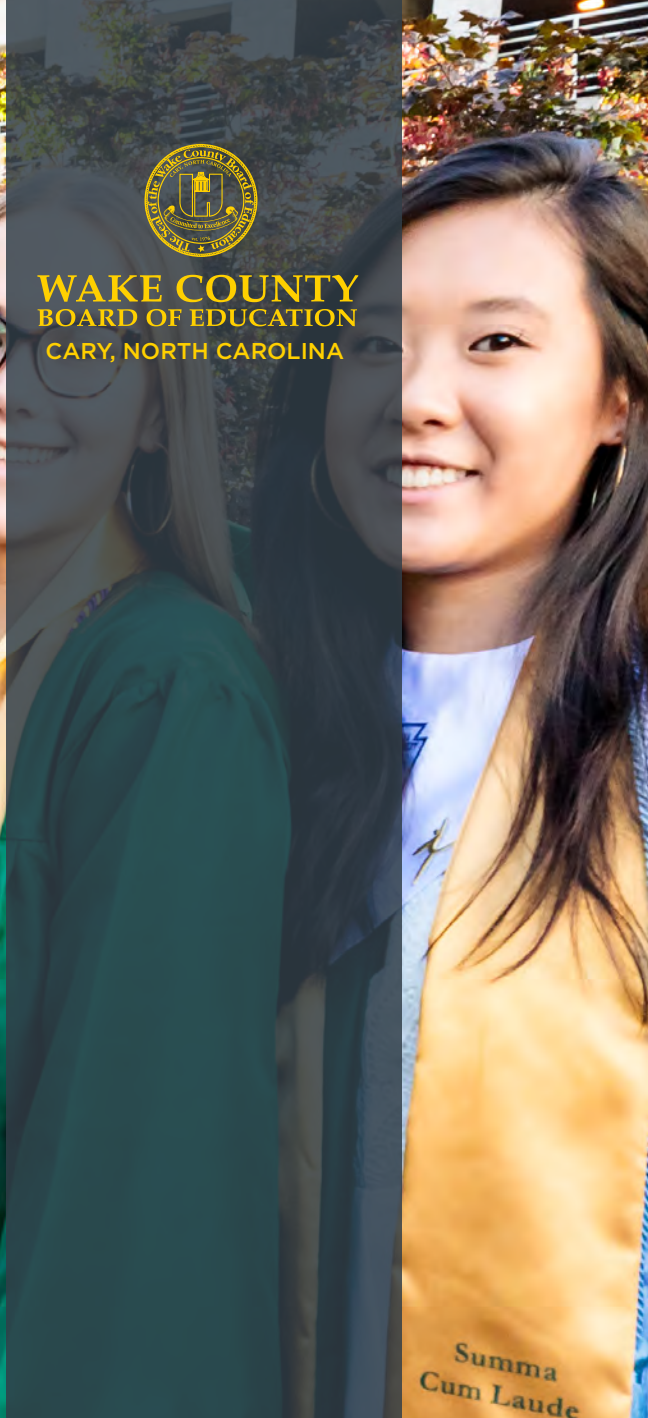




WAKE COUNTY
BOARD OF EDUCATION
CARY, NORTH CAROLINA



Annual Comprehensive **FINANCIAL REPORT**

for the fiscal year ended **June 30, 2022**

PREPARED BY THE FINANCE DEPARTMENT

**WAKE COUNTY BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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Introduction





Catty Q. Moore, Superintendent
Crossroads 1
5625 Dillard Drive
Cary, NC 27518

tel: (919) 533-7770
fax: (919) 431-7563

October 31, 2022

To the Members of the Wake County Board of Education and the Citizens of Wake County, North Carolina:

We are pleased to submit the annual comprehensive financial report of the Wake County Board of Education (Board) for the year ended June 30, 2022, as mandated by both local ordinances and state statutes. These ordinances and statutes require that the Board issue annually a report on its financial position and activity and that an independent firm of certified public accountants will audit this report. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and reported in a manner that presents fairly the financial position and results of operations of the various funds of the Board. All disclosures necessary to enable the reader to gain an understanding of the Board's activities have been included.

The presentation of the annual comprehensive financial report is in four sections: introductory, financial, statistical, and single audit. The introductory section, which is unaudited, includes this letter of transmittal, an organizational chart, a list of the Board's principal elected and appointed officials, and copies of the Certificates of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officer Association (GFOA) and the Association of School Business Officials (ASBO) International. The financial section includes the management's discussion and analysis, government-wide financial statements, fund financial statements and schedules, as well as the independent auditor's report on these financial statements and schedules. The statistical section, which is unaudited, includes data on financial trends, revenue capacity, and debt capacity, as well as demographic and economic information and operating information.

The management's discussion and analysis (MD&A) immediately follows the independent auditor's report and contains a narrative introduction, overview and analysis of the basic financial statements and financial standing of the Board. This letter of transmittal complements and should be read in conjunction with the management's discussion and analysis.

The Board is required to undergo an annual single audit in conformity with the provisions of the Title 2 US Code of Federal Regulations Part 200 Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the North Carolina Single Audit Implementation Act. Information related to this single audit, including a schedule of expenditures of federal and state awards, the report on compliance and on internal control, reports on compliance with requirements applicable to each major federal and state program, and a schedule of findings and questioned costs are included in the single audit section of the annual comprehensive financial report.

The financial reporting entity includes all the funds of the Board. The members of the Board, elected by the public, corporately have decision-making authority. Although Wake County levies all taxes, the Board determines how the school system will spend the funds generated for schools. The County cannot modify the school system's budget nor is the County entitled to share in any surpluses or required to finance any deficits of the school system. For these reasons, the Board is not fiscally dependent on the County and therefore is recognized as a primary government, as defined by the Governmental Accounting Standards Board. The Board also receives funding from state and federal government sources and must comply with the concomitant requirements of those funding entities. The Board does not have any component units, nor is it a component unit of any other entity.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION, AND OUTLOOK

The Wake County Public School System ("WCPSS") is one comprehensive school district serving the entire county; including Raleigh, Cary, Apex, Wendell, Fuquay-Varina, Garner, Knightdale, Rolesville, Wake Forest, Holly Springs, Morrisville, and Zebulon. In July 1976, the former Wake County and Raleigh City public school systems merged to create the WCPSS. For 2020-21 the school system was the largest in North Carolina and the 15th largest system in the nation. It served 158,654 students from kindergarten through 12th grade in 117 elementary schools, 37 middle schools, 32 high schools, and 6 optional schools, and 3 academies. The school system has over 19,500 full-time employees and is the second largest employer in Wake County. The system has over 10,900 regular classroom teachers, not including media specialists, counselors, psychologists, etc.

At the helm of the school system are the Wake County Board of Education and the Superintendent. The Board consists of nine members, elected in districts by the public, who serve two-year terms. The Superintendent, selected by the Board, serves as chief executive officer of the system. The Board is responsible for setting policy, while the Superintendent and her administrative team are in charge of managing the operations of the school system.

A principal charged with the responsibility of the total school operations administers each individual school. Appropriate instructional and support personnel based on pupil enrollment staff the schools. The school principal and faculty work cooperatively with instructional specialists and central administrative staff in developing and implementing effective instructional programs.

Forty-seven of the school system's 195 schools are magnet schools, which offer unique educational alternatives. All students are eligible to apply, and the network features distinct programs under the following areas: Leadership and Technology, Gifted and Talented, International Baccalaureate, Language Immersion/Global Studies. The Board established the magnet network to offer a choice in instructional opportunities, maximize use of school facilities, and help balance schools. The program has proven to be highly successful and contributes to Wake County's stature as a leader in education.

Additionally, the school system offers the following innovative programs for students: twenty-eight NC STEM collaborative network schools, two single-gender leadership academies, four early college programs, and one blended learning school.

The recurring publicity of Wake County as one of the most desired places to live and work in the United States, as evidenced by various publications and polls has continued to turn the spotlight on quality of life enjoyed by Wake County citizens. While quality of life is an intangible asset, there are also many tangible attributes that we can point to in explaining the County's attractiveness.

Chartered in 1771, Wake County covers an area of 864 square miles and is the second most populous county in the state. Twelve municipalities reside in Wake County including Raleigh, the county seat and state capital. A unique mix of urban and rural areas with small towns distinguishes Wake County from other counties in the state and provides something for everyone in choosing a lifestyle. Located in the north central section of the state on the piedmont plateau, Wake County is approximately halfway between Washington, D. C., and Atlanta. As well as being a part of that major industrial corridor, Wake County is also convenient to the recreation of the beautiful North Carolina mountains and serene North Carolina beaches. Low rolling hills in the northwest changing gradually to level land in the southeast is the character of the County's topography. The central North Carolina climate is relatively mild with moderate winters and warm summers. The location, geography, and climate make Wake County an enjoyable place to live and work while also contributing significantly to the economic viability of the region.

The presence of state and local government employment markets, the college and university employment markets, and the Research Triangle Park research facilities, stabilize the economy of the area, as well as offer substantial employment opportunities to the County's population. No major specialized industry dominates the economy of the County.

The Research Triangle Park, organized in 1959, straddles on the Wake and Durham County line. It encompasses 6,800 acres of land set aside for research and research-oriented manufacturing. With the attractiveness of the Research Triangle Park and its proximity to three major research universities, it is no accident that medical and electronic industries flourish in the region.

The quantity and quality of the instructional programs of the school system are directly dependent on the funding provided and on effective management and efficient use of those funds. We recognize the important trust and responsibility we are given in the management of public resources and continue to be vigilant and trustworthy in fulfilling that responsibility. Funding for the school system is complex as a result of the various funding sources available. Budget managers apply these resources to accomplish the strategic plan of the school system while maximizing use of taxpayer dollars. Budget managers use reverting sources of funds first so that any savings will occur in the local budget. We believe that continuation of these financial management practices coupled with effective planning provides fiscal accountability to the public and continued improvement of programs and outcomes for our students.

MAJOR INITIATIVES

Wake County Public School System Board Goal and Strategies

This year, Board members have continued to work with staff to collect feedback from students, employees, families, and community stakeholders to revise the district's Strategic Plan. The plan's framework features three Strategic Priorities: Student Knowledge and Skills, Student Dispositions and Well-being, and Operational Effectiveness. These priorities are supported by four Essential

Pillars: a high-quality instructional core for all content areas, equity-focused practices, high-quality WCPSS staff, and effective operations, services, and facilities. The revised plan also will feature long-term goals aligned with the Strategic Priorities and focused on excellence and equity.

Graduation Rates

For the 2021-22 school year, 89.5 percent of seniors who started school four years earlier graduated on time. While a slight decrease from 2020-21, the graduation rate remained stable despite the obstacles faced during the pandemic.

National Board Certified Teachers

In December 2021, 96 Wake County Public School System teachers earned National Board Certification. Currently, 1730 school system employees are National Board Certified. This is the highest number of National Board Certified teachers in the nation and is the 16th consecutive year that the school system has held that honor. Seeking this certification is a rigorous process and takes a significant commitment of time outside the teacher's regular classroom responsibilities. The school system provides support to these candidates from initial candidacy through renewal.

FINANCIAL INFORMATION

The state primarily finances the cost of public education in North Carolina and establishes minimum programs. Local boards of county commissioners appropriate local funds, in varying amounts by district, to supplement the basic program. Local boards of education in North Carolina have no tax levying or borrowing authority and are required to maintain accounting records in a uniform format.

Governmental funds are reported using the modified accrual basis of accounting, while the proprietary funds are reported using the accrual basis of accounting. Detailed explanations of both are found in the measurement focus and basis of accounting section of the notes to the basic financial statement.

The management of the school system is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the school system are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure provides reasonable, but not absolute, assurance in meeting these objectives. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits derived and the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state, and local financial assistance, the school system is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management and the school system's internal audit department.

The North Carolina School Budget and Fiscal Control Act mandate a uniform budget format and the adoption of an annual balanced budget resolution by July 1 each year. The Board adopts budgets by fund and purpose for all governmental funds and the proprietary funds. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget and in funds provided by the federal, state, and local governments. The financial section reflects the final budget, as amended for the fiscal year. By resolution of the Board, the Superintendent may transfer monies from one appropriation to another within the same fund, subject to certain limitations. If such transfers require the Board's approval, they must be reported at the next subsequent meeting.

The Superintendent is authorized by the Board to transfer appropriations under the following conditions:

1. The Superintendent may not transfer any amounts between funds nor from any contingency appropriation within a fund without Board approval.
2. The Superintendent may transfer amounts between purpose codes and between functions within a purpose code. A summary of all such transfers must be reported to the Board monthly.
3. The Superintendent may transfer any amounts in state and federal projects upon prior approval of the appropriate funding agency. If such transfers require the Board's approval under other provisions, they must be reported to the Board monthly.

The Superintendent is authorized by the Board to accept appropriations into the budget under the following conditions:

1. The Superintendent may accept all state appropriations. A summary of such appropriations must be reported to the Board monthly.
2. The Superintendent may accept federal appropriations if the application for funding has been approved by the Board. A summary of such appropriations must be reported to the Board monthly.
3. The Superintendent may accept categorical program appropriations if the program has been approved by the Board. A summary of such appropriations must be reported to the Board monthly.
4. The Superintendent may accept other appropriations upon prior approval of the Board.

The school system also maintains an encumbrance accounting system as one method of maintaining budgetary control. Encumbered amounts lapse at year-end. However, WCPSS generally re-appropriates outstanding encumbrances considered to be continuing contracts as part of the following year's budget.

The school system continues to experience student growth in certain areas of the county, and this is expected to continue. Due to this growth, the Board has been engaged in an aggressive building and renovation program for many years. In November, 2018 the residents of Wake County approved a bond issue of \$548 million. This bond issue will provide seven new schools,

eleven major renovations, life cycle replacements, technology, security, and land acquisition for new schools. The school system's oldest building was built in 1924 and most recent building was completed in 2022.

As demonstrated by the statements and schedules included in the financial section of this report, the school system continues to meet its responsibility for sound financial management.

OTHER INFORMATION

Independent Audit

State statutes require an annual audit by independent certified public accountants. The Board selected the firm Forvis, LLP. In addition to meeting the requirements set forth in state statutes, the auditor designed their audit to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the North Carolina Single Audit Implementation Act. The auditors conducted the engagement in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting, and the Association of School Business Officials (ASBO) awarded the Certificate of Excellence in Financial Reporting to the Board for its annual comprehensive financial report for the year ended June 30, 2021. This was the thirty-third consecutive year that the Board received these prestigious awards. In order to be awarded these Certificates, the Board published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

The Certificates are valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the requirements for the Certificates, and we are submitting it to the GFOA and ASBO to determine its eligibility for another certificate.

Acknowledgments

The efficient and dedicated services of the entire staff of the finance division were essential in the preparation of this report. We would like to express our appreciation to all members of the division who assisted and contributed to the preparation of this report and to the Board's independent certified public accountants, Forvis, LLP, for their assistance. The contributions of all are invaluable and sincerely appreciated and clearly reflect the high standards that we have set for ourselves.

We would also like to express our appreciation to the members of the Board of Education for their interest and support in planning and conducting the financial affairs of the school system in a responsible and dedicated manner.

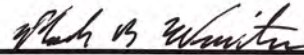
Respectfully submitted,



Catty Q. Moore
Superintendent



David Neter
Chief Business Officer



Mark Winters
Finance Officer



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Wake County Board of Education

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'William A. Sutter'.

William A. Sutter
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

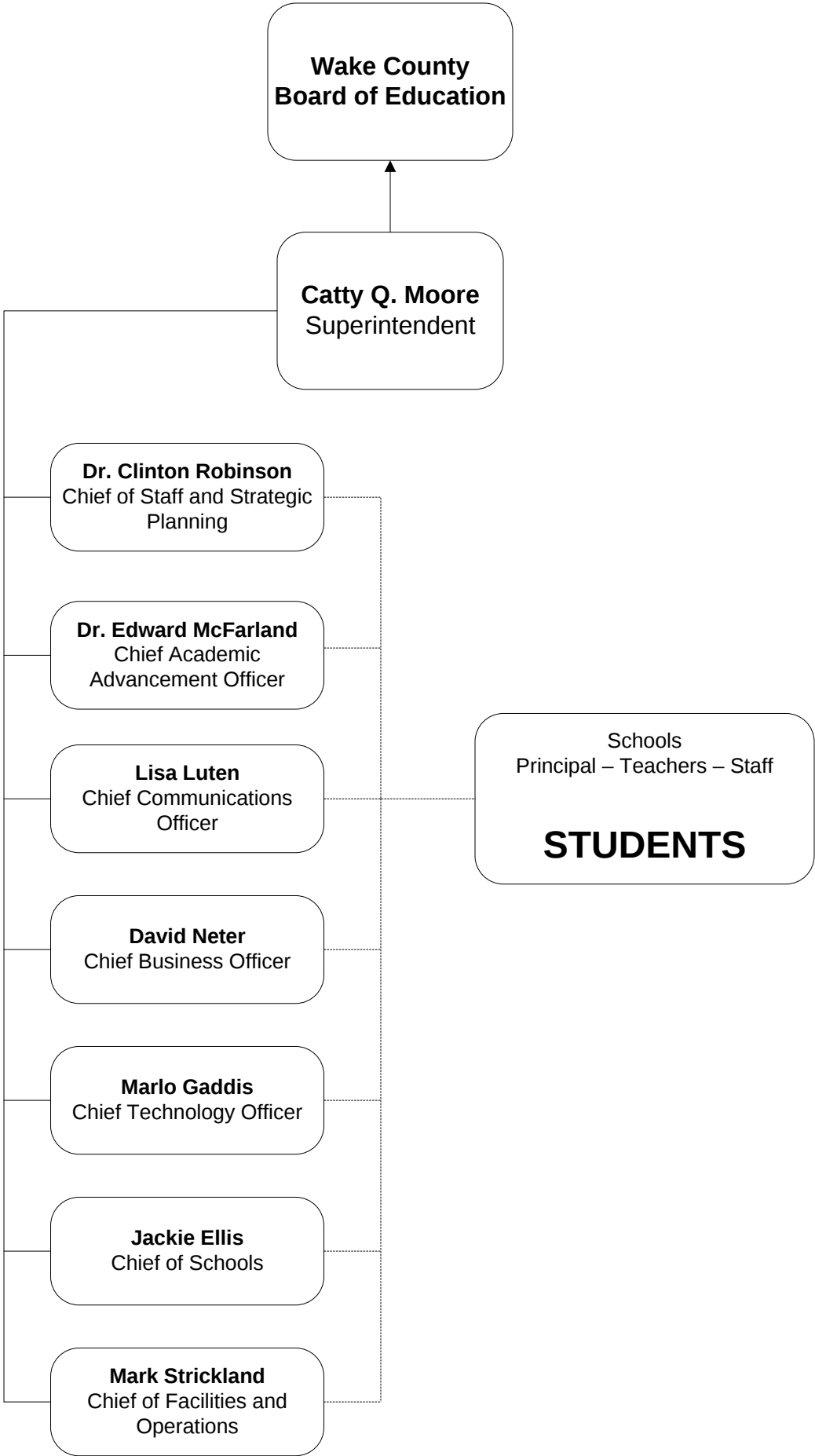
**Wake County Board of Education
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Executive Director/CEO

Organizational Chart



Board of Education and Leadership Team



Lindsay Mahaffey
Chair, District 8



Chris Heagarty
Vice Chair, District 7



Heather Scott
District 1



Monika Johnson-Hostler
District 2



Roxie Cash
District 3



Tara Waters
District 4



Dr. Jim Martin
District 5



Christine Kushner
District 6



Karen Carter
District 9



Catty Q. Moore
Superintendent

Leadership Team Catty Q. Moore, Superintendent

Chief Officers

Dr. Clinton Robinson, Chief of Staff and Strategic Planning
Dr. Edward McFarland, Chief Academic
Advancement Officer
David Neter, Chief Business Officer
Lisa Luten, Chief Communications Officer
Marlo Gaddis, Chief Technology Officer
Jackie Ellis, Chief of Schools
Mark Strickland, Chief of Facilities and Operations

Finance

Mark Winters, Finance Officer

Area Superintendents

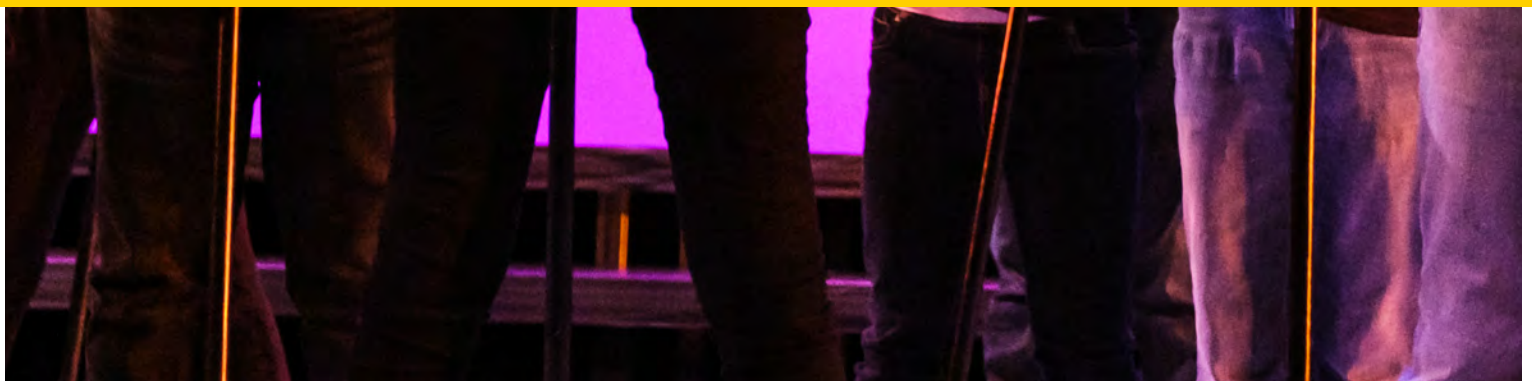
Dr. Mark Savage - Eastern Wake County
Vacant - Central Wake County
Chris McCabe - Northern Wake County
Dr. Ve-Lecia Council - Northeastern Wake County
Dr. Ashlie Thompson - Southern Wake County
Dr. Tammie Sexton - Western Wake County
Jonathan Enns - Southwestern Wake County
James Overman - Southeastern Wake County
Seydric Williams - Northwestern Wake County

Assistant Superintendents

Drew Cook - Academics
Dr. AJ Muttillio - Human Resources
Jill McKenna - Special Education Services
Paul Koh - Student Support Services
Dr. Bradley McMillen - Data, Research, and Accountability
Dr. William Chavis - Equity Affairs
Glenn Carrozza - School Choice, Planning, and Assignment



Financial Section





Independent Auditor's Report

Wake County Board of Education
Cary, NC

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wake County Board of Education, North Carolina ("Board"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, 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, each major fund, and the aggregate remaining fund information of the Board, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, State Public School Fund, Other Restricted, and Federal Grants funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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. We are required to be independent of the Board, and to meet our other ethical responsibilities, in accordance with the relevant ethical 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.

Emphasis of Matter

As discussed in Note 4 to the financial statements, the Board adopted Governmental Auditing Standards Board Statement No. 87, *Leases*, in 2022. Our opinions are not modified with respect to this matter.

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 Board's ability to continue as a going concern for 12 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.

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 Board'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 Board'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 Management's Discussion and Analysis on pages 4 through 12 and the Teachers' and State Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Board Contributions, on pages 67 through 68, respectively, and the Retiree Health Benefit Fund's Schedules of Proportionate Share of the Net OPEB Liability and Board Contributions, on pages 69 through 70, respectively, and the Disability Income Plan of North Carolina's Schedules of the Proportionate Share of the Net OPEB Asset and Board Contributions, on pages 71 through 72, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The individual fund statements and schedules, including the schedule of expenditures of federal and state awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual statements and schedules and the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial 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 opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2022, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 Board'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 Board's internal control over financial reporting and compliance.

FORVIS,LLP

Winston-Salem, NC

October 31, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

This section of the Wake County Board of Education's (the "Board") financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2022. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

- The assets and deferred outflows of resources of the Board exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$1,655,083,658.
- The Board's total net position increased \$400,215,008 primarily due to increased capital assets in the Governmental Activities and the decrease of net pension liability.
- As of the close of the current fiscal year, the Board's General Fund reported a total fund balance of \$117,054,174 and the Board's governmental funds reported combined ending fund balances of \$135,103,090. Of this total, \$46,547,827 is available for spending at the government's discretion.
- The Board experienced an increase in enrollment of 108 students (or 0.07%) from the previous year.
- Federal and state funds related to COVID-19, totaling \$209,549,493, provided additional funding support to the Board.

Overview of the Financial Statements

The audited financial statements of the Board consist of four components. They are as follows:

- *Independent Auditors' Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplemental section that presents combining and budgetary statements for non-major governmental and enterprise funds*

The *basic financial statements* include two types of statements that present different views of the Board's finances. The first are the *government-wide statements*. The government-wide statements are presented on the full accrual basis of accounting and include the statement of net position (deficit) and the statement of activities. The statement of net position (deficit) includes all of the Board's assets and liabilities and deferred inflows of resources. Assets and liabilities are classified in the order of relative liquidity for assets and due date for liabilities. This statement provides a summary of the Board's investment in assets, deferred inflows of resources, and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The statement of activities summarizes the Board's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The second type of statements included in the basic financial statements are the *fund financial statements*, which are presented for the Board's governmental funds and proprietary funds. These statements are presented on the modified accrual basis of accounting, measuring the near term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. The fund financial statements focus on the Board's most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

statements is required. The government-wide statements provide information about the Board as an economic unit, while the fund financial statements provide information on the financial resources of the Board's major funds.

Government-wide Statements

The government-wide statements report information about the Board as a whole using accounting methods similar to those used by private-sector companies. The statement of net position (deficit) includes all of the Board's assets, deferred outflows and inflows of resources, and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Board's net position and how it has changed. Net position – the difference between the total of the Board's assets and deferred outflows and the total of liabilities and deferred inflows – is one way to measure the Board's financial health or position.

- Over time, increases or decreases in the Board's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the Board's overall health, consider additional non-financial factors such as changes in the property tax base and the condition of its school buildings and other physical assets.

The Board's activities are divided into two categories in the government-wide statements:

- **Governmental activities:** Most of the Board's basic services are included here, such as regular and special education, transportation, and administration. County funding and state and federal aid finance most of these activities.
- **Business-type activities:** The Board charges fees to help it cover the costs of certain services it provides. Child nutrition and tuition programs are included here.

The government-wide statements are shown on pages fourteen through sixteen of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the Board's funds, focusing on its most significant or "major" funds – not the Board as a whole. Funds are accounting devices the Board uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by State law, such as the State Public School Fund.
- The Board established other funds to control and manage money for a particular purpose or to show that it is properly using certain revenues, such as in the Other Restricted Funds.

The Wake County Board of Education has two types of funds:

Governmental funds: Most of the Board's basic services are included in the governmental funds, which generally focus on two things – how cash and other assets can readily be

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

converted to cash flow in and out and the balances left at year-end that are available for spending. As a result of this focus, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Board's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, a reconciliation following the governmental funds statements, explains the relationship (or differences) between the government-wide and the fund financial statements. The Board has several governmental funds: General Fund, State Public School Fund, Capital Outlay Fund, Other Restricted Funds, Individual Schools Fund, and State Administered Federal Grants Fund. The governmental fund statements are shown on pages seventeen through nineteen of this report.

Proprietary funds: Services for which the Board charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same full accrual basis of accounting as the government-wide statements. The Wake County Board of Education has two proprietary funds – both enterprise funds – the Child Nutrition Fund, and the Tuition Programs Fund. The proprietary fund statements are shown on pages twenty-three through twenty-six of this report.

Financial Analysis of the District as a Whole

Net position is an indicator of the fiscal health of the Board. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$1.6 billion as of June 30, 2022. The largest component of net investment in capital assets of approximately \$4.1 billion.

Following is a summary of the Statements of Net Position (Deficit) (in thousands). The 2021 comparative information has not been restated for the change in accounting principal at the beginning of fiscal year 2022.

**Condensed Statements of Net Position (Deficit)
June 30, 2022 and 2021**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current assets	\$ 262,893	\$ 262,763	\$ 44,727	\$ 24,516	\$ 307,620	\$ 287,279
Leases receivable	4,271	-	-	-	4,271	-
Right to use leased assets	92,325	-	3	-	92,328	-
Capital assets	4,073,601	3,897,041	7,445	6,153	4,081,046	3,903,194
Total assets	4,433,090	4,159,804	52,175	30,669	4,485,265	4,190,473
Deferred outflows of resources	562,824	498,910	3,267	10,870	566,091	509,780
Current Liabilities	127,407	99,156	7,557	4,598	134,964	103,754
Long-term liabilities:	2,292,345	2,507,290	52,001	58,867	2,344,346	2,566,157
Total liabilities	2,419,752	2,606,446	59,558	63,465	2,479,310	2,669,911
Deferred inflows of resources	921,078	774,174	13,501	18,917	934,579	793,091
Net investment in capital assets	4,067,091	3,892,211	7,445	6,153	4,074,536	3,898,364
Restricted net position	37,820	21,663	105	128	37,925	21,791
Unrestricted net position	(2,449,827)	(2,635,780)	(25,167)	(47,124)	(2,474,994)	(2,682,904)
TOTAL NET POSITION (DEFICIT)	\$ 1,655,084	\$ 1,278,094	\$ (17,617)	\$ (40,843)	\$ 1,637,467	\$ 1,237,251

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Following is a summary of the Statement of Net Position

Note that net position for governmental activities increased by approximately \$399 million during the year, indicating an improvement in the financial condition of the Board. The increase of net position was mainly a result in the increase of capital assets in the governmental activities due to new school construction. Also note that the Board carries capital assets for which Wake County carries the offsetting debt.

The following table shows the revenues and expenses for the Board for the current and previous fiscal year (in thousands). The 2021 comparative information has not been restated for the change in accounting principal at the beginning of fiscal year 2022.

**Condensed Statements of Revenues, Expenses, and Changes in Net Position (Deficit)
For the Years Ended June 30, 2022 and 2021**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 1,687	\$ 14	\$ 11,953	\$ 1,916	\$ 13,640	\$ 1,930
Operating grants and contributions	1,362,725	1,156,495	75,699	25,600	1,438,424	1,182,095
General Revenues:						
Other revenues	838,788	816,357	304	453	839,092	816,810
Total revenues	<u>2,203,200</u>	<u>1,972,866</u>	<u>87,956</u>	<u>27,969</u>	<u>2,291,156</u>	<u>2,000,835</u>
Expenses:						
Governmental activities:						
Instructional services	1,374,605	1,312,344	-	-	1,374,605	1,312,344
System-wide support services	300,712	271,448	-	-	300,712	271,448
Ancillary services	4,129	8,038	-	-	4,129	8,038
Nonprogram charges	45,002	44,639	-	-	45,002	44,639
Interest on long-term debt	3,381	-	-	-	3,381	-
Depreciation	97,438	97,819	-	-	97,438	97,819
Business-type activities:						
Food services	-	-	59,396	27,628	59,396	27,628
Tuition programs	-	-	6,278	5,927	6,278	5,927
Total expenses	<u>1,825,267</u>	<u>1,734,288</u>	<u>65,674</u>	<u>33,555</u>	<u>1,890,941</u>	<u>1,767,843</u>
Excess (deficiency) before transfers	<u>377,933</u>	<u>238,578</u>	<u>22,282</u>	<u>(5,586)</u>	<u>400,215</u>	<u>232,992</u>
Transfers	<u>(943)</u>	<u>(3,791)</u>	<u>943</u>	<u>3,791</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	376,990	234,787	23,225	(1,795)	400,215	232,992
Net position, beginning	<u>1,278,094</u>	<u>1,043,307</u>	<u>(40,843)</u>	<u>(39,048)</u>	<u>1,237,251</u>	<u>1,004,259</u>
Net position, ending	<u>\$ 1,655,084</u>	<u>\$ 1,278,094</u>	<u>\$ (17,618)</u>	<u>\$ (40,843)</u>	<u>\$ 1,637,466</u>	<u>\$ 1,237,251</u>

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Total governmental activities generated revenues of \$2.2 billion while expenses in this category totaled \$1.83 billion for the year ended June 30, 2022. Comparatively, revenues were \$1.97 billion, and expenses totaled \$1.73 billion for the year ended June 30, 2021. After transfers to the business-type activities, the increase in net position stands at \$377 million at June 30, 2022, compared to \$235 million in 2021. The increase in revenues is due to the increase in county appropriation, state funding and funds related to COVID-19, allowing the school system to further support instructional programs and technology initiatives. Instructional services expenses comprised 75.3% of total governmental-type expenses while system-wide support services made up 16.5% of those expenses for 2022. County funding comprised 37.34% of total governmental revenue for 2022. In 2021, county funding was 39.6%. Much of the remaining 62.66% of the total governmental revenue for 2022 consists of restricted state and federal money. This revenue represented 60.4% of total revenue in 2021. Business-type activities generated revenue of \$88 million and expenses of \$66 million. Net position increased in the business-type activities by \$23.2 million after transfers from the governmental activities of \$943 thousand. The decrease in net position in 2021 was \$1.8 million. The majority of the increase was due to resuming operations after the limits from the COVID-19 pandemic, as well as federal meal reimbursement funding.

Financial Analysis of the District's Funds

The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Board's financing requirements.

The general fund reported a total fund balance of \$117,054,174, a decrease of \$11,494,081 over last year. The underlying reason for this decrease was the use of fund balance to fund staff retention bonuses due to COVID-19. The unassigned fund balance in the general fund increased to \$46,547,827. This level of unassigned fund balance equals 2 percent of the total operating budget (state, local funds, grant, enterprise, and other restricted funds \$2,329,739,079). The Board assigned \$27,926,893 from fund balance to support the 2022-23 budget.

The total fund balance in the capital outlay fund decreased by \$318,738, and the restricted fund balance for capital expenditures increased to \$2,605,325. The total fund balance decrease was due to the fulfillment of orders related to supply chain delays in the 2020-21 fiscal year.

The fund balance restricted for individual schools in the individual schools fund increased by \$780,883. The significant increase in both revenues and expenditures is a result of resuming activities after the pandemic and school closure.

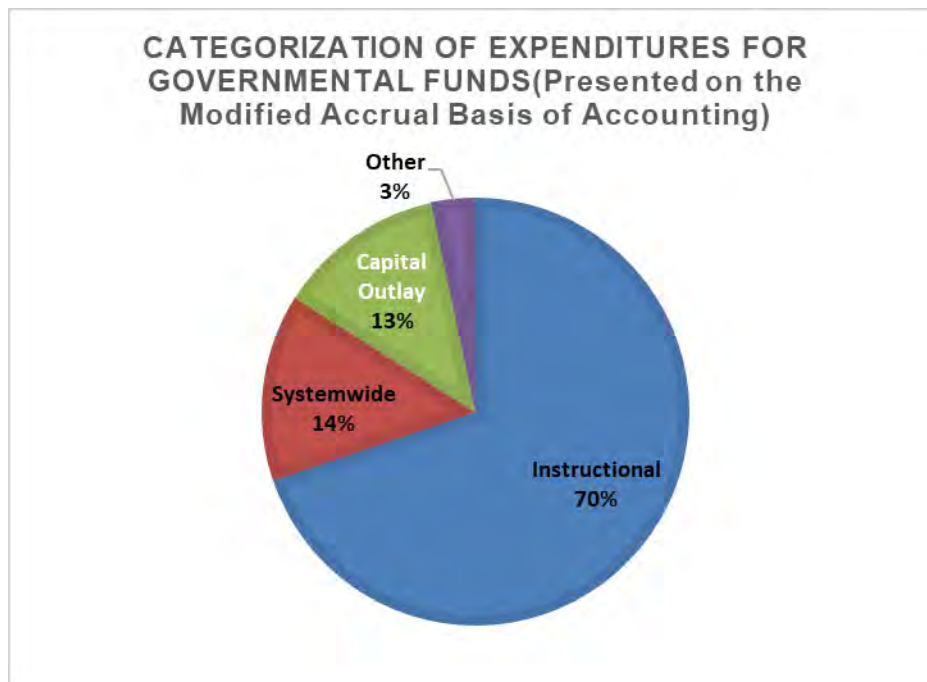
The fund balance for the State Public School Fund is zero. The Board only receives revenues from the State to equal expenditures up to the amount of their allotment.

The Board's governmental funds reported a combined fund balance of \$135,103,090, a \$11,052,257 increase over last year. The increase was due to additional federal support provided during the pandemic and unused salaries due to staffing vacancies. Total county funding to support operating and capital needs increased over the prior year by \$40.6 million. This increase was due to the increase in the building program, as well as an increase in the local appropriations received from the county. State funding increased approximately \$65 million as a result of salary increases for teachers and other staff, staff bonuses, and increased

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

matching benefit rates. Federal funding increased by approximately \$135.6 million due to grant awards and funds related to the pandemic.

The Board's business-type funds reflected a total increase in net position of approximately \$23.2 million. The Child Nutrition Program reflected an increase in net position over the last year of \$20.9 million and Tuition Programs reflected an increase in net position over last year of \$2.4 million. The increase in both programs was due to the decrease in pension and compensated absence liability, federal meal reimbursement funding, and the return to somewhat normal operations after the pandemic.



Budgetary Highlights

Over the course of the year, the Board revised the 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 and decreases in appropriations that become necessary to maintain services.

Total amendments to the general fund increased revenues and other sources, as well as expenditures, by approximately \$1.9 million. This was mainly due the appropriation of fund balance to pay staff retention and recognition bonuses and for average daily membership reconciliation associated with school-based staffing vacancies. Total revenues were \$696,741 greater than the final budget due to an increase in fines and forfeitures and flexible benefit forfeitures. Total expenditures for the general fund were \$48.3 million less than the final budget due to unused salaries because of the unprecedented unfilled vacancies, as well as the use of federal funds due to the pandemic. Other financing sources final budget includes \$61 million of appropriated fund balance.

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Capital Assets

The Board's investment in capital assets for its governmental and business-type activities as of June 30, 2022, totals \$4,081,043 (net of accumulated depreciation). The following is a summary of the capital assets, net of depreciation at year-end (in thousands):

Summary of Capital Assets
June 30, 2022 and 2021

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 228,522	\$ 220,121	\$ -	\$ -	\$ 228,522	\$ 220,121
Land improvements	7,315	6,601	-	-	7,315	6,601
Buildings	2,799,239	2,884,382	-	-	2,799,239	2,884,382
Equipment	10,139	15,401	7,297	5,937	17,436	21,338
Vehicles	15,546	14,281	148	216	15,694	14,497
Construction in progress	1,012,840	756,255	-	-	1,012,840	756,255
Total	<u>\$ 4,073,601</u>	<u>\$ 3,897,041</u>	<u>\$ 7,445</u>	<u>\$ 6,153</u>	<u>\$ 4,081,046</u>	<u>\$ 3,903,194</u>

More detailed information on the Board's capital assets is contained on pages 44 through 45 in the notes to the financial statements.

Debt Outstanding

During the year the Board's outstanding government-type obligations decreased by \$316,046,347 and the business-type activities debt decreased by \$6,872,160. The decrease in the government-type and the business-type activities debt was due to the reduction of the net compensated absences liability. More detailed information on the Board's outstanding debt is contained on page 62 of the notes to the financial statements. The county holds virtually all debt issued for school capital construction.

Economic Factors

The Board anticipates an increased enrollment over the next several years and will need continued increases in classroom space, teachers, and equipment. County funding is a major source of income for the Board; therefore, the County's economic outlook directly affects that of the school district.

The following factors have positively [or adversely] affected the economic outlook of Wake County.

- Wake County's unemployment rate was 3.4% at June 30, 2021. This is a decrease of 0.7% from the previous year.
- The population of Wake County continues to increase. At June 30, 2022, the population was 1,150,204.
- Total property tax collections for fiscal year ended June 30, 2022, was \$1.2 trillion, a \$31.7 million increase from the prior fiscal year.

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Requests for Information

This report is intended to provide a summary of the financial condition of the Wake County Board of Education. Questions or requests for additional information should be addressed to:

Mark Winters, Finance Officer
Wake County Board of Education
111 Corning Road, Suite 250
Crossroads III
Cary, NC 27518

BASIC FINANCIAL STATEMENTS

WAKE COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION (DEFICIT)
JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 175,699,072	\$ 38,973,866	\$ 214,672,938
Accounts receivables	3,556,804	17,742	3,574,546
Leases receivable	280,407	-	280,407
Accrued interest receivable on leases	102,482	-	102,482
Due from other governments	74,529,491	3,320,156	77,849,647
Net OPEB asset	946,503	20,860	967,363
Internal balances	(106,167)	106,167	-
Inventories	7,884,227	2,288,193	10,172,420
Total current assets	<u>262,892,819</u>	<u>44,726,984</u>	<u>307,619,803</u>
Noncurrent assets:			
Lease receivable, non-current	4,270,902	-	4,270,902
Right to use leased asset, net of amortization	92,325,609	3,332	92,328,941
Capital assets			
Land and construction in progress	1,241,362,330	-	1,241,362,330
Capital assets, net of accumulated depreciation	<u>2,832,238,279</u>	<u>7,445,092</u>	<u>2,839,683,371</u>
Total capital assets	<u>4,073,600,609</u>	<u>7,445,092</u>	<u>4,081,045,701</u>
Total non-current assets	<u>4,170,197,120</u>	<u>7,448,424</u>	<u>4,177,645,544</u>
TOTAL ASSETS	<u>4,433,089,939</u>	<u>52,175,408</u>	<u>4,485,265,347</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>562,824,474</u>	<u>3,266,757</u>	<u>566,091,231</u>
LIABILITIES			
Current liabilities:			
Salaries and benefits payable	23,489,555	2,499,665	25,989,220
Accounts payable	85,840,203	2,258,676	88,098,879
Accrued interest payable	1,043,146	-	1,043,146
Unearned revenue	17,034,368	2,798,796	19,833,164
Long-term due within one year	80,947,668	603,052	81,550,720
Long-term liabilities:			
Net pension liability	307,992,643	4,367,279	312,359,922
Net OPEB liability	1,762,470,630	46,371,653	1,808,842,283
Due in more than one year	<u>140,934,465</u>	<u>659,513</u>	<u>141,593,978</u>
TOTAL LIABILITIES	<u>2,419,752,678</u>	<u>59,558,634</u>	<u>2,479,311,312</u>
DEFERRED INFLOWS OF RESOURCES	<u>921,078,077</u>	<u>13,500,972</u>	<u>934,579,049</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	4,067,090,797	7,445,092	4,074,535,889
Restricted for:			
Individual school activities	10,843,932	-	10,843,932
Special programs	51,110	-	51,110
Stabilization by state statute	6,063,751	-	6,063,751
School capital outlay	2,605,325	-	2,605,325
OPEB Plan	1,166,677	106,483	1,273,160
Restricted contributions	54,576	-	54,576
Unrestricted	<u>(2,432,792,510)</u>	<u>(25,169,016)</u>	<u>(2,457,961,526)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ 1,655,083,658</u>	<u>\$ (17,617,441)</u>	<u>\$ 1,637,466,217</u>

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

WAKE COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:							
Instructional programs:							
Regular	\$ 755,888,171	\$ 1,686,639	\$ 660,125,462	\$ -	\$ (94,076,070)		\$ (94,076,070)
Special populations	249,957,184	-	231,813,267	-	(18,143,917)		(18,143,917)
Alternative programs and services	133,890,588	-	129,307,630	-	(4,582,958)		(4,582,958)
School leadership	101,682,419	-	102,756,598	-	1,074,179		1,074,179
Co-curricular	27,266,813	-	641,258	-	(26,625,555)		(26,625,555)
School-based support services	105,919,583	-	88,406,394	-	(17,513,189)		(17,513,189)
Systemwide support services							
Support and development	9,291,875	-	4,862,585	-	(4,429,290)		(4,429,290)
Special populations support and development	8,287,946	-	2,924,126	-	(5,363,820)		(5,363,820)
Alternative programs and services support and development	4,795,986	-	3,090,213	-	(1,705,773)		(1,705,773)
Technology support	56,325,755	-	14,397,095	-	(41,928,660)		(41,928,660)
Operational support	180,829,104	-	107,073,693	-	(73,755,411)		(73,755,411)
Financial and human resource	21,852,273	-	6,975,436	-	(14,876,837)		(14,876,837)
Accountability	1,942,251	-	187,423	-	(1,754,828)		(1,754,828)
Systemwide pupil support	5,896,814	-	1,395,172	-	(4,501,642)		(4,501,642)
Policy, leadership and public relations	11,490,403	-	3,828,011	-	(7,662,392)		(7,662,392)
Ancillary services	4,128,656	-	4,328,463	-	199,807		199,807
Nonprogram charges	45,002,063	-	611,935	-	(44,390,128)		(44,390,128)
Interest on long-term debt	3,381,001	-	-	-	(3,381,001)		(3,381,001)
Depreciation - unallocated *	97,437,981	-	-	-	(97,437,981)		(97,437,981)
Total governmental activities	1,825,266,866	1,686,639	1,362,724,761	-	(460,855,466)		(460,855,466)

(Continued)

* This amount excludes the depreciation that is included in the direct expenses of the various programs.

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

WAKE COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
BUSINESS-TYPE ACTIVITIES:							
Food services	59,394,839	3,371,913	73,134,051	2,564,748		\$ 19,675,873	19,675,873
Tuition programs	6,278,482	8,580,634	-	-		2,302,152	2,302,152
Total business-type activities	65,673,321	11,952,547	73,134,051	2,564,748		21,978,025	21,978,025
Total school district	<u>\$ 1,890,940,187</u>	<u>\$ 13,639,186</u>	<u>\$ 1,435,858,812</u>	<u>\$ 2,564,748</u>	(460,855,466)	21,978,025	(438,877,441)
GENERAL REVENUES							
Unrestricted county appropriations - operating					544,205,101	-	544,205,101
Unrestricted county appropriations - capital					278,419,093	-	278,419,093
Unrestricted state appropriations - capital					2,341,016	-	2,341,016
Investment earnings, unrestricted					282,701	52,599	335,300
Non-capital OPEB plan contribution					10,689,656	251,538	10,941,194
Miscellaneous, unrestricted					2,850,745	-	2,850,745
Subtotal, general revenues					838,788,312	304,137	839,092,449
TRANSFER					(942,941)	942,941	-
Subtotal, general revenues and transfers					837,845,371	1,247,078	839,092,449
Changes in net position					376,989,905	23,225,103	400,215,008
Net position (deficit) - beginning					1,278,093,753	(40,842,544)	1,237,251,209
Net position (deficit) - ending					<u>\$ 1,655,083,658</u>	<u>\$ (17,617,441)</u>	<u>\$ 1,637,466,217</u>

* This amount excludes the depreciation that is included in the direct expenses of the various programs.

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

WAKE COUNTY BOARD OF EDUCATION
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	Major Funds					Non-Major Fund	
	General Fund	State Public School Fund	Capital Outlay Fund	Other Restricted Funds	State Administered Federal Grants Fund	Individual School Fund	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 132,914,208	\$ 9,656,534	\$ 5,529,984	\$ 15,240,172	\$ 1,110,750	\$ 11,247,424	\$ 175,699,072
Due from other governments	1,869,001	14,563,555	52,583,507	2,093,859	3,345,743	73,826	74,529,491
Accounts receivable	1,430,363	-	-	2,111,893	-	14,548	3,556,804
Due from other funds	659,245	124	-	15,000	-	551	674,920
Lease receivable	-	-	4,551,309	-	-	-	4,551,309
Inventories	4,815,908	-	-	3,068,319	-	-	7,884,227
Total assets	<u>\$ 141,688,725</u>	<u>\$ 24,220,213</u>	<u>\$ 62,664,800</u>	<u>\$ 22,529,243</u>	<u>\$ 4,456,493</u>	<u>\$ 11,336,349</u>	<u>\$ 266,895,823</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Salaries and benefits payable	\$ 7,431,176	\$ 14,563,440	\$ -	\$ 115,932	\$ 1,379,007	\$ -	\$ 23,489,555
Accounts payable	17,202,105	9,573,356	53,403,508	2,230,334	3,077,486	353,414	85,840,203
Due to other funds	1,270	83,417	528,217	29,180	-	139,003	781,087
Unearned revenue	-	-	-	17,034,368	-	-	17,034,368
Total liabilities	<u>24,634,551</u>	<u>24,220,213</u>	<u>53,931,725</u>	<u>19,409,814</u>	<u>4,456,493</u>	<u>492,417</u>	<u>127,145,213</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>4,647,520</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,647,520</u>
Fund balances:							
Nonspendable:							
Inventories	4,815,908	-	-	3,068,319	-	-	7,884,227
Restricted:							
Stabilization by state statute	5,736,628	-	327,123	-	-	-	6,063,751
Capital expenditures	-	-	2,605,325	-	-	-	2,605,325
Individual schools	-	-	-	-	-	10,843,932	10,843,932
Special programs	-	-	-	51,110	-	-	51,110
Restricted contributions for capital expenditures	-	-	54,576	-	-	-	54,576

(Continued)

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

WAKE COUNTY BOARD OF EDUCATION
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	Major Funds					Non-Major Fund	Total
	General Fund	State Public School Fund	Capital Outlay Fund	Other Restricted Funds	State Administered Federal Grants Fund	Individual School Fund	Governmental Funds
Assigned							
Special projects	\$ 14,169,986	\$ -	\$ 1,098,531	\$ -	\$ -	\$ -	\$ 15,268,517
Insurance	15,316,319	-	-	-	-	-	15,316,319
Flexible benefit plan	2,540,613	-	-	-	-	-	2,540,613
Subsequent years expenditures	27,926,893	-	-	-	-	-	27,926,893
Unassigned	46,547,827	-	-	-	-	-	46,547,827
Total fund balances	117,054,174	-	4,085,555	3,119,429	-	10,843,932	135,103,090
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 141,688,725</u>	<u>\$ 24,220,213</u>	<u>\$ 62,664,800</u>	<u>\$ 22,529,243</u>	<u>\$ 4,456,493</u>	<u>\$ 11,336,349</u>	

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

Net OPEB asset	946,503
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds	4,073,600,609
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds	92,325,609
Accrued interest receivable	102,482
Deferred outflows of resources related to pensions	311,683,996
Deferred outflows of resources related to OPEB	251,140,477
Net pension liability	(307,992,643)
Net OPEB liability	(1,762,470,630)
Deferred inflows of resources related to pensions	(409,591,491)
Deferred inflows of resources related to OPEB	(506,839,065)
Other long-term liabilities (accrued interest) are not due and payable in the current period and therefore are not reported in the funds	(1,043,146)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
Workers' compensation self-insurance	(11,008,158)
Compensated absences (vacation)	(105,677,387)
Lease liability	(94,293,039)
Installment purchase	(10,903,549)
Total net position - governmental activities	<u>\$ 1,655,083,658</u>

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

WAKE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Major Funds					Non-Major Fund	
				Other	State		Total
	General Fund	State Public School Fund	Capital Outlay Fund	Restricted Funds	Administered Federal Grants Fund	Individual School Fund	Governmental Funds
REVENUES:							
County	\$ 543,317,051	\$ -	\$ 278,419,093	\$ 888,050	\$ -	\$ -	\$ 822,624,194
State	-	1,054,645,868	2,800,833	1,843	-	-	1,057,448,544
Federal	-	32,050,670	-	6,374,023	246,246,246	-	284,670,939
Other local	3,435,372	-	1,217,272	23,257,789	-	9,797,370	37,707,803
Total revenues	546,752,423	1,086,696,538	282,437,198	30,521,705	246,246,246	9,797,370	2,202,451,480
EXPENDITURES:							
Current operations:							
Instructional services:							
Regular instruction	193,449,050	598,277,042	-	4,269,910	55,914,094	-	851,910,096
Special populations	52,930,581	185,262,875	-	2,301,296	42,993,656	-	283,488,408
Alternative programs and services	19,669,702	39,199,428	-	2,523,160	84,847,471	-	146,239,761
School leadership	23,000,858	86,797,739	-	159,249	5,871,586	-	115,829,432
Co-curricular	21,821,336	156,772	-	15,000	8,594	8,423,099	30,424,801
School-based support	30,805,445	67,802,059	-	3,300,844	16,685,294	-	118,593,642
Systemwide support services							
Support and development	5,984,653	1,354,641	-	1,250,206	2,140,792	-	10,730,292
Special populations support and development	6,408,583	960,744	-	982,837	945,641	-	9,297,805
Alternative programs and services support and development	2,403,968	584,686	-	851,327	1,592,120	-	5,432,101
Technology support	18,002,992	5,953,105	-	1,129,057	7,081,537	-	32,166,691
Operational support	94,234,066	89,141,581	-	12,307,625	16,256,218	-	211,939,490
Financial and human resource	16,978,434	5,628,050	-	337,591	1,023,866	-	23,967,941
Accountability	2,037,548	90,115	-	14,500	80,660	-	2,222,823
Systemwide pupil support	5,228,184	517,553	-	605,065	257,460	-	6,608,262
Policy, leadership, and public relations	8,984,901	3,634,924	-	2,873	183,919	-	12,806,617

(Continued)

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

WAKE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Major Funds					Non-Major Fund	
				Other	State		Total
	General Fund	State Public School Fund	Capital Outlay Fund	Restricted Funds	Administered Federal Grants Fund	Individual School Fund	Governmental Funds
Ancillary services	\$ 44,183	\$ 1,276,210	\$ -	\$ 26,803	\$ 2,963,960	\$ -	\$ 4,311,156
Non-program charges	47,394,532	-	-	149,700	7,395,561	-	54,939,793
Debt service:							
Principal	7,828,976	92,937	2,492,213	171,882	32,635	-	10,618,643
Interest	1,674,476	-	186,820	716,168	225	-	2,577,689
Capital outlay:							
Land, buildings, and other	-	-	277,274,884	-	-	-	277,274,884
Equipment	-	-	4,855,619	-	-	-	4,855,619
Total expenditures	<u>558,882,468</u>	<u>1,086,730,461</u>	<u>284,809,536</u>	<u>31,115,093</u>	<u>246,275,289</u>	<u>8,423,099</u>	<u>2,216,235,946</u>
Excess (deficiency) of revenues over expenditures	<u>(12,130,045)</u>	<u>(33,923)</u>	<u>(2,372,338)</u>	<u>(593,388)</u>	<u>(29,043)</u>	<u>1,374,271</u>	<u>(13,784,466)</u>
OTHER FINANCING SOURCES (USES):							
Installment purchase obligations issued	-	-	2,053,600	-	-	-	2,053,600
Lease liabilities issued	1,001,941	33,923	-	-	29,043	-	1,064,907
Transfers in	-	-	-	593,388	-	-	593,388
Transfers out	<u>(942,941)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(593,388)</u>	<u>(1,536,329)</u>
Total other financing sources (uses)	<u>59,000</u>	<u>33,923</u>	<u>2,053,600</u>	<u>593,388</u>	<u>29,043</u>	<u>(593,388)</u>	<u>2,175,566</u>
Net change in fund balance	<u>(12,071,045)</u>	<u>-</u>	<u>(318,738)</u>	<u>-</u>	<u>-</u>	<u>780,883</u>	<u>(11,608,900)</u>
Fund balances, beginning of year	128,548,255	-	4,404,293	3,139,750	-	10,063,049	146,155,347
Increase (decrease) in reserve for inventories	<u>576,964</u>	<u>-</u>	<u>-</u>	<u>(20,321)</u>	<u>-</u>	<u>-</u>	<u>556,643</u>
Fund balances, end of year	<u>\$ 117,054,174</u>	<u>\$ -</u>	<u>\$ 4,085,555</u>	<u>\$ 3,119,429</u>	<u>\$ -</u>	<u>\$ 10,843,932</u>	<u>\$ 135,103,090</u>

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

WAKE COUNTY BOARD OF EDUCATION**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Total net change in fund balances - governmental funds.	\$ (11,608,900)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as a depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	178,072,187
Right to use leased asset capital outlay expenditures which were capitalized	1,064,906
Amortization expense for intangible assets	(9,840,772)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	169,722,113
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities.	65,451,308
The issuance of long-term debt 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 has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Direct placement installment purchase	691,701
Lease	6,808,436
Increase in accrued interest payable	(1,043,146)
Proceeds from disposal of capital assets are recorded as revenues on the fund statements but not shown in the statement of activities	(911,447)
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 governmental funds:	
Pension expense	(74,435,872)
Compensated absences	(2,975,869)
Loss on disposal of assets	(600,707)
Some revenues reported in the statement of activities do not provide current resources are not recorded as revenues in the fund statements.	
Net OPEB Benefit	47,097,177
Non-capital OPEB plan contribution	10,689,656
Interest revenue on lease receivable	102,482
The estimated reserve for workers' compensation self-insurance is recorded as a long-term obligation in the government-wide statements.	(1,849,991)
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements.	<u>556,643</u>
Change in net position of governmental activities.	<u>\$ 376,989,905</u>

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

WAKE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	General Fund			Variance - Positive
	Original Budget	Final Budget	Actual	(Negative)
REVENUES:				
County	\$ 543,317,051	\$ 543,317,051	\$ 543,317,051	\$ -
State	-	-	-	-
Federal	-	-	-	-
Other local	3,122,500	2,738,631	3,435,372	696,741
Total revenues	546,439,551	546,055,682	546,752,423	696,741
EXPENDITURES:				
Current operations:				
Instructional services:				
Regular instruction	210,062,404	207,864,611	193,449,050	14,415,561
Special populations	58,496,011	54,750,083	52,930,581	1,819,502
Alternative programs and services	21,639,779	22,204,050	19,669,702	2,534,348
School leadership	23,719,219	23,986,183	23,000,858	985,325
Co-curricular	22,005,131	21,977,954	21,821,336	156,618
School-based support services	32,889,591	33,090,508	30,805,445	2,285,063
Systemwide support services				
Support and development	6,344,045	6,266,792	5,984,653	282,139
Special populations support and development	6,804,690	6,933,138	6,408,583	524,555
Alternative programs and services support and development	2,610,958	2,558,025	2,403,968	154,057
Technology support	20,025,417	20,011,964	18,002,992	2,008,972
Connectivity support services	-	-	-	-
Operational support	114,399,875	104,276,536	94,234,066	10,042,470
Financial and human resource	17,286,075	18,569,240	16,978,434	1,590,806
Accountability	2,038,321	2,118,795	2,037,548	81,247
Systemwide pupil support	5,281,418	5,466,215	5,228,184	238,031
Policy, leadership and public relations	9,801,640	9,895,047	8,984,901	910,146
Ancillary services	956,358	52,680	44,183	8,497
Non-program charges	48,112,862	48,112,862	47,394,532	718,330
Unbudgeted funds	2,950,199	9,365,109	-	9,365,109
Debt service	800,077	9,659,409	9,503,452	155,957
Total expenditures	606,224,070	607,159,201	558,882,468	48,276,733
Revenues over (under) expenditures	(59,784,519)	(61,103,519)	(12,130,045)	48,973,474
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	59,784,519	61,044,519	-	(61,044,519)
Lease liabilities issued	-	1,001,941	1,001,941	-
Transfers in	-	-	-	-
Transfers out	-	(942,941)	(942,941)	-
Total other financing sources (uses)	59,784,519	61,103,519	59,000	(61,044,519)
Net change in fund balance	\$ -	\$ -	(12,071,045)	\$ (12,071,045)
Fund balances, beginning of year			128,548,255	
Increase (decrease) in reserve for inventories			576,964	
Fund balances, end of year			\$ 117,054,174	

(Continued)

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

WAKE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	State Public School Fund			Variance - Positive
	Original Budget	Final Budget	Actual	(Negative)
REVENUES:				
County	\$ -	\$ -	\$ -	\$ -
State	1,087,747,619	1,069,807,343	1,054,645,868	(15,161,475)
Federal	-	32,050,670	32,050,670	-
Other local	-	-	-	-
Total revenues	<u>1,087,747,619</u>	<u>1,101,858,013</u>	<u>1,086,696,538</u>	<u>(15,161,475)</u>
EXPENDITURES:				
Current operations:				
Instructional services:				
Regular instruction	606,901,321	608,036,892	598,277,042	9,759,850
Special populations	178,553,765	185,266,194	185,262,875	3,319
Alternative programs and services	37,595,028	41,220,381	39,199,428	2,020,953
School leadership	87,393,393	87,382,126	86,797,739	584,387
Co-curricular	23,781	156,786	156,772	14
School-based support services	66,850,900	67,805,547	67,802,059	3,488
Systemwide support services				
Support and development	1,401,211	1,372,920	1,354,641	18,279
Special populations support and development	802,984	963,362	960,744	2,618
Alternative programs and services support and development	423,151	584,687	584,686	1
Technology support	8,455,720	8,407,285	5,953,105	2,454,180
Connectivity support services	-	-	-	-
Operational support	87,988,114	89,433,954	89,141,581	292,373
Financial and human resource	5,741,638	5,634,672	5,628,050	6,622
Accountability	87,215	90,636	90,115	521
Systemwide pupil support	535,996	517,732	517,553	179
Policy, leadership and public relations	3,721,239	3,649,615	3,634,924	14,691
Ancillary services	1,272,163	1,276,210	1,276,210	-
Non-program charges	-	-	-	-
Unbudgeted funds	-	-	-	-
Debt service	-	92,937	92,937	-
Total expenditures	<u>1,087,747,619</u>	<u>1,101,891,936</u>	<u>1,086,730,461</u>	<u>15,161,475</u>
Revenues over (under) expenditures	<u>-</u>	<u>(33,923)</u>	<u>(33,923)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	-	-	-	-
Lease liabilities issued	-	33,923	33,923	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances, beginning of year			-	
Increase (decrease) in reserve for inventories			-	
Fund balances, end of year			<u>\$ -</u>	

(Continued)

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

WAKE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Other Restricted Funds			Variance - Positive
	Original Budget	Final Budget	Actual	(Negative)
REVENUES:				
County	\$ 888,050	\$ 888,050	\$ 888,050	\$ -
State	-	1,843	1,843	-
Federal	32,338,979	18,706,117	6,374,023	(12,332,094)
Other local	18,045,990	39,588,690	23,257,789	(16,330,901)
Total revenues	51,273,019	59,184,700	30,521,705	(28,662,995)
EXPENDITURES:				
Current operations:				
Instructional services:				
Regular instruction	6,859,838	5,301,996	4,269,910	1,032,086
Special populations	4,317,777	4,850,974	2,301,296	2,549,678
Alternative programs and services	3,603,181	3,531,670	2,523,160	1,008,510
School leadership	134,786	171,179	159,249	11,930
Co-curricular	15,000	15,000	15,000	-
School-based support services	10,586,754	11,787,401	3,300,844	8,486,557
Systemwide support services				
Support and development	1,792,318	1,537,811	1,250,206	287,605
Special populations support and development	1,270,279	1,649,554	982,837	666,717
Alternative programs and services support and development	1,313,990	1,274,032	851,327	422,705
Technology support	1,851,025	1,129,057	1,129,057	-
Connectivity support services	-	-	-	-
Operational support	9,551,474	12,342,828	12,307,625	35,203
Financial and human resource	659,321	703,286	337,591	365,695
Accountability	16,016	16,016	14,500	1,516
Systemwide pupil support	647,049	654,999	605,065	49,934
Policy, leadership and public relations	2,872	2,873	2,873	-
Ancillary services	36,689	68,689	26,803	41,886
Non-program charges	243,256	233,896	149,700	84,196
Unbudgeted funds	8,371,394	13,619,434	-	13,619,434
Debt service	-	888,050	888,050	-
Total expenditures	51,273,019	59,778,745	31,115,093	28,663,652
Revenues over (under) expenditures	-	(594,045)	(593,388)	657
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	-	-	-	-
Lease liabilities issued	-	-	-	-
Transfers in	-	594,045	593,388	(657)
Transfers out	-	-	-	-
Total other financing sources (uses)	-	594,045	593,388	(657)
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balances, beginning of year			3,139,750	
Increase (decrease) in reserve for inventories			(20,321)	
Fund balances, end of year			\$ 3,119,429	

(Continued)

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

WAKE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	State Administered Federal Grants Fund			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
REVENUES:				
County	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-
Federal	473,759,432	478,306,054	246,246,246	(232,059,808)
Other local	-	-	-	-
Total revenues	<u>473,759,432</u>	<u>478,306,054</u>	<u>246,246,246</u>	<u>(232,059,808)</u>
EXPENDITURES:				
Current operations:				
Instructional services:				
Regular instruction	61,856,322	56,742,346	55,914,094	828,252
Special populations	54,662,887	55,792,226	42,993,656	12,798,570
Alternative programs and services	111,737,573	106,822,597	84,847,471	21,975,126
School leadership	6,131,896	5,943,699	5,871,586	72,113
Co-curricular	-	8,594	8,594	-
School-based support services	23,558,245	26,103,630	16,685,294	9,418,336
Systemwide support services				
Support and development	2,204,959	2,408,810	2,140,792	268,018
Special populations support and development	895,233	1,070,594	945,641	124,953
Alternative programs and services support and development	1,483,822	1,620,163	1,592,120	28,043
Technology support	8,152,596	7,693,310	7,081,537	611,773
Connectivity support services	29,980,243	-	-	-
Operational support	8,073,630	23,965,389	16,256,218	7,709,171
Financial and human resource	35,000	1,296,222	1,023,866	272,356
Accountability	336,145	80,660	80,660	-
Systemwide pupil support		326,087	257,460	68,627
Policy, leadership and public relations		183,919	183,919	-
Ancillary services	3,558,141	3,861,111	2,963,960	897,151
Non-program charges	9,283,907	8,629,721	7,395,561	1,234,160
Unbudgeted funds	151,808,833	175,753,159	-	175,753,159
Debt service	-	32,860	32,860	-
Total expenditures	<u>473,759,432</u>	<u>478,335,097</u>	<u>246,275,289</u>	<u>232,059,808</u>
Revenues over (under) expenditures	<u>-</u>	<u>(29,043)</u>	<u>(29,043)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	-	-	-	-
Lease liabilities issued	-	29,043	29,043	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>29,043</u>	<u>29,043</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances, beginning of year			-	
Increase (decrease) in reserve for inventories			-	
Fund balances, end of year			<u>\$ -</u>	

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

WAKE COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION (DEFICIT)
ENTERPRISE FUNDS
JUNE 30, 2022

	Major Fund Child Nutrition Program	Major Fund Tuition Programs	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 27,962,198	\$ 11,011,668	\$ 38,973,866
Due from other governments	3,272,842	47,314	3,320,156
Accounts receivable	15,344	2,398	17,742
Net OPEB asset	12,519	8,341	20,860
Due from other funds	465	122,252	122,717
Inventory	2,288,193	-	2,288,193
Total current assets	33,551,561	11,191,973	44,743,534
Noncurrent assets:			
Capital assets, net of accumulated depreciation	7,096,060	349,032	7,445,092
Right to use leased asset, net of amortization	3,332	-	3,332
Total assets	40,650,953	11,541,005	52,191,958
DEFERRED OUTFLOWS OF RESOURCES	<u>1,804,034</u>	<u>1,462,723</u>	<u>3,266,757</u>
LIABILITIES			
Current liabilities:			
Salaries and benefits payable	2,478,505	21,160	2,499,665
Accounts payable	1,300,307	958,369	2,258,676
Due to other funds	16,245	305	16,550
Unearned revenue	2,123,870	674,926	2,798,796
Current portion of long-term obligations	595,972	7,080	603,052
Total current liabilities	6,514,899	1,661,840	8,176,739
Noncurrent liabilities:			
Net pension liability	2,332,257	2,035,022	4,367,279
Net OPEB liability	36,127,647	10,244,006	46,371,653
Compensated absences	557,812	101,701	659,513
Total noncurrent liabilities	39,017,716	12,380,729	51,398,445
Total liabilities	45,532,615	14,042,569	59,575,184
DEFERRED INFLOWS OF RESOURCES	<u>9,834,065</u>	<u>3,666,907</u>	<u>13,500,972</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	7,096,060	349,032	7,445,092
OPEB Plan	80,712	25,771	106,483
Unrestricted	(20,088,465)	(5,080,551)	(25,169,016)
Total net deficit	<u>\$ (12,911,693)</u>	<u>\$ (4,705,748)</u>	<u>\$ (17,617,441)</u>

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

WAKE COUNTY BOARD OF EDUCATION**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITON (DEFICIT)****ENTERPRISE FUNDS****YEAR ENDED JUNE 30, 2022**

	Major Fund Child Nutrition Program	Major Fund Tuition Programs	Total
OPERATING REVENUES			
Food sales	\$ 3,371,913	\$ -	\$ 3,371,913
Participant fees	-	8,580,634	8,580,634
Total operating revenues	3,371,913	8,580,634	11,952,547
OPERATING EXPENSES:			
Salaries	21,926,734	3,664,391	25,591,125
Food	17,900,231	-	17,900,231
Supplies	3,197,419	709,758	3,907,177
Purchased services	546,975	786,895	1,333,870
Employee benefits	7,262,020	451,156	7,713,176
Donated commodities	4,913,849	-	4,913,849
Indirect costs	2,412,799	624,966	3,037,765
Amortization of right to use lease asset	3,332	-	3,332
Depreciation	1,231,480	41,316	1,272,796
TOTAL OPERATING EXPENSES	59,394,839	6,278,482	65,673,321
Operating loss	(56,022,926)	2,302,152	(53,720,774)
NON-OPERATING REVENUES (EXPENSES):			
Federal regular USDA grants	66,662,757	-	66,662,757
USDA grants - summer feeding program	1,165,392	-	1,165,392
USDA grants - fresh fruit & vegetable program	123,108	-	123,108
Federal commodities	4,913,849	-	4,913,849
Interest	36,330	16,269	52,599
Local donations and grants	2,833,068	-	2,833,068
Non-capital OPEB plan contribution	216,417	35,121	251,538
Gain on sale of capital assets	625	-	625
Total non-operating revenues	75,951,546	51,390	76,002,936
Income (loss) before contributions and transfers	19,928,620	2,353,542	22,282,162
Transfers from other funds	942,941	-	942,941
Change in net deficit	20,871,561	2,353,542	23,225,103
Total net deficit, beginning	(33,783,254)	(7,059,290)	(40,842,544)
Total net deficit, ending	<u>\$ (12,911,693)</u>	<u>\$ (4,705,748)</u>	<u>\$ (17,617,441)</u>

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

WAKE COUNTY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2022

	Major Fund Child Nutrition Program	Major Fund Tuition Programs	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 3,169,228	\$ 9,203,785	\$ 12,373,013
Cash paid for goods and services	(21,976,373)	(978,871)	(22,955,244)
Cash paid to employees for services	(30,488,929)	(4,811,822)	(35,300,751)
Other cash receipts	(2,412,370)	(726,864)	(3,139,234)
Net cash provided (used) by operating activities	(51,708,444)	2,686,228	(49,022,216)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Federal regular USDA grants	65,709,288	-	65,709,288
USDA grants - summer feeding program	1,165,392	-	1,165,392
USDA grants - fresh fruit & vegetable program	123,108	-	123,108
Local donations and grants	268,318	-	268,318
Net cash provided by non-capital financing activities	67,266,106	-	67,266,106
CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES:			
Value of right to use lease asset	(6,664)		(6,664)
Proceeds from sale of equipment	625	-	625
Net cash used for capital and related financing activities	(6,039)	-	(6,039)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	36,330	16,269	52,599
Net increase in cash and cash equivalents	15,587,953	2,702,497	18,290,450
Cash and cash equivalents, beginning of year	12,374,245	8,309,171	20,683,416
Cash and cash equivalents, end of year	\$ 27,962,198	\$ 11,011,668	\$ 38,973,866
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (56,022,926)	\$ 2,302,152	\$ (53,720,774)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	1,231,480	41,316	1,272,796
Donated commodities	4,913,849	-	4,913,849
Salaries paid by special revenue funds	942,941	-	942,941
Non-capital OPEB plan contribution	216,417	35,121	251,538
Amortization of leased asset	3,332	-	3,332
(Increase) decrease in accounts receivable	(4,015)	48,990	44,975
(Increase) decrease in due from other funds	698	(102,203)	(101,505)
Decrease in net OPEB assets	38,310	6,217	44,527
(Increase) decrease in due from other governments	-	(9,422)	(9,422)
Increase in inventories	(945,070)	-	(945,070)
Decrease in net pension liability	(9,838,590)	(1,596,657)	(11,435,247)

(Continued)

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

WAKE COUNTY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2022

	Major Fund Child Nutrition Program	Major Fund Tuition Programs	Total
Increase in net OPEB liability	\$ 3,494,233	\$ 567,062	\$ 4,061,295
Decrease in deferred outflows	6,541,379	1,061,569	7,602,948
Decrease in deferred inflows	(4,659,455)	(756,161)	(5,415,616)
Increase in accounts payable and accrued liabilities	2,055,577	518,233	2,573,810
Increase (decrease) in due to other funds	(269)	305	36
Increase (decrease) in unearned revenue	(198,668)	583,583	384,915
Increase in lease liability	3,052	-	3,052
Increase (decrease) in compensated absence liability	519,281	(13,877)	505,404
Total adjustments	4,314,482	384,076	4,698,558
Net cash provided (used) by operating activities	\$ (51,708,444)	\$ 2,686,228	\$ (49,022,216)

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of \$4,913,849 during the fiscal year.

During the fiscal year, capital assets of \$2,564,748 were contributed to the School Food Service Fund.

The receipt of these items are reflected as a nonoperating revenue on the Statement of Revenue, Expenses and Changes in Fund Net Position (Deficit) - Enterprise Funds

The General Fund paid salaries and benefits of \$942,941 to personnel of the School Food Service Fund during the year. The payment is reflected by a transfer in and an operating expense on the Statement of Revenue, Expenses and Changes in Fund Net Position (Deficit) - Enterprise Funds.

During the fiscal year, the State Health Plan transferred assets to the Retiree Health Benefit Fund as a result of cost savings to the State Health Plan. In accordance with GASB 75, the School Food Service Fund recorded \$216,417 and the Tuition Fund recorded \$35,121 as a nonoperating revenue on the Statement of Revenue, Expenses and Changes in Fund Net Position (Deficit) - Enterprise Funds as a result of this transfer.

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

NOTES TO THE FINANCIAL STATEMENTS

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

I. Summary of Significant Accounting Policies

The accounting policies of The Wake County Board of Education conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Wake County Board of Education (Board) is a Local Education Agency empowered by State law [Chapter 115C of the North Carolina General Statutes] with the responsibility to oversee and control all activities related to public school education in Wake County, North Carolina. Although Wake County levies all taxes, the Board determines how the school system will spend the funds generated for schools. The Board receives state, local, and federal government funding and must adhere to the legal requirements of each funding entity.

B. Basis of Presentation

Government-wide Statements: The statement of net position (deficit) and the statement of activities display information about the Board. These statements include the financial activities of the overall government. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and the *business-type activities* of the Board. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Board and for each function of the Board's governmental activities. Direct expenses are those that are specifically associated with a program or function, and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include: (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Board's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and surrenders essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, indirect costs, and depreciation on capital assets. All expenses not meeting this definition are reported as non-operating expenses.

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

The Board reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. This fund is the "Local Current Expense Fund," which is mandated by State law [G.S. 115C-426].

State Public School Fund. The State Public School Fund includes appropriations from the Department of Public Instruction for the current operating expenditures of the public school system.

Capital Outlay Fund. The Capital Outlay Fund accounts for financial resources used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds) and is reported as a capital outlay fund. It is mandated by State law [G.S.115C-426]. Capital projects are funded by Wake County appropriations, proceeds of Wake County bonds issued for public school construction, and lottery proceeds, as well as certain State assistance.

Other Restricted Funds. The Other Restricted Funds is used to account for revenues from reimbursements and grant monies received directly from the grantors.

State Administered Federal Grants Fund. The State Administered Federal Grants Fund includes appropriations for the expenditure of federal categorical grants made available through the Department of Public Instruction.

The Board reports the following major enterprise funds:

Child Nutrition Fund. The Child Nutrition Fund accounts for the food service program within the school system.

Tuition Programs Fund. The Tuition Programs Fund accounts for before and after school and other tuition-based programs within the school system.

C. Measurement Focus and Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows occur. Non-exchange transactions, in which the Board gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Board considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. These could include federal, state, and county grants as well as some charges for services. Expenditures are recorded when the related fund liability is incurred, except for claims, judgments and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under leases are reported as other financing sources.

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Under the terms of grant agreements, the Board funds certain programs using a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Board's policy to first apply cost-reimbursement grant resources to such programs followed by general revenues.

D. Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds (except for the individual schools special revenue funds) as required by the North Carolina General Statutes. Per State law, no budget is for individual school funds. All appropriations lapse at the fiscal year-end. Budgets are adopted on the modified accrual basis of accounting.

The appropriations in the various funds are formally budgeted and controlled at the functional level. Expenditures may not legally exceed appropriations at the functional level for all of the Board's budgeted funds. Subject to the provisions of the statutes, the Board may amend the budget resolution at any time after its adoption. State law also requires that transfers to or from the capital outlay fund be approved by the Board and the Board of County Commissioners. By resolution of the Board, the Superintendent may transfer monies from one appropriation to another within the same fund, subject to certain limitations described below. If such transfers require the Board's approval, they must be reported at the next subsequent meeting.

The Superintendent is authorized by the Board to transfer appropriations under the following conditions:

1. The Superintendent may not transfer any amounts between funds nor from any contingency appropriation within a fund without Board approval.
2. The Superintendent may transfer amounts between purpose codes and between functions within a purpose code. A summary of all such transfers must be reported to the Board monthly.
3. The Superintendent may transfer any amounts in state and federal projects upon prior approval of the appropriate funding agency. If such transfers require the Board's approval under other provisions, they must be reported to the Board monthly.

The Superintendent is authorized by the Board to accept appropriations into the budget under the following conditions:

1. The Superintendent may accept all state appropriations. A summary of such appropriations must be reported to the Board monthly.
2. The Superintendent may accept federal appropriations if the application for funding has been approved by the Board. A summary of such appropriations must be reported to the Board monthly.
3. The Superintendent may accept categorical program appropriations if the program has been approved by the Board. A summary of such appropriations must be reported to the Board monthly.
4. The Superintendent may accept other appropriations upon prior approval of the Board.

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

During the fiscal year, there were budget amendments totaling \$43,109,761 approved by the Board as follows:

General fund	\$ 1,878,072
State public school fund	14,144,317
Other restricted funds	8,505,726
State administered federal grant fund	4,575,665
Capital outlay fund	3,613,044
Enterprise fund	10,392,937
	<u>\$ 43,109,761</u>

E. Assets, Liabilities, Deferred Inflows, and Fund Equity

1. Deposits and Investments

All deposits of the Board are made in board-designated official depositories and are secured as required by State law [G.S. 115C-444]. The Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Board may establish time-deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit. The Board also has money credited in its name with the State Treasurer and may issue State warrants against these funds.

State law [G.S. 115C-443] authorizes the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high-quality issues of commercial paper and bankers' acceptances; the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a-7) money market mutual fund; and the North Carolina State Treasurer's Short Term Investment Fund (STIF).

The STIF is managed by the staff of the Department of State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC. It consists of an internal portion and an external portion in which the Board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

The Board's investments are reported at amortized cost or at fair value as determined by either quoted market prices or a matrix pricing model. Bank deposits and the NCCMT are measured at amortized cost, which is the NCCMT's share price. Ownership interest 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 valued by the custodian using Level 2 inputs which 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. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2022 of .9 years. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

2. Cash and Cash Equivalents

The Board pools money from several funds to facilitate disbursement and investment and to maximize investment income. All cash and investments with original maturities of three months or less are considered cash and cash equivalents.

Certain assets of the General Fund are classified as restricted assets because their use is restricted by the energy savings installment purchase obligation.

3. Lease Receivable

At lease commencement, the Board's lease receivable is measured at the present value of lease payments expected to be received during the lease terms. A deferred inflow of resources is recorded for the leases. The deferred inflow of resources is recorded at the initiation of the leases in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the leases.

The Board monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

4. Inventories

The inventories of the Board are valued at cost, and the Board uses the first-in, first-out (FIFO) flow assumption in determining cost. The inventories of the Board's General Fund and Other Restricted Fund consist of expendable materials and supplies, which are recorded as expenditures when purchased. The General Fund and Other Restricted Fund inventories do not reflect current appropriable resources, and, thus, an equivalent portion is reported as nonspendable fund balance. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

5. Capital Assets

Donated assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before July 1, 1989, are recorded at an estimated original historical cost. The total of these estimates is not considered large enough that any errors would be material when capital assets are considered as a whole.

It is the policy of the Board to capitalize all capital assets costing more than \$5,000 with an estimated useful life of two or more years and all intangibles costing more than \$50,000. 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.

Wake County holds title to certain properties which are reflected as capital assets in the financial statements of the Board. 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 provide

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

the schools full use of the facilities, full responsibility for maintenance of the facilities, and also provides that the County will convey title of the property back to the Board once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	Governmental Activities And Tuition Programs	Child Nutrition Program
	Years	Years
Buildings	30 to 50	
Kitchen and landscape equipment	15	12
Furniture	20	20
All other equipment	10	10
Vehicles	8	5
Computer equipment	5	6
Land improvement	20	

Land and construction in progress are not depreciated.

Depreciation for buildings and equipment that serve multiple purposes cannot be allocated ratably and is, therefore, reported as “unallocated depreciation” on the Statement of Activities.

6. Right To Use Asset

The Board has recorded right to use lease assets as a result of implementing Governmental Accounting Standards Board (GASB) 87, Leases. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability. The right to use assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

7. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position (deficit) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and as such, will not be recognized as an expense or expenditure until then. The Board has two items that meet this criterion – a pension and OPEB related deferral and contributions made to the plans subsequent to the measurement date. The statement of net position (deficit) also 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 as such, will not be recognized as revenue until then. The Board has three items that meet this criterion – unearned grant revenue in the Other Restricted Funds, leases, and pension and OPEB related deferrals.

8. Long-term Obligations

In the government-wide financial statements, long-term debt, lease liabilities and other long-term obligations are reported as liabilities in the applicable governmental activities.

9. Compensated Absences

The Board follows the State's policy for vacation and sick leave. Employees may accumulate up to 30 days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board's liability for accumulated earned vacation and the salary-related payments as of June 30, 2022, are recorded in the government-wide and proprietary fund financial statements on a LIFO basis. An estimate of the current portion of compensated absences has been made based on prior years' records.

The Board'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 Board has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

10. Net Position/Fund Balances

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

The Fund Balance in the governmental fund financial statements is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balance 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 – the 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.

Restricted fund balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for stabilization by state statute – the portion of fund balance that is restricted by State Statute [G.S. 115C-425(a)]. This consists primarily of outstanding encumbrances and receivables.

Restricted for school capital outlay – the portion of fund balance that can only be used for School Capital Outlay. [G.S. 159-18 through 22]

Restricted for special programs – the revenue sources that can only be used for the specific program designated.

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Restricted for individual schools – the revenue sources restricted for expenditures for various clubs and organizations, athletic events, and various fundraising activities for which they were collected.

Restricted contributions – the revenue sources that are restricted by the contributor for specific purposes.

Committed fund balance – the portion of fund balance that can only be used for a specific purpose imposed by a majority vote (by quorum) of Board of Education's governing body the highest level of decision-making authority, and in certain instances, approval by the County's governing body is also required. Any changes or removal of a specific purpose requires a majority action by the governing bodies that approved the original action. As of June 30, 2022, the Board does not have any committed fund balances.

Assigned fund balance – the portion of fund balance that the Wake County Board of Education intends to use for specific purposes.

Subsequent year's expenditures – the portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The Board approves the appropriation.

Insurance – the portion of fund balance that is assigned for claims in the self-insured workers' compensation and dental plans as well as for excess claims. Balances are assigned by management and approved by the Board.

Special projects – the portion of fund balance that is assigned for special projects that continue into the next fiscal year. Balances are assigned by management and approved by the Board.

Flexible benefits – the portion of fund balance that is assigned from prior year's forfeitures in order to offset potential losses in future years. Balances are assigned by management and approved by the Board.

Unassigned fund balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The Superintendent will use resources in the following hierarchy: federal funds, state funds, local non-board of education funds, board of education funds. For purposes of fund balance classification, expenditures are to be spent from the restricted fund balance first, followed, in-order, by the committed fund balance, the assigned fund balance, and lastly, by the unassigned fund balance. The Superintendent has the authority to deviate from this, if it is in the best interest of the Board of Education.

WAKE COUNTY BOARD OF EDUCATION
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11. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position (deficit).

The governmental fund balance sheet includes a reconciliation between total fund balance of the governmental funds and net position of the governmental activities as reported in the government-wide statement of net position (deficit). The net adjustment of \$1,519,980,568 consists of the following elements:

Description	Amount
Capital assets used in governmental activities are not financial resources and are, therefore, not reported in the funds	\$ 5,492,145,104
Less accumulated depreciation	<u>(1,418,544,495)</u>
Net capital assets	<u>4,073,600,609</u>
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds	102,166,381
Accumulated amortization	<u>(9,840,772)</u>
Net right to use assets	<u>92,325,609</u>
Net OPEB Asset	946,503
Accrued interest receivable	102,482
Pension-related deferred outflows of resources	311,683,996
OPEB related deferred outflows of resources	251,140,477
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are, therefore, not recorded in the fund statements:	
Workers' compensation self-insurance	(11,008,158)
Compensated absences	(105,677,387)
Installment purchase	(10,903,549)
Net pension liability	(307,992,643)
Net OPEB liability	(1,762,470,630)
Leases	(94,293,039)
Accrued interest	(1,043,146)
Deferred inflows of resources related to pension	(409,591,491)
Deferred inflows of resources related to OPEB	<u>(506,839,065)</u>
Total adjustments	<u><u>\$ 1,519,980,568</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The total adjustment of \$388,598,805 consists of the following elements:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 277,262,351
Depreciation expense (the allocation of those assets over their useful lives) that is recorded on the statement of activities, but not in the fund statements.	(99,190,164)
Capital outlay expenditures recorded in the fund statements but capitalized as right to use assets in the statement of activities.	1,064,906
Amortization expense (the allocation of those assets over their useful lives) that is recorded on the statement of activities, but not in the fund statements.	(9,840,772)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(3,118,506)
Principal payments on debt owed are recorded as a use of funds on the fund statements but, again, affect only the statement of net position in the government-wide statements.	10,618,643
Increase in accrued interest payable for debt owed	(1,043,146)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	169,722,113
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities.	65,451,308
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Pension expense	(74,435,872)
Loss on disposal of assets	(600,707)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(2,975,869)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements.	556,643
OPEB benefit	47,097,177
Proceeds from disposal of capital assets	(911,447)
Non-capital OPEB plan contribution	10,689,656
Interest revenue	102,482
Estimated reserve for workers' compensation self-insurance recorded as a long-term obligation in the government-wide statements.	(1,849,991)
Total adjustments	<u>\$ 388,598,805</u>

12. Defined Benefit Pension Plan and OPEB 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 position of the Teachers' and State Employees' Retirement System (TSERS), the Retiree Health Benefit Fund (RHBF), and the Disability Income Plan of NC (DIPNC) and additions to/deductions from TSERS, RHBF, and DIPNC's fiduciary net position have been determined on the same basis as they are reported by TSERS, RHBF, and DIPNC. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Board's employer contributions are recognized when due, and the Board has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of TSERS, RHBF, and DIPNC. Investments are reported at fair value.

II. Detail Notes on All Funds

A. Assets

1. Deposits

All of the Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Board's agents in the unit's name. Under the Pooling Method, which is 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 Board, these deposits are considered to be held by the agent in the entity'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 Board or with the escrow agent. Due to the inability to measure the exact amount of collateral pledged for the Board under the 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 depository that collateralizes public deposits under the Pooling Method. The Board has no policy regarding custodial credit risk for deposits.

At June 30, 2022, the Board's deposits with banks had a carrying amount of \$47,604,895 and with the State Treasurer of \$10,767,284. The bank balances with financial institutions and the State Treasurer were \$51,128,934 and \$16,385,162, respectively. Of these balances, \$407,883 was covered by federal depository insurance and \$67,106,213 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

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2. Investments

At June 30, 2022, the Board had \$833 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's. There was \$156,299,926 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of .9 years at June 30, 2022. The board has no policy for managing interest rate risk or credit risk.

Interest Rate Risk. The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Department of State Treasurer Short Term Investment Fund (STIF) has a weighted average maturity of .9 years as of June 30, 2022.

Credit Risk. The Board's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard and Poor's and AAAmf by Moody's Investor Service as of June 30, 2022. The STIF is unrated and is authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly-liquid fixed income securities consisting primarily of short-to-intermediate treasuries and agencies and money market instruments. The Board has no policy on credit risk.

Concentration of Credit Risk. The Board places no limit on the amount the Board may invest in any one issuer. More than five percent of the Board's investments are in the State Treasurer's STIF. This investment is 99.99 percent of the Board's total investments.

3. Accounts Receivable

Receivables at the government-wide level at June 30, 2022, were as follows:

	Due from other funds (internal balances)	Due from other governments	Other	Total
Governmental activities:				
General Fund	\$ 659,245	\$ 1,869,001	\$1,430,363	\$ 3,958,609
Other governmental activities	15,675	72,660,490	2,126,441	74,802,606
Total	<u>\$ 674,920</u>	<u>\$ 74,529,491</u>	<u>\$3,556,804</u>	<u>\$ 78,761,215</u>
Business-type activities				
Child Nutrition Program	\$ 465	\$ 3,272,842	\$ 15,344	\$ 3,288,651
Tuition Programs	122,252	47,314	2,398	171,964
Total	<u>\$ 122,717</u>	<u>\$ 3,320,156</u>	<u>\$ 17,742</u>	<u>\$ 3,460,615</u>

Internal balances consist of the transfer of tuition payments receipted at the school level, transfer to grant revenues wired to the incorrect account and the allocation of printing costs, catering fees, and mailroom costs.

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Due from other governments consists of the following:

Governmental activities:

General Fund	\$ 1,578,213	Sales tax refund from state
	<u>290,788</u>	Miscellaneous revenue from municipalities
	<u>1,869,001</u>	
State Public School Fund	14,563,555	Operating funds from DPI
Capital Outlay Fund	52,479,878	County funds from county appropriations
	102,009	Surplus sales from state
	<u>1,620</u>	Sales tax refund from state
	<u>52,583,507</u>	
State Administered Federal Grants Fund	3,345,743	Federal grant funds
Individual Schools Fund	73,826	Sales tax refund from state
Other restricted fund	2,066,203	Federal grant funds
	<u>27,656</u>	Sales tax refund from state
	<u>2,093,859</u>	
	<u>\$ 74,529,491</u>	

Business-type activities:

Child Nutrition Program	\$ 3,272,842	USDA Reimbursement from state
Tuition Programs	<u>47,314</u>	Sales tax refund from state
	<u>\$ 3,320,156</u>	

All receivables are expected to be collected within the next fiscal year.

WAKE COUNTY BOARD OF EDUCATION
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4. Capital Assets

Capital asset activity for the year ended June 30, 2022 was:

	Beginning Balances	Increases	Transfers	Retirements	Ending Balances
Capital assets not being depreciated:					
Land	\$ 220,121,184	\$ 8,400,809	\$ -	\$ -	\$ 228,521,993
Construction in progress	756,255,088	258,773,242	(2,187,993)	-	1,012,840,337
Total capital assets not being depreciated	976,376,272	267,174,051	(2,187,993)	-	1,241,362,330
Capital assets being depreciated					
Land improvements	11,957,694	1,255,685	-	(28,475)	13,184,904
Buildings	4,033,590,968	-	2,187,993	(2,488,258)	4,033,290,703
Equipment	102,292,689	3,951,560	-	(570,386)	105,673,863
Vehicles and motor equipment	94,880,815	4,881,055	-	(1,128,566)	98,633,304
Total capital assets being depreciated	4,242,722,166	10,088,300	2,187,993	(4,215,685)	4,250,782,774
Less accumulated depreciation for					
Land improvements	5,357,279	541,200	-	(28,475)	5,870,004
Buildings	1,149,209,241	86,187,630	-	(1,345,296)	1,234,051,575
Equipment	86,891,277	8,988,638	-	(344,697)	95,535,218
Vehicles and motor equipment	80,600,065	3,472,696	-	(985,063)	83,087,698
Total accumulated depreciation	1,322,057,862	\$ 99,190,164	-	\$ (2,703,531)	1,418,544,495
Total capital assets being depreciated, net	2,920,664,304				2,832,238,279
Governmental activity capital assets, net	\$ 3,897,040,576				\$4,073,600,609

Depreciation was charged to governmental functions as follows:

Unallocated depreciation	\$ 97,437,981
Operational support services	<u>1,752,183</u>
Total	<u>\$ 99,190,164</u>

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Business-type Activities:	Beginning Balances	Increases	Retirements	Ending Balances
Child nutrition program activities				
Capital assets being depreciated:				
Equipment	\$ 25,123,692	\$ 2,564,748	\$ -	\$ 27,688,440
Vehicles	1,208,509	-	(170,002)	1,038,507
Total capital assets being depreciated	26,332,201	2,564,748	(170,002)	28,726,947
Less accumulated depreciation for:				
Equipment	19,575,279	1,165,339	-	20,740,618
Vehicles	994,130	66,141	(170,002)	890,269
Total accumulated depreciation	20,569,409	1,231,480	(170,002)	21,630,887
Child nutrition program capital assets, net	5,762,792			7,096,060
Tuition program activities:				7,096,060
Capital assets being depreciated:				
Equipment	857,477	-	-	857,477
Vehicles	81,812	-	-	81,812
Total capital assets being depreciated	939,289	-	-	939,289
Less accumulated depreciation for:				
Equipment	469,117	39,328	-	508,445
Vehicles	79,824	1,988	-	81,812
Total accumulated depreciation	548,941	\$ 41,316	\$ -	590,257
Tuition program capital assets, net	390,348			349,032
Business-type activities capital assets, net	\$ 6,153,140			\$ 7,445,092

5. Construction Commitments

The Board has active construction projects as of June 30, 2022. At year-end, the Board's commitments with contractors for school construction totaled approximately \$207,433,529. These commitments will be funded by future revenues from Wake County.

6. Financing Commitments

Legislation permits the State Board of Education to finance the purchase of replacement school buses through installment purchases. The Board has entered into an agreement to purchase nine buses in this manner. The term of the financing cannot exceed three years and the Board must purchase the buses from vendors approved by the Department of Public Instruction. The Department of Public Instruction will make the payments to the lender on behalf of the Board out of

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funds allocated to the Board. Because future resources will be used to fund the payments under the installment agreement, no encumbrance of fund balance at June 30, 2022, has been recorded.

Total purchase price for the nine buses totals \$872,982. The payments are due in the fiscal year after June 30, 2022 are as follows:

Year ended June 30:		
2023	\$	436,490
2024		218,246
2025		218,246

7. Right to Use Leased Assets

The Board has recorded numerous right to use leased assets. The assets are right to use assets for leased building space and copy equipment. The related leases are discussed in the Leases subsection of the Long-term obligations section of this note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the year ended June 30, 2022, was as follows:

	Restated Beginning Balances	Increases	Retirements	Ending Balances
Right to use assets				
Leased equipment	\$ 1,947,137	\$ 1,050,163	\$ -	\$ 2,997,300
Leased buildings	99,154,338	14,743	-	99,169,081
Total right to use assets	101,101,475	1,064,906	-	102,166,381
Less accumulated amortization				
Leased equipment	-	1,525,695	-	1,525,695
Leased buildings	-	8,315,077	-	8,315,077
Total accumulated amortization	-	9,840,772	-	9,840,772
Right to use assets, net	<u>\$ 101,101,475</u>			<u>\$ 92,325,609</u>

Business-type Activities

Right to use assets - leased equipment	\$ 6,664	\$ -	\$ -	\$ 6,664
Less accumulated amortization:	-	3,332	-	3,332
Right to use assets, net	<u>\$ 6,664</u>			<u>\$ 3,332</u>

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Amortization was charged to governmental function as follows:

Regular instructional services	\$ 7,858,665
Special populations services	348,200
Alternative programs and services	356,929
School leadership services	811,746
Regular curricular support and development	52,230
Alternative programs and services support and development services	25,323
Technology support services	78,141
Operational support services	136,242
Financial and human resource services	72,854
Systemwide pupil support services	100,442
	<u>\$ 9,840,772.00</u>

8. Leases Receivable

The Board has recorded a lease receivable for several leases for Cell Tower and Billboard space. The agreements have effective dates ranging from December 1996 to January 2022 and range in term from three to forty years. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term. There are no variable payment components of these leases. Lease revenue totaling \$217,002 has been recognized for the year ended June 30, 2022.

B. Liabilities

1. Pension Plan Obligations and Other Post-employment Obligations

a. Teachers' and State Employees' Retirement System

Plan Description. The Board is a participating employer in the statewide Teachers' and State Employees' Retirement System (TSERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. TSERS membership is comprised of employees of the State (state agencies and institutions), universities, community colleges, and certain proprietary component units, along with the employees of Local Education Agencies and charter schools. Article 1 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the TSERS 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 Teachers' and State Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The ACFR includes financial statements and required supplementary information for TSERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82 percent 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. General employee plan members are

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eligible to retire with full retirement benefits at age 65 with five years of creditable service (or 10 years of creditable service for members joining TSERS on or after August 1, 2011), at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee 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 (or 10 years of creditable service for members joining TSERS on or after August 1, 2011). 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, or have completed five years of service and have reached age 60 (10 years for members joining on or after August 1, 2011). Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6 percent of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually-required contribution rate was 14.78 percent of covered payroll from July 1, 2021 to December 31, 2021 and 17.97 percent of covered payroll from January 1, 2021 to June 30, 2022. These actuarially determined contribution rates were determined as an amount that, when combined with employee contributions, are expected to finance the costs of benefits earned during the year. Contributions to the pension plan from the Board were \$173,715,838 for the year ended June 30, 2022.

Refunds of Contributions. Board employees who have terminated service as a contributing member of TSERS, 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 percent 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 TSERS.

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

At June 30, 2022, the Board reported a liability of \$312,359,922 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021, utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of

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future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2021, and at June 30, 2020, the Board's proportion was 6.7022% and 6.6654%, respectively.

For the year ended June 30, 2022, the Board recognized pension expense of \$76,187,421. At June 30, 2022, the Board 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	\$ 17,558,151	\$ 7,094,063
Changes of assumptions	117,169,567	-
Net difference between projected and actual earnings on pension plan investments	-	387,017,838
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	15,891,855
Board contributions subsequent to the measurement date	173,715,839	-
Total	<u>\$ 308,443,557</u>	<u>\$ 410,003,756</u>

A total of \$173,715,839 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$ (45,663,706)
2023	(51,722,311)
2024	(59,193,183)
2025	<u>(118,696,838)</u>
	<u>\$ (275,276,038)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.05 percent, including inflation and productivity factor
Investment rate of return	6.5 percent, net of pension plan investment expense, including inflation

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). Current mortality rates are based both on published tables and on studies that cover significant portions of the U.S.

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population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The assumptions used in the December 31, 2020, actuarial valuation are based on the experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021. 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, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100.00%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 asset liability and investment policy study for the North Carolina Retirement Systems, including TSERS. 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 percent. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.5 percent. 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 asset to changes in the discount rate. The following presents the Board's proportionate share of the net pension liability calculated

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using the discount rate of 6.5 percent, as well as what the Board's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.5 percent) or one percentage point higher (7.5 percent) than the current rate:

	1% Decrease	Current	1% Increase
	(5.50%)	Discount Rate	(7.50%)
Board's proportionate share of the net pension liability	1,047,772,870	312,359,924	(298,952,584)

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

b. Other Post-employment Benefits

1. Healthcare Benefits

Plan description. The Retiree Health Benefit Fund (RHBF) has been established as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is established by General Statute 135, Article 1. It is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of former employees of the State, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools, and some select local governments also participate.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. RHBF is supported by a percent of payroll contribution from participating employing units. Each year the percentage is set in legislation, as are the maximum per retiree contributions from RHBF to the State Health Plan. The State Treasurer, with the approval of the State Health Plan Board of Trustees, then sets the employer contributions (subject to the legislative cap) and the premiums to be paid by retirees, as well as the health benefits to be provided through the State Health Plan.

The financial statements and other required disclosures for the plan are presented in the State of North Carolina's ACFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

Benefits provided. Plan benefits received by retired employees and disabled employees from RHBF are OPEB. The healthcare benefits for retired and disabled employees who are not eligible for Medicare are the same as for active employees. The plan options change when former employees become eligible for Medicare. Medicare retirees have the option of selecting one of two fully-insured Medicare Advantage/Prescription Drug Plan (MA-PDP) options of the self-funded Traditional 70/30 preferred Provider Organization plan option that is also offered to non-Medicare members. If the Traditional 70/30 Plan is selected by a Medicare retiree, the self-funded State Health Plan coverage is secondary to Medicare.

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Those former employees who are eligible to receive medical benefits from RHBF are long-term disability beneficiaries of the Disability Income Plan of North Carolina (DIPNC) and retirees of the TSERS, the Consolidated Judicial Retirement System (CJRS), the Legislative Retirement System (LRS), the University Employees' Optional Retirement Program (ORP), and a small number of local governments, with five or more years of contributory membership service in their retirement system prior to disability or retirement, with the following exceptions: for employees first hired on or after October 1, 2006, and members of the General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on or after October 1, 2006 and members of the General Assembly first taking office on or after February 1, 2007 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's noncontributory premium.

Section 35.21 (c) and (d) of Session Law 2018-57 repeals retiree medical benefits for employees first hired January 1, 2021. The new legislation amends Article 3B of Chapter 135 of the General Statutes to require that retirees must earn contributory retirement service in TSERS (or in an allowed local system unit), CJRS, or LRS prior to January 1, 2021, and not withdraw that service, in order to be eligible for retiree medical benefits under the amended law. Consequently, members first hired on and after January 1, 2021 will not be eligible to receive retiree medical benefits.

RHBF's benefit and contribution provisions are established by Chapter 135-7, Article 1 and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. RHBF does not provide for automatic post-retirement benefit increases.

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the current fiscal year, the Board contributed 6.26% of covered payroll which amounted to \$66,042,659. During the year ended June 30, 2022, the North Carolina State Health Plan ("SHP") contributed \$187 million to the RHBF. In accordance with GASB 75, the Board recognized revenue of \$10,941,194 as a result of this non-employer contribution.

At June 30, 2022, Board reported a liability of \$1,808,842,283 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The total OPEB liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of

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the Board's present value of future salary, actuarially determined. At June 30, 2021, and at June 30, 2020, the Board's proportion was 5.8837% and 5.8655%, respectively.

\$66,042,659 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:		
2023	\$	197,347,506
2024		91,771,691
2025		24,238,172
2026		35,830,367
2027		(17,806,974)
	\$	<u>331,380,762</u>

Actuarial assumptions. Common actuarial assumptions for both OPEB plans follow individual note disclosures for each OPEB plan.

Inflation	2.50%
Salary increases based on service	3.25 to 8.05 percent, including inflation and productivity factor
Investment rate of Return	6.50%
<u>Healthcare cost trend rates:</u>	
Medical	5.00 - 6.00%
Prescription drug	5.00 - 9.50%
Administrative costs	3.00%
Post-Retirement Mortality Rates	Pub-2010 Health Annuitant Mortality Table for males and females, adjusted for classification for some Participants, further adjusted with scaling factors varying by participant group, and projected for mortality improvement using Scale MP-2019

Discount rate. The discount rate used to measure the total OPEB liability for the RHBF was 2.16% at June 30, 2021 compared to 2.21% at June 30, 2020. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 2.16% was used as the discount rate used to measure the total OPEB liability. The 2.16% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2021.

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

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Net OPEB Liability	\$ 2,151,591,603	\$ 1,808,842,284	\$ 1,531,253,895

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the healthcare trend rates. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current discount rate:

	Current Trend Rates (6.5% Medical, 7.25% Rx, 3.0% Administrative)		
	1% Decrease in Trend Rates	1% Increase in Trend Rates	
Net OPEB Liability	\$ 1,464,857,181	\$ 2,265,170,171	\$ 1,808,842,284

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued ACFR for the State of North Carolina.

2. Disability Benefits

Plan description. Short-term and long-term disability benefits are provided through the Disability Income Plan of North Carolina (DIPNC), a cost-sharing, multiple-employer defined benefit plan, to the eligible members of TSERS which includes employees of the State, the University of North Carolina System, community colleges, certain Local Education Agencies, and ORP.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members.

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The financial statements and other required disclosures for the plan are presented in the State of North Carolina's ACFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

Benefits Provided. Long-term disability benefits are payable as an OPEB from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as an employee is disabled. An employee is eligible to receive long-term disability benefits provide the following requirements are met: (1) the employee has five or more years of contributing membership service in TSERS or ORP, earned within 96 months prior to the end of the short-term disability period or cessation of salary continuation payments, whichever is later; (2) the employee must make application to receive long-term benefits within 180 days after the conclusion of the short-term disability period or after salary continuation payments cease or after monthly payments for Workers' Compensation cease (excluding monthly payments for permanent partial benefits), whichever is later; (3) the employee must be certified by the Medical Board to be mentally or physically disabled for the further performance of his/her usual occupation; (4) the disability must have been continuous, likely to be permanent, and incurred at the time of active employment; (5) the employee must not be eligible to receive an unreduced retirement benefit from TSERS after (1) reaching the age of 65 and completing 5 years of membership service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of service at any age.

For employees who had five or more years of membership service as of July 31, 2007, during the first 36 months of the long-term disability period, the monthly long-term disability benefit is equal to 65% of one-twelfth of an employee's annual base rate of compensation last payable to the participant or beneficiary prior to the beginning of the short-term disability period, plus the like percentage of one-twelfth of the annual longevity payment and local supplements to which the participant or beneficiary would be eligible. The monthly benefits are subject to a maximum of \$3,900 per month reduced by any primary Social Security disability benefits and by monthly payments for Workers' Compensation to which the participant or beneficiary may be entitled, but the benefits payable shall be no less than \$10 a month. After the first 36 months of the long-term disability, the long-term benefit is calculated in the same manner as described above except the monthly benefit is reduced by an amount equal to a monthly primary Social Security disability benefit to which the participant or beneficiary might be entitled had Social Security disability benefits been awarded. When an employee qualifies for an unreduced service retirement allowance from the TSERS, the benefits payable from DIPNC will cease, and the employee will commence retirement under the Teachers' and State Employees' Retirement System or the University Employees' Optional Retirement Program.

For employees who had less than five years of membership service as of July 31, 2007 and meet the requirements for long-term disability on or after August 1, 2007, during the first 36 months of the long-term disability period, the monthly long-term benefit shall be reduced by an amount equal to the monthly primary Social Security retirement benefit to which the employee might be entitled should the employee become age 62 during the first 36 months. This reduction becomes effective as of the first day of the month following the month of initial entitlement to Social Security benefits. After the first 36 months of the long-term disability, no further benefits are payable under the terms of this section unless the employee has been approved and is in receipt of primary Social Security disability benefits.

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Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2021, employers made a statutory contribution of 0.09% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$948,781 for the year ended June 30, 2022.

The contributions cannot be separated between the amounts that relate to other postemployment benefits and employment benefits for active employees. Those individuals who are receiving extended short-term disability benefit payments cannot be separated from the number of members currently eligible to receive disability benefits as an other postemployment benefit.

OPEB Asset, OPEB Expense, and Deferred Outflows and Inflows of Resources of Related to OPEB

At June 30, 2022, Board reported an asset of \$967,363 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. The total OPEB asset was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB asset was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2021 and at June 30, 2020, the Board's proportion was 5.90352% and 5.9221%, respectively.

\$948,781 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending June 30, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2022	\$	594,406
2023		392,927
2024		521,205
2025		254,916
2026		84,470
Thereafter		261,273
	\$	<u>2,109,197</u>

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Actuarial assumptions. Common actuarial assumptions for both OPEB plans follow individual note disclosures for each OPEB plan.

Inflation	2.50%
Salary increases	3.25-8.05%, include 3.25% inflation and productivity factor
Investment rate of return	3.00%, net of OPEB plan expense, including inflation

Sensitivity of the Board's proportionate share of the net OPEB asset to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.0 percent) or 1-percentage point higher (4.0 percent) than the current discount rate:

	1% Decrease (2.0%)	Discount Rate (3.0%)	1% Increase (4.0%)
Net OPEB Asset	\$ 610,775	\$ 967,362	\$ 1,297,238

Common actuarial assumptions for both OPEB plans. The net OPEB liability was determined by an actuarial valuation performed as of June 30, 2020 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The net OPEB asset was determined by an actuarial valuation performed as of December 31, 2020 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability/asset was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. teacher, 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 mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions were based on the results of an actuarial experience review for the period January 1, 2015 through December 31, 2019.

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2021. The long-term expected rate of return was determined based on the combination of expected future real rates of return and expected inflation. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2021 is 1.3%.

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Total OPEB Expense, OPEB Liabilities, and Deferred Outflows and Inflows of Resources of Related to OPEB

Following is information related to the proportionate share and OPEB expense (benefit):

	Retiree Health Benefit Fund	Disability Income Plan of NC	Total
OPEB expense (benefit)	\$ (50,294,009)	\$ 2,088,594	\$ (48,205,415)
OPEB liability (asset)	1,808,842,283	(967,363)	1,807,874,920
Proportionate share of the OPEB liability(asset)	5.8509%	5.9224%	
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 10,679,143	\$ 2,466,494	\$ 13,145,637
Changes in assumptions	147,947,725	169,854	148,117,579
Net difference between projected and actual earnings on plan investments	-	94,403	94,403
Changes in proportion and differences between Board contributions and proportionate share of contributions	29,298,615	-	29,298,615
Board contributions subsequent to the measurement date	66,042,659	948,781	66,991,440
Total Deferred Outflows of Resources	\$ 253,968,142	\$ 3,679,532	\$ 257,647,674
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 33,670,975	\$ -	\$ 33,670,975
Changes of assumptions	439,587,987	351,197	439,939,184
Net difference between projected and actual earnings on plan investments	925,296	-	925,296
Changes in proportion and differences between Board contributions and proportionate share of contributions	45,121,987	270,357	45,392,344
Total Deferred Inflows of Resources	\$ 519,306,245	\$ 621,554	\$ 519,927,799

2. Accounts Payable

Accounts payables as of June 30, 2022, are as follows:

	Vendors	Salaries and benefits	Due to other funds (internal balances)
Governmental Activities			
General	\$ 17,202,105	\$ 7,431,176	\$ 1,270
Other Governmental	68,638,098	16,058,379	779,817
Total Governmental activities	\$ 85,840,203	\$ 23,489,555	\$ 781,087
Business-type Activities			
Child Nutrition Program	\$ 1,300,307	\$ 2,478,505	\$ 16,245
Tuition Programs	958,369	21,160	305
Total Business-type activities	\$ 2,258,676	\$ 2,499,665	\$ 16,550

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3. Unearned Revenues

The balance in unearned revenues at year-end is composed of the following:

Governmental activities: Grants not yet earned (Other Restricted Funds)	\$17,034,368
Business-type activities:	
Prepayments of meals (Child Nutrition Program)	\$ 2,123,870
Prepayments of community use fees (Tuition Programs)	<u>674,926</u>
	<u>\$ 2,798,796</u>

4. Deferred Outflows and Inflows of Resources

The balance in deferred outflows and inflows of resources at year-end is composed of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Change in proportion and difference between employer contributions and proportionate share of contributions	\$ 29,298,615	\$ 61,284,199
Changes in assumptions	265,287,146	439,939,184
Board contributions subsequent to the measurement date	240,707,279	-
Difference between projected and actual earnings on plan investments	94,403	387,943,134
Difference between expected and actual experience	30,703,788	40,765,012
Leases (Capital Outlay Fund)	<u>-</u>	<u>4,647,520</u>
Totals	<u>\$ 566,091,231</u>	<u>\$ 934,579,049</u>

5. Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Through private insurance industry, the Board maintains general liability and errors and omissions coverage of \$1 million per each wrongful act. The Board has an annual aggregate limit for general liability of \$3,000,000. In addition, the Board carries commercial umbrella for an additional \$4,000,000 of liability coverage. Effective August 1, 2002, the Board was approved as a qualified self-insurer for workers' compensation coverage up to statutory limits for employees to the extent they are paid from federal, local, and enterprise funds with a self-insured specific retention of \$850,000; an aggregate limit of \$2,000,000; and an employer's liability limit of \$1,000,000. The State of North Carolina provides workers' compensation for employees to the extent they are paid from State Public School Funds. The Board also purchases commercial property insurance, insuring tangible property assets of the Board. The property insurer provides coverage for a total of \$350,000,000 in catastrophic limits, with a total insured value of 4.96 billion.

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The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, a self-funded risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits up to a \$5 million lifetime limit. The Board pays the full cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

The Board carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and claims have not exceeded coverage in any of the past three fiscal years. The amount of Public Officials Dishonesty Bond on the finance officer is \$250,000. The amount of Public Employee Dishonesty Bond on budget managers and bookkeepers is \$100,000.

A summary of changes in the self-insured workers' compensation claims for fiscal years 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Estimated claims payable, beginning of year	\$ 9,158,167	\$ 8,453,426
Current year claims and changes in estimates	3,867,357	3,073,161
Claim payments	<u>(2,017,366)</u>	<u>(2,368,420)</u>
Estimated claims payable, end of year	<u>\$ 11,008,158</u>	<u>\$ 9,158,167</u>

Estimated claims payable are determined through an independent actuarial loss reserve analysis.

6. Contingent Liabilities

At June 30, 2022, the Board was a defendant to various lawsuits. In the opinion of the Board's management and the Board's attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Board's financial position.

7. Long-Term Obligations

a. Leases

The Board has entered into numerous agreements to lease building space, copy equipment and postage meters. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The agreements to lease copy equipment and postage meters have effective dates ranging from May 2017 to May 2022. The agreements range in term from two to five years and there are no variable payment components of the leases.

The agreements to lease buildings have effective dates ranging from March 2007 to July 2021. The agreements range in term from two to twenty-one years and there are no variable payment components of the leases. The lease liability for the agreements to lease buildings is measured at a discount rate of 3.54%, which is the Board's estimated incremental borrowing rate at the date of adoption inception. Certain lease agreements for buildings have options to extend the lease. The Board has assessed these options and determined that they are not reasonably certain that the options will be exercised and, as such, have excluded them from the lease term.

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The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows.

Year ending June 30	Principal Payments	Interest Payments	Total
2023	\$ 6,449,924	\$ 3,282,033	\$ 9,731,957
2024	6,361,579	3,051,154	9,412,733
2025	6,421,246	2,821,259	9,242,505
2026	5,465,543	2,588,940	8,054,483
2027	6,451,697	2,378,981	8,830,678
2028-2032	38,477,904	8,053,563	46,531,467
2033-2037	19,864,126	1,867,180	21,731,306
2038-2042	3,209,492	637,962	3,847,454
2043-2047	<u>1,591,528</u>	<u>85,482</u>	<u>1,677,010</u>
Total	<u>\$ 94,293,039</u>	<u>\$ 24,766,554</u>	<u>\$ 119,059,593</u>

b. Installment Purchase

The Board is authorized by State law [G.S.115C-47(28a)] to enter into installment purchase contracts to finance energy conservation measures that will reduce its operating costs. In October 2018, the Board entered into a direct placement contract to reduce the energy costs associated with several schools. The property is pledged as collateral for the debt while the debt is outstanding. The financing contract requires principal payments for fifteen years beginning in the fiscal year 2021 with interest rate of 3.545 percent.

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, Section 7.25, authorizes the State Board of Education to allot monies for the payments for financing contracts entered into pursuant to G.S. 115C-528. In fiscal year 2019, the Board entered into a direct placement installment purchase contract to finance the purchase of 32 buses through a special third-party financing arrangement offered by Banc of America Public Capital Corp. The buses are pledged as collateral for the debt while the debt is outstanding. The financing contract only required principal payments of \$693,296 for the years ending June 30, 2019, 2020, 2021, and 2022. In fiscal year 2020, the Board entered into a direct placement installment purchase contract to finance the purchase of 29 buses through a special third-party financing arrangement offered by Banc of America Public Capital Corp. The buses are pledged as collateral for the debt while the debt is outstanding. The financing contract only required principal payments of \$666,689 for the year ending June 30, 2020 and \$666,688 for the years ending June 30, 2021, 2022, and 2023. In fiscal year 2021, the Board entered into a direct placement installment purchase contract to finance the purchase of 39 buses through a special third-party financing arrangement offered by Banc of America Public Capital Corp. The buses are pledged as collateral for the debt while the debt is outstanding. The financing contract only required principal payments of \$841,060 for the year ending June 30, 2021, \$981,033 for the year ending June 30, 2022, and \$911,046 for the years ending June 30, 2023 and 2024. In fiscal year 2022, the Board entered into a direct placement installment purchase contract to finance the purchase of 20 buses through a special third-party financing arrangement offered by Banc of America Public Capital Corp. The buses are pledged as collateral for the debt while the

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debt is outstanding. The financing contract only required principal payment of \$1,026,800 for the year ending June 30, 2023 and payments of \$513,400 for the years ending June 30, 2024 and 2025.

The future minimum payments of the installment purchases as of June 30, 2022, including \$1,658,628 of interest are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2023	\$ 3,022,353	\$ 225,503
2024	1,856,251	210,692
2025	959,663	195,384
2026	444,593	179,564
2027	459,453	163,803
2028-2032	2,495,401	564,281
2033-2035	1,665,835	119,401
	<u>\$ 10,903,549</u>	<u>\$ 1,658,628</u>

c. Long-Term Obligation Activity

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2022:

	Beginning Balance Restated	Increases	Decreases	Ending Balance	Due within One Year
Governmental activities:					
Worker's compensation	\$ 9,158,167	\$ 3,867,357	\$ 2,017,366	\$ 11,008,158	\$ 6,475,391
Direct placement installment purchase	11,595,250	2,053,600	2,745,301	10,903,549	3,022,353
Lease liability	101,101,475	1,064,906	7,873,342	94,293,039	6,449,924
Net pension liability	793,958,283	-	485,965,640	307,992,643	-
Net OPEB liability	1,589,877,060	172,593,570	-	1,762,470,630	-
Compensated absences	102,701,518	678,474,961	675,499,092	105,677,387	65,000,000
Total	<u>\$ 2,608,391,753</u>	<u>\$ 858,054,394</u>	<u>\$ 1,174,100,741</u>	<u>\$ 2,292,345,406</u>	<u>\$ 80,947,668</u>
Business-type activities:					
Net pension liability	\$ 15,802,526	\$ -	\$ 11,435,247	\$ 4,367,279	\$ -
Net OPEB liability	42,310,358	4,061,295	-	46,371,653	-
Lease liability	6,664	-	3,612	3,052	3,052
Compensated absences	754,109	8,571,473	8,066,069	1,259,513	600,000
Total	<u>\$ 58,873,657</u>	<u>\$ 12,632,768</u>	<u>\$ 19,504,928</u>	<u>\$ 52,001,497</u>	<u>\$ 603,052</u>

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Compensated absences and workers' compensation are typically liquidated by the general and other governmental funds. Pension and OPEB are liquidated through contributions from all funds. Compensated absences are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

C. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2022, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Individual Schools Fund	\$ 1,881
General Fund	Other Restricted Funds	29,180
General Fund	Child Nutrition Program	16,245
General Fund	Tuition Program	305
General Fund	Capital Outlay Fund	528,217
General Fund	State Public School Fund	83,417
State Public School Fund	General Fund	124
Individual Schools Fund	General Fund	551
Other Restricted Funds	Individual Schools Fund	15,000
Child Nutrition Program	General Fund	465
Tuition Program	General Fund	130
Tuition Program	Individual Schools Fund	122,122
		<u>\$ 797,637</u>

Most interfund balances are due to allocation of printing costs or mailroom costs. The Individual Schools Fund owes \$122,122 to the Tuition Program for tuition payments that are initially deposited into the Individual Schools Fund at the school level and then moved monthly to the Tuition Program. The Capital Outlay Fund owes \$528,217 to the Capital Outlay Fund for salaries paid for project management.

The following is a summary of Transfers for the year ended June 30, 2022:

<u>Transfers From:</u>	<u>Transfers To:</u>	
	<u>Other Restricted Funds</u>	<u>Child Nutrition Fund</u>
General Fund	\$ -	\$ 942,941
Individual Schools Fund	593,388	-
	<u>\$ 593,388</u>	<u>\$ 942,941</u>

During the year, the General Fund transferred \$942,941 to the Child Nutrition Program for salaries. The Individual School Fund transferred \$593,388 to the Other Restricted Funds to fund the costs of additional positions in the schools.

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

D. Fund Balance

The Board uses resources in the following hierarchy: federal funds, state funds, local non-board of education funds, board of education funds. For purposes of fund balance classification, expenditures are to be spent from the restricted fund balance first, followed in order by the committed fund balance, the assigned fund balance, and, lastly the unassigned fund balance. The Superintendent has the authority to deviate from this policy if it is in the best interest of the Board of Education.

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	\$ 117,054,174
Less:	
Inventories	4,815,908
Stabilization by State Statute	5,736,628
Special projects	
Instructional Support:	
Average daily membership reconciliation	6,000,000
Work Together Initiative	870,000
Instruction Support Specialist Positions	350,000
Before/After Support	300,000
Textbook	1,248,000
Central Office Support:	
Security Contract	400,000
System upgrade	351,443
TSERS potential underfunded pension liability	3,764,500
Other special projects	886,043
Insurance	15,316,319
Flexible benefit plan	2,540,613
Appropriated fund balance in 2022 budget	<u>27,926,893</u>
Remaining fund balance	<u>\$ 46,547,827</u>

Encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Encumbrance balances at year-end were:

General Fund	\$ 1,778,019
Capital Outlay Fund	327,122

III. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The Board 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 monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

Subsequent Events

The Board has evaluated subsequent events through October 31, 2022, in connection with the preparation of these financial statements. This is the date the financial statements were available to be issued.

IV. Change in Accounting Principle

Effective July 1, 2021, the Board implemented accounting and financial reporting requirements of GASB Statement 87, Leases. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use the underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. At July 1, 2021, the Board recognized right to use assets and lease liabilities for governmental and business-type activities of \$101,101,475 and \$6,664, respectively. Further, at July 1, 2021, the Board recognized lease receivables and deferred inflow of resources for governmental activities of \$4,386,203. There was no effect to net position as a result of the adoption of this statement.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles

- Schedule of the Board's Proportionate Share of Net Pension Liability - Teachers' and State Employees' Retirement System
- Schedule of Board Contributions - Teachers' and State Employees' Retirement System
- Schedule of the Board's Proportionate Share of Net OPEB Liability – Retiree Health Benefit Fund
- Schedule of Board Contributions – Retiree Health Benefit Fund
- Schedule of the Board's Proportionate Share of Net OPEB Asset – Disability Income Plan of North Carolina
- Schedule of Board Contributions – Disability Income Plan of North Carolina

WAKE COUNTY BOARD OF EDUCATION**SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
LAST NINE FISCAL YEARS**

Year	Board's portion of the net pension liability	Board's proportionate share of the net pension liability	Board's covered payroll	Board's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	6.6707%	\$ 312,359,922	\$ 984,477,723	32%	94.86%
2021	6.7022%	809,760,809	985,571,902	82%	92.01%
2020	6.6654%	691,000,187	956,695,716	72%	91.89%
2019	6.6364%	660,723,896	908,398,166	73%	89.51%
2018	6.5650%	520,899,223	874,819,518	60%	87.32%
2017	6.4350%	591,446,650	839,696,815	70%	94.64%
2016	6.1602%	227,014,746	800,662,003	28%	98.24%
2015	5.9756%	70,058,926	750,539,861	9%	90.60%
2014	5.8869%	357,394,818	740,564,917	48%	90.60%

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

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF BOARD CONTRIBUTIONS
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

Year	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Board's covered payroll	Contributions as a percentage of covered payroll
2022	\$ 173,715,838	\$ 173,715,838	\$ -	\$ 1,054,201,389	16.48%
2021	145,505,808	145,505,808	-	984,477,723	14.78%
2020	127,828,676	127,828,676	-	985,571,902	12.97%
2019	117,577,904	117,577,904	-	956,695,716	12.29%
2018	97,925,324	97,925,324	-	908,398,166	10.78%
2017	87,306,988	87,306,988	-	874,819,518	9.98%
2016	76,832,259	76,832,259	-	839,696,815	9.15%
2015	73,180,297	73,180,297	-	800,662,003	9.14%
2014	65,221,914	65,221,914	-	750,539,861	8.69%
2013	61,689,058	61,689,058	-	740,564,917	8.33%

WAKE COUNTY BOARD OF EDUCATION**SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY****RETIREE HEALTH BENEFIT FUND****LAST SIX FISCAL YEARS**

Years	Board's portion of the net OPEB liability	Board's proportionate share of the net OPEB liability	Board's covered payroll	Board's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2022	5.8509%	\$ 1,808,842,283	\$ 984,477,723	184%	7.72%
2021	5.8837%	1,632,187,418	985,571,902	166%	4.40%
2020	5.8655%	1,855,820,546	956,695,716	194%	3.52%
2019	5.9287%	1,688,971,690	908,398,166	186%	3.52%
2018	6.0130%	1,971,459,509	874,819,518	225%	2.41%
2017	5.6205%	2,445,108,788	839,696,815	291%	2.41%

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

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

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF BOARD CONTRIBUTIONS
RETIREE HEALTH BENEFIT FUND
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Board's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2022	\$ 66,042,659	\$ 66,042,659	\$ -	\$ 1,054,201,389	6.26%
2021	65,763,112	65,763,112	-	984,477,723	6.68%
2020	63,766,502	63,766,502	-	985,571,902	6.47%
2019	59,984,821	59,984,821	-	956,695,716	6.27%
2018	54,958,089	54,958,089	-	908,398,166	6.05%
2017	50,856,815	50,856,815	-	874,819,518	5.81%
2016	47,023,022	47,023,022	-	839,696,815	5.60%
2015	43,956,244	43,956,244	-	800,662,003	5.49%
2014	40,529,152	40,529,152	-	750,539,861	5.40%
2013	39,249,941	39,249,941	-	740,564,917	5.30%

WAKE COUNTY BOARD OF EDUCATION**SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB ASSET****DISABILITY INCOME PLAN OF NORTH CAROLINA****LAST SIX FISCAL YEARS**

Years	Board's portion of the net OPEB asset	Board's proportionate share of the net OPEB asset	Board's covered payroll	Board's proportionate share of the net pension asset as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB asset
2022	5.92238%	\$ 967,363	\$ 984,477,723	0.0983%	105.18%
2021	5.90352%	2,904,179	985,571,902	0.2947%	116.47%
2020	5.92210%	2,555,383	956,695,716	0.2671%	116.37%
2019	5.92019%	1,798,317	908,398,166	0.1980%	116.23%
2018	5.84695%	3,573,656	874,819,518	0.4085%	116.06%
2017	5.79204%	3,596,857	839,696,815	0.4284%	117.06%

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

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

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF BOARD CONTRIBUTIONS
DISABILITY INCOME PLAN OF NORTH CAROLINA
LAST TEN FISCAL YEARS

Year	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Board's covered payroll	Contributions as a percentage of covered payroll
2022	\$ 948,781	\$ 948,781	\$ -	\$ 1,054,201,389	0.09%
2021	886,030	886,030	-	984,477,723	0.09%
2020	985,572	985,572	-	985,571,902	0.10%
2019	1,339,374	1,339,374	-	956,695,716	0.14%
2018	1,271,757	1,271,757	-	908,398,166	0.14%
2017	3,324,314	3,324,314	-	874,819,518	0.38%
2016	3,442,757	3,442,757	-	839,696,815	0.41%
2015	3,282,714	3,282,714	-	800,662,003	0.41%
2014	3,302,375	3,302,375	-	750,539,861	0.44%
2013	3,258,486	3,258,486	-	740,564,917	0.44%

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Major Governmental Funds

General Fund
State Public School Fund
Capital Outlay Fund
Other Restricted Funds
State Administered Federal Grants Fund

Non-Major Governmental Fund

Individual School Fund

This fund includes revenues and expenditures of the activity funds of the individual schools. The primary revenue sources include funds held on behalf of various clubs and organizations, receipts from athletic events, and proceeds from various fundraising activities. The primary expenditures for this fund include athletic teams, club programs, activity buses and instructional needs. The Individual School Fund is reported as a special revenue fund.

Major Enterprise Funds

Child Nutrition Fund
Tuition Programs Fund

WAKE COUNTY BOARD OF EDUCATION**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND****FOR YEAR ENDED JUNE 30, 2022****(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022			2021
	Budget	Actual	Variance	Actual
REVENUES:				
Wake County:				
County appropriation	\$ 543,317,051	\$ 543,317,051	\$ -	\$ 525,073,614
Other:				
Fines and forfeitures	2,451,638	2,624,170	172,532	3,742,330
Interest	220,000	270,052	50,052	500,481
Tuition and fees	66,993	27,086	(39,907)	24,781
Other local	-	514,064	514,064	465,378
Total	2,738,631	3,435,372	696,741	4,732,970
Total revenues	546,055,682	546,752,423	696,741	529,806,584
EXPENDITURES:				
Regular instructional services				
Regular curricular		154,381,859		134,840,119
CTE curricular		9,173,598		8,076,669
Program enhancement teachers		29,893,593		27,945,716
	207,864,611	193,449,050	14,415,561	170,862,504
Special populations services				
Children with disabilities curricular		37,464,416		21,797,601
Special population CTE curricular		388,016		358,243
Pre-K children with disabilities curricular		4,822,364		2,948,548
Speech and language pathology		3,496,142		2,663,495
Audiology		323,370		506,200
Academically/intellectually gifted curricular		2,918,846		2,563,263
Limited english proficiency		3,517,427		2,963,326
	54,750,083	52,930,581	1,819,502	33,800,676
Alternative programs and services				
Alternative instructional K-12		2,044,572		1,999,141
Attendance and social work		3,985,760		3,186,499
Remedial and supplemental K-12		9,522,725		7,289,027
Pre-K readiness/remedial and supplemental		2,063,689		1,714,808
Extended day/year instructional		2,050,956		1,105,962
School extension learning recovery and enrichment program		2,000		-
	22,204,050	19,669,702	2,534,348	15,295,437
School leadership services				
School leadership		7,114,924		2,169,405
School principal		7,348,957		6,798,656
School assistant principal		8,536,977		7,436,757
	23,986,183	23,000,858	985,325	16,404,818

(Continued)

WAKE COUNTY BOARD OF EDUCATION**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND****FOR YEAR ENDED JUNE 30, 2022****(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022			2021
	Budget	Actual	Variance	Actual
Co-Curricular	\$ 21,977,954	\$ 21,821,336	\$ 156,618	\$ 21,158,251
School-based support services				
Educational media		7,663,492		5,533,062
Student accounting		868,605		400,312
Guidance		18,277,424		14,114,434
Health		908,016		620,369
Safety and security		1,895,765		1,287,697
Instructional technology		661,468		537,444
Staff development unallocated		299,798		110,652
Parent involvement		230,877		221,162
	<u>33,090,508</u>	<u>30,805,445</u>	<u>2,285,063</u>	<u>22,825,132</u>
Support and development services				
Regular curricular support and development		5,676,781		5,133,231
CTE curricular support and development		307,872		386,624
	<u>6,266,792</u>	<u>5,984,653</u>	<u>282,139</u>	<u>5,519,855</u>
Special population support and development services	<u>6,933,138</u>	<u>6,408,583</u>	<u>524,555</u>	<u>5,604,224</u>
Alternative programs and services support and development services	<u>2,558,025</u>	<u>2,403,968</u>	<u>154,057</u>	<u>2,254,666</u>
Technology support services	<u>20,011,964</u>	<u>18,002,992</u>	<u>2,008,972</u>	<u>16,035,654</u>
Connectivity support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>482</u>
Operational support services				
Communication		89,057		51,633
Printing and copying		27,755		147,761
Public utility and energy		26,989,340		26,923,260
Custodial/housekeeping		12,447,490		14,265,797
Transportation		24,665,731		20,133,130
Warehouse and delivery		522,853		348,019
Facilities planning, acquisition and construction		513,685		7,855,230
Maintenance		28,978,155		29,956,520
	<u>104,276,536</u>	<u>94,234,066</u>	<u>10,042,470</u>	<u>99,681,350</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND****FOR YEAR ENDED JUNE 30, 2022****(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022			2021
	Budget	Actual	Variance	Actual
Financial and human resource services				
Financial	\$ -	\$ 10,218,559	\$ -	\$ 10,034,862
Human resource		6,759,875		6,070,845
	<u>18,569,240</u>	<u>16,978,434</u>	<u>1,590,806</u>	<u>16,105,707</u>
Accountability services				
Student testing		1,030,309		961,065
Planning, research development and program evaluation		1,007,239		982,932
	<u>2,118,795</u>	<u>2,037,548</u>	<u>81,247</u>	<u>1,943,997</u>
Systemwide pupil support services				
Educational media support		594,983		463,487
Student accounting support		2,081,913		2,008,590
Guidance support		709,137		596,526
Health support		290,036		298,919
Safety and security support		1,257,094		1,052,204
Instructional technology support		295,021		253,556
	<u>5,466,215</u>	<u>5,228,184</u>	<u>238,031</u>	<u>4,673,282</u>
Policy, leadership and public relations services				
Board of education		301,655		309,311
Legal		1,290,436		1,244,195
Audit		687,670		608,292
Leadership		4,599,938		4,401,566
Public relations and marketing		2,105,202		2,184,599
	<u>9,895,047</u>	<u>8,984,901</u>	<u>910,146</u>	<u>8,747,963</u>
Ancillary services				
Community		14,760		7,490
Aftercare		29,423		957,773
Nutrition		-		53,498
	<u>52,680</u>	<u>44,183</u>	<u>8,497</u>	<u>1,018,761</u>
Non-program charges				
Payments to charter schools	<u>48,112,862</u>	<u>47,394,532</u>	<u>718,330</u>	<u>44,286,186</u>
Unbudgeted funds	<u>9,365,109</u>	<u>-</u>	<u>9,365,109</u>	<u>-</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND****FOR YEAR ENDED JUNE 30, 2022****(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022			2021
	Budget	Actual	Variance	Actual
Debt service				
Principal	\$ -	\$ 7,828,976	\$ -	\$ 391,195
Interest		<u>1,674,476</u>		<u>253,703</u>
	<u>9,659,409</u>	<u>9,503,452</u>	<u>155,957</u>	<u>644,898</u>
 Total expenditures	<u>607,159,201</u>	<u>558,882,468</u>	<u>48,276,733</u>	<u>486,863,843</u>
Excess (deficiency) of revenues over expenditures before other financing sources	<u>(61,103,519)</u>	<u>(12,130,045)</u>	<u>48,973,474</u>	<u>42,942,741</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	61,044,519	-	(61,044,519)	-
Lease liabilities issued	1,001,941	1,001,941	-	-
Transfers out	<u>(942,941)</u>	<u>(942,941)</u>	<u>-</u>	<u>(3,617,283)</u>
Total other financing sources	<u>61,103,519</u>	<u>59,000</u>	<u>(61,044,519)</u>	<u>(3,617,283)</u>
Net change in fund balance	<u>\$ -</u>	<u>(12,071,045)</u>	<u>\$ (12,071,045)</u>	<u>39,325,458</u>
 Fund balance, beginning of year		128,548,255		90,888,951
Increase (decrease) in reserve for inventories		<u>576,964</u>		<u>(1,666,154)</u>
Fund balance, end of year		<u>\$ 117,054,174</u>		<u>\$ 128,548,255</u>

WAKE COUNTY BOARD OF EDUCATION**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STATE PUBLIC SCHOOL FUND****FOR YEAR ENDED JUNE 30, 2022****(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022			2021
	Budget	Actual	Variance	Actual
REVENUES:				
Federal: Coronavirus relief	\$ 32,050,670	\$ 32,050,670	\$ -	\$ 16,345,689
State: other	<u>1,069,807,343</u>	<u>1,054,645,868</u>	<u>(15,161,475)</u>	<u>1,020,653,881</u>
Total revenues	<u>1,101,858,013</u>	<u>1,086,696,538</u>	<u>(15,161,475)</u>	<u>1,036,999,570</u>
EXPENDITURES:				
Regular instructional services				
Regular curricular		459,046,031		442,330,722
CTE curricular		49,406,387		45,683,712
Program enhancement		<u>89,824,624</u>		<u>82,968,815</u>
	<u>608,036,892</u>	<u>598,277,042</u>	<u>9,759,850</u>	<u>570,983,249</u>
Special populations services				
Children with disabilities curricular		124,369,954		123,709,658
Special population CTE curricular		1,931,188		1,767,328
Pre-K children with disabilities curricular		16,912,514		16,805,541
Speech and language pathology		15,446,562		13,728,727
Audiology		1,281,434		1,127,626
Academically/intellectually gifted curricular		9,367,498		9,494,886
Limited english proficiency		<u>15,953,725</u>		<u>14,483,152</u>
	<u>185,266,194</u>	<u>185,262,875</u>	<u>3,319</u>	<u>181,116,918</u>
Alternative programs and services				
Alternative instructional K-12		8,048,298		7,630,471
Attendance and social work		5,988,838		6,230,111
Remedial and supplemental K-12		21,507,095		20,519,726
Pre-K readiness/remedial and supplemental		217,918		29,104
Extended day/year instructional		<u>3,437,279</u>		<u>6,004,826</u>
	<u>41,220,381</u>	<u>39,199,428</u>	<u>2,020,953</u>	<u>40,414,238</u>
School leadership services				
School leadership		25,560,705		25,868,655
School principal		22,998,418		21,726,325
School assistant principal		<u>38,238,616</u>		<u>34,963,663</u>
	<u>87,382,126</u>	<u>86,797,739</u>	<u>584,387</u>	<u>82,558,643</u>
Co-Curricular	<u>156,786</u>	<u>156,772</u>	<u>14</u>	<u>98,426</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STATE PUBLIC SCHOOL FUND****FOR YEAR ENDED JUNE 30, 2022****(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022			2021
	Budget	Actual	Variance	Actual
School-based support services				
Educational media	\$ -	\$ 13,044,171	\$ -	\$ 14,081,283
Student accounting		11,829,178		10,444,103
Guidance		32,383,591		33,163,953
Health		8,138,536		8,943,973
Safety and security		1,128,539		641,102
Instructional technology		1,208,626		6,200,275
Staff development unallocated		449		5,250
Parent involvement		68,969		-
	<u>67,805,547</u>	<u>67,802,059</u>	<u>3,488</u>	<u>73,479,939</u>
Support and development services				
Regular curricular support and development		1,053,257		556,782
CTE curricular support and development		301,384		115,803
	<u>1,372,920</u>	<u>1,354,641</u>	<u>18,279</u>	<u>672,585</u>
Special population support and development services	<u>963,362</u>	<u>960,744</u>	<u>2,618</u>	<u>885,354</u>
Alternative programs and services support and development services	<u>584,687</u>	<u>584,686</u>	<u>1</u>	<u>502,713</u>
Technology support services	<u>8,407,285</u>	<u>5,953,105</u>	<u>2,454,180</u>	<u>3,722,767</u>
Operational support services				
Printing and copying		8,061		-
Custodial/housekeeping		21,539,026		20,698,128
Transportation		66,582,138		50,695,831
Warehouse and delivery		85,179		76,903
Facilities planning, acquisition and construction		45,045		-
Maintenance		882,132		501,187
	<u>89,433,954</u>	<u>89,141,581</u>	<u>292,373</u>	<u>71,972,049</u>
Financial and human resource services				
Financial		3,770,780		3,463,241
Human resource		1,857,270		2,015,405
	<u>5,634,672</u>	<u>5,628,050</u>	<u>6,622</u>	<u>5,478,646</u>
Accountability services				
Student testing		66,534		19,670
Planning, research development and program evaluation		23,581		53,754
	<u>90,636</u>	<u>90,115</u>	<u>521</u>	<u>73,424</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STATE PUBLIC SCHOOL FUND****FOR YEAR ENDED JUNE 30, 2022****(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022			2021
	Budget	Actual	Variance	Actual
Systemwide pupil support services				
Educational media support	\$ -	\$ 38,281	\$ -	\$ -
Student accounting support		367,307		234,399
Guidance support		9,137		-
Health support		83,478		69,889
Safety and security support		17,203		142,228
Instructional technology support		2,147		-
	<u>517,732</u>	<u>517,553</u>	<u>179</u>	<u>446,516</u>
Policy, leadership and public relations services				
Audit		2,971		27,168
Leadership		3,424,901		3,183,504
Public relations and marketing		207,052		176,043
	<u>3,649,615</u>	<u>3,634,924</u>	<u>14,691</u>	<u>3,386,715</u>
Ancillary services				
Community		16,096		-
Child Care		-		962,996
Nutrition		1,260,114		127,754
	<u>1,276,210</u>	<u>1,276,210</u>	<u>-</u>	<u>1,090,750</u>
Debt service: principal	<u>92,937</u>	<u>92,937</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,101,891,936</u>	<u>1,086,730,461</u>	<u>15,161,475</u>	<u>1,036,882,932</u>
Excess of revenues over expenditures before other financing sources	<u>(33,923)</u>	<u>(33,923)</u>	<u>-</u>	<u>116,638</u>
OTHER FINANCING SOURCES (USES):				
Lease liabilities issued	33,923	33,923	-	-
Transfers out	-	-	-	(116,638)
Total other financing sources (uses)	<u>33,923</u>	<u>33,923</u>	<u>-</u>	<u>(116,638)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WAKE COUNTY BOARD OF EDUCATION**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL OUTLAY FUND****FOR YEAR ENDED JUNE 30, 2022****(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022			2021
	Budget	Actual	Variance	Actual
REVENUES:				
Wake County:				
Appropriation	\$ -	\$ -	\$ -	\$ 1,900,759
Capital improvements fund	900,203,777	278,419,093	(621,784,684)	254,069,557
	<u>900,203,777</u>	<u>278,419,093</u>	<u>(621,784,684)</u>	<u>255,970,316</u>
State				
State capital infrastructure fund	459,817	459,817	-	-
LEA financed purchase of school buses	2,341,016	2,341,016	-	2,201,044
	<u>2,800,833</u>	<u>2,800,833</u>	<u>-</u>	<u>2,201,044</u>
Other:				
Sale of school property	810,063	911,447	101,384	162,985
Interest	-	3	3	6
Other local	358,540	305,822	(52,718)	184,432
	<u>1,168,603</u>	<u>1,217,272</u>	<u>48,669</u>	<u>347,423</u>
Total revenues	<u>904,173,213</u>	<u>282,437,198</u>	<u>(621,736,015)</u>	<u>258,518,783</u>
EXPENDITURES:				
Land and buildings:				
Land: Purchase of new sites	46,830,431	8,229,292	38,601,139	6,536,709
Buildings:				
General contracts		17,140,216		13,467,146
Heating contracts		9,883,282		9,899,065
Electrical contracts		1,364,278		437,260
Architect fees		15,399,579		15,179,602
Construction management contracts		162,772,503		149,274,939
Equipment contracts		41,932,972		36,656,297
Improvements to new sites		649,288		378,931
Improvements to existing sites		54,435		1,114,156
Miscellaneous contracts		19,229,345		20,282,219
	<u>846,449,754</u>	<u>268,425,898</u>	<u>578,023,856</u>	<u>246,689,615</u>
Other:				
Library books	4,326,164	619,694	3,706,470	460,153
	<u>897,606,349</u>	<u>277,274,884</u>	<u>620,331,465</u>	<u>253,686,477</u>
Equipment:	<u>943,911</u>	<u>171,253</u>	<u>772,658</u>	<u>101,147</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL OUTLAY FUND****FOR YEAR ENDED JUNE 30, 2022****(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022			2021
	Budget	Actual	Variance	Actual
Vehicles:				
Administration		176,450		919,051
Transportation		4,507,916		5,268,812
	<u>7,522,763</u>	<u>4,684,366</u>	<u>2,838,397</u>	<u>6,187,863</u>
Unbudgeted funds	<u>459,817</u>	<u>-</u>	<u>459,817</u>	<u>-</u>
Debt service:				
Principal		2,492,213		2,201,044
Interest		186,820		-
	<u>2,679,033</u>	<u>2,679,033</u>	<u>-</u>	<u>2,201,044</u>
Total expenditures	<u>909,211,873</u>	<u>284,809,536</u>	<u>624,402,337</u>	<u>262,176,531</u>
Deficiency of revenues over expenditures before other financing sources	<u>(5,038,660)</u>	<u>(2,372,338)</u>	<u>2,666,322</u>	<u>(3,657,748)</u>
OTHER FINANCING SOURCES:				
Installment purchase obligations issued	2,926,582	2,053,600	-	3,644,185
Appropriated fund balance	<u>2,112,078</u>	<u>-</u>	<u>(2,112,078)</u>	<u>-</u>
Total other financing sources	<u>5,038,660</u>	<u>2,053,600</u>	<u>(2,112,078)</u>	<u>3,644,185</u>
Net change in fund balance	<u>\$ -</u>	<u>(318,738)</u>	<u>\$ 554,244</u>	<u>(13,563)</u>
Fund balance, beginning of year		<u>4,404,293</u>		<u>4,417,856</u>
Fund balance, end of year		<u>\$ 4,085,555</u>		<u>\$ 4,404,293</u>

WAKE COUNTY BOARD OF EDUCATION**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OTHER RESTRICTED FUNDS****FOR YEAR ENDED JUNE 30, 2022****(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022			2021
	Budget	Actual	Variance	Actual
REVENUES:				
State: Other	\$ 1,843	\$ 1,843	\$ -	\$ 109,694
Wake County:				
County appropriation	888,050	888,050	-	929,728
Federal:				
ROTC	468,224	473,800	5,576	569,204
MSAP Cornerstone 2017	4,161,590	1,990,613	(2,170,977)	2,090,500
Project Nexus	6,622,772	2,224,144	(4,398,628)	51,692
CARES Act funds	220,960	220,960	-	14,779,040
Other federal	7,232,571	1,464,506	(5,768,065)	629,236
Total	18,706,117	6,374,023	(12,332,094)	18,119,672
Other local:				
Medicaid	19,315,788	6,612,479	(12,703,309)	3,863,028
Indirect cost	10,583,195	10,581,851	(1,344)	2,004,125
E-Rate	1,134,079	1,134,079	-	4,482,536
Other restricted local	8,544,354	4,916,734	(3,627,620)	2,856,127
Interest	11,274	12,646	1,372	27,921
Total	39,588,690	23,257,789	(16,330,901)	13,233,737
Total revenues	59,184,700	30,521,705	(28,662,995)	32,392,831
EXPENDITURES:				
Regular instructional services				
Regular curricular		3,161,936		3,089,201
CTE curricular		89,487		116,109
Program enhancement teachers		1,018,487		173,944
	5,301,996	4,269,910	1,032,086	3,379,254
Special populations services				
Children with disabilities curricular		1,858,135		1,455,142
Pre-K children with disabilities curricular		344,810		243,574
Speech and language pathology		6,779		170,874
Audiology		51,841		13,019
Academically/intellectually gifted curricular		39,731		-
	4,850,974	2,301,296	2,549,678	1,882,609
Alternative programs and services				
Alternative instructional K-12		72,000		72,000
Attendance and social work		251,785		-
Remedial and supplemental K-12		481,191		359,448
Pre-K readiness/remedial and supplemental		1,667,721		1,698,007
Extended day/year instructional		50,463		48,670
	3,531,670	2,523,160	1,008,510	2,178,125

WAKE COUNTY BOARD OF EDUCATION**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OTHER RESTRICTED FUNDS****FOR YEAR ENDED JUNE 30, 2022****(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022			2021
	Budget	Actual	Variance	Actual
School leadership services				
School leadership	\$ -	\$ 14,590	\$ -	\$ 12,737
School assistant principal		144,659		30,803
	171,179	159,249	11,930	43,540
Co-Curricular services	15,000	15,000	-	-
School-based support services				
Educational media		201,479		37,432
Guidance		52,181		95,607
Health		2,890,580		5,120,595
Safety and security		4,579		6,979
Instructional technology		57,216		54,654
Staff development unallocated		17,567		36,239
Parent involvement		77,242		53,485
	11,787,401	3,300,844	8,486,557	5,404,991
Regular curricular support and development	1,537,811	1,250,206	287,605	1,001,464
Special population support and development services	1,649,554	982,837	666,717	341,811
Alternative programs and services support and development services	1,274,032	851,327	422,705	458,501
Technology support services	1,129,057	1,129,057	-	3,322,384
Operational support services				
Communication		5,022		2,760,152
Public utility and energy		12,283,567		2,089,685
Custodial/housekeeping		10,665		2,342,468
Transportation		8,371		293,381
Facilities planning, acquisition and construction		-		1,240,185
	12,342,828	12,307,625	35,203	8,725,871
Human resource	703,286	337,591	365,695	191,121
Accountability services				
Planning, research development and program evaluation	16,016	14,500	1,516	2,037

(Continued)

WAKE COUNTY BOARD OF EDUCATION**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OTHER RESTRICTED FUNDS****FOR YEAR ENDED JUNE 30, 2022****(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022			2021
	Budget	Actual	Variance	Actual
Systemwide pupil support services				
Guidance support	\$ -	\$ 331,781	\$ -	\$ 37,387
Health support		273,284		177,988
	654,999	605,065	49,934	215,375
Policy, leadership and public relations services	2,873	2,873	-	-
Ancillary services				
Community		26,760		2,742
Nutrition		43		5,545,069
	68,689	26,803	41,886	5,547,811
Nonprogram charges				
Indirect cost	233,896	149,700	84,196	70,978
Unbudgeted funds	13,619,434	-	13,619,434	-
Debt service				
Principal		171,882		-
Interest		716,168		-
	888,050	888,050	-	-
Total expenditures	59,778,745	31,115,093	28,663,652	32,765,872
Deficiency of revenues over expenditures before other financing sources (uses)	(594,045)	(593,388)	657	(373,041)
OTHER FINANCING SOURCES (USES):				
Transfers in	594,045	593,388	(657)	429,776
Transfers out	-	-	-	(56,735)
Total other financing sources (uses)	594,045	593,388	(657)	373,041
Net change in fund balance	\$ -	-	\$ -	-
Fund balance, beginning of year		3,139,750		51,110
Increase (decrease) in reserve for inventories		(20,321)		3,088,640
Fund balance, end of year		\$ 3,119,429		\$ 3,139,750

WAKE COUNTY BOARD OF EDUCATION**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STATE ADMINISTERED FEDERAL GRANTS FUND****FOR YEAR ENDED JUNE 30, 2022****(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022			2021
	Budget	Actual	Variance	Actual
REVENUES:				
Federal:				
Special education	\$ 55,640,145	\$ 30,830,283	\$ (24,809,862)	\$ 28,906,316
Elementary and secondary school emergency relief fund	337,031,742	161,006,187	(176,025,555)	12,105,143
Title I	35,481,221	30,421,693	(5,059,528)	30,011,027
Governor's emergency education relief	2,897,812	2,592,451	(305,361)	2,484,133
Career technical education	1,803,646	1,489,350	(314,296)	1,607,529
Improving teacher quality	7,111,662	3,406,313	(3,705,349)	2,855,063
English language acquisition	2,698,667	1,821,099	(877,568)	1,791,304
Student support and academic enrichment	3,805,350	2,405,018	(1,400,332)	2,931,163
ARP - ESSER III - Teacher Bonuses	10,410,250	10,410,250	-	-
Other federal	21,425,559	1,863,602	(19,561,957)	12,814
Total revenues	478,306,054	246,246,246	(232,059,808)	82,704,492
EXPENDITURES:				
Regular instructional services				
Regular curricular		44,891,486		463,042
CTE curricular		3,952,533		1,570,313
Program enhancement teachers		7,070,075		1,351,002
	56,742,346	55,914,094	828,252	3,384,357
Special populations services				
Children with disabilities curricular		37,421,437		25,299,403
Special population CTE curricular		93,742		225
Pre-K children with disabilities curricular		1,630,744		362,411
Speech and language pathology		898,147		151,832
Audiology		50,853		5,893
Academically/intellectually gifted curricular		499,770		-
Limited english proficiency		2,398,963		1,437,711
	55,792,226	42,993,656	12,798,570	27,257,475
Alternative programs and services				
Alternative instructional K-12		1,136,227		486,179
Attendance and social work		2,984,128		919,147
Remedial and supplemental K-12		48,252,438		22,403,092
Pre-K readiness/remedial and supplemental		7,677,450		6,335,899
Extended day/year instructional		703,380		730,505
School extension learning		24,093,848		8,467,026
	106,822,597	84,847,471	21,975,126	39,341,848

(Continued)

WAKE COUNTY BOARD OF EDUCATION**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STATE ADMINISTERED FEDERAL GRANTS FUND****FOR YEAR ENDED JUNE 30, 2022****(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022			2021
	Budget	Actual	Variance	Actual
School leadership services				
School leadership	\$ -	\$ 1,621,786	\$ -	\$ 19,224
School principal		514,693		-
School assistant principal		3,735,107		-
	5,943,699	5,871,586	72,113	19,224
Co-Curricular services	8,594	8,594	-	-
School-based support services				
Educational media		1,368,956		3,895
Student accounting		918,870		-
Guidance		8,192,431		3,376,611
Health		1,948,117		526,963
Safety and security		276,030		260,000
Instructional technology		2,713,743		488,074
Staff development unallocated		651,097		357,396
Parent involvement		616,050		571,061
	26,103,630	16,685,294	9,418,336	5,584,000
Regular curricular support and development	2,408,810	2,140,792	268,018	1,804,472
Special population support and development services	1,070,594	945,641	124,953	499,163
Alternative programs and services support and development services	1,620,163	1,592,120	28,043	964,836
Technology support services	7,693,310	7,081,537	611,773	-
Operational support services				
Printing and copying		13,386		-
Custodial/housekeeping		8,738,031		1,787,341
Transportation		2,633,659		-
Warehouse and delivery		5,372		-
Facilities planning, acquisition and construction		103,372		-
Maintenance		4,762,398		2,177
	23,965,389	16,256,218	7,709,171	1,789,518
Financial and human resource services				
Financial		371,481		-
Human resource		652,385		407,736
	1,296,222	1,023,866	272,356	407,736

(Continued)

WAKE COUNTY BOARD OF EDUCATION**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STATE ADMINISTERED FEDERAL GRANTS FUND****FOR YEAR ENDED JUNE 30, 2022****(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022			2021
	Budget	Actual	Variance	Actual
Accountability services				
Student testing	\$ -	\$ 22,831	\$ -	\$ -
Planning, research development and program evaluation		57,829		-
	80,660	80,660	-	-
Systemwide pupil support services				
Educational media support		90,259		-
Student accounting support		59,013		-
Guidance support		24,995		-
Health support		46,922		-
Safety and security support		29,561		-
Instructional technology support		6,710		-
	326,087	257,460	68,627	-
Policy, leadership and public relations services				
Audit		13,430		-
Leadership		136,947		-
Public relations and marketing		33,542		-
	183,919	183,919	-	-
Ancillary services				
Community		28,190		-
Nutrition		2,935,770		10,935
	3,861,111	2,963,960	897,151	10,935
Non-program charges: Indirect cost	8,629,721	7,395,561	1,234,160	1,640,928
Unbudgeted funds	175,753,159	-	175,753,159	-
Debt service				
Principal		32,635		-
Interest		225		-
	32,860	32,860	-	-
Total expenditures	478,335,097	246,275,289	232,059,808	82,704,492
Excess of revenues over expenditures	(29,043)	(29,043)	-	-
OTHER FINANCING SOURCES (USES):				
Lease liabilities issued	29,043	29,043	-	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
FOR YEAR ENDED JUNE 30, 2022

	Fund Balance 6/30/2021	Revenues	Expenditures and Transfers	Fund Balance 6/30/2022
HIGH SCHOOLS:				
Apex	\$ 352,195	\$ 347,601	\$ 307,852	\$ 391,944
Apex Friendship	227,485	399,924	374,224	253,185
Athens Drive	203,189	267,275	262,542	207,922
Broughton	166,178	250,779	224,056	192,901
Cary	160,549	181,210	140,044	201,715
East Wake	104,153	130,011	110,210	123,954
Enloe	227,736	276,392	297,002	207,126
Fuquay-Varina	263,364	245,597	257,629	251,332
Garner	166,103	173,520	213,854	125,769
Green Hope	187,974	273,318	255,859	205,433
Green Level	60,111	275,738	263,850	71,999
Heritage	192,842	238,308	285,360	145,790
Holly Springs	244,147	314,971	241,603	317,515
Knightdale	155,037	149,613	106,368	198,282
Leesville Road	173,111	314,249	240,468	246,892
Middle Creek	323,782	282,018	242,441	363,359
Millbrook	246,941	313,941	233,756	327,126
North Wake College and Career	6,896	15,249	8,795	13,350
Panther Creek	215,450	345,045	285,585	274,910
Rolesville	154,508	221,449	141,858	234,099
Sanderson	223,368	202,972	202,279	224,061
South Garner	56,972	138,593	120,084	75,481
Southeast Raleigh	84,805	128,299	119,953	93,151
Vernon Malone College and Career	22,142	11,501	12,123	21,520
Wake STEM Early College	25,856	11,452	7,965	29,343
Wake Early College	43,103	21,108	19,282	44,929
Wake Forest	185,330	251,947	237,922	199,355
Wakefield	157,263	272,545	248,981	180,827
Willow Springs	-	104,573	78,013	26,560
	<u>4,630,590</u>	<u>6,159,198</u>	<u>5,539,958</u>	<u>5,249,830</u>
MIDDLE SCHOOLS:				
Alston Ridge	12,634	27,328	18,580	21,382
Apex	110,948	29,580	29,839	110,689
Apex Friendship	59,814	66,383	65,761	60,436
Carnage	43,772	29,280	32,669	40,383
Carroll	42,439	22,248	20,005	44,682
Centennial Campus	23,684	3,973	3,103	24,554
Oberlin	25,175	48,233	25,481	47,927
Davis Drive	48,344	44,588	38,193	54,739
Dillard Drive	24,543	37,281	30,379	31,445
Durant Road	32,291	23,724	14,137	41,878
East Cary	44,858	32,259	23,424	53,693
East Garner	104,028	31,322	29,299	106,051

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
FOR YEAR ENDED JUNE 30, 2022

	Fund Balance 6/30/2021	Revenues	Expenditures and Transfers	Fund Balance 6/30/2022
East Millbrook	\$ 11,139	\$ 21,409	\$ 8,504	\$ 24,044
Neuse River	8,048	22,155	9,383	20,820
Fuquay-Varina	143,745	57,863	46,663	154,945
Heritage	60,153	68,246	53,509	74,890
Holly Grove	139,929	48,849	32,534	156,244
Holly Ridge	68,976	27,617	20,288	76,305
Leesville Road	83,232	28,618	35,005	76,845
Ligon	89,350	76,025	72,552	92,823
Lufkin Road	39,750	27,143	16,134	50,759
Martin	45,274	58,253	48,388	55,139
Mills Park	71,480	28,458	28,660	71,278
Moore Square	22,396	19,260	19,992	21,664
North Garner	30,837	23,303	19,773	34,367
Pine Hollow	81,736	66,800	39,626	108,910
Reedy Creek	59,102	16,372	8,781	66,693
River Bend	23,223	23,454	12,075	34,602
Rolesville	37,302	44,087	48,107	33,282
Salem	55,708	77,146	69,638	63,216
Wake Forest	65,019	21,421	23,513	62,927
Wakefield	49,803	41,032	34,044	56,791
Wendell	35,971	20,373	13,589	42,755
West Cary	35,870	19,812	14,241	41,441
West Lake	30,685	21,731	11,212	41,204
West Millbrook	55,704	50,494	47,786	58,412
Zebulon	21,177	22,593	21,623	22,147
	<u>1,938,139</u>	<u>1,328,713</u>	<u>1,086,490</u>	<u>2,180,362</u>
ELEMENTARY SCHOOLS:				
Abbotts Creek	21,832	16,581	18,025	20,388
Adams	14,939	46,108	28,954	32,093
Alston Ridge	17,968	14,505	8,944	23,529
Apex	36,110	38,788	37,227	37,671
Aversboro	26,927	6,153	5,572	27,508
Baileywick Road	27,254	7,342	9,872	24,724
Ballentine	17,719	21,245	8,102	30,862
Banks Road	8,073	27,511	26,675	8,909
Barwell Road	11,695	3,558	4,051	11,202
Baucom	70,093	30,858	33,250	67,701
Beaverdam	8,588	3,325	2,290	9,623
Brassfield	39,057	30,634	31,206	38,485
Brentwood	15,676	4,864	6,595	13,945
Briarcliff	30,228	17,414	27,457	20,185
Brier Creek	25,466	8,205	7,804	25,867
Brooks	162,560	48,203	113,450	97,313
Bryan Road	9,681	10,879	8,495	12,065
Buckhorn Creek	21,896	13,133	20,717	14,312

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
FOR YEAR ENDED JUNE 30, 2022

	Fund Balance 6/30/2021	Revenues	Expenditures and Transfers	Fund Balance 6/30/2022
Bugg	\$ 11,692	\$ 8,184	\$ 7,425	\$ 12,451
Carpenter	26,700	11,099	23,050	14,749
Carver	21,475	6,713	7,352	20,836
Cary	28,275	10,247	9,779	28,743
Cedar Fork	25,776	3,514	16,641	12,649
Combs	24,663	12,596	10,373	26,886
Conn	9,027	3,691	2,219	10,499
Creech Road	12,837	9,334	9,532	12,639
Davis Drive	16,450	30,310	31,890	14,870
Dillard Drive	27,915	9,934	17,170	20,679
Douglas	31,367	6,595	6,010	31,952
Durant Road	39,741	12,299	22,552	29,488
East Garner	28,979	30,471	10,749	48,701
Farmington Woods	32,632	9,839	20,220	22,251
Forest Pines Drive	18,721	6,736	11,909	13,548
Forestville Road	28,862	5,527	17,663	16,726
Fox Road	18,386	6,117	6,717	17,786
Fuller	12,279	6,349	4,845	13,783
Fuquay-Varina	31,952	15,937	23,298	24,591
Green	29,978	316	3,969	26,325
Green Hope	16,944	4,359	6,827	14,476
Harris Creek	26,293	30,841	21,692	35,442
Herbert Akins Road	40,805	57,416	44,245	53,976
Heritage	14,335	8,461	16,526	6,270
Highcroft Drive	33,005	55,427	74,240	14,192
Hodge Road	6,999	4,434	6,900	4,533
Holly Grove	51,720	13,908	22,090	43,538
Holly Ridge	59,771	21,825	46,778	34,818
Holly Springs	47,823	31,486	49,399	29,910
Hortons Creek	19,417	8,106	2,726	24,797
Hunter	62,064	22,114	13,949	70,229
Jeffreys Grove	46,355	11,652	7,713	50,294
Jones Dairy	16,875	9,400	10,061	16,214
Joyner	90,834	21,014	-	111,848
Kingswood	22,769	13,947	13,743	22,973
Knightdale	20,258	1,340	5,089	16,509
Lacy	181,745	285,531	117,340	349,936
Lake Myra	14,204	9,288	5,178	18,314
Laurel Park	44,357	25,608	47,825	22,140
Lead Mine	23,275	2,025	2,311	22,989
Leesville Road	11,354	27,175	24,387	14,142
Lincoln Heights	35,164	13,023	17,432	30,755
Lockhart	12,005	1,969	6,695	7,279
Lynn Road	5,643	7,663	7,671	5,635
Middle Creek	19,505	42,266	44,086	17,685
Millbrook	13,275	5,340	3,417	15,198

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
FOR YEAR ENDED JUNE 30, 2022

	Fund Balance 6/30/2021	Revenues	Expenditures and Transfers	Fund Balance 6/30/2022
Mills Park	\$ 13,158	\$ 18,895	\$ 25,932	\$ 6,121
Morrisville	29,432	11,012	24,199	16,245
North Forest Pines	30,356	23,351	19,252	34,455
North Ridge	40,119	11,104	12,646	38,577
Northwoods	18,052	1,853	1,574	18,331
Oak Grove	16,875	50,485	52,026	15,334
Oakview	41,119	81,850	44,253	78,716
Olds	31,658	11,920	14,217	29,361
Olive Chapel	74,046	99,471	113,195	60,322
Partnership	15,579	3,984	4,083	15,480
Parkside	13,151	2,042	3,318	11,875
Penny Road	33,965	13,973	14,969	32,969
Pleasant Grove	25,435	4,254	4,679	25,010
Pleasant Union	22,434	26,649	29,682	19,401
Poe	15,098	4,565	4,659	15,004
Powell	9,655	1,011	2,160	8,506
Rand Road	13,192	26,593	34,479	5,306
Reedy Creek	14,730	2,159	1,789	15,100
Richland Creek	13,523	2,390	2,914	12,999
River Bend	34,733	3,931	2,742	35,922
Rogers Lane	20,167	9,251	8,974	20,444
Rolesville	21,305	1,047	968	21,384
Root	73,174	123,082	171,233	25,023
Salem	40,192	29,066	26,190	43,068
Sanford Creek	77,574	4,224	12,659	69,139
Scotts Ridge	70,390	16,517	13,297	73,610
Smith	23,979	3,142	12,718	14,403
South Lakes	221	6,360	983	5,598
Southeast Raleigh	6,776	7,298	8,429	5,645
Stough	14,082	15,129	16,816	12,395
Swift Creek	12,229	4,999	7,832	9,396
Sycamore Creek	62,160	7,365	6,731	62,794
Timber Drive	15,033	16,269	17,545	13,757
Turner Creek	21,140	62,909	55,494	28,555
Underwood	33,664	6,903	22,426	18,141
Vance	16,125	5,061	5,378	15,808
Vandora Springs	24,462	15,713	21,790	18,385
Wake Forest	37,899	8,562	6,534	39,927
Wakefield	9,069	18,818	19,154	8,733
Wakelon	18,054	4,206	5,040	17,220
Walnut Creek	14,673	27,186	25,498	16,361
Washington	37,285	11,005	14,676	33,614
Weatherstone	36,639	5,391	13,847	28,183
Wendell	28,361	22,105	25,371	25,095
West Lake	32,058	29,094	35,705	25,447
White Oak	25,947	15,898	18,574	23,271

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
FOR YEAR ENDED JUNE 30, 2022

	Fund Balance 6/30/2021	Revenues	Expenditures and Transfers	Fund Balance 6/30/2022
Wilburn	\$ 20,198	\$ 9,845	\$ 73	\$ 29,970
Wildwood Forest	7,568	1,553	3,173	5,948
Wiley	29,199	13,216	12,411	30,004
Willow Springs	14,837	15,205	21,395	8,647
Yates Mill	14,199	13,525	13,162	14,562
York	1,702	9,015	4,798	5,919
Zebulon	19,630	11,565	5,609	25,586
	<u>3,366,564</u>	<u>2,242,748</u>	<u>2,327,620</u>	<u>3,281,692</u>
ACADEMIES:				
Hilburn	24,916	14,819	13,950	25,785
Wake Young Men's Leadership	11,608	8,587	7,453	12,742
Wake Young Women's Leadership	34,125	15,895	11,084	38,936
	<u>70,649</u>	<u>39,301</u>	<u>32,487</u>	<u>77,463</u>
OTHER:				
Connections Academy	706	581	-	1,287
Crossroads Flex	10,942	8,444	5,068	14,318
Longview School	16,227	294	2,603	13,918
Mt. Vernon	13,877	13,524	15,359	12,042
Phillips High School	8,342	3,875	6,371	5,846
River Oaks	7,013	692	531	7,174
	<u>57,107</u>	<u>27,410</u>	<u>29,932</u>	<u>54,585</u>
TOTAL	<u>\$ 10,063,049</u>	<u>\$ 9,797,370</u>	<u>\$ 9,016,487</u>	<u>\$ 10,843,932</u>

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (Non-GAAP)
ENTERPRISE FUND - CHILD NUTRITION PROGRAM
FOR YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022			2021
	Budget	Actual	Variance	Actual
REVENUES:				
Federal:				
Regular USDA grants	\$ 63,466,428	\$ 66,662,757	\$ 3,196,329	\$ 1,941
USDA grants - fresh fruit & vegetable program	110,866	123,108	12,242	102,231
USDA grants - summer feeding program	1,088,879	1,165,392	76,513	21,174,298
USDA grants - commodities used	-	4,913,849	4,913,849	3,221,193
CARES act funds	-	-	-	237,000
	<u>64,666,173</u>	<u>72,865,106</u>	<u>8,198,933</u>	<u>24,736,663</u>
Other:				
Food sales	1,617,327	3,371,913	1,754,586	26,802
Interest	23,193	36,330	13,137	40,818
Local donations or grants	268,945	2,833,068	2,564,123	882,737
	<u>1,909,465</u>	<u>6,241,311</u>	<u>4,331,846</u>	<u>950,357</u>
Total revenues	<u>66,575,638</u>	<u>79,106,417</u>	<u>12,530,779</u>	<u>25,687,020</u>
EXPENDITURES:				
Salaries		21,541,309		10,926,539
Employee benefits		11,552,286		5,867,555
Food		17,900,231		5,515,714
Supplies		3,197,419		1,265,230
Purchased services		546,975		592,753
Donated commodities		4,913,849		3,221,193
Indirect cost		2,412,799		-
Debt service - principal		3,612		-
Total expenditures	<u>67,518,579</u>	<u>62,068,480</u>	<u>5,450,099</u>	<u>27,388,984</u>
Deficiency of revenues over expenditures	<u>(942,941)</u>	<u>17,037,937</u>	<u>17,980,878</u>	<u>(1,701,964)</u>
OTHER FINANCING SOURCES:				
Operating transfer in	<u>942,941</u>	<u>942,941</u>	<u>-</u>	<u>3,790,656</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (Non-GAAP)
ENTERPRISE FUND - CHILD NUTRITION PROGRAM
FOR YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022			2021
	Budget	Actual	Variance	Actual
Deficiency of revenues and other financing sources over expenditures - budgetary (non-GAAP) basis	\$ -	\$ 17,980,878	\$ 17,980,878	\$ 2,088,692
Reconciliation from budgetary (non-GAAP) basis to GAAP:				
Depreciation		(1,231,480)		(1,159,097)
Amortization of right to use lease asset		(3,332)		-
Debt service principal		3,612		-
Gain (loss) on sale of capital assets		625		(19,569)
Non-capital OPEB plan contribution		216,417		288,820
Net OPEB asset		(38,310)		3,603
Net pension liability		9,838,589		(1,226,797)
Net OPEB liability		(3,494,233)		2,310,131
Deferred outflows		(6,541,379)		(44,690)
Deferred inflows		4,659,455		(650,340)
Decrease (increase) in accrued vacation pay		(519,281)		528,720
Change in net deficit		\$ 20,871,561		\$ 2,119,473

Note: Revenues and expenditures related to donated services and commodities are excluded from the above revenues and expenditures compared to budget.

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (Non-GAAP)
ENTERPRISE FUND - TUITION PROGRAMS
FOR YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022			2021
	Budget	Actual	Variance	Actual
REVENUES:				
Other:				
Participant fees	\$ 14,112,580	\$ 8,580,634	\$ (5,531,946)	\$ 1,889,707
Interest	-	16,269	16,269	37,533
Total revenues	<u>14,112,580</u>	<u>8,596,903</u>	<u>(5,515,677)</u>	<u>1,927,240</u>
EXPENDITURES:				
Salaries		3,675,586		3,188,450
Employee benefits		1,171,806		1,638,970
Supplies		709,758		454,775
Purchased services		786,895		495,323
Indirect costs paid		<u>624,966</u>		<u>235,743</u>
Total expenditures	<u>14,112,580</u>	<u>6,969,011</u>	<u>7,143,569</u>	<u>6,013,261</u>
Excess of revenues over expenditures - budgetary (non-GAAP) basis	<u>\$ -</u>	1,627,892	<u>\$ 1,627,892</u>	(4,086,021)
Reconciliation from budgetary (non-GAAP) basis to GAAP				
Depreciation		(41,316)		(48,586)
Loss on sale of capital assets		-		(436)
Non-capital OPEB plan contribution		35,121		85,835
Net OPEB asset		(6,217)		1,071
Net pension liability		1,596,657		(364,595)
Net OPEB liability		(567,062)		686,554
Deferred outflows		(1,061,569)		(13,282)
Deferred inflows		756,161		(193,277)
Decrease (increase) in accrued vacation pay		<u>13,875</u>		<u>19,361</u>
Change in net deficit		<u>\$ 2,353,542</u>		<u>\$ (3,913,376)</u>



Statistical Section



Statistical Section

This section of the Board's Annual Comprehensive Financial Report presents detailed information for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Board's overall financial position.

Contents:

Financial Trends

These schedules contain trend information to help the reader understand how the Board's financial position has changed over time.

Revenue Capacity

Since the Board's revenues are primarily provided by Wake County, these schedules contain information to help the reader access Wake County's major revenue sources.

Debt Capacity

Since the Board's construction funding is primarily provided by Wake County, these schedules present information to help the reader assess the affordability of Wake County's current levels of outstanding debt and their ability to issue additional debt in the future.

Demographic and Economic Information

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

Operating Information

These schedules contain staffing, key operating statistics comparisons and capital asset data to help the reader understand how the information in the Board's financial report related to the services the Board provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports and budget documents for the relevant year.

WAKE COUNTY BOARD OF EDUCATION
NET POSITION (DEFICIT) BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year				
	2022	2021	2020	2019	2018
Governmental activities:					
Net investment in capital assets	\$ 4,067,090,797	\$ 3,892,210,778	\$ 3,733,190,940	\$ 3,549,276,038	\$ 3,329,761,944
Restricted	20,785,371	21,662,737	22,443,897	24,179,548	21,429,835
Unrestricted	<u>(2,432,792,510)</u>	<u>(2,635,779,762)</u>	<u>(2,712,327,735)</u>	<u>(2,687,838,303)</u>	<u>(2,720,230,222)</u>
Total net position	<u>1,655,083,658</u>	<u>1,278,093,753</u>	<u>1,043,307,102</u>	<u>885,617,283</u>	<u>630,961,557</u>
Business-type activities					
Net investment in capital assets	7,445,092	6,153,140	6,772,791	6,621,851	5,267,553
Restricted	106,483	128,695	167,034	209,593	166,611
Unrestricted	<u>(25,169,016)</u>	<u>(47,124,379)</u>	<u>(45,988,466)</u>	<u>(40,232,436)</u>	<u>(38,281,827)</u>
Total net position	<u>(17,617,441)</u>	<u>(40,842,544)</u>	<u>(39,048,641)</u>	<u>(33,400,992)</u>	<u>(32,847,663)</u>
Government-wide					
Net investment in capital assets	4,074,535,889	3,898,363,918	3,739,963,731	3,555,897,889	3,335,029,497
Restricted	20,891,854	21,791,432	22,610,931	24,389,141	21,596,446
Unrestricted	<u>(2,457,961,526)</u>	<u>(2,682,904,141)</u>	<u>(2,758,316,201)</u>	<u>(2,728,070,739)</u>	<u>(2,758,512,049)</u>
Total net position	<u>\$ 1,637,466,217</u>	<u>\$ 1,237,251,209</u>	<u>\$ 1,004,258,461</u>	<u>\$ 852,216,291</u>	<u>\$ 598,113,894</u>

(Continued)

2015 - The decrease in unrestricted net position is due to the first year of pension standards.

2018 - The decrease in unrestricted net position is due to the first year of OPEB standards.

WAKE COUNTY BOARD OF EDUCATION
NET POSITION (DEFICIT) BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year				
	2017	2016	2015	2014	2013
Governmental activities:					
Net investment in capital assets	\$ 3,115,825,897	\$ 2,931,684,587	\$ 2,723,207,488	\$ 2,648,922,011	\$ 2,631,483,747
Restricted	14,821,717	14,602,314	17,025,811	16,599,934	12,011,212
Unrestricted	<u>(258,293,051)</u>	<u>(226,145,732)</u>	<u>(224,731,658)</u>	<u>(1,250,869)</u>	<u>5,464,347</u>
Total net position	<u>2,872,354,563</u>	<u>2,720,141,169</u>	<u>2,515,501,641</u>	<u>2,664,271,076</u>	<u>2,648,959,306</u>
Business-type activities					
Net investment in capital assets	6,412,914	6,087,244	7,356,663	7,727,478	8,010,544
Restricted	-	-	-	-	-
Unrestricted	<u>26,507,774</u>	<u>27,187,091</u>	<u>26,001,803</u>	<u>32,693,479</u>	<u>33,965,521</u>
Total net position	<u>32,920,688</u>	<u>33,274,335</u>	<u>33,358,466</u>	<u>40,420,957</u>	<u>41,976,065</u>
Government-wide					
Net investment in capital assets	3,122,238,811	2,937,771,831	2,730,564,151	2,656,649,489	2,639,494,291
Restricted	14,821,717	14,602,314	17,025,811	16,599,934	12,011,212
Unrestricted	<u>(231,785,277)</u>	<u>(198,958,641)</u>	<u>(198,729,855)</u>	<u>31,442,610</u>	<u>39,429,868</u>
Total net position	<u>\$ 2,905,275,251</u>	<u>\$ 2,753,415,504</u>	<u>\$ 2,548,860,107</u>	<u>\$ 2,704,692,033</u>	<u>\$ 2,690,935,371</u>

2015 - The decrease in 2015 - The decrease in unrestricted net position is due to the first year of pension standards.

2018 - The decrease in 2018 - The decrease in unrestricted net position is due to the first year of OPEB standards.

WAKE COUNTY BOARD OF EDUCATION
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Expenses					
Governmental activities:					
Instructional programs					
Regular	\$ 755,888,171	\$ 745,163,752	\$ 756,413,532	\$ 702,874,136	\$ 731,974,296
Special populations	249,957,184	242,809,587	246,494,723	233,027,523	243,000,627
Alternative programs and services	133,890,588	97,272,637	87,640,748	80,924,330	83,782,030
School leadership	101,682,419	98,228,064	99,993,182	90,152,056	90,665,395
Co-curricular	27,266,813	24,341,345	35,689,594	33,478,902	29,884,642
School-based support services	105,919,583	104,529,800	97,856,120	90,949,064	90,602,486
Systemwide support services					
Support and development	9,291,875	8,545,457	8,497,991	8,426,648	14,976,789
Special populations support and development	8,287,946	7,370,943	6,941,524	6,141,058	6,414,994
Alternative programs and services support and development	4,795,986	4,202,968	4,106,244	3,502,850	3,185,133
Technology support	56,325,755	53,857,612	63,510,929	30,844,405	34,493,632
Operational support	180,829,104	155,973,871	172,671,446	184,310,605	172,750,747
Financial and human resource	21,852,273	22,087,993	22,399,593	21,035,774	20,835,125
Accountability	1,942,251	1,993,596	2,163,932	1,993,192	2,766,782
Systemwide pupil support	5,896,814	5,339,159	6,101,720	4,392,791	5,923,268
Policy, leadership and public relations	11,490,403	12,076,314	12,312,374	11,199,607	11,098,595
Ancillary Services	4,128,656	8,037,759	3,997,339	342,910	140,697
Nonprogram charges	45,002,063	44,638,864	37,139,670	32,440,098	25,807,938
Interest on long-term debt	3,381,001				
Depreciation - unallocated	97,437,981	97,818,810	93,793,766	93,204,421	89,277,817
Total governmental activities expenses	<u>1,825,266,866</u>	<u>1,734,288,531</u>	<u>1,757,724,427</u>	<u>1,629,240,370</u>	<u>1,657,580,993</u>
Business-type activities:					
Food service	59,394,839	27,627,454	49,473,155	54,185,940	58,151,824
Tuition programs	6,278,482	5,926,451	11,455,983	13,791,003	14,381,100
Total business-type activities	<u>65,673,321</u>	<u>33,553,905</u>	<u>60,929,138</u>	<u>67,976,943</u>	<u>72,532,924</u>
Total school district expenses	<u>1,890,940,187</u>	<u>1,767,842,436</u>	<u>1,818,653,565</u>	<u>1,697,217,313</u>	<u>1,730,113,917</u>
Program revenues					
Governmental activities:					
Charges for services-regular instructional	1,686,639	13,947	1,100,760	1,629,450	1,371,417
Charges for services-ancillary services	-	-	-	32,480	28,777
Operating grants and contributions	1,362,724,761	1,156,494,973	1,120,724,055	1,075,480,070	1,001,491,868
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	<u>1,364,411,400</u>	<u>1,156,508,920</u>	<u>1,121,824,815</u>	<u>1,077,142,000</u>	<u>1,002,892,062</u>
Business-type activities:					
Charges for services-food services	3,371,913	26,802	12,417,023	17,424,575	17,271,145
Charges for services-tuition programs	8,580,634	1,889,707	10,299,433	14,189,922	13,971,475
Operating grants and contributions	73,134,051				
Capital grants and contributions	2,564,748	25,599,831	29,681,976	35,254,178	34,048,329
Total business-type activities program revenues	<u>87,651,346</u>	<u>27,516,340</u>	<u>52,398,432</u>	<u>66,868,675</u>	<u>65,290,949</u>
Total school district program revenues	<u>1,452,062,746</u>	<u>1,184,025,260</u>	<u>1,174,223,247</u>	<u>1,144,010,675</u>	<u>1,068,183,011</u>
Net (expense)/revenue					
Governmental activities	(460,855,466)	(577,779,611)	(635,899,612)	(552,098,370)	(654,688,931)
Business-type activities	21,978,025	(6,037,565)	(8,530,706)	(1,108,268)	(7,241,975)
Total school district net expense	<u>\$ (438,877,441)</u>	<u>\$ (583,817,176)</u>	<u>\$ (644,430,318)</u>	<u>\$ (553,206,638)</u>	<u>\$ (661,930,906)</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenses					
Governmental activities:					
Instructional programs					
Regular	\$ 655,240,420	\$ 583,890,706	\$ 538,699,660	\$ 548,740,312	\$ 541,574,616
Special populations	221,579,226	196,300,020	181,153,903	181,570,641	177,338,087
Alternative programs and services	82,345,265	78,254,955	63,987,611	67,406,274	64,409,245
School leadership	80,203,279	71,562,962	67,145,678	69,258,721	68,170,100
Co-curricular	27,654,770	24,699,448	21,546,339	23,226,828	21,733,809
School-based support services	81,922,365	72,328,355	61,577,799	61,233,044	60,149,751
Systemwide support services					
Support and development	13,158,583	11,835,596	10,932,679	10,115,956	9,919,952
Special populations support and development	5,830,879	4,918,030	4,373,936	4,651,561	4,299,423
Alternative programs and services support and development	3,028,276	3,373,273	3,086,128	2,739,756	2,469,867
Technology support	42,430,480	28,037,064	23,361,372	18,109,553	17,505,099
Operational support	147,592,022	156,926,276	161,949,750	167,828,385	183,977,661
Financial and human resource	20,400,114	18,222,357	16,308,934	16,209,892	16,587,230
Accountability	2,852,691	3,433,611	3,804,913	4,012,919	3,221,131
Systemwide pupil support	5,693,573	5,515,556	5,062,216	4,925,370	4,915,910
Policy, leadership and public relations	10,642,828	8,642,718	8,209,071	7,667,733	7,248,610
Ancillary Services	91,242	112,906	166,997	176,331	516,479
Nonprogram charges	23,963,483	21,134,354	14,957,067	10,589,182	9,879,925
Interest on long-term debt					
Depreciation - unallocated	129,457,253	79,120,543	75,594,568	63,861,810	85,310,073
Total governmental activities expenses	<u>1,554,086,749</u>	<u>1,368,308,730</u>	<u>1,261,918,621</u>	<u>1,262,324,268</u>	<u>1,279,226,968</u>
Business-type activities:					
Food service	55,387,857	53,618,487	53,254,152	52,823,064	49,839,848
Tuition programs	13,162,916	11,750,436	11,217,887	12,931,220	10,222,509
Total business-type activities	<u>68,550,773</u>	<u>65,368,923</u>	<u>64,472,039</u>	<u>65,754,284</u>	<u>60,062,357</u>
Total school district expenses	<u>1,622,637,522</u>	<u>1,433,677,653</u>	<u>1,326,390,660</u>	<u>1,328,078,552</u>	<u>1,339,289,325</u>
Program revenues					
Governmental activities:					
Charges for services-regular instructional	1,321,281	1,269,473	1,182,907	1,157,302	1,136,084
Charges for services-ancillary services	24,085	34,136	52,628	34,070	30,271
Operating grants and contributions	970,584,143	934,462,654	896,644,270	855,019,388	830,318,727
Capital grants and contributions	-	-	-	53,432	371,846
Total governmental activities program revenues	<u>971,929,509</u>	<u>935,766,263</u>	<u>897,879,805</u>	<u>856,264,192</u>	<u>831,856,928</u>
Business-type activities:					
Charges for services-food services	18,083,111	17,315,970	16,913,781	18,540,817	20,004,234
Charges for services-tuition programs	13,372,693	13,531,484	12,364,080	12,050,049	10,736,600
Operating grants and contributions					
Capital grants and contributions	36,407,837	35,165,199	33,504,107	33,048,188	31,578,527
Total business-type activities program revenues	<u>67,863,641</u>	<u>66,012,653</u>	<u>62,781,968</u>	<u>63,639,054</u>	<u>62,319,361</u>
Total school district program revenues	<u>1,039,793,150</u>	<u>1,001,778,916</u>	<u>960,661,773</u>	<u>919,903,246</u>	<u>894,176,289</u>
Net (expense)/revenue					
Governmental activities	(582,157,240)	(432,542,467)	(364,038,816)	(406,060,076)	(447,370,040)
Business-type activities	(687,132)	643,730	(1,690,071)	(2,115,230)	2,257,004
Total school district net expense	<u>\$ (582,844,372)</u>	<u>\$ (431,898,737)</u>	<u>\$ (365,728,887)</u>	<u>\$ (408,175,306)</u>	<u>\$ (445,113,036)</u>

WAKE COUNTY BOARD OF EDUCATION
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION (DEFICIT)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year				
	2022	2021	2020	2019	2018
Net (expense)/revenue					
Governmental activities	\$ (460,855,466)	\$ (577,779,611)	\$ (552,098,370)	\$ (552,098,370)	\$ (654,688,931)
Business-type activities	21,978,025	(6,037,565)	(1,108,268)	(1,108,268)	(7,241,975)
Total school district net expense	<u>(438,877,441)</u>	<u>(583,817,176)</u>	<u>(553,206,638)</u>	<u>(553,206,638)</u>	<u>(661,930,906)</u>
General revenues and other changes in net position					
Governmental activities:					
Unrestricted county appropriations-operating	544,205,101	526,003,342	514,023,140	475,847,283	429,719,331
Unrestricted county appropriations - capital	278,419,093	255,970,316	274,820,533	321,238,447	305,195,784
Unrestricted state appropriation - capital	2,341,016	2,201,044	1,359,984	693,296	387,942
Investment earnings, unrestricted	282,701	528,408	1,301,417	1,284,091	761,942
Non-Capital OPEB Plan Contribution	10,689,656	27,584,669	-	-	-
Miscellaneous, unrestricted	2,850,745	4,069,139	4,533,113	7,759,709	5,663,606
Transfer	<u>(942,941)</u>	<u>(3,790,656)</u>	<u>(2,448,756)</u>	<u>(68,730)</u>	<u>(45,012)</u>
Total governmental activities	<u>837,845,371</u>	<u>812,566,262</u>	<u>793,589,431</u>	<u>806,754,096</u>	<u>741,683,593</u>
Business-type activities:					
Investment earnings, unrestricted	52,599	78,351	434,301	486,209	374,257
Non-Capital OPEB Plan Contribution	251,538	374,655	-	-	-
Transfer	<u>942,941</u>	<u>3,790,656</u>	<u>2,448,756</u>	<u>68,730</u>	<u>45,012</u>
Total business-type activities	<u>1,247,078</u>	<u>4,243,662</u>	<u>2,883,057</u>	<u>554,939</u>	<u>419,269</u>
Total school district	<u>839,092,449</u>	<u>816,809,924</u>	<u>796,472,488</u>	<u>807,309,035</u>	<u>742,102,862</u>
Change in net position					
Governmental activities	376,989,905	234,786,651	241,491,061	254,655,726	86,994,662
Business-type activities	<u>23,225,103</u>	<u>(1,793,903)</u>	<u>1,774,789</u>	<u>(553,329)</u>	<u>(6,822,706)</u>
Total school district	<u>\$ 400,215,008</u>	<u>\$ 232,992,748</u>	<u>\$ 243,265,850</u>	<u>\$ 254,102,397</u>	<u>\$ 80,171,956</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION (DEFICIT)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year				
	2017	2016	2015	2014	2013
Net (expense)/revenue					
Governmental activities	\$ (582,157,240)	\$ (432,542,467)	\$ (364,038,816)	\$ (406,060,076)	\$ (447,370,040)
Business-type activities	(687,132)	643,730	(1,690,071)	(2,115,230)	2,257,004
Total school district net expense	<u>(582,844,372)</u>	<u>(431,898,737)</u>	<u>(365,728,887)</u>	<u>(408,175,306)</u>	<u>(445,113,036)</u>
General revenues and other changes in net position					
Governmental activities:					
Unrestricted county appropriations-operating	408,760,031	384,849,031	340,138,653	323,966,127	317,181,372
Unrestricted county appropriations - capital	319,326,301	280,060,809	149,664,203	90,259,437	72,689,611
Unrestricted state appropriation - capital	428,778	816,720	4,947,219	5,154,525	32,522,268
Investment earnings, unrestricted	706,920	475,650	389,767	458,800	443,039
Non-Capital OPEB Plan Contribution	-	-	-	-	-
Miscellaneous, unrestricted	5,203,959	7,966,262	6,765,132	1,959,815	4,615,860
Transfer	<u>(55,355)</u>	<u>(45,187)</u>	<u>(331,509)</u>	<u>(426,858)</u>	<u>(532,972)</u>
Total governmental activities	<u>734,370,634</u>	<u>674,123,285</u>	<u>501,573,465</u>	<u>421,371,846</u>	<u>426,919,178</u>
Business-type activities:					
Investment earnings, unrestricted	278,130	199,082	139,011	133,264	135,374
Non-Capital OPEB Plan Contribution	-	-	-	-	-
Transfer	<u>55,355</u>	<u>45,187</u>	<u>331,509</u>	<u>426,858</u>	<u>532,972</u>
Total business-type activities	<u>333,485</u>	<u>244,269</u>	<u>470,520</u>	<u>560,122</u>	<u>668,346</u>
Total school district	<u>734,704,119</u>	<u>674,367,554</u>	<u>502,043,985</u>	<u>421,931,968</u>	<u>427,587,524</u>
Change in net position					
Governmental activities	152,213,394	241,580,818	137,534,649	15,311,770	(20,450,862)
Business-type activities	<u>(353,647)</u>	<u>887,999</u>	<u>(1,219,551)</u>	<u>(1,555,108)</u>	<u>2,925,350</u>
Total school district	<u>\$ 151,859,747</u>	<u>\$ 242,468,817</u>	<u>\$ 136,315,098</u>	<u>\$ 13,756,662</u>	<u>\$ (17,525,512)</u>

WAKE COUNTY BOARD OF EDUCATION
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year				
	2022	2021	2020	2019	2018
General fund					
Nonspendable					
Inventories	\$ 4,815,908	\$ 4,238,945	\$ 5,905,099	\$ 4,559,114	\$ 4,438,637
Prepaid	-	-	-	-	105,263
Restricted					
Stabilization by state statute	5,736,628	5,038,800	5,005,418	5,057,968	5,261,993
Energy savings obligations	-	38,680	1,170,115	6,488,539	-
Assigned					
Special projects	14,169,986	38,458,921	19,296,846	13,899,683	9,838,302
Insurance	15,316,319	13,878,448	13,851,590	11,735,920	10,643,848
Flexible benefit plan	2,540,613	2,061,172	1,693,169	1,609,584	1,557,774
Subsequent year expenditures	27,926,893	20,135,556	8,695,601	8,107,000	4,900,000
Unassigned	46,547,827	44,697,733	35,271,113	11,391,203	12,135,493
Total general fund	<u>\$ 117,054,174</u>	<u>\$ 128,548,255</u>	<u>\$ 90,888,951</u>	<u>\$ 62,849,011</u>	<u>\$ 48,881,310</u>
All other governmental funds					
Nonspendable					
Inventories	\$ 3,068,319	\$ 3,088,640	\$ -	\$ -	\$ -
Restricted					
Stabilization by State Statute	327,123	2,015,382	2,080,942	168,929	111,038
Capital expenditures	2,605,325	1,400,218	1,375,364	1,205,318	1,079,897
Individual schools	10,843,932	10,063,049	9,943,987	9,000,578	8,733,707
Special Programs	51,110	51,110	51,110	51,110	-
Restricted contributions for capital expenditures	54,576	53,916	48,896	27,832	27,832
Subsequent years expenditures	-	-	-	-	-
Assigned					
Special projects	1,098,531	934,777	912,654	943,953	723,723
Total all other governmental funds	<u>\$ 18,048,916</u>	<u>\$ 17,607,092</u>	<u>\$ 14,412,953</u>	<u>\$ 11,397,720</u>	<u>\$ 10,676,197</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year				
	2017	2016	2015	2014	2013
General fund					
Nonspendable					
Inventories	\$ 3,919,935	\$ 3,435,317	\$ 2,442,586	\$ 2,966,259	\$ 3,122,198
Prepaid	49,622	88,607	1,639,972	4,543,602	1,537,187
Restricted					
Stabilization by state statute	4,797,511	4,116,427	7,404,038	5,542,274	3,163,132
Energy savings obligations	-	-	-	-	-
Assigned					
Special projects	14,420,578	14,270,811	10,604,339	19,427,037	6,008,131
Insurance	10,732,144	10,310,534	10,212,545	9,909,912	8,388,026
Flexible benefit plan	1,354,093	1,229,780	1,139,379	1,225,223	1,244,575
Subsequent year expenditures	12,840,355	10,400,000	20,000,000	26,075,734	28,400,000
Unassigned	9,899,217	13,880,710	14,894,753	20,215,744	36,320,179
Total general fund	<u>\$ 58,013,455</u>	<u>\$ 57,732,186</u>	<u>\$ 68,337,612</u>	<u>\$ 89,905,785</u>	<u>\$ 88,183,428</u>
All other governmental funds					
Nonspendable					
Inventories	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted					
Stabilization by State Statute	239,002	738,296	725,074	2,311,510	177,432
Capital expenditures	779,049	741,489	397,078	368,912	253,610
Individual schools	8,920,713	8,978,294	8,471,820	8,377,238	8,417,038
Special Programs	-	-	-	-	-
Restricted contributions for capital expenditures	85,442	27,808	27,801	43,191	388,189
Subsequent years expenditures	-	-	-	-	273,248
Assigned					
Special projects	1,773,212	115,802	107,107	-	-
Total all other governmental funds	<u>\$ 11,797,418</u>	<u>\$ 10,601,689</u>	<u>\$ 9,728,880</u>	<u>\$ 11,100,851</u>	<u>\$ 9,509,517</u>

WAKE COUNTY BOARD OF EDUCATION
GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year Ended June 30,	State	County Appropriation	County Capital Improvements	Fines and Forfeitures	Federal	Interest	Other	Total
2022	\$ 1,057,448,544	\$ 544,205,101	\$ 278,419,093	\$ 2,624,170	\$ 284,670,939	\$ 282,701	\$ 34,800,932	\$ 2,202,451,480
2021	1,022,964,619	527,904,101	254,069,557	3,742,330	117,169,853	528,408	17,813,090	1,944,191,958
2020	1,002,665,787	515,955,101	272,888,572	3,481,015	89,524,020	4,069,139	33,409,472	1,921,993,106
2019	970,618,049	475,919,244	321,166,486	4,495,103	70,426,105	1,284,091	36,054,513	1,879,963,591
2018	908,160,414	430,911,000	304,004,115	4,087,338	70,339,551	761,942	32,285,650	1,750,550,010
2017	880,309,550	409,911,000	318,175,332	3,427,124	66,295,538	706,920	33,076,928	1,711,902,392
2016	839,894,769	386,000,000	278,909,840	5,176,776	70,453,401	475,650	33,017,341	1,613,927,777
2015	813,264,723	341,426,400	148,376,456	4,135,691	66,031,320	389,382	31,641,424	1,405,265,396
2014	772,586,613	327,496,020	86,729,544	3,572,599	66,288,955	458,770	30,907,403	1,288,039,904
2013	760,563,546	318,341,737	71,529,246	2,449,100	64,607,219	443,040	25,936,675	1,243,870,563

WAKE COUNTY BOARD OF EDUCATION
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
PER PUPIL AND IN TOTAL
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year Ended June 30,	Membership	Instructional Services	Systemwide Support Services	Ancillary Services	Nonprogram Charges
2022	158,654	\$ 9,748 1,546,486,140	\$ 1,987 315,172,022	\$ 27 4,311,156	\$ 346 54,939,793
2021	158,546	8,330 1,320,694,514	1,687 267,432,238	48 7,668,257	290 45,998,092
2020	161,835	7,897 1,278,049,260	1,786 289,034,698	24 3,815,741	256 41,425,520
2019	160,339	7,772 1,246,123,929	1,657 265,636,328	2,000 291,722	235 37,676,820
2018	160,095	7,266 1,163,219,125	1,619 259,114,420	- 25,777	197 31,486,467
2017	159,213	7,019 1,117,493,674	1,540 245,113,368	- 45,559	169 26,848,688
2016	156,644	6,845 1,072,274,881	1,563 244,878,979	- 61,198	156 24,407,069
2015	155,000	6,509 1,008,882,076	1,558 241,445,418	1 212,275	127 19,655,778
2014	153,039	6,179 945,690,541	1,498 229,297,218	2 233,721	99 15,153,538
2013	149,508	6,179 923,736,970	1,493 223,162,370	4 565,028	90 13,496,176

(Continued)

WAKE COUNTY BOARD OF EDUCATION
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
PER PUPIL AND IN TOTAL
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year Ended June 30,	Debt Service	Total Operating	Capital Outlay	Total
2022	83 \$ 13,196,332	12,191 \$ 1,934,105,443	1,778 \$ 282,130,503	13,969 \$ 2,216,235,946
2021	18 2,845,942	10,373 1,644,639,043	1,640 259,975,487	12,013 1,904,614,530
2020	8 1,359,984	9,971 1,613,685,203	1,708 276,350,723	11,679 1,890,035,926
2019	4 693,296	9,670 1,550,422,095	2,024 324,532,117	11,694 1,874,954,212
2018	2 387,942	9,084 1,454,233,731	1,918 307,043,335	11,001 1,761,277,066
2017	3 428,778	8,730 1,389,930,067	2,016 320,924,590	10,746 1,710,854,657
2016	5 816,720	8,570 1,342,438,847	1,811 283,720,859	10,381 1,626,159,706
2015	32 4,947,219	8,227 1,275,142,766	985 152,657,413	9,212 1,427,800,179
2014	34 5,154,525	7,812 1,195,529,543	581 88,990,466	8,393 1,284,520,009
2013	87 13,060,081	7,853 1,174,020,625	627 93,747,356	8,480 1,267,767,981

WAKE COUNTY BOARD OF EDUCATION
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year Ended June 30,	Excess of Revenues over (under) Expenditures	Transfers In	Transfers out	Installment Purchase and Capitalized Leases	Energy Savings Obligations Issued	Total Other Financing Sources (Uses)	Net Change In Fund Balance	Debt Service As A Percentage of Noncapital Expenditures
2022	\$ (13,784,466)	\$ 593,388	\$ (1,536,329)	\$ 3,118,507	\$ -	\$ 2,175,566	\$ (11,608,900)	0.4704%
2021	39,577,428	429,776	(4,220,432)	3,644,185	-	(146,471)	39,430,957	0.1731%
2020	29,189,458	518,455	(2,967,211)	2,666,753	301,733	519,730	29,709,188	0.1747%
2019	5,009,379	492,774	(561,504)	2,773,184	6,854,914	9,559,368	14,568,747	0.0869%
2018	(10,727,056)	551,032	(596,044)	-	-	(45,012)	(10,772,068)	0.0442%
2017	1,047,735	2,415,913	(2,471,268)	-	-	(55,355)	992,380	0.0269%
2016	(12,231,929)	2,370,430	(2,415,617)	1,551,768	-	1,506,581	(10,725,348)	0.0300%
2015	(22,534,783)	1,061,981	(1,107,012)	163,344	-	118,313	(22,416,470)	0.0554%
2014	3,519,895	220,473	(270,738)	-	-	(50,265)	3,469,630	0.3692%
2013	(23,897,418)	331,640	(383,780)	19,462,187	-	19,410,047	(4,487,371)	0.4322%

WAKE COUNTY BOARD OF EDUCATION
ENTERPRISE FUND EXPENSES
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Employee Salaries	Benefits	Food	Donated Commodities	Indirect Costs	Other	Total
2022	\$ 25,591,125	\$ 7,713,176	\$ 17,900,231	\$ 4,913,849	\$ 3,037,765	\$ 6,517,175	\$ 65,673,321
2021	13,674,705	6,890,350	5,515,714	3,221,193	235,743	4,015,764	33,553,469
2020	22,873,936	11,406,627	11,798,865	3,482,054	2,905,783	8,461,873	60,929,138
2019	24,817,246	10,353,852	16,592,150	3,314,323	3,574,777	9,324,595	67,976,943
2018	23,495,607	12,724,047	18,456,777	3,720,564	3,827,629	10,308,300	72,532,924
2017	22,981,173	10,215,786	18,606,124	3,574,688	3,583,215	9,589,787	68,550,773
2016	22,164,409	7,917,753	19,530,729	3,507,389	3,534,612	8,714,031	65,368,923
2015	21,435,620	6,865,662	20,205,145	3,079,893	3,687,902	9,197,817	64,472,039
2014	20,233,350	8,421,643	19,799,206	3,312,709	3,222,731	10,760,210	65,749,849
2013	19,811,898	8,056,761	18,226,524	2,753,096	2,886,740	8,318,735	60,053,754

WAKE COUNTY BOARD OF EDUCATION
ENTERPRISE FUND REVENUES AND TRANSFERS IN BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Food Sales		Participant Fees		USDA Reimbursement		Donated Commodities	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
2022	\$ 3,371,913	3.79%	\$ 8,580,634	9.65%	\$ 67,951,257	76.44%	\$ 4,913,849	5.53%
2021	26,802	0.08	1,889,707	5.95	21,278,470	67.00	3,221,193	10.14
2020	12,417,023	22.46	10,299,433	18.63	24,924,911	45.09	3,482,054	6.30
2019	17,424,575	25.84	14,189,922	21.05	29,001,728	43.01	3,314,323	4.92
2018	17,271,145	26.28	13,971,475	21.26	29,942,507	45.57	3,720,564	5.66
2017	18,083,111	26.52	13,372,693	19.61	31,014,513	45.48	3,574,688	5.24
2016	17,315,970	26.14	13,531,484	20.42	31,671,137	47.80	3,507,389	5.29
2015	16,913,781	26.74	12,364,080	19.55	30,390,911	48.06	3,079,893	4.87
2014	18,540,817	28.88	12,050,049	18.77	29,763,762	46.37	3,312,709	5.16
2013	20,004,234	31.76	10,736,600	17.05	28,819,984	45.76	2,753,096	4.37

(Continued)

WAKE COUNTY BOARD OF EDUCATION
ENTERPRISE FUND REVENUES AND TRANSFERS IN BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Transfers		Other		Total	
	Amount	Percent	Amount	Percent	Amount	Percent
2022	\$ 942,941	1.06%	\$ 3,137,830	3.53%	\$ 88,898,424	100%
2021	3,790,656	11.94	1,552,738	4.89	31,759,566	100
2020	2,448,756	4.43	1,709,312	3.09	55,281,489	100
2019	68,730	0.10	3,424,336	5.08	67,423,614	100
2018	45,012	0.07	759,515	1.16	65,710,218	100
2017	55,355	0.08	2,096,766	3.07	68,197,126	100
2016	45,187	0.07	185,755	0.28	66,256,922	100
2015	331,509	0.52	172,314	0.16	63,252,488	100
2014	426,858	0.66	100,546	0.16	64,194,741	100
2013	532,972	0.85	132,218	0.21	62,979,104	100

WAKE COUNTY BOARD OF EDUCATION
OUTSTANDING DEBT
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30,</u>	<u>Energy Savings</u>	<u>Installment Purchase</u>	<u>Leases</u>	<u>Total</u>	<u>Per Student</u>
2022	\$ 6,361,167	\$ 4,542,382	\$ 94,293,039	\$ 105,196,588	\$663.06
2021	6,765,452	4,829,798	-	11,595,250	73.13
2020	7,156,647	3,386,657	-	10,543,304	65.15
2019	6,854,914	2,079,888	-	8,934,802	55.72
2018	-	-	-	-	-
2017	-	387,942	-	387,942	2.44
2016	-	816,719	-	816,719	5.21
2015	-	81,671	-	81,671	0.53
2014	-	4,865,546	-	4,865,546	31.79
2013	-	10,020,071	-	10,020,071	67.02

WAKE COUNTY BOARD OF EDUCATION
ASSESSED VALUE OF TAXABLE PROPERTY FOR WAKE COUNTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Real Property	Personal Property	Public Service Companies	Total	County- wide Tax Rate (3)	Special Tax Districts Tax Rate (3)	Average County Tax Rate (3)
2022	\$ 167,914,600,900	\$ 24,887,995,618	\$ 3,731,411,649	\$ 196,534,008,167	\$ 0.6000	\$ 0.103	\$ 0.7030
2021	164,833,716,084	23,985,614,652	3,612,462,959	192,431,793,695	0.6000	0.091	0.6910
2020	130,415,759,631	21,684,607,511	3,572,974,390	155,673,341,532	0.7207	0.096	0.8167
2019	126,482,475,772	18,690,880,426	3,454,215,945	148,627,572,143	0.6544	0.096	0.7504
2018	122,874,155,245	17,897,487,797	3,447,570,780	144,219,213,822	0.6150	0.096	0.7110
2017 (2)	120,471,086,726	17,470,741,388	3,469,182,180	141,411,010,294	0.6005	0.096	0.6965
2016	112,361,475,069	16,275,947,271	3,313,577,575	131,950,999,915	0.615	0.080	0.695
2015	109,552,757,999	15,528,241,566	2,866,523,443	127,947,523,008	0.578	0.080	0.658
2014	107,096,246,490	17,429,308,807	2,900,935,929	127,426,491,226	0.534	0.080	0.614
2013	105,310,957,601	14,311,760,539	2,827,432,989	122,450,151,129	0.534	0.080	0.614

Notes:

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

(2) A revaluation of real property is required by N.C. General Statutes at least every eight years. The last revaluation was completed for fiscal year 2021.

(3) Per \$100 of value.

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2022.

WAKE COUNTY BOARD OF EDUCATION
PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS FOR WAKE COUNTY
(PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied by Wake County			Direct and Overlapping Taxes Levied by Municipalities						
	County- Wide Rate	Various Special Tax Districts	Average County Rate	Town of Angier	Town of Apex	Town of Cary	Town of Clayton	Town of Fuquay- Varina	Town of Garner	Town of Holly Springs
2022	.6000	.1027	.7027	.53	.39	.3450	.580	.3950	.5121	.4216
2021	.6000	.091	.6910	.53	.38	.35	.580	.3950	.4971	.4216
2020	.7207	.096	.8167	.53	.4150	.35	.580	.4325	.5600	.4825
2019	.6544	.096	.7504	.53	.4150	.35	.580	.4325	.5325	.4325
2018	.6150	.096	.7110	.53	.3800	.35	.550	.4325	.5325	.4325
2017 (2)	.6005	.096	.6965	.53	.3800	.35	.550	.4330	.5180	.4330
2016	.6145	.080	.6945	.53	.3900	.37	.550	.3850	.5180	.4350
2015	.5780	.080	.6580	.53	.3900	.35	.525	.3850	.5000	.4350
2014	.5340	.080	.6140	.53	.3900	.35	.525	.3850	.4900	.4350
2013	.5340	.080	.6140	.53	.3900	.33	.525	.3850	.4900	.4350

(Continued)

- Notes: (1) All taxable property is subject to the county-wide tax. Most property in unincorporated areas is also subject to special district taxes.
(2) A revaluation of real property is required by North Carolina General Statutes at least every eight years. Revaluation was completed for fiscal year 2021.

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2022.

WAKE COUNTY BOARD OF EDUCATION
PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS FOR WAKE COUNTY
(PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Direct and Overlapping Taxes Levied by Municipalities						
	Town of Knightdale	Town of Morrisville	City of Raleigh	Town of Rolesville	Town of Wake Forest	Town of Wendell	Town of Zebulon
2022	.42	.36	.3730	.46	.495	.47	.55
2021	.42	.36	.3552	.46	.495	.47	.55
2020	.43	.390	.4382	.48	.52	.49	.592
2019	.43	.390	.4382	.48	.52	.49	.592
2018	.43	.390	.4253	.48	.52	.49	.575
2017 (2)	.43	.390	.4180	.48	.52	.49	.575
2016	.43	.410	.4210	.44	.52	.49	.525
2015	.43	.390	.4040	.44	.52	.49	.525
2014	.43	.390	.3830	.44	.51	.49	.525
2013	.41	.367	.3830	.44	.51	.49	.513

- Notes: (1) All taxable property is subject to the county-wide tax. Most property in unincorporated areas is also subject to special district taxes.
(2) A revaluation of real property is required by North Carolina General Statutes at least every eight years. Revaluation was completed for fiscal year 2021.

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2022.

WAKE COUNTY BOARD OF EDUCATION
TEN PRINCIPAL TAXPAYERS FOR WAKE COUNTY
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Fiscal Year 2022			Fiscal Year 2013		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Progress Energy Inc	\$2,384,164,357	1	1.21%	\$1,524,348,467	1	1.26%
Highwoods Realty LP	801,113,148	2	0.41%	282,260,332	8	0.23%
SAS Institute Inc	718,429,380	3	0.37%	524,310,092	2	0.41%
Cisco Systems Inc	508,535,065	4	0.26%	471,005,919	3	0.00%
WMCI Raleigh LLC	423,411,147	5	0.22%	-	-	-
CVM Holdings LLC	402,047,860	6	0.20%	334,450,819	6	0.28%
Network Appliance Inc	351,734,166	7	0.18%	-	-	-
Seqirus Inc	326,322,865	8	0.17%	-	-	-
Truist Bank	330,174,399	9	0.17%	-	-	-
First Citizens Bank	313,283,177	10	0.16%	-	-	-
Duke Realty LP	-	-	-	426,127,741	4	0.35%
Novartis Vaccines	-	-	-	355,781,624	5	0.30%
NC Eastern Municipal Power Agency	-	-	-	302,723,097	7	0.25%
Bellsouth Telephone	-	-	-	243,866,625	9	0.20%
Glaxo Smith Kline	-	-	-	<u>242,736,180</u>	10	<u>0.20%</u>
	<u>\$6,559,215,564</u>		<u>3.33%</u>	<u>\$4,707,610,896</u>		<u>3.87%</u>

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2022.

WAKE COUNTY BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS FOR WAKE COUNTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	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
2022	\$ 1,197,770,657	\$ (3,686,211)	\$ 1,194,084,446	\$ 1,193,146,562	99.92%	\$ -	\$ 1,193,146,562	99.92%
2021	1,173,469,163	(10,534,301)	1,162,934,862	1,161,494,700	99.88%	(41,625)	1,161,453,075	99.87%
2020	1,130,623,568	(1,373,567)	1,129,250,001	1,126,999,613	99.80%	1,286,292	1,128,285,905	99.91%
2019	999,314,645	(1,372,951)	997,941,694	996,947,099	99.90%	499,346	997,446,445	99.95%
2018	914,686,233	(1,989,030)	912,697,203	911,681,836	99.89%	767,748	912,449,584	99.97%
2017	877,544,091	(7,317,373)	870,226,718	869,108,487	99.87%	906,720	870,015,207	99.98%
2016	833,221,749	(835,817)	832,385,932	831,114,362	99.85%	178,683	831,293,045	99.98%
2015	760,907,032	(664,952)	760,242,080	758,063,799	99.71%	2,011,373	760,075,172	99.98%
2014	702,953,904	(1,690,243)	701,263,661	697,580,105	99.47%	3,090,943	700,671,048	99.92%
2013	676,163,798	(2,306,621)	673,857,177	667,843,411	99.11%	5,250,099	673,093,510	99.89%

Notes:

Taxes for the fiscal year ended June 30, 2022 at the collection rate of 99.92% are a composite of the following collections by category:

Vehicle taxes	99.60%
Real and personal property taxes	99.95%

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

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2022.

WAKE COUNTY BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE FOR WAKE COUNTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities					
	General Obligation Bonds	General Obligation Bond Anticipation Notes	Drawdown Installment Purchase Notes	Limited Obligation Bonds	Installment Purchases	Quality Zoning Academy Bonds
2022	\$ 1,806,519,670	\$ 107,773,717	21,456,798	\$ 903,631,077	\$ 2,278,115	\$ -
2021	1,724,981,737	78,352,012	-	961,205,881	3,002,115	-
2020	1,763,962,578	36,078,529	239,242,066	620,426,297	3,719,115	-
2019	1,913,368,260	-	-	646,146,796	4,427,115	-
2018	1,937,469,050	50,197,448	3,485,580	424,746,261	5,306,359	-
2017	1,901,610,244	100,229,537	3,928,079	264,041,694	5,115,000	-
2016	1,969,481,706	1,301,000	-	279,088,791	4,007,860	163,467
2015	2,142,354,768	-	-	278,125,603	4,922,510	326,928
2014	1,806,329,227	-	-	291,053,822	5,329,121	490,389
2013	1,960,133,287	-	-	303,982,042	5,327,348	653,850

(Continued)

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2022.

WAKE COUNTY BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE FOR WAKE COUNTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Percentage of Personal Income	Per Capita
	Capital Leases	Total Governmental Activities	Capital Leases	Total Primary Government		
2022	\$ 46,343,985	\$ 2,888,003,362	\$ -	\$ 2,888,003,362	3.84%	2,511
2021	26,380	2,767,568,125	-	2,767,568,125	3.93%	2,450
2020	32,305	2,663,460,890	-	\$ 2,663,460,890	4.01%	2,396
2019	34,883	2,563,977,054	-	2,563,977,054	4.18%	2,347
2018	34,333	2,421,239,031	-	2,421,239,031	4.28%	2,258
2017	37,553	2,274,962,107	-	2,274,962,107	4.29%	2,173
2016	390,611	2,254,433,435	-	2,254,433,435	4.25%	2,201
2015	763,502	2,426,493,311	3,777	2,426,497,088	4.58%	2,414
2014	51,293	2,103,253,852	5,877	2,103,259,729	4.93%	2,106
2013	81,238	2,270,177,765	-	2,270,177,765	5.32%	2,328

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2022.

WAKE COUNTY BOARD OF EDUCATION
RATIOS OF GENERAL BONDED DEBT OUTSTANDING FOR WAKE COUNTY
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	General Obligation Bond Anticipation Notes	Total General Bonded Debt		
2022	\$ 1,806,519,670	\$ 107,773,717	\$ 1,914,293,387	0.97%	\$ 1,664.31
2021	1,724,981,737	78,352,012	1,803,333,749	0.93%	1,596.70
2020	1,763,962,578	-	1,763,962,578	1.16%	1,751.68
2019	1,913,368,260	-	1,913,368,260	1.29%	1,751.68
2018	1,937,469,050	50,197,448	1,987,666,498	1.38%	1,853.82
2017	1,901,610,244	100,229,537	2,001,839,781	1.42%	1,912.36
2016	1,969,481,706	1,301,000	1,970,782,706	1.49%	1,924.22
2015	2,142,354,768	-	2,142,354,768	1.67%	2,130.88
2014	1,806,329,227	-	1,806,329,227	1.42%	1,808.70
2013	1,960,133,287	-	1,960,133,287	1.60%	2,010.34

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2022.

WAKE COUNTY BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Municipality:			
Apex	\$ 132,035,620	100%	\$ 132,035,620
Cary	469,543,256	100%	469,543,256
Garner	33,709,000	100%	33,709,000
Fuquay-Varina	37,852,243	100%	37,852,243
Holly Springs	74,676,464	100%	74,676,464
Knightdale	10,160,288	100%	10,160,288
Morrisville	42,314,727	100%	42,314,727
Raleigh	1,345,472,423	100%	1,345,472,423
Rolesville	3,585,000	100%	3,585,000
Wake Forest	40,280,504	100%	40,280,504
Wendell	13,109,556	100%	13,109,556
Zebulon	1,496,064	100%	1,496,064
Wake County	<u>2,888,003,362</u>	100%	<u>2,888,003,362</u>
Overlapping debt	5,092,238,507		5,092,238,507
Direct debt	<u>105,196,588</u>		<u>105,196,588</u>
Total direct and overlapping debt	<u>\$ 5,197,435,095</u>		<u>\$ 5,197,435,095</u>

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2022.

WAKE COUNTY BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION FOR WAKE COUNTY
LAST TEN YEARS

	Fiscal Year				
	2022	2021	2020	2019	2018
Assessed value of property	\$ 196,534,008,167	\$ 192,431,793,695	\$ 155,673,341,532	\$ 148,627,572,143	\$ 144,219,213,822
Debt limit, 8% of assessed value (Statutory Limitation)	15,722,720,653	15,394,543,496	12,453,867,323	11,890,205,771	11,537,537,106
Amount of debt applicable to limit					
General obligation bonds	1,595,065,000	1,525,740,000	1,580,690,000	1,727,510,000	1,762,270,000
GO bond anticipation notes	107,773,716	78,352,012	36,078,529	-	50,197,448
Other Long Term Debt	824,368,897	805,198,495	772,873,485	554,346,998	374,041,272
Bonds Authorized not Issued	602,240,000	849,830,000	980,140,000	1,017,000,000	147,152,552
Total net debt applicable to limit	3,129,447,613	3,259,120,507	3,369,782,014	3,298,856,998	2,333,661,272
Legal debt margin	\$ 12,593,273,040	\$ 12,005,112,989	\$ 9,084,085,309	\$ 8,591,348,773	\$ 9,203,875,834
Total net debt applicable to limit as a percentage of debt limit	19.90%	21.17%	27.06%	27.74%	20.23%

(Continued)

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

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2022.

WAKE COUNTY BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION FOR WAKE COUNTY
LAST TEN YEARS

	Fiscal Year				
	2017	2016	2015	2014	2013
Assessed value of property	\$ 141,411,010,294	\$ 131,950,999,915	\$ 127,947,523,008	\$ 127,426,491,226	\$ 122,450,151,129
Debt limit, 8% of assessed value (Statutory Limitation)	11,312,880,824	10,556,079,993	10,235,801,841	10,194,119,298	9,796,012,090
Amount of debt applicable to limit					
General obligation bonds	1,727,865,000	1,812,535,000	1,967,590,000	1,664,875,000	1,801,325,000
GO bond anticipation notes	100,229,537	1,301,000	-	-	-
Other Long Term Debt	231,140,632	238,761,938	266,887,940	278,885,802	291,217,436
Bonds Authorized not Issued	294,865,463	509,909,000	511,210,000	950,450,000	145,450,000
Total net debt applicable to limit	2,354,100,632	2,562,506,938	2,745,687,940	2,894,210,802	2,237,992,436
Legal debt margin	\$ 8,958,780,192	\$ 7,993,573,055	\$ 7,490,113,901	\$ 7,299,908,496	\$ 7,558,019,654
Total net debt applicable to limit as a percentage of debt limit	20.81%	24.28%	26.82%	28.39%	22.85%

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

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2022.

WAKE COUNTY BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS FOR WAKE COUNTY
LAST TEN YEARS

Year	Population Estimates	Personal Income (thousands of dollars)	Per Capita Personal Income	School Membership	Unemployment Rate
2022	1,150,204	*	*	158,654	3.4%
2021	1,129,410	*	*	158,546	4.1%
2020	1,111,761	\$ 74,107,214	\$ 65,450	161,835	7.1%
2019	1,092,305	69,222,569	62,264	160,339	3.9%
2018	1,072,203	64,461,643	59,014	160,095	3.6%
2017	1,046,791	60,216,950	56,162	159,213	3.9%
2016	1,024,198	57,229,926	54,549	156,644	4.2%
2015	998,691	54,904,525	53,625	155,000	4.7%
2014	974,289	50,780,179	50,835	153,039	4.9%
2013	952,143	47,064,181	48,285	149,508	6.0%

* Information not yet available

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2022.

WAKE COUNTY BOARD OF EDUCATION
PRINCIPAL EMPLOYERS FOR WAKE COUNTY
CURRENT YEAR AND NINE YEARS AGO

Employer	2022			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
State of North Carolina	24,083	1	4.02%	24,739	1	5.86%
Wake County Public School System	17,000	2	2.84%	17,572	2	4.16%
Wal-Mart	16,200	3	2.70%	-	-	-
WakeMed Health & Hospitals	9,773	4	1.63%	7,607	5	1.80%
North Carolina State University	9,019	5	1.50%	7,730	4	1.83%
Food Lion	8,600	6	1.43%	-	-	-
Target	8,000	7	1.33%	-	-	-
UNC Rex Healthcare	6,900	8	1.15%	4,800	7	1.14%
SAS Institute Inc	5,567	9	0.93%	4,742	8	1.12%
Harris Teeter	5,346	10	0.89%	-	-	-
IBM Corporation	-	-	-	10,500	3	2.49%
GlaxoSmithKline Inc	-	-	-	4,900	6	1.16%
Wake County Government	-	-	-	4,272	9	1.01%
Cisco Systems	-	-	-	3,800	10	.90%
	<u>110,488</u>		<u>18.42%</u>	<u>90,662</u>		<u>21.47%</u>

Data unavailable for current year. Data from 2 years' previous has been used and restated to include only Wake County based employers.

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2022.

WAKE COUNTY BOARD OF EDUCATION
FULL TIME EMPLOYEES BY CATEGORY
LAST TEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School and school based support										
Principals	190	190	190	183	181	172	173	166	170	169
Assistant principals, nonteaching	426	394	387	363	337	336	324	328	323	309
Elementary teachers	4,065	4,012	4,119	4,212	4,446	4,501	4,517	4,538	4,547	4,394
Secondary teachers	4,265	4,224	4,290	4,407	4,356	4,144	4,103	4,121	4,145	3,888
Other teachers	2,667	2,437	2,330	2,028	1,814	1,820	1,737	1,709	1,871	1,760
Guidance	484	464	413	400	472	476	457	436	436	409
Psychological	123	110	110	106	107	103	100	98	96	96
Librarian, audiovisual	211	213	215	210	222	213	208	204	208	209
Consultant, supervisor	114	99	98	99	100	95	97	88	89	82
Teacher assistants	<u>2,376</u>	<u>2,450</u>	<u>2,476</u>	<u>2,478</u>	<u>2,437</u>	<u>2,395</u>	<u>2,419</u>	<u>2,351</u>	<u>2,191</u>	<u>2,177</u>
Total school and school based support	<u>14,921</u>	<u>14,593</u>	<u>14,628</u>	<u>14,486</u>	<u>14,472</u>	<u>14,255</u>	<u>14,135</u>	<u>14,039</u>	<u>14,076</u>	<u>13,493</u>
Central services										
Administrators, managers	23	25	25	21	23	21	20	21	20	17
Technicians	130	116	117	410	360	353	354	338	317	303
Clerical, secretarial	789	796	796	724	983	986	986	973	955	910
Service workers	1,612	1,783	1,888	1,850	1,636	1,638	1,633	1,713	1,752	1,697
Skilled crafts	276	278	288	278	300	298	306	291	295	264
Other professionals	<u>1,963</u>	<u>1,953</u>	<u>1,818</u>	<u>1,209</u>	<u>934</u>	<u>872</u>	<u>852</u>	<u>747</u>	<u>596</u>	<u>592</u>
Total central services	<u>4,793</u>	<u>4,951</u>	<u>4,932</u>	<u>4,492</u>	<u>4,236</u>	<u>4,168</u>	<u>4,151</u>	<u>4,083</u>	<u>3,935</u>	<u>3,783</u>
Total full time employees	<u>19,714</u>	<u>19,544</u>	<u>19,560</u>	<u>18,978</u>	<u>18,708</u>	<u>18,423</u>	<u>18,286</u>	<u>18,122</u>	<u>18,011</u>	<u>17,276</u>

Source: Wake County Public Schools Human Resources Department

WAKE COUNTY BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN YEARS

Fiscal Year	Membership	Percentage Increase In Membership	Operating Expenditures	Cost Per Pupil	Percentage Change	Schools	Graduating Class
2022	158,654	0.07%	\$ 1,934,105,443	\$ 12,191	17.53%	195	11,656
2021	158,546	-2.03%	1,644,639,043	10,373	4.03%	194	12,027
2020	161,835	0.93%	1,613,685,203	9,971	3.11%	191	11,960
2019	160,339	0.15%	1,550,422,095	9,670	6.45%	187	11,592
2018	160,095	0.55%	1,454,233,731	9,084	4.05%	183	11,125
2017	159,213	1.64%	1,389,930,067	8,730	1.87%	177	10,819
2016	156,644	1.06%	1,342,438,847	8,570	4.17%	171	10,502
2015	155,000	1.28%	1,275,142,766	8,227	5.31%	171	10,154
2014	153,039	2.36%	1,195,529,543	7,812	-0.52%	170	9,678
2013	149,508	2.37%	1,174,020,625	7,853	2.56%	169	9,384

Source: Wake County Public Schools Growth Management Department

WAKE COUNTY BOARD OF EDUCATION
TEACHER BASE SALARIES
LAST TEN YEARS

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>System Average Salary</u>
2022	\$ 41,892.40	\$ 99,607.08	\$ 55,278.05
2021	41,274.60	98,133.96	56,515.89
2020	41,274.60	91,936.30	56,032.39
2019	41,212.50	97,946.16	56,934.80
2018	41,037.50	96,545.52	55,399.27
2017	41,037.50	93,128.88	54,459.90
2016	41,037.50	94,170.00	50,802.93
2015	37,867.50	87,291.00	49,530.36
2014	37,702.50	84,576.88	49,798.52
2013	35,189.00	79,679.80	46,245.03

Source: Wake County Public Schools Human Resources Department

WAKE COUNTY BOARD OF EDUCATION
CAPITAL ASSETS INFORMATION
LAST TEN YEARS

	2022	2021	2020	2019	2018
Schools					
Elementary					
Buildings	215	212	211	207	209
Square feet	10,525,289	10,293,202	10,174,118	9,873,283	9,600,466
Capacity	73,414	73,406	71,177	70,498	77,232
Membership	68,262	68,535	72,245	71,857	73,098
Mobile classrooms	579	579	552	565	527
Middle					
Buildings	127	125	125	122	121
Square feet	6,407,922	6,025,480	6,025,480	5,810,972	5,577,309
Capacity	42,380	42,380	41,553	40,669	40,141
Membership	36,601	37,396	37,551	36,980	35,895
Mobile classrooms	165	165	192	180	142
High					
Buildings	224	224	223	223	213
Square feet	7,549,632	7,549,632	7,178,907	7,178,907	6,919,426
Capacity	55,371	54,251	52,614	50,656	50,526
Membership	51,931	50,039	49,872	49,716	49,253
Mobile classrooms	247	247	245	261	286
Other (includes academies)					
Buildings	10	10	9	9	11
Square feet	251,212	251,212	221,196	221,196	298,405
Capacity	2,740	2,740	2,684	2,531	2,728
Membership	1,860	2,576	2,167	1,786	1,849
Mobile classrooms	14	14	10	13	13
Administrative					
Buildings	19	19	19	17	17
Square Feet	508,081	508,081	508,081	339,668	340,160
Transportation					
Buses	632	693	764	762	751

(Continued)

Source: Wake County Public Schools Facility, Transportation, and Growth Management Departments

WAKE COUNTY BOARD OF EDUCATION
CAPITAL ASSETS INFORMATION
LAST TEN YEARS

	2017	2016	2015	2014	2013
Schools					
Elementary					
Buildings	210	206	204	203	215
Square feet	9,284,509	8,769,259	8,642,082	8,592,579	8,685,116
Capacity	76,596	74,521	73,745	73,177	73,728
Membership	73,717	72,811	71,918	72,075	70,612
Mobile classrooms	560	581	597	572	571
Middle					
Buildings	120	115	114	114	111
Square feet	5,374,984	5,327,777	5,328,621	5,329,020	5,266,057
Capacity	38,737	38,109	38,187	37,929	38,202
Membership	35,234	34,925	35,532	34,983	34,365
Mobile classrooms	167	176	175	181	183
High					
Buildings	229	226	226	211	211
Square feet	6,978,461	6,956,509	6,640,769	6,390,006	6,009,897
Capacity	48,921	48,476	47,243	45,381	44,021
Membership	47,969	46,990	45,182	44,448	43,285
Mobile classrooms	310	336	361	353	349
Other (includes academies)					
Buildings	9	9	9	9	9
Square feet	271,580	276,564	276,564	276,564	276,564
Capacity	2,681	2,095	1,993	1,656	1,235
Membership	2,293	1,918	2,368	1,533	1,246
Mobile classrooms	19	19	19	13	33
Administrative					
Buildings	17	17	17	18	24
Square Feet	340,160	340,160	340,160	383,811	625,877
Transportation					
Buses	760	814	908	928	920

Source: Wake County Public Schools Facility, Transportation, and Growth Management Departments



Single Audit Section



Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Independent Auditor's Report

Wake County Board of Education
Cary, NC

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wake County Board of Education, North Carolina ("Board") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated October 31, 2022, which contained an emphasis of mater paragraph regarding a change in accounting principle.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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



Purpose of this Report

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

FORVIS, LLP

Winston-Salem, NC

October 31, 2022



Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the OMB Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

Wake County Board of Education
Cary, NC

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Wake County Board of Education, North Carolina ("Board") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Board's major federal programs for the year ended June 30, 2022. The Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Board's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Board's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Board's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Board's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Board's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Board's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.



Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

FORVIS, LLP

Winston-Salem, NC

October 31, 2022



Report on Compliance for Each Major State Program and Report on Internal Control over Compliance Required by the OMB Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

Wake County Board of Education
Cary, NC

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Wake County Board of Education, North Carolina ("Board") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Board's major state programs for the year ended June 30, 2022. The Board's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Board's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Board's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Board's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Board's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Board's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Board's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.



Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

FORVIS, LLP

Winston-Salem, NC

October 31, 2022

**Wake County Board of Education
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022**

1. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance to GAAP:
Unmodified

Internal control over financial reporting:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified ☐ yes ☒ none reported

Noncompliance material to financial statements noted ☐ yes ☒ no

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified ☐ yes ☒ none reported

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

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

Identification of major federal programs:

CFDA Numbers

Names of Federal Program or Cluster

84.425	COVID-19 Education Stabilization Feed
84.027, 84.173	Special Education Cluster
84.165A	Magnet School Assistance
84.367	Supporting Effective Instruction
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

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

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

State Awards

Internal control over major state programs:

- Material weaknesses identified? _____ yes x no
- Significant deficiencies identified that are not considered to be material weaknesses _____ yes x none reported

Type of auditors' report issued on compliance for major state programs: Unmodified

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

Identification of major state programs:

Program Name

State Public School Fund
Career & Technical Education – State Months of Employment
Career & Technical Education – Program Support Funds
Financed Purchase of School Buses
State Textbooks and Digital Resources

2. Financial Statement Findings

No findings were noted that are required to be reported under *Government Auditing Standards*.

3. Federal Award Findings and Questioned Costs

No findings and questioned cost related to the audit of federal awards aggregating \$25,000 or more were noted.

4. State Award Findings and Questioned Costs

No findings and questioned cost related to the audit of state awards aggregating \$25,000 or more were noted.

**Wake County Board of Education
Summary Schedule of Prior Year's Audit Finding
For the Fiscal Year Ended June 30, 2022**

There were no findings or questioned costs related to the audit of federal and state awards for the fiscal year ended June 30, 2021.

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR YEAR ENDED JUNE 30, 2022

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass- Through Grantor's Number	Expenditures
<u>FEDERAL GRANTS:</u>			
<u>U.S. Department of Agriculture</u>			
School Nutrition Program (Note 3)			
<u>Child Nutrition Cluster:</u>			
Non-Cash Assistance (Commodities)			
Passed through the N.C. Department of Agriculture:			
National School Lunch Program	10.555	35	\$ 4,913,849
Cash Assistance:			
Passed through the N.C. Department of Public Instruction:			
National School Lunch Program	10.555	35	66,656,221
After-School Snack Program	10.555	35	6,536
Summer School Food Program for Children	10.559	35	1,165,392
Total Cash Assistance			67,828,149
Total Child Nutrition Cluster			72,741,998
Fresh Fruit and Vegetable Program	10.582	35	123,108
Total U.S. Department of Agriculture			72,865,106
<u>U.S. Department of Education</u>			
Cash Assistance:			
Direct Programs			
Magnet Schools Assistance Cornerstone 2017	84.165A	394	1,990,613
Magnet Schools Project Nexus	84.165A	395	2,224,144
Total Magnet School Assistance			4,214,757
Indian Education Formula Grants to Local Education Agencies	84.060A	310	57,877
Passed through the N.C. Department of Public Instruction:			
<u>Title I Cluster</u>			
Title I Grants to Local Education Agencies (Title I, Part A of ESEA)	84.010	50	30,158,692
Targeted Support Improvement - TSI	84.010A	115	61,218
School Improvements	84.010A	105	230,825
Total Title I Grants to Local Education Agencies (Title I)			30,450,735
<u>Special Education Cluster:</u>			
Special Education - Grants to States (IDEA, Part B) -			
Education of the Handicapped	84.027	60	27,001,579
Coordinated Early Intervening Services	84.027	70	3,074,915
Special Needs Targeted Assistance	84.027	118	36,312
Risk Pool	84.027	114	195,505
ESSER III - ARP IDEA 611 Grants to States	84.027X	185	501,659
Special Education - Preschool Grants (IDEA Preschool) -			
Preschool Handicapped	84.173	49	454,444
Preschool Targeted Assistance	84.173	119	67,527
ESSER III - ARP IDEA Preschool	84.173X	186	124,920
Total Special Education Cluster			31,456,861

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR YEAR ENDED JUNE 30, 2022

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass- Through Grantor's Number	Expenditures
Career and Technical Education - Capacity Building Grant	84.048	17	\$ 1,489,350
Education for Homeless Children and Youth	84.196	26	1,258
English Language Acquisition Grants	84.365	104, 111	1,821,099
Supporting Effective Instruction	84.367	103	3,406,313
Student Support and Academic Enrichment	84.424A	108	2,405,017
COVID-19 Education Stabilization Fund	84.425		
CARES Act - K-12 Emergency Relief Fund	84.425D	163	18,308,901
CARES Act - ESSER I - Digital Curricula	84.425D	165	1,160,159
CARES Act - ESSER I - Learning Management Systems	84.425D	166	545,138
CARES Act - ESSER I - Exceptional Children Grants	84.425D	167	429,598
CARES Act - ESSER I Innovative Childcare & Remote Extended Support (ICARES)	84.425D	168	232,532
CRRSA - ESSER II - Supplemental - K-12 -Emergency Relief Fund	84.425D	171	56,438,368
CRRSA - ESSER II - Supplemental Contracted Instructional Support Funding	84.425D	173	118,884
CRRSA - ESSER II - School Nutrition COVID Support	84.425D	174	1,034,945
CRRSA - ESSER II - Summer Career Accelerator Program	84.425D	177	80,188
CRRSA - ESSER II - Competency-Based Assessment	84.425D	178	197,065
ARP - ESSER III - K-12 Emergency Relief Fund	84.425U	181	83,694,427
ARP - ESSER III - Teacher Bonuses	84.425U	203	10,410,250
ARP - ESSER III - Homeless II	84.425W	184	1,748
CARES Act - GEER I - Specialized instructions Support Personnel for COVID-19 Response	84.425C	169	1,339,467
CARES Act - GEER I - Supplemental Instructional Services	84.425C	170	1,252,985
Total COVID-19 Education Stabilization Fund			<u>175,244,655</u>
Total U.S. Department of Education			<u>250,547,922</u>
<u>U.S. Department of Defense</u>			
Direct Program - ROTC	None	301	473,800
<u>U.S. Department of Health and Human Services</u>			
Passed through N. C. Department of Health & Human Services Epidemiology and Laboratory Capacity for Infections Diseases (ELC)	93.323	350	1,406,629

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR YEAR ENDED JUNE 30, 2022

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass- Through Grantor's Number	Expenditures
<u>U.S. Department of Treasury</u>			
Passed-through the Office of State Budget and Management:			
Passed-through the N.C. Department of Public Instruction:			
COVID-19 Coronavirus Relief Fund	21.019		
Instructional Support		122	\$ 432,829
School Nutrition		125	104,941
Services for Exceptional Children		132	600,968
Passed-through Wake County - Coronavirus Relief Fund		373	220,960
Total COVID-19 Coronavirus Relief Fund	21.019		1,359,698
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	141	30,911,932
Total U.S. Department of Treasury			32,271,630
Total Federal Assistance			357,565,087
<u>STATE GRANTS:</u>			
Cash Assistance			
<u>N.C. Department of Public Instruction</u>			
State Public School Fund		xxxx	993,195,092
Drivers Training - SPSF		12	2,252,533
Technology Fund - SPSF		15	2,160,439
State Textbooks and Digital Resources		130/131	5,161,026
Career & Technical Education:			
State Months of Employment		13	48,929,684
Program Support Funds		14	2,981,017
Professional Leave Funding		509	1,843
State Capital Infrastructure Fund		440	459,817
Non-Cash Assistance			
<u>N.C. Department of Public Instruction</u>			
Financed Purchase of School Buses		120	2,341,016
Total State Assistance			1,057,482,467
TOTAL FINANCIAL ASSISTANCE			\$ 1,415,047,554

WAKE COUNTY BOARD OF EDUCATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2022

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and state grant activity of Wake County Board of Education under the programs of the federal government and the State of North Carolina for the year ended June 30, 2022. The information in this (SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Wake County Board of Education, it is not intended to and does not present the financial positions, changes in net position, or cash flows of Wake County Board of Education.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited.

Wake County Board of Education has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Cluster of Programs

The following are clustered by the NC Department of Public Instruction and are treated separately for state audit requirement purposes: School Nutrition Program

Note 4: Non-cash Assistance

Included in the amounts reported on the SEFSA, the Board received non-cash assistance in the form of food commodities and school buses. Non-cash items with a fair value of \$7,254,865 were received during the year ended June 30, 2022. These non-cash items received were included in the determination of federal and state awards expended for the year ended June 30, 2022.