800	0.0800	0.0800	0.0960	0.0960	0.0960	0.0960	0.0910	0.1027	0.1027
Total average direct rate	0.6140	0.6580	0.6945	0.6965	0.7110	0.7504	0.8167	0.6910	0.7027	0.7222
<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	0.4900
Town of Apex	0.3900	0.3900	0.3900	0.3800	0.3800	0.4150	0.4150	0.3800	0.3900	0.4100
Town of Cary	0.3500	0.3500	0.3700	0.3500	0.3500	0.3500	0.3500	0.3500	0.3450	0.3450
Town of Clayton	0.5250	0.5250	0.5500	0.5500	0.5500	0.5800	0.5800	0.5800	0.5800	0.6000
Town of Fuquay-Varina	0.3850	0.3850	0.3850	0.4330	0.4325	0.4325	0.4325	0.3950	0.3950	0.4250
Town of Garner	0.4900	0.5000	0.5180	0.5180	0.5325	0.5325	0.5600	0.4971	0.5121	0.5521
Town of Holly Springs	0.4350	0.4350	0.4350	0.4330	0.4325	0.4325	0.4825	0.4216	0.4216	0.4216
Town of Knightdale	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4200	0.4200	0.4500
Town of Morrisville	0.3900	0.3900	0.4100	0.3900	0.3900	0.3900	0.3900	0.3600	0.3600	0.3900
City of Raleigh	0.3830	0.4040	0.4210	0.4180	0.4253	0.4382	0.4382	0.3552	0.3730	0.3930
Town of Rolesville	0.4400	0.4400	0.4400	0.4800	0.4800	0.4800	0.4800	0.4600	0.4600	0.4600
Town of Wake Forest	0.5100	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.4950	0.4950	0.4950
Town of Wendell	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4700	0.4700	0.4700
Town of Zebulon	0.5250	0.5250	0.5250	0.5750	0.5750	0.5920	0.5920	0.5500	0.5500	0.5750

## Notes:

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

<sup>(2)</sup> 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



**Principal Property Tax Payers  
June 30, 2023  
Current Year and Nine Years Ago**

Taxpayer	Fiscal Year 2023			Fiscal Year 2014		
	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Duke Energy Progress, Inc	\$ 2,505,968,370	1	1.25%	\$ 1,624,648,025	1	1.27%
Highwoods Realty LP	775,372,908	2	0.39%	322,466,600	7	0.25%
SAS Institute, Inc	704,715,618	3	0.35%	528,745,658	2	0.41%
Seqirus Inc	543,521,203	4	0.27%			
Cisco Systems, Inc	491,708,941	5	0.25%	468,055,850	3	0.37%
Truist Bank	441,810,383	6	0.22%			
WMCI Raleigh, LLC	414,027,833	7	0.21%			
CVM Holdings, LLC	401,441,669	8	0.20%	334,466,115	6	0.26%
SREIT	394,122,228	9	0.20%			
Glaxo Smith Kline	368,362,710	10	0.18%	242,597,402	9	0.19%
G & IV LP				241,968,634	10	0.19%
Duke Realty LP				420,526,829	4	0.33%
Novartis Vaccines & Diagnostics				358,401,109	5	0.28%
Network Appliances, Inc				307,047,690	8	0.24%
	<u>\$ 7,041,051,863</u>		<u>3.52%</u>	<u>\$ 4,848,923,912</u>		<u>3.81%</u>

Source: Wake County Department of Tax Administration

## Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2014	\$ 702,953,904	\$ (1,690,243)	\$ 701,263,661	\$ 697,580,105	99.47%	\$ 3,090,943	\$ 700,671,048	99.92%
2015	760,907,032	(664,952)	760,242,080	758,063,799	99.71%	2,021,425	760,085,224	99.98%
2016	833,221,749	(835,817)	832,385,932	831,114,362	99.85%	1,090,209	832,204,571	99.98%
2017	877,544,091	(7,317,373)	870,226,718	869,108,487	99.87%	931,240	870,039,727	99.98%
2018	914,686,233	(1,989,030)	912,697,203	911,681,836	99.89%	901,956	912,583,792	99.98%
2019	999,314,645	(1,372,951)	997,941,694	996,947,099	99.90%	560,925	997,508,024	99.96%
2020	1,130,623,568	(1,373,567)	1,129,250,001	1,126,999,613	99.80%	1,501,325	1,128,500,938	99.93%
2021	1,173,469,163	(10,534,301)	1,162,934,862	1,161,494,700	99.88%	370,495	1,161,865,195	99.91%
2022	1,197,770,657	(3,686,211)	1,194,084,446	1,193,146,562	99.92%	(203,035)	1,192,943,527	99.90%
2023	1,275,203,166	(2,294,018)	1,272,909,148	1,271,982,229	99.93%	-	1,271,982,229	99.93%

### Notes:

Taxes for the fiscal year ended June 30, 2023 at the collection rate of 99.93% are a composite of the following collections by category:

Vehicle taxes	99.52%
Real and personal property taxes	99.96%

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, 2023**

Fiscal Year	Uncollected Balance June 30, 2022	Additions	Collections and Credits	Uncollected Balance June 30, 2023
2022-2023	\$ -	\$ 1,157,787,279	\$ 1,155,196,073	\$ 2,591,206
2021-2022	2,500,277	-	1,359,359	1,140,918
2020-2021	1,244,941	-	412,121	832,820
2019-2020	964,097	-	215,033	749,064
2018-2019	495,249	-	61,578	433,671
2017-2018	247,619	-	34,208	213,411
2016-2017	211,511	-	24,520	186,991
2015-2016	192,888	-	11,527	181,361
2014-2015	166,909	-	10,052	156,857
Total	<u>\$ 6,023,491</u>	<u>\$ 1,157,787,279</u>	<u>\$ 1,157,324,471</u>	\$ 6,486,299
Less allowance for uncollectable ad valorem taxes receivable				(3,238,965)
Ad valorem taxes receivable (net)				<u>\$ 3,247,334</u>
Reconciliation with revenues:				
Taxes - ad valorem - General Fund				\$ 1,148,305,000
Recycling fee - Solid Waste Operating Fund				9,532,579
Reconciling items:				
Prior year taxes collected				(33,587)
Interest and other costs				(1,828,670)
Rebates and releases				4,281,791
Deferred amounts				(2,589,300)
Accruals and prepaids				<u>(343,342)</u>
Total collections and credits				<u>\$ 1,157,324,471</u>
General Fund Taxes Receivable				\$ 3,152,296
Solid Waste Fund Accounts Receivable				<u>\$ 95,038</u>
				<u>\$ 3,247,334</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, 2023**

	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)	\$ 196,598,459,377	0.61950	\$ 1,217,860,051	\$ 1,148,187,202	\$ 69,672,849
Motor vehicles taxed at prior year's rate	3,430,654,309	0.60000	21,177,304	-	21,177,304
Special Tax District levy	34,378,246,722	0.001027	35,335,069	32,119,316	3,215,753
Total	<u>234,407,360,408</u>		<u>1,274,372,424</u>	<u>1,180,306,518</u>	<u>94,065,906</u>
Discoveries:					
Penalties	-		830,742	830,742	-
Total	-		830,742	830,742	-
Abatements	(531,462,833)		(3,188,777)	(3,188,777)	-
Total property valuation	<u>\$ 233,875,897,575</u>				
Deferred Levy			894,759	894,759	-
Net levy			1,272,909,148	1,178,843,242	94,065,906
Uncollected taxes at June 30, 2023			926,919	479,757	447,162
Current year's taxes collected			<u>\$ 1,271,982,229</u>	<u>\$ 1,178,363,485</u>	<u>\$ 93,618,744</u>
Current levy collection percentage			99.93%	99.96%	99.52%

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 <sup>2</sup>	Obligation Bond Anticipation Notes	Drawdown Installment Notes	Limited Obligation Bonds	Installment Purchases	Qualified Zone Academy Bonds	Leases	Total Governmental Activities	Leases	Total Primary Government		
2014	\$ 1,806,329,227	\$ -	\$ -	\$ 291,053,822	\$ 5,329,121	\$ 490,389	\$ 51,293	\$ 2,103,253,852	\$ -	\$ 2,103,253,852	4.93%	2,106
2015	2,142,354,768	-	-	278,125,603	4,922,510	326,928	763,502	2,426,493,311	5,877	2,426,499,188	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	3,777	2,254,437,212	4.25%	2,201
2017	1,901,610,244	100,229,537	3,928,079	264,041,694	5,115,000	-	37,553	2,271,034,028	-	2,271,034,028	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	3,719,115	-	32,305	2,663,460,890	-	2,663,460,890	4.01%	2,396
2021	1,724,981,737	78,352,012	-	961,205,881 <sup>2</sup>	3,002,115	-	26,380	2,767,568,125	-	2,767,568,125	3.93%	2,450
2022	1,806,519,670	107,773,717	21,456,797	903,631,077	2,278,115	-	46,343,985	2,888,003,361	-	2,888,003,361	3.84%	2,511
2023	1,934,768,668 <sup>2</sup>	36,253,724	22,763,012	979,409,322	-	-	43,819,021	3,017,013,747	-	3,017,013,747	3.60%	2,568

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

<sup>(1)</sup> See Schedule 15 for personal income and population data. 2023 ratio is calculated using 2021 personal income.

<sup>(2)</sup> General Obligation Bonds and Limited Obligation Bonds include premiums on issuance of bonds of \$230,368,668 and \$156,129,322, respectively, which will be amortized over the life of the related debt.

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

General Bonded Debt Outstanding					
Fiscal Year	General Obligation Bonds	General Obligation Bond Anticipation Notes	Total General Bonded Debt	Percentage of Actual Taxable Value of Property <sup>1</sup>	Per Capita <sup>2</sup>
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	78,352,012	1,803,333,749	0.93%	1,596.70
2022	1,806,519,670	107,773,717	1,914,293,387	0.97%	1,664.31
2023	1,934,768,668 <sup>3</sup>	36,253,724	1,971,022,392	0.97%	1,677.44

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

<sup>(1)</sup> See Table 5 for property assessed and actual value data.

<sup>(2)</sup> Population data can be found in Table 15.

<sup>(3)</sup> General Obligation Bonds include premiums on issuance of bonds of \$230,368,668 which will be amortized over the life of its related debt.

**Direct and Overlapping Governmental Activities Debt  
As of June 30, 2023**

	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Direct and Overlapping Debt</b>
<b>Municipality:</b>			
Apex	\$ 72,374,098	100%	\$ 72,374,098
Cary	208,219,513	100%	208,219,513
Fuquay-Varina	67,178,000	100%	67,178,000
Garner	55,767,694	100%	55,767,694
Holly Springs	112,673,462	100%	112,673,462
Knightdale	18,907,357	100%	18,907,357
Morrisville	39,289,080	100%	39,289,080
Raleigh	573,555,115	100%	573,555,115
Rolesville	7,600,000	100%	7,600,000
Wake Forest	35,972,449	100%	35,972,449
Wendell	12,188,822	100%	12,188,822
Zebulon *	1,225,000	100%	1,225,000
<b>Overlapping debt</b>	<u>1,204,950,590</u>		<u>1,204,950,590</u>
<b>Direct debt</b>	<u>3,017,013,747</u>		<u>3,017,013,747</u>
<b>Total direct and overlapping debt</b>	<u>\$ 4,221,964,337</u>		<u>\$ 4,221,964,337</u>

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 Governmental debt

## Legal Debt Margin Information Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assessed Value of Property	\$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	\$196,534,008,167	\$203,153,108,193
Debt Limit, 8% of Assessed Value (Statutory Limitation)	\$ 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	\$ 15,722,720,653	\$ 16,252,248,655
Amount of Debt Applicable to Limit General Obligation Bonds	\$ 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	\$ 1,595,065,000	\$ 1,704,400,000
GO Bond Anticipation Notes	-	-	1,301,000	100,229,537	50,197,448	-	36,078,529	78,352,012	107,773,717	36,253,724
Other Long Term Debt	278,885,802	266,887,940	238,761,938	231,140,632	374,041,272	554,346,998	772,873,485	805,198,495	824,368,897	889,862,033
Bonds Authorized not Issued	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	602,240,000	1,183,815,000
Total net debt applicable to limit	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	3,129,447,613	3,814,330,757
Legal Debt Margin	\$ 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	\$ 12,593,273,040	\$ 12,437,917,898
Total net debt applicable to limit as a percentage of debt limit	28.39%	26.82%	24.28%	20.81%	20.23%	27.74%	27.06%	21.17%	19.90%	23.47%

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.

State Statute requires that the legal debt margin be calculated using General Obligation debt. The County has taken a conservative approach and included other long term debt of Installment Financing and Limited Obligation Bonds.



## Demographic and Economic Statistics Last Ten Years

Year	Population Estimates <sup>1</sup>	Personal Income (thousands of dollars) <sup>2</sup>	Per Capita Personal Income <sup>3</sup>	School Enrollment <sup>4</sup>	Unemployment Rate <sup>5</sup>
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	74,107,214	65,450	161,907	7.1%
2021	1,129,410	81,900,659	71,205	157,673	4.1%
2022	1,150,204	*	*	158,761	3.4%
2023	1,175,021	*	*	158,412	3.1%

\* Information not yet available

<sup>(1)</sup> U.S. Census Bureau, previous calendar year

<sup>(2)</sup> Bureau of Economic Analysis Regional, Economic Information System - Bureau of Economic Analysis November 2022.

<sup>(3)</sup> Bureau of Economic Analysis Regional Economic Account - computed using Census Bureau midyear population estimates available as of November 2022.

<sup>(4)</sup> North Carolina Department of Public Instruction. 2022-2023 Wake County Public Schools District Facts.

<sup>(5)</sup> Employment Security Commission of North Carolina; 2022-2023 - North Carolina Department of Commerce-Labor & Economic Analytics Division.

## Principal Employers Current Year and Nine Years Ago

Employer	2023			2014*		
	Employees <sup>1</sup>	Rank	Percentage of Total County Employment <sup>2</sup>	Employees <sup>1</sup>	Rank	Percentage of Total County Employment
State of North Carolina	24,083	1	3.84%	24,083	1	5.01%
Wake County Public School System	17,000	2	2.71%	17,572	2	3.66%
Wal-Mart	16,800	3	2.68%			
WakeMed Health & Hospitals	10,307	4	1.65%	8,423	4	1.68%
Food Lion	9,037	5	1.44%			
North Carolina State University	9,019	6	1.44%	8,080	5	1.75%
Target	8,400	7	1.34%			
UNC Rex Healthcare	7,700	8	1.23%	5,400	7	1.12%
Harris Teeter	5,300	9	0.85%			
Lenovo	5,100	10	0.81%			
SAS Institute, Inc				5,159	8	1.07%
IBM Corporation				10,000	3	2.08%
GlaxoSmithKline, Inc				4,140	10	0.86%
Wake County Government				4,341	9	0.90%
Cisco Systems				5,500	6	1.15%
	<u>112,746</u>		<u>17.99%</u>	<u>92,698</u>		<u>19.28%</u>

<sup>(1)</sup> Source: Wake County Economic Development / Greater Raleigh Chamber of Commerce

<sup>(2)</sup> Source: North Carolina Department of Commerce

FY18-FY21: Top 10 Employers included the Triangle Regional Area

\*Data from 2014 unavailable, data from 2013 used.

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

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	314.25	324.50	340.50	359.50	371.75	388.75	413.75	405.25	442.25	380.00
Human services	1,465.10	1,571.87	1,591.60	1,627.30	1,657.37	1,699.33	1,748.00	1,763.00	1,806.99	1,859.40
Community and environmental services	445.50	461.50	488.50	503.50	524.50	556.00	574.50	538.50	547.00	603.50
Public safety	1,285.50	1,301.50	1,339.50	1,384.50	1,418.00	1,446.00	1,480.00	1,516.00	1,541.00	1,585.00
Infrastructure	140.00	141.00	143.00	143.00	144.00	144.00	150.00	150.00	153.00	290.75
Total	<u>3,650.35</u>	<u>3,800.37</u>	<u>3,903.10</u>	<u>4,017.80</u>	<u>4,115.62</u>	<u>4,234.08</u>	<u>4,366.25</u>	<u>4,372.75</u>	<u>4,490.24</u>	<u>4,718.65</u>

## Operating Indicators By Function Last Ten Fiscal Years

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>General Government</b>										
Registered voters	801,732	810,675	781,261	779,605	729,933	725,536	701,987	676,093	631,012	651,341
Taxable real estate parcels	478,164	464,839	451,709	442,980	434,150	421,932	412,438	406,596	401,352	392,989
Deeds and real estate documents recorded	141,130	225,900	276,475	202,289	156,980	166,102	183,096	170,421	163,046	148,233
<b>Human Services</b>										
Family medicaid recipients	149,755	141,287	111,691	121,027	121,314	120,314	107,084	98,185	89,815	81,379
Laboratory tests	*	*	*	*	*	*	*	*	*	180,000
School nurse health support services <sup>4</sup>	29,735	17,711	16,470	25,281	34,174	31,991	31,619	29,690	14,941	31,558
Families receiving maternal and child health case management services	8,324	6,985	5,978	6,515	5,893	5,875	*	6,151	6,008	6,300
Maternal Health - High Risk, Postpartum, Newborn Home Visits <sup>8</sup>	4,738	4,569	6,102	5,918	5,893	*	*	*	*	*
Adult care home residents served through on-site inspections	2,450	1,884	2,370	2,058	2,593	2,504	2,548	2,648	2,538	2,373
Homeless sheltered at S. Wilmington St. Center	689	705	355	1,690	2,119	2,029	2,125	2,028	1,982	1,849
Persons testing for HIV/STD <sup>7</sup>	12,079	11,744	6,174	15,085	17,540	17,398	17,715	18,958	17,919	20,364
Number of transportation trips provided	200,570	129,389	123,681	180,137	196,041	180,323	235,845	253,814	200,440	183,570
Food assistance for Household	44,040	42,954	46,665	36,979	30,820	33,188	34,596	38,071	39,235	38,585
<b>Education</b>										
Students attending public school <sup>1</sup>	158,412	158,761	157,673	161,907	160,471	160,429	159,549	157,180	155,184	152,384
Public school teachers <sup>1</sup>	10,674	10,997	10,673	10,739	10,647	10,616	10,733	10,357	10,598	10,563
Community college students- Annual enrollment <sup>2</sup>	61,923	61,930	55,912	66,474	67,923	38,800	38,800	41,566	35,080	34,427
Community college faculty <sup>2</sup>	2,356	2,248	2,120	2,369	2,284	2,251	2,261	2,251	2,305	1,329
<b>Community Development and Cultural</b>										
Libraries - circulation of youth services <sup>5</sup>	6,498,863	5,822,721	3,319,192	6,226,254	7,324,979	6,418,475	6,435,078	6,319,652	6,636,146	6,923,255
Libraries - circulation of adult services <sup>5</sup>	4,451,834	3,929,933	4,414,182	4,156,021	3,785,384	3,318,177	3,263,900	2,996,607	3,104,004	3,467,128
Park visitation	1,748,686	1,812,174	1,608,953	1,604,732	1,291,899	1,296,062	1,430,828	1,252,085	1,141,594	1,187,986
Residential permits issued -New, Addition, Alter <sup>3</sup>	1,649	1,747	2,148	1,909	1,429	846	1,041	1,521	1,347	1,367

**Operating Indicators By Function  
Last Ten Fiscal Years (continued)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Commercial permits issued -New, Addition, Alter <sup>3</sup>	123	162	136	136	161	105	338	219	200	157
Residential or Commercial-Accessory <sup>3</sup>	1,030	973	1,021	1,037	691	4,238	1,707	1,885	1,672	1,535
Trade Permits <sup>3</sup>	3,833	3,878	4,087	3,671	4,026	*	*	*	*	*
Inspections performed	84,105	73,932	72,999	69,543	65,489	66,631	62,047	59,639	53,664	53,517
<b>Environmental Services</b>										
Animal control service calls <sup>6</sup>	8,278	8,233	6,742	9,416	8,386	8,008	6,327	7,194	7,608	7,786
Animals impounded	8,627	8,516	6,931	9,320	10,965	10,619	10,616	10,906	11,621	11,632
Sanitation inspections	15,462	15,104	12,949	12,936	13,942	12,285	11,919	11,911	12,545	8,770
<b>Public Safety</b>										
Detention intake	21,282	20,436	18,837	24,998	28,952	28,667	28,086	34,801	36,350	36,847
Civil processes served	47,039	40,007	32,502	45,687	72,820	55,884	55,681	80,341	78,867	65,590
Pistol permits processed <sup>9</sup>	23,770	35,327	60,167	39,749	18,843	16,171	20,658	18,141	20,216	18,304
Carry Conceal Permits - New and Renewal	13,737	16,961	16,881	9,778	10,060	*	*	*	*	*
Average daily jail population	1,257	1,210	1,100	1,238	1,201	1,198	1,170	1,176	1,155	1,297
Fire/medical incidents responded to by contracting fire departments	48,430	48,002	40,484	39,666	35,679	33,865	33,847	32,595	29,928	28,429
Wake EMS trips	87,713	82,506	79,000	77,588	75,428	70,697	72,181	70,796	67,369	63,371
<b>Solid Waste</b>										
Tons received at South Wake Landfill	530,741	545,071	551,992	529,870	506,577	463,683	442,659	436,632	304,672	406,568
Tons received at East Wake Transfer Station	342,178	354,262	370,275	362,152	332,233	275,504	259,473	262,153	345,615	252,462
Household hazardous waste customers	*	*	*	*	*	*	*	*	43,509	36,996

\* Information not available.

<sup>(1)</sup> Wake County Public Schools.

<sup>(2)</sup> North Carolina Community Colleges. Beginning FY19, figures updated to Unduplicated Total Enrollment. Figures before FY2018 were not inclusive of Total Enrollment and were provided by Wake Technical Community College Planning and Research Department.

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

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

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

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

<sup>(7)</sup> FY21: Data only provided from HHS Clinic A, Clinic E and NTS/offsite events

<sup>(8)</sup> Maternal Health - High Risk category added in FY23, with historic data to FY18. Figures include Telehealth visits, during COVID.(FY20 - FY22)

<sup>(9)</sup> Effective March 29, 2023, North Carolina Senate Bill 41 repealed the requirement of pistol permits issued by the local Sheriff.

## Capital Asset Statistics by Function Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Function/Program</b>										
<b>General Services Administration</b>										
Rentable square footage managed <sup>2</sup>	4,330,018	4,324,372	4,341,345	4,317,993	4,229,569	4,172,318	4,160,865	4,097,495	4,085,555	4,085,365
Total square footage managed <sup>1</sup>	5,028,126	5,022,183	5,040,049	5,015,468	4,922,390	4,862,126	4,850,071	4,783,365	4,770,797	4,770,597
<b>Human Services</b>										
Number of centers	13	13	15	13	14	22	22	22	22	22
<b>Education</b>										
Number of schools	198	198	194	191	191	183	177	177	171	170
<b>Community Development and Cultural</b>										
Libraries - branches	23	23	23	22	22	22	22	21	20	20
Volume of library books	1,962,485	1,788,642	1,731,334	1,889,923	1,755,925	1,586,209	1,476,330	1,393,462	1,323,870	1,534,418
Number of County Parks	11	11	10	10	10	10	9	9	8	8
Number of School Parks <sup>3</sup>	7	7	7	8	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	1,568	1,568	1,574	1,522	1,552	1,568	1,568	1,568
EMS - Stations	18	17	17	15	15	15	15	15	15	15

<sup>(1)</sup> Total Square footage managed added for comparative purposes

<sup>(2)</sup> In order to increase comparability, prior years' square footage been updated using same data source as FY20

<sup>(3)</sup> Board of Commissioner's approved JUA on June 15, 2021, redefining responsibility of multiple School Parks from Wake County to WCPSS and other partners



