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GOVERNMENT

Wake County Board of Education – Finance Committee Presentation

November 16, 2022

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

Agenda

- Discussion of Audit Results
- Review of Communications to the Board
- Review of Financial Highlights
- Review of Compliance Audit
- Upcoming Accounting Pronouncements

Discussion of Audit Results

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Discussion of Audit Results

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.

Review of Communications to the Board

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Required Communications to the Board of Education

- **Significant estimates and sensitive disclosures**
 - Useful lives of depreciable assets
 - Proportionate share of net pension and OPEB liabilities
 - Determination of lease term and incremental borrowing rate for contracts subject to GASB 87
- **Difficulties or disagreements**
 - None noted
- **Uncorrected misstatements**
 - None noted
- **Management representations**
- **Other Matters**
 - Adoption of GASB Statement No. 87

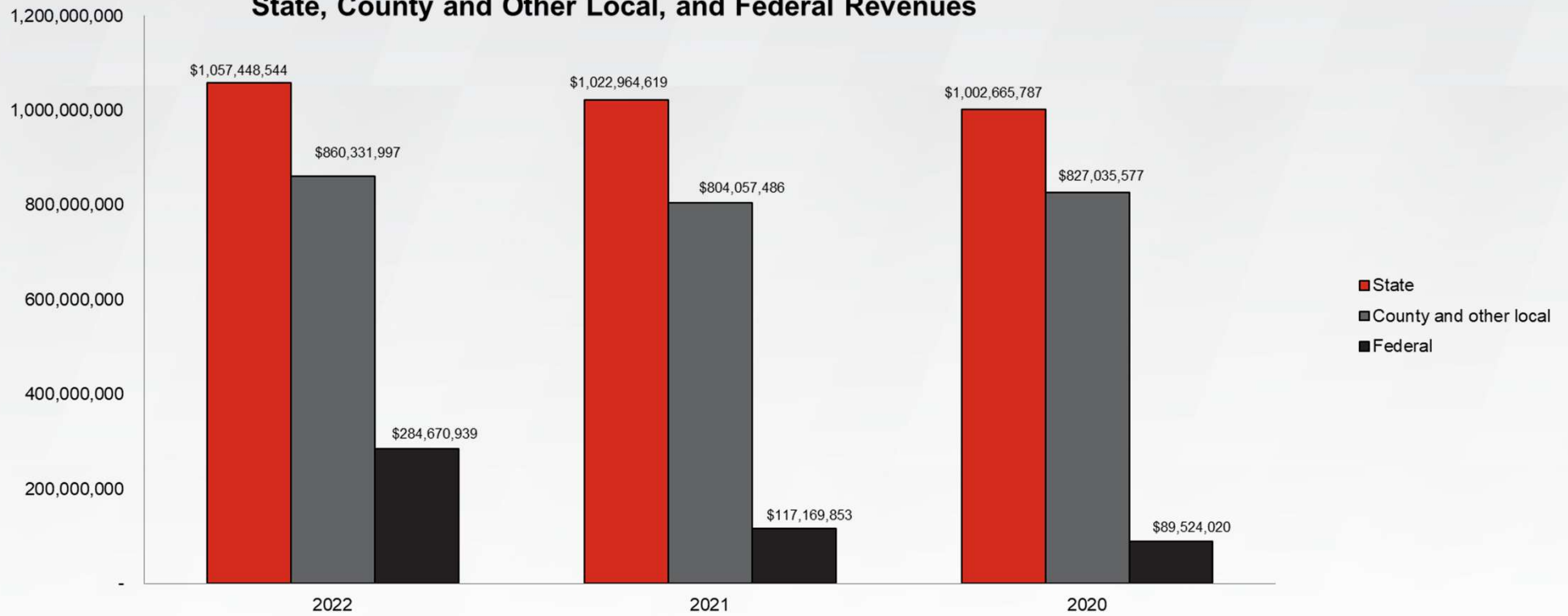
Financial Highlights

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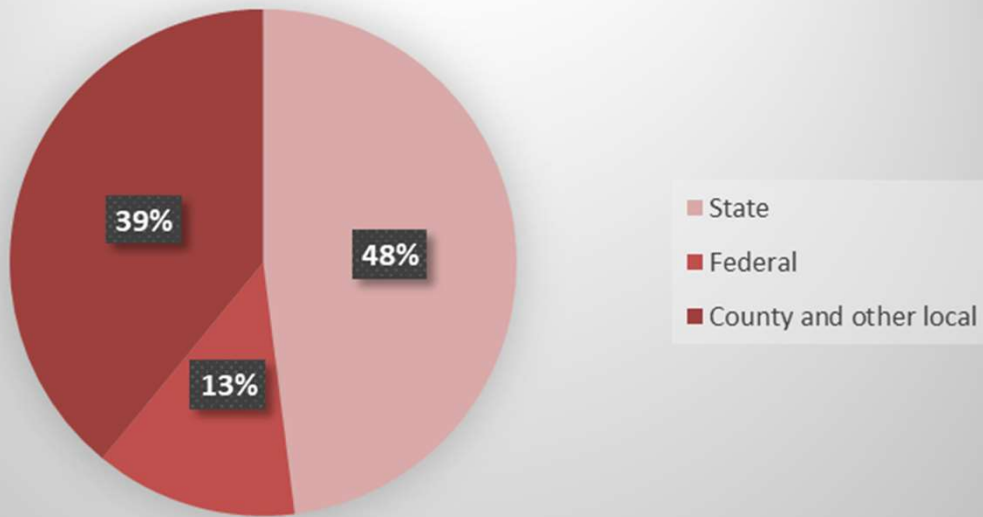
Revenues

Governmental Funds State, County and Other Local, and Federal Revenues

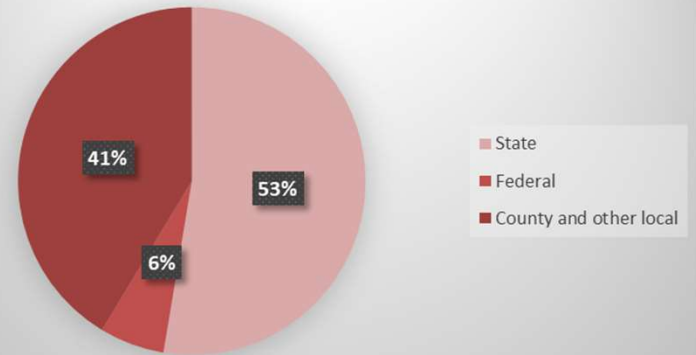


Revenues

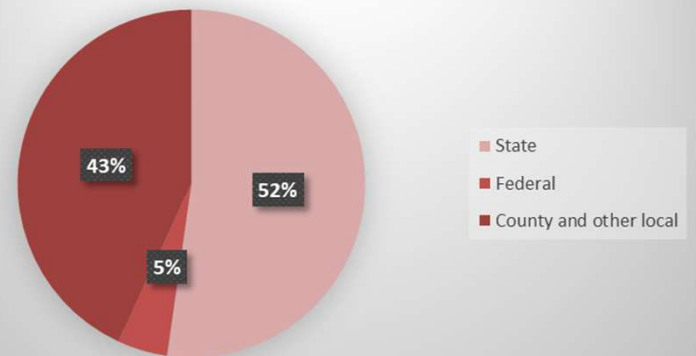
2022



2021



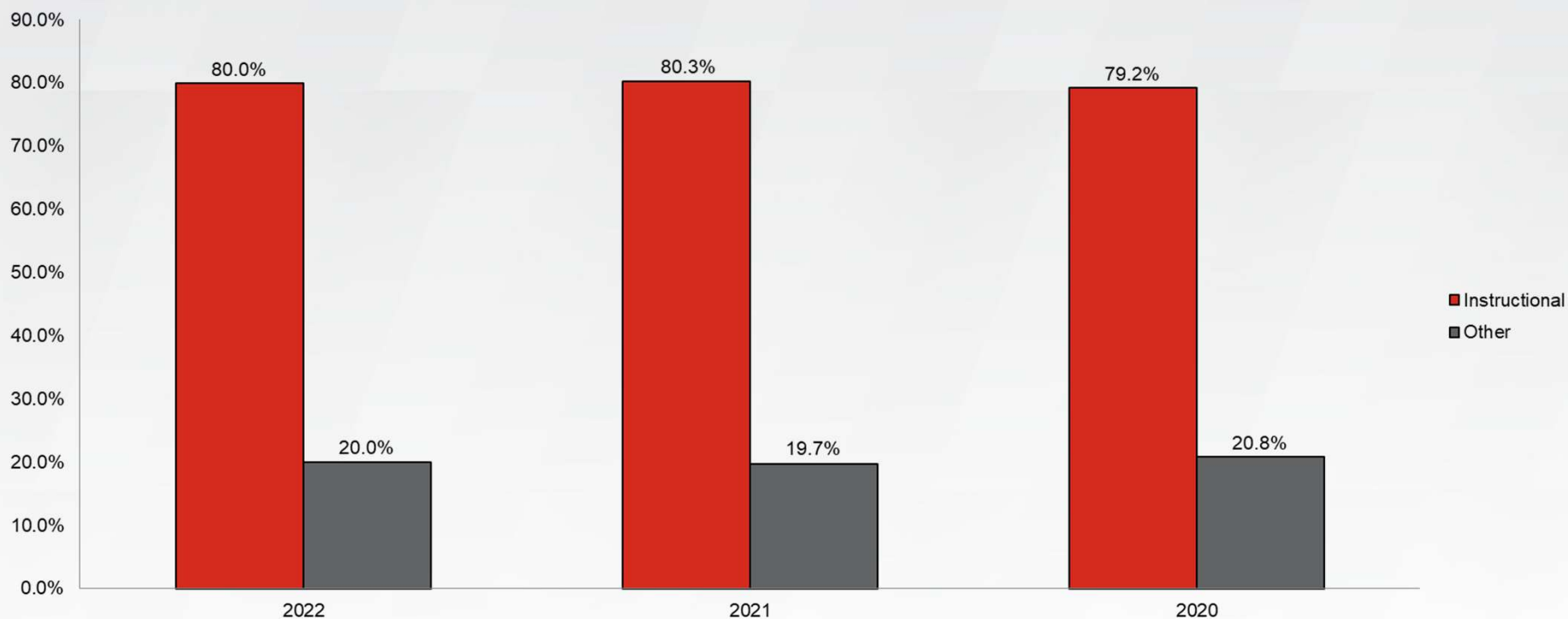
2020



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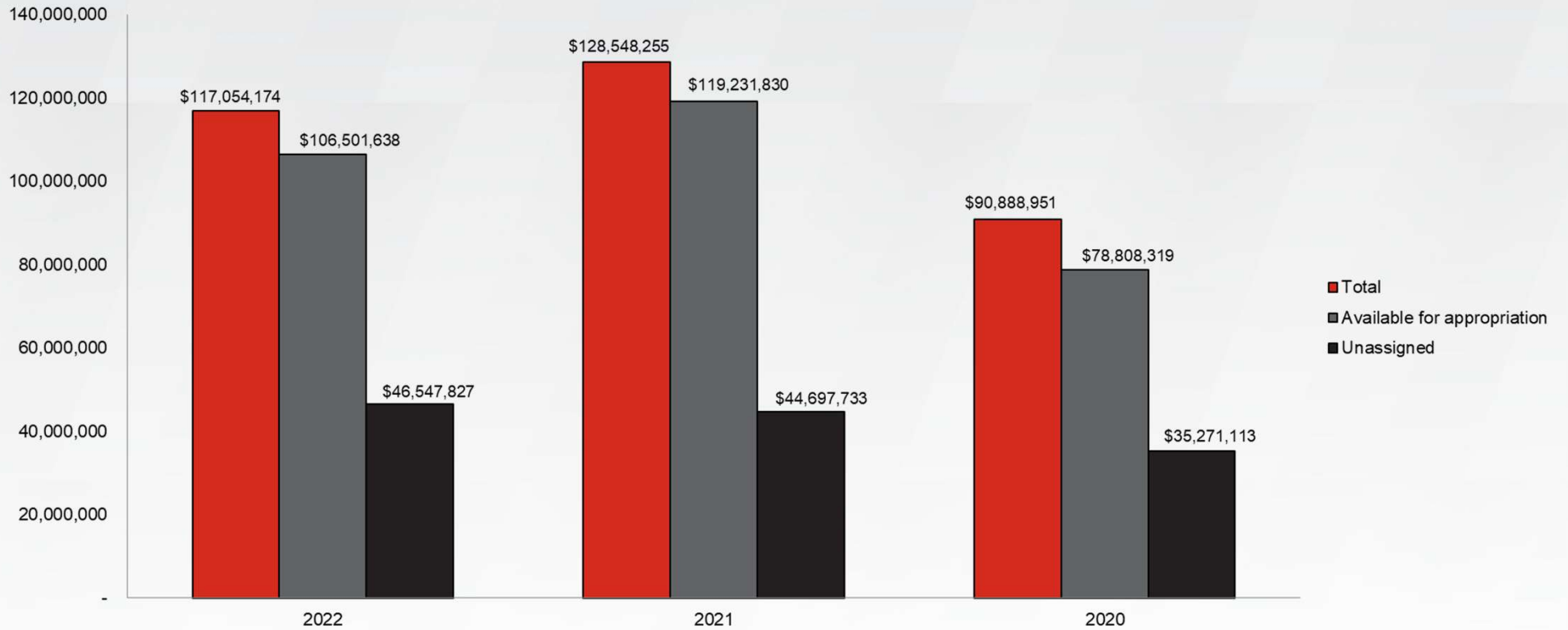
Expenditures

Governmental Expenditures by Purpose as a % of Total Governmental Expenditures, Excluding Capital Outlay



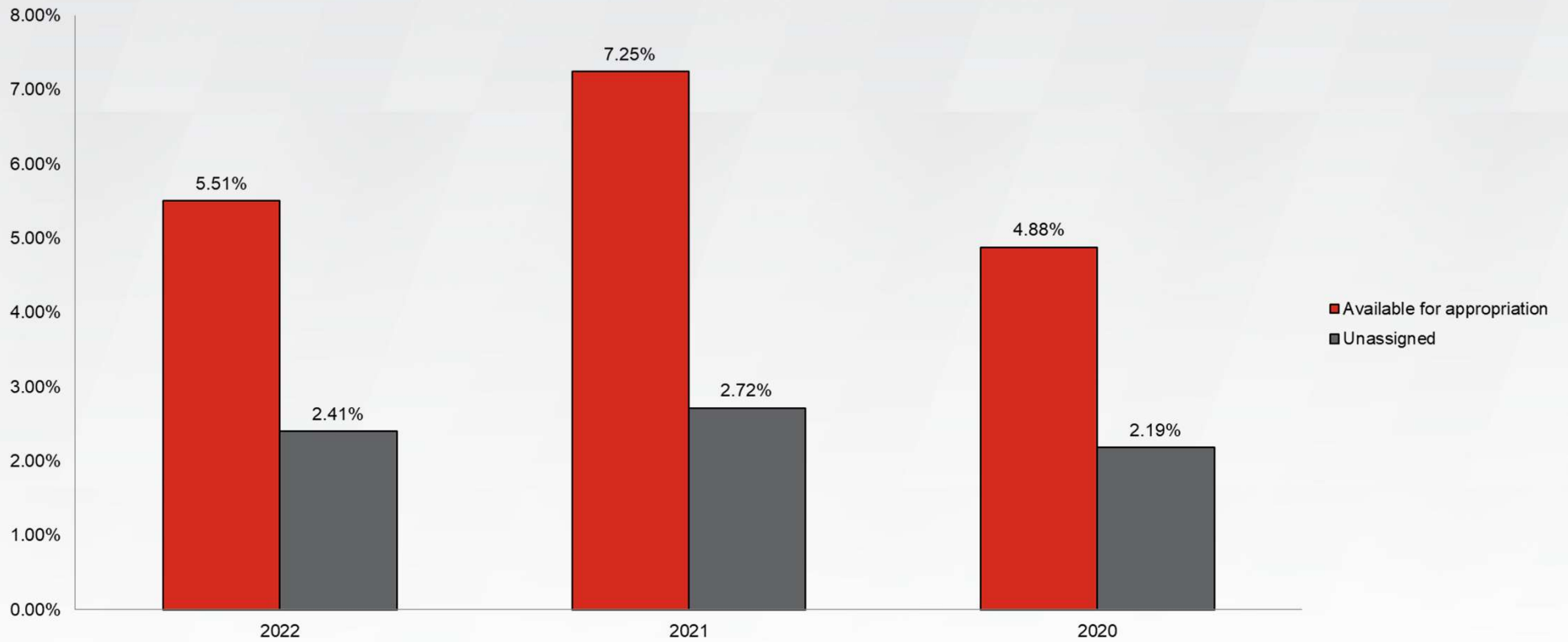
Fund Balance

General Fund Balance



Fund Balance

General Fund Balance as a % of Total Governmental Expenditures, Excluding Capital Outlay



Compliance Audit

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Compliance Audit – Federal Major Programs

Federal Programs

- 84.425 – COVID-19 Education Stabilization Fund (Expenditures - \$175,244,655)
- 21.027 - COVID-19 Coronavirus State and Local Fiscal Recovery Funds (Expenditures - \$30,911,932)
- 84.165A - Magnet School Assistance (Expenditures - \$4,217,757)
- 84.367 - Supporting Effective Instruction (Expenditures - \$3,406,313)
- 84.027, 84.173 - Special Education Cluster (Expenditures - \$31,456,861)

Results:

- Findings: None

Compliance Audit – State Major Programs

State Programs

- State Public School Fund (Expenditures - \$993,195,092)
- Career & Technical Education – State Months of Employment (Expenditures - \$48,929,684)
- Career & Technical Education – Program Support Funds (Expenditures - \$2,981,017)
- Financed Purchase of School Buses (Expenditures - \$2,341,016)
- State Textbooks and Digital Resources (Expenditures - \$5,161,026)

Results:

- Findings: None

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Upcoming Accounting Pronouncements

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GASB Update

- Statement No. 96, Subscription-Based Information Technology Arrangements
 - Improvements to reduce diversity in current reporting, defining subscription-based information technology arrangements (SBITA) leveraging guidance in Statement No. 87, Leases
 - Effective for fiscal year-end June 30, 2023

Questions?

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Assurance / Tax / Advisory