



WAKE COUNTY  
BOARD OF EDUCATION  
CARY, NORTH CAROLINA

# Annual Comprehensive **FINANCIAL REPORT**

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

PREPARED BY THE FINANCE DEPARTMENT

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ANNUAL COMPREHENSIVE FINANCIAL REPORT  
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# Introduction



**Dr. Robert P. Taylor, Superintendent**  
Crossroads 1  
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October 26, 2023

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, 2023, 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 2022-23 the school system was the largest in North Carolina and the 15<sup>th</sup> largest system in the nation. It served 158,357 students from kindergarten through 12<sup>th</sup> grade in 119 elementary schools, 38 middle schools, 31 high schools, and 7 optional schools, and 3 academies. The school system has over 19,000 full-time employees and is the second largest employer in Wake County. The system has over 10,600 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 his 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.

Fifty-one of the school system's 198 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: Arts Plus, Gifted and Talented, International Baccalaureate, Language Immersion/Global Studies, and STEM. 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: two single-gender leadership academies, seven early college programs, two application schools 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 Priorities and Goals**

In May of 2023, the Board approved the Strategic Plan 2023-28: Pathways to Excellence & Equity. The plan includes a Vision, Mission, Core Beliefs and a set of ambitious priorities and goals.

The vision states, "All Wake County Public School System students will be prepared to reach their full potential and lead productive lives in a complex and changing world."

The Mission states, “Wake County Public School System will provide a relevant and engaging education and will graduate students who are collaborative, creative, effective communicators and critical thinkers.”

The core beliefs are:

1. Every student is uniquely capable and deserves to be challenged and engaged in relevant, rigorous, and meaningful learning each day.
2. Every student is expected to learn, grow, and succeed while we eliminate the ability to predict achievement based on socioeconomic status, race, and ethnicity.
3. Well-supported, highly effective, and dedicated principals, teachers, and staff are essential to success for all students.
4. The Board of Education, superintendent, and all staff, while sustaining best practices, will promote and support a culture of continuous improvement, risk-taking, and innovation that results in a high-performing organization focused on student achievement, well-being, and student agency.
5. The Board of Education, superintendent, and all staff value a diverse school community that is inviting, respectful, inclusive, flexible, and supportive.
6. The Wake County residents value a strong public school system and will partner to provide the support and resources to fully realize our shared vision, accomplish the mission, and sustain our core beliefs.

The priorities and goals are:

- **Priority 1: Student Knowledge and Skills**  
We will prioritize students' development in critical thinking, communication, collaboration, and creativity skills, commonly called 'The Four Cs'.  
And, we'll focus on foundational literacies, knowledge, and skills in the core subjects of Reading/Language Arts, Mathematics, Science, Social Studies, Fine Arts, Digital Literacy, Financial Literacy and other content areas.  
  
    **Goal 1: Graduation**  
    By 2028, WCPSS will annually graduate 98% of students prepared to reach their full potential and lead productive lives in a complex and changing world. By 2028, WCPSS will eliminate graduation rate disparities by race, ethnicity, gender, and socio-economic status.  
  
    **Goal 2: Proficiency**  
    By 2028, 90% of WCPSS students will meet or exceed grade level proficiency. By 2028, WCPSS will eliminate proficiency disparities by race, ethnicity, gender, and socio-economic status.  
  
    **Goal 3: Growth**  
    By 2028, 90% of WCPSS schools will exceed the state-wide average for growth and 100% of student subgroups will exceed the state-wide average growth.
- **Priority 2: Student Dispositions and Well-Being**  
We will prioritize caring for students and staff as individuals and developing and maintaining positive social-emotional, behavioral, and mental health.

Goal 4: Attendance

By 2028, WCPSS will ensure 95% of all students are in attendance at least 95% of their days in membership and will eliminate disparities by race, ethnicity, gender, and socio-economic status.

Goal 5: Student Well-Being

By 2028, 90% of WCPSS students will demonstrate the social-emotional competencies of self-awareness, self-management, social awareness, relationship skills, and responsible decision-making and eliminate any disparities by race, ethnicity, gender, and socio-economic status.

- Priority 3: Operational Effectiveness

We will prioritize establishing structures and processes to provide timely and consistent service for every student and an inviting, safe environment for every school.

The priorities will ensure that we operate efficiently, effectively and sustainably for all students, families and employees.

Goal 6: Parent and Family Experience

By 2028, 95% of families surveyed will indicate low barriers to engagement and positive school climate. By 2028, WCPSS will eliminate any disparities along lines of race, ethnicity, gender, and socio-economic status.

Goal 7: Employee Experience

By 2028, X% of WCPSS employees will respond agree or strongly agree to select questions associated with employee satisfaction, engagement and wellness and will eliminate any disparities identified along lines of race, ethnicity, role, and gender in the percent of employees responding agree or strongly agree to the same questions.

### **Graduation Rates**

For the 2022-23 school year, 89.9 percent of seniors who started school four years earlier graduated on time. This is up 0.3 percent from 2022.

### **Academic Proficiency**

The district's overall proficiency rate on standardized tests continues to move toward pre-pandemic levels, 63.4% in 2022-23 compared to 65.2% in 2018-19. The overall proficiency rate was 61.4% in 2021-22.

### **National Board Certified Teachers**

In December 2022, 85 Wake County Public School System teachers earned National Board Certification. The district ranked second in the number of new National Board Certified teachers nationally for 2023. In total, more than 3,000 teachers have achieved this distinction while working in our district. 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, 2022 the residents of Wake County approved a bond issue of \$530 million. This bond issue will provide five new schools, seven major renovations, and 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 2023.

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, 2022. This was the thirty-fourth 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.

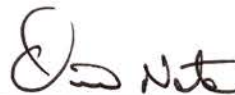
We would also like to express our appreciation to the members of the Board of Education for their interest and support in planning and conducting the financial affairs of the school system in a responsible and dedicated manner.

Respectfully submitted,



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Dr. Robert P. Taylor  
Superintendent



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David Neter  
Chief Business Officer



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Trisha Posey  
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, 2022.

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



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style.

John W. Hutchison  
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style.

Siobhán McMahon, CAE  
Chief Operations Officer/  
Interim 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

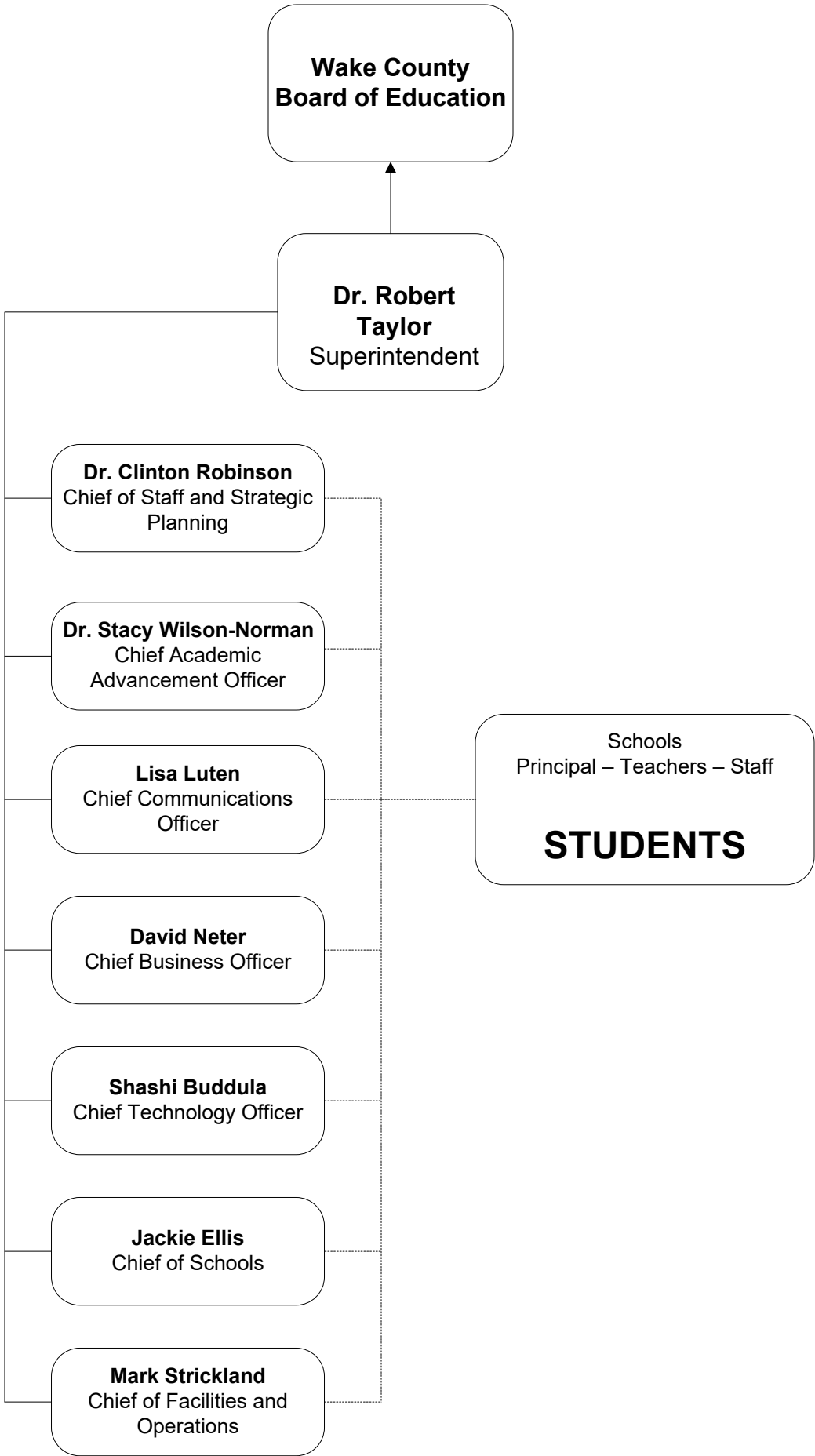
June 30, 2022

*Christopher P. Morill*

Executive Director/CEO



# Organizational Chart



# Board of Education and Leadership Team



**Lindsay Mahaffey**  
*Chair, District 8*



**Chris Heagarty**  
*Vice Chair, District 7*



**Cheryl Caulfield**  
District 1



**Monika Johnson-Hostler**  
District 2



**Dr. Wing Ng**  
District 3



**Tara Waters**  
District 4



**Lynn Edmonds**  
District 5



**Sam Hershey**  
District 6



**Tyler Swanson**  
District 9



**Dr. Robert P. Taylor**  
Superintendent

## Leadership Team

**Dr. Robert P. Taylor, Superintendent**

### Chief Officers

Dr. Clinton Robinson, Chief of Staff and Strategic Planning  
Dr. Stacey Wilson-Norman, Chief Academic Advancement Officer  
David Neter, Chief Business Officer  
Lisa Luten, Chief Communications Officer  
Shashi Buddula, Chief Technology Officer  
Jackie Ellis, Chief of Schools  
Mark Strickland, Chief of Facilities and Operations

### Finance

Trisha Posey, Finance Officer

### Area Superintendents

Dr. Mark Savage - Eastern Wake County  
Dr. Elena Ashburn - 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  
Vacant - 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, 2023, 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, 2023, 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.

#### ***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 within one year after the date that the financial statements are available to be issued.



### ***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 63 through 64, respectively, and the Retiree Health Benefit Fund's Schedules of Proportionate Share of the Net OPEB Liability and Board Contributions, on pages 65 through 66, respectively, and the Disability Income Plan of North Carolina's Schedules of the Proportionate Share of the Net OPEB Asset (Liability) and Board Contributions, on pages 67 through 68, 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 26, 2023, 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 26, 2023**

# **MANAGEMENT DISCUSSION AND ANALYSIS**

**WAKE COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

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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, 2023. 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 \$1,966,032,371.
- The Board's total net position increased \$328,566,154 primarily due to an increase in deferred outflows of resources and a decrease in deferred inflows of resources related to pensions.
- As of the close of the current fiscal year, the Board's General Fund reported a total fund balance of \$126,383,223 and the Board's governmental funds reported combined ending fund balances of \$144,658,472. Of this total, \$52,559,429 is available for spending at the government's discretion.
- The Board experienced a decrease in enrollment of 297 students (or 0.19%) from the previous year.
- Federal and state funds related to COVID-19, totaling \$94,097,891, 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,



**WAKE COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

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reconciliation from the governmental fund financial statements to the government-wide 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, 2023**

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 twenty-two 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 \$2 billion as of June 30, 2023. The largest component of net investment is the net investment in capital assets of approximately \$4.2 billion.

Following is a summary of the Statements of Net Position (Deficit) (in thousands). The 2022 comparative information has not been restated for the change in accounting principal at the beginning of fiscal year 2023.

**Condensed Statements of Net Position (Deficit)  
June 30, 2023 and 2022**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current assets	\$ 243,626	\$ 262,893	\$ 43,962	\$ 44,727	\$ 287,588	\$ 307,620
Leases receivable	4,313	4,271	-	-	4,313	4,271
Capital assets	4,258,211	4,165,926	8,975	7,448	4,267,186	4,173,374
Total assets	<u>4,506,150</u>	<u>4,433,090</u>	<u>52,937</u>	<u>52,175</u>	<u>4,559,087</u>	<u>4,485,265</u>
Deferred outflows of resources	795,280	562,824	19,633	3,267	814,913	566,091
Current Liabilities	100,246	127,407	8,469	7,557	108,715	134,964
Long-term liabilities:	<u>2,513,053</u>	<u>2,292,345</u>	<u>57,979</u>	<u>52,001</u>	<u>2,571,032</u>	<u>2,344,346</u>
Total liabilities	<u>2,613,299</u>	<u>2,419,752</u>	<u>66,448</u>	<u>59,558</u>	<u>2,679,747</u>	<u>2,479,310</u>
Deferred inflows of resources	710,063	921,078	18,157	13,501	728,220	934,579
Net investment in capital assets	4,159,626	4,067,091	8,975	7,445	4,168,601	4,074,536
Restricted net position	20,625	37,820	-	105	20,625	37,925
Unrestricted net position	<u>(2,202,184)</u>	<u>(2,449,827)</u>	<u>(21,010)</u>	<u>(25,167)</u>	<u>(2,223,194)</u>	<u>(2,474,994)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ 1,978,067</u>	<u>\$ 1,655,084</u>	<u>\$ (12,035)</u>	<u>\$ (17,617)</u>	<u>\$ 1,966,032</u>	<u>\$ 1,637,467</u>

**WAKE COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

Following is a summary of the Statement of Net Position

Note that net position for governmental activities increased by approximately \$323 million during the year, indicating an improvement in the financial condition of the Board. The increase of net position was mainly a result of entries related to pensions. 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 2022 comparative information has not been restated for the change in accounting principal at the beginning of fiscal year 2023.

**Condensed Statement of Changes in Net Position (Deficit)  
For the Years Ended June 30, 2023 and 2022**

	Governmental		Business-type		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 1,859	\$ 1,687	\$ 30,242	\$ 11,953	\$ 32,101	\$ 13,640
Operating grants and contributions	1,306,168	1,362,725	45,375	75,699	1,351,543	1,438,424
General Revenues:						
Other revenues	826,404	838,788	1,192	304	827,596	839,092
Total revenues	<u>2,134,431</u>	<u>2,203,200</u>	<u>76,809</u>	<u>87,956</u>	<u>2,211,240</u>	<u>2,291,156</u>
Expenses:						
Governmental activities:						
Instructional services	1,343,295	1,374,605	-	-	1,343,295	1,374,605
System-wide support services	285,446	300,712	-	-	285,446	300,712
Ancillary services	1,290	4,129	-	-	1,290	4,129
Nonprogram charges	56,564	45,002	-	-	56,564	45,002
Interest on long-term debt	3,800	3,381	-	-	3,800	3,381
Depreciation/amortization	121,007	97,438	-	-	121,007	97,438
Business-type activities:						
Food services	-	-	63,564	59,396	63,564	59,396
Tuition programs	-	-	7,708	6,278	7,708	6,278
Total expenses	<u>1,811,402</u>	<u>1,825,267</u>	<u>71,272</u>	<u>65,674</u>	<u>1,882,674</u>	<u>1,890,941</u>
Excess (deficiency) before transfers	<u>323,029</u>	<u>377,933</u>	<u>5,537</u>	<u>22,282</u>	<u>328,566</u>	<u>400,215</u>
Transfers	<u>(45)</u>	<u>(943)</u>	<u>45</u>	<u>943</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	322,984	376,990	5,582	23,225	328,566	400,215
Net position, beginning	<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>
Net position, ending	<u>\$ 1,978,068</u>	<u>\$ 1,655,084</u>	<u>\$ (12,036)</u>	<u>\$ (17,618)</u>	<u>\$ 1,966,032</u>	<u>\$ 1,637,466</u>

**WAKE COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

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Total governmental activities generated revenues of \$2.1 billion while expenses in this category totaled \$1.81 billion for the year ended June 30, 2023. Comparatively, revenues were \$2.2 billion, and expenses totaled \$1.82 billion for the year ended June 30, 2022. After transfers to the business-type activities, the increase in net position stands at \$323 million at June 30, 2023, compared to \$377 million in 2022. The decrease in revenues is due to the decrease in funds related to COVID-19. Instructional services expenses comprised 74.2% of total governmental-type expenses while system-wide support services made up 15.8% of those expenses for 2023. County funding comprised 37.75% of total governmental revenue for 2023. In 2022, county funding was 37.34%. Much of the remaining 62.25% of the total governmental revenue for 2023 consists of restricted state and federal money. This revenue represented 62.66% of total revenue in 2022. Business-type activities generated revenue of \$77 million and expenses of \$71 million. Net position increased in the business-type activities by \$5.6 million after transfers from the governmental activities of \$45 thousand. The increase in net position in 2022 was \$23.2 million. The majority of the increase was due to fully resuming operations after the limits from the COVID-19 pandemic.

**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 \$126,383,223, an increase of \$9,329,049 over last year. The underlying reason for this increase was the increase in funding from the county, and the continued use of remaining COVID-19 funds. The unassigned fund balance in the general fund increased to \$52,559,429. This level of unassigned fund balance equals 2.3 percent of the total operating budget (state, local funds, grant, enterprise, and other restricted funds \$2,218,113,851). The Board assigned \$25,200,000 from fund balance to support the 2023-24 budget.

The total fund balance in the capital outlay fund increased by \$582,146, and the restricted fund balance for capital expenditures increased to \$3,037,162. The total fund balance increase was due to revenue from leases, surplus sales and the increase in interest revenue.

The fund balance restricted for individual schools in the individual schools fund increased by \$225,817. The significant increase in both revenues and expenditures is a result of fully resuming normal activities after the pandemic restrictions.

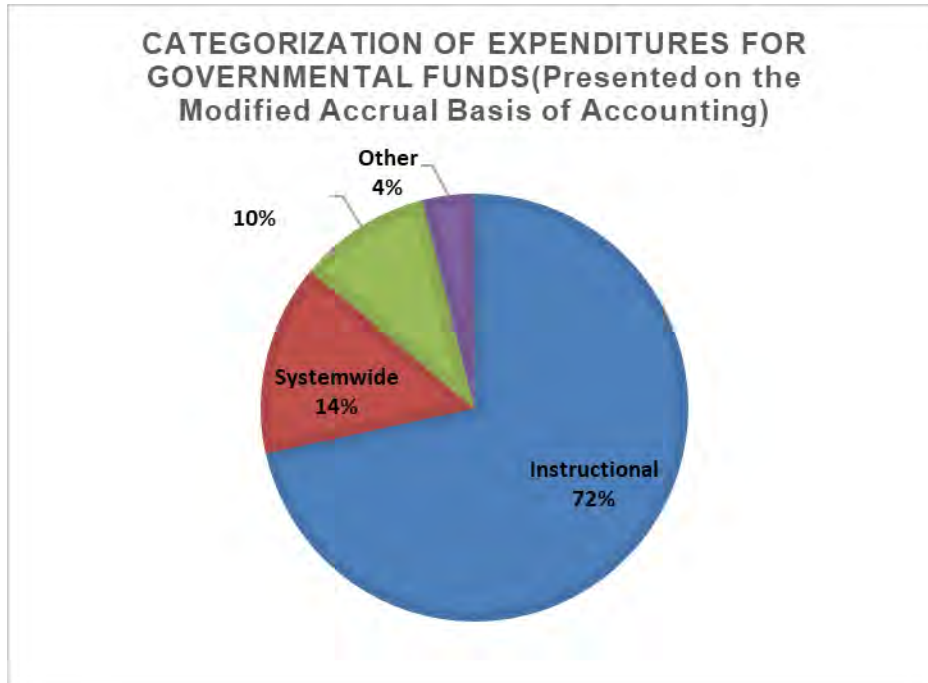
The fund balance for the State Public School Fund is zero. The Board only receives revenues from the State to equal expenditures up to the amount of their allotment.

The Board's governmental funds reported a combined fund balance of \$144,658,472, a \$9,555,382 increase over last year. The increase was due to continued federal support provided during the pandemic and unused salaries due to staffing vacancies. Total county funding to support operating and capital needs decreased over the prior year by \$16.9 million. This decrease was due to the decrease in new construction with a focus on renovations. State funding increased approximately \$49 million as a result of salary increases for teachers and other staff, staff bonuses, and increased matching benefit rates. Federal funding decreased by approximately \$112.3 million due to the reduction of grant funds related to the pandemic.

**WAKE COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

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The Board's business-type funds reflected a total increase in net position of approximately \$5.6 million. The Child Nutrition Program reflected an increase in net position over the last year of \$1.9 million and Tuition Programs reflected an increase in net position over last year of \$3.7 million. The increase in both programs was due to fully resuming 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 \$11.9 million. This was mainly due the appropriation of fund balance for additional worker's compensation and insurance costs, work together initiative, software subscriptions and for average daily membership reconciliation associated with school-based staffing vacancies. Total revenues were \$1,038,029 greater than the final budget due to an increase in fines and forfeitures, increased interest revenue and flexible benefit forfeitures. Total expenditures for the general fund were \$51.3 million less than the final budget due to unused salaries because of the unprecedented unfilled vacancies, reduced utility costs, as well as the use of federal pandemic funds. Other financing sources final budget includes \$43 million of appropriated fund balance.

**WAKE COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

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**Capital Assets**

The Board's investment in capital assets for its governmental and business-type activities as of June 30, 2023, totals \$4,173,096 (net of accumulated depreciation/amortization). The following is a summary of the capital assets, net of depreciation/amortization at year-end (in thousands):

Summary of Capital Assets  
June 30, 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
	Land	\$ 235,720	\$ 228,522	\$ -	\$ -	\$ 235,720
Land improvements	8,043	7,315	-	-	8,043	7,315
Buildings	3,299,387	2,799,239	-	-	3,299,387	2,799,239
Right-to-use leased buildings	82,683	90,854	-	-		
Equipment	10,799	10,139	8,768	7,297	19,567	17,436
Right-to-use leased equipment	1,814	1,472	-	3		
Right-to-use subscription assets	9,593	8,333	-	-		
Vehicles	15,133	15,546	207	148	15,340	15,694
Construction in progress	595,039	1,012,840	-	-	595,039	1,012,840
Total	<u>\$ 4,258,211</u>	<u>\$ 4,174,260</u>	<u>\$ 8,975</u>	<u>\$ 7,448</u>	<u>\$4,173,096</u>	<u>\$ 4,181,708</u>

More detailed information on the Board's capital assets is contained on pages 41 through 42 in the notes to the financial statements.

**Debt Outstanding**

During the year the Board's outstanding government-type obligations increased by \$212,373,873 and the business-type activities debt increased by \$5,977,115. The increase in the government-type and the business-type activities debt was due to the increase in net pension liability. More detailed information on the Board's outstanding debt is contained on page 58 of the notes to the financial statements. The county holds virtually all debt issued for school capital construction.

**Economic Factors**

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 3.1% at June 30, 2023. This is a decrease of 0.3% from the previous year.
- The population of Wake County continues to increase. At June 30, 2023, the population was 1,175,021.

**WAKE COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

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- Total property tax collections for fiscal year ended June 30, 2023, was \$1.27 trillion, a \$79 million increase from the prior fiscal year.

**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:

Trisha Posey, 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, 2023**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 185,291,732	\$ 39,265,114	\$ 224,556,846
Accounts receivables	3,439,701	200,433	3,640,134
Leases receivable	129,791	-	129,791
Accrued interest receivable on leases	101,323	-	101,323
Due from other governments	47,539,987	1,993,848	49,533,835
Internal balances	(121,679)	121,679	-
Inventories	7,245,152	2,380,382	9,625,534
Total current assets	<u>243,626,007</u>	<u>43,961,456</u>	<u>287,587,463</u>
Noncurrent assets:			
Lease receivable, non-current	4,312,630	-	4,312,630
Capital assets			
Land and construction in progress	830,758,988	-	830,758,988
Capital assets, net of accumulated depreciation/ amortization	<u>3,427,452,060</u>	<u>8,975,462</u>	<u>3,436,427,522</u>
Total capital assets	<u>4,258,211,048</u>	<u>8,975,462</u>	<u>4,267,186,510</u>
Total non-current assets	<u>4,262,523,678</u>	<u>8,975,462</u>	<u>4,271,499,140</u>
TOTAL ASSETS	<u>4,506,149,685</u>	<u>52,936,918</u>	<u>4,559,086,603</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>795,279,518</u>	<u>19,633,264</u>	<u>814,912,782</u>
<b>LIABILITIES</b>			
Current liabilities:			
Salaries and benefits payable	21,995,639	3,417,918	25,413,557
Accounts payable	59,847,042	1,931,438	61,778,480
Accrued interest payable	1,482,917	-	1,482,917
Unearned revenue	16,920,625	3,119,929	20,040,554
Long-term due within one year	84,868,132	600,000	85,468,132
Long-term liabilities:			
Net pension liability	962,872,798	21,669,247	984,542,045
Net OPEB liabilities	1,324,741,950	34,810,987	1,359,552,937
Due in more than one year	<u>140,569,884</u>	<u>898,378</u>	<u>141,468,262</u>
TOTAL LIABILITIES	<u>2,613,298,987</u>	<u>66,447,897</u>	<u>2,679,746,884</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>710,063,026</u>	<u>18,157,104</u>	<u>728,220,130</u>
<b>NET POSITION (DEFICIT)</b>			
Net investment in capital assets	4,159,626,374	8,975,462	4,168,601,836
Restricted for:			
Individual school activities	11,069,749	-	11,069,749
Special programs	132,664	-	132,664
Stabilization by state statute	6,182,842	-	6,182,842
School capital outlay	3,037,162	-	3,037,162
Restricted contributions	202,476	-	202,476
Unrestricted	<u>(2,202,184,077)</u>	<u>(21,010,281)</u>	<u>(2,223,194,358)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ 1,978,067,190</u>	<u>\$ (12,034,819)</u>	<u>\$ 1,966,032,371</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, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES:</b>				
Instructional programs				
Regular	\$ 751,664,187	\$ 1,859,232	\$ 631,051,601	\$ -
Special populations	254,287,799	-	248,871,735	-
Alternative programs and services	99,559,290	-	96,484,569	-
School leadership	104,527,906	-	109,509,935	-
Co-curricular	34,243,562	-	356,315	-
School-based support services	99,012,169	-	77,049,768	-
Systemwide support services				
Support and development	10,474,696	-	5,854,957	-
Special populations support and development	8,291,746	-	1,960,585	-
Alternative programs and services support and development	5,306,469	-	2,801,151	-
Technology support	56,871,033	-	7,635,259	-
Operational support	158,465,455	-	106,619,221	-
Financial and human resource	24,719,589	-	6,831,536	-
Accountability	2,084,224	-	445,401	-
Systemwide pupil support	6,944,974	-	2,071,884	-
Policy, leadership and public relations	12,287,817	-	3,684,665	-
Ancillary services	1,289,862	-	1,152,314	-
Nonprogram charges	56,564,321	-	3,787,498	-
Interest on long-term debt	3,800,422	-	-	-
Depreciation/amortization - unallocated *	121,007,361	-	-	-
Total governmental activities	<u>1,811,402,882</u>	<u>1,859,232</u>	<u>1,306,168,394</u>	<u>-</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>				
Food services	63,563,367	19,185,631	42,944,783	2,429,389
Tuition programs	7,707,712	11,056,264	-	1,000
Total business-type activities	<u>71,271,079</u>	<u>30,241,895</u>	<u>42,944,783</u>	<u>2,430,389</u>
Total school district	<u>\$ 1,882,673,961</u>	<u>\$ 32,101,127</u>	<u>\$ 1,349,113,177</u>	<u>\$ 2,430,389</u>
<b>GENERAL REVENUES</b>				
Unrestricted county appropriations - operating				
Unrestricted county appropriations - capital				
Unrestricted state appropriations - capital				
Investment earnings, unrestricted				
Non-capital OPEB plan contribution				
Miscellaneous, unrestricted				
Subtotal, general revenues				
<b>TRANSFER</b>				
Subtotal, general revenues and transfers				
Changes in net position (deficit)				
Net position (deficit) - beginning				
Net position (deficit) - ending				

(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, 2023**

Functions/Programs	Net (Expenses) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES:</b>			
Instructional programs			
Regular	\$ (118,753,354)		\$ (118,753,354)
Special populations	(5,416,064)		(5,416,064)
Alternative programs and services	(3,074,721)		(3,074,721)
School leadership	4,982,029		4,982,029
Co-curricular	(33,887,247)		(33,887,247)
School-based support services	(21,962,401)		(21,962,401)
Systemwide support services			
Support and development	(4,619,739)		(4,619,739)
Special populations support and development	(6,331,161)		(6,331,161)
Alternative programs and services support and development	(2,505,318)		(2,505,318)
Technology support	(49,235,774)		(49,235,774)
Operational support	(51,846,234)		(51,846,234)
Financial and human resource	(17,888,053)		(17,888,053)
Accountability	(1,638,823)		(1,638,823)
Systemwide pupil support	(4,873,090)		(4,873,090)
Policy, leadership and public relations	(8,603,152)		(8,603,152)
Ancillary services	(137,548)		(137,548)
Nonprogram charges	(52,776,823)		(52,776,823)
Interest on long-term debt	(3,800,422)		(3,800,422)
Depreciation/amortization - unallocated *	(121,007,361)		(121,007,361)
Total governmental activities	<u>(503,375,256)</u>		<u>(503,375,256)</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>			
Food services		\$ 996,436	996,436
Tuition programs		3,349,552	3,349,552
Total business-type activities		<u>4,345,988</u>	<u>4,345,988</u>
Total school district	<u>(503,375,256)</u>	<u>4,345,988</u>	<u>(499,029,268)</u>
<b>GENERAL REVENUES</b>			
Unrestricted county appropriations - operating	594,253,045	-	594,253,045
Unrestricted county appropriations - capital	211,503,151	-	211,503,151
Unrestricted state appropriations - capital	3,041,024	-	3,041,024
Investment earnings, unrestricted	3,954,624	925,967	4,880,591
Non-capital OPEB plan contribution	10,055,489	265,667	10,321,156
Miscellaneous, unrestricted	3,596,455	-	3,596,455
Subtotal, general revenues	826,403,788	1,191,634	827,595,422
<b>TRANSFER</b>	<u>(45,000)</u>	<u>45,000</u>	<u>-</u>
Subtotal, general revenues and transfers	<u>826,358,788</u>	<u>1,236,634</u>	<u>827,595,422</u>
Changes in net position (deficit)	322,983,532	5,582,622	328,566,154
Net position (deficit) - beginning	<u>1,655,083,658</u>	<u>(17,617,441)</u>	<u>1,637,466,217</u>
Net position (deficit) - ending	<u>\$ 1,978,067,190</u>	<u>\$ (12,034,819)</u>	<u>\$ 1,966,032,371</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, 2023**

	Major Funds					Total Governmental Funds
	General Fund	State Public	Capital Outlay	Other	Non-Major Funds	
		School Fund	Fund	Restricted Funds		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 142,629,417	\$ 10,117,162	\$ 4,746,879	\$ 15,306,941	\$ 12,491,333	\$ 185,291,732
Due from other governments	1,857,757	13,260,774	28,260,913	1,428,623	2,731,920	47,539,987
Accounts receivable	1,248,804	-	-	2,190,897	-	3,439,701
Due from other funds	93,361	7,572	-	91,889	1,012	193,834
Lease receivable	-	-	4,425,535	-	16,886	4,442,421
Inventories	4,840,017	-	-	2,405,135	-	7,245,152
Total assets	<u>\$ 150,669,356</u>	<u>\$ 23,385,508</u>	<u>\$ 37,433,327</u>	<u>\$ 21,423,485</u>	<u>\$ 15,241,151</u>	<u>\$ 248,152,827</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities						
Salaries and benefits payable	\$ 7,515,423	\$ 13,260,774	\$ -	\$ 96,221	\$ 1,123,221	\$ 21,995,639
Accounts payable	16,668,511	10,124,734	28,350,090	1,782,703	2,921,004	59,847,042
Due to other funds	102,199	-	-	86,137	127,177	315,513
Unearned revenue	-	-	-	16,920,625	-	16,920,625
Total liabilities	<u>24,286,133</u>	<u>23,385,508</u>	<u>28,350,090</u>	<u>18,885,686</u>	<u>4,171,402</u>	<u>99,078,819</u>
Deferred inflows of resources	-	-	4,415,536	-	-	4,415,536
Fund balances						
Nonspendable						
Inventories	4,840,017	-	-	2,405,135	-	7,245,152
Restricted						
Stabilization by state statute	5,820,934	-	361,908	-	-	6,182,842
Capital expenditures	-	-	3,037,162	-	-	3,037,162
Individual schools	-	-	-	-	11,069,749	11,069,749
Special programs	-	-	-	132,664	-	132,664
Restricted contributions for capital expenditures	-	-	202,476	-	-	202,476
Assigned						
Special projects	12,885,694	-	1,066,155	-	-	13,951,849
Insurance	20,454,340	-	-	-	-	20,454,340
Potential unfunded pension liability	3,622,809	-	-	-	-	3,622,809
Flexible Benefits	1,000,000	-	-	-	-	1,000,000
Subsequent years expenditures	25,200,000	-	-	-	-	25,200,000
Unassigned	52,559,429	-	-	-	-	52,559,429
Total fund balances	<u>126,383,223</u>	<u>-</u>	<u>4,667,701</u>	<u>2,537,799</u>	<u>11,069,749</u>	<u>144,658,472</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 150,669,356</u>	<u>\$ 23,385,508</u>	<u>\$ 37,433,327</u>	<u>\$ 21,423,485</u>	<u>\$ 15,241,151</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds	4,258,211,048
Deferred outflows of resources related to pensions	584,144,713
Deferred outflows of resources related to OPEB	211,134,805
Deferred inflows of resources related to pensions	(30,637,234)
Deferred inflows of resources related to OPEB	(675,010,256)
Accrued interest receivable	101,323
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	(12,048,603)
Compensated absences (vacation)	(108,861,389)
Net pension liability	(962,872,798)
Net OPEB liability	(1,324,741,950)
Accrued interest liability	(1,482,917)
Lease liability	(89,216,577)
Subscription liability	(6,993,757)
Installment purchase	(8,317,690)
Total net position - governmental activities	<u>\$ 1,978,067,190</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, 2023**

	Major Funds					Total Governmental Funds
	General Fund	State Public	Capital Outlay	Other	Non-Major	
		School Fund	Fund	Restricted Funds		
<b>REVENUES:</b>						
County	\$ 593,317,101	\$ -	\$ 211,503,151	\$ 935,944	\$ -	\$ 805,756,196
State	-	1,103,527,263	3,041,024	4,509	-	1,106,572,796
Federal	-	-	-	7,854,913	164,562,786	172,417,699
Other local	7,531,676	-	776,260	24,111,028	15,081,881	47,500,845
Total revenues	<u>600,848,777</u>	<u>1,103,527,263</u>	<u>215,320,435</u>	<u>32,906,394</u>	<u>179,644,667</u>	<u>2,132,247,536</u>
<b>EXPENDITURES:</b>						
<b>Current operations:</b>						
Instructional services						
Regular instruction	225,413,221	594,063,715	-	4,839,367	28,481,077	852,797,380
Special populations	41,847,246	207,712,467	-	4,987,129	35,303,740	289,850,582
Alternative programs and services	18,764,180	33,521,433	-	3,221,423	58,281,488	113,788,524
School leadership	24,788,168	92,667,655	-	43,350	1,710,267	119,209,440
Co-curricular	23,370,873	60,737	-	17,246	13,990,075	37,438,931
School-based support	34,561,996	60,975,457	-	3,730,782	12,799,434	112,067,669
Systemwide support services						
Support and development	6,276,282	1,657,752	-	1,580,044	2,482,996	11,997,074
Special populations support and development	7,370,570	695,730	-	368,557	874,339	9,309,196
Alternative programs and services support and development	3,218,971	471,376	-	597,409	1,677,741	5,965,497
Technology support	18,443,216	5,162,447	-	1,269,694	1,169,088	26,044,445
Connectivity support	-	-	-	-	-	-
Operational support	84,692,777	93,461,119	-	11,005,351	15,100,926	204,260,173
Financial and human resource	20,448,131	5,796,034	-	189,656	838,600	27,272,421
Accountability	1,967,442	415,759	-	-	25,514	2,408,715
Systemwide pupil support	5,535,886	728,570	-	629,528	678,252	7,572,236
Policy, leadership, and public relations	9,983,388	3,548,858	-	1,081	87,967	13,621,294
Ancillary services	133,606	-	-	82,212	1,043,857	1,259,675
Non-program charges	57,603,013	-	-	142,409	4,030,375	61,775,797
<b>Debt service:</b>						
Principal	8,589,335	2,925,825	3,262,084	632,749	1,099,988	16,509,981
Interest	3,088,487	1,003	122,818	396,393	17,204	3,625,905
<b>Capital outlay:</b>						
Land, buildings, and other	-	-	209,786,742	-	-	209,786,742
Equipment	-	-	2,997,348	-	-	2,997,348
Total expenditures	<u>596,096,788</u>	<u>1,103,865,937</u>	<u>216,168,992</u>	<u>33,734,380</u>	<u>179,692,928</u>	<u>2,129,559,025</u>
Excess (deficiency) of revenues over expenditures	<u>4,751,989</u>	<u>(338,674)</u>	<u>(848,557)</u>	<u>(827,986)</u>	<u>(48,261)</u>	<u>2,688,511</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Installment purchase obligations issued	-	-	872,982	-	-	872,982
Lease/subscription liability issued	4,552,952	383,674	317,218	190,564	993,054	6,437,462
Sale of school property	-	-	240,503	-	-	240,503
Transfers in	-	-	-	718,976	-	718,976
Transfers out	-	(45,000)	-	-	(718,976)	(763,976)
Total other financing sources (uses)	<u>4,552,952</u>	<u>338,674</u>	<u>1,430,703</u>	<u>909,540</u>	<u>274,078</u>	<u>7,505,947</u>
Net change in fund balance	<u>9,304,941</u>	<u>-</u>	<u>582,146</u>	<u>81,554</u>	<u>225,817</u>	<u>10,194,458</u>
Fund balances, beginning of year	117,054,174	-	4,085,555	3,119,429	10,843,932	135,103,090
Increase (decrease) in reserve for inventories	24,108	-	-	(663,184)	-	(639,076)
Fund balances, end of year	<u>\$ 126,383,223</u>	<u>\$ -</u>	<u>\$ 4,667,701</u>	<u>\$ 2,537,799</u>	<u>\$ 11,069,749</u>	<u>\$ 144,658,472</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, 2023**

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Total net change in fund balances - governmental funds.	\$ 10,194,458
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/amortization in the current period.	84,584,766
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	188,033,429
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities.	75,624,492
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	2,585,859
Lease	5,076,462
Subscription liability	1,339,728
Increase in accrued interest payable	(439,771)
Proceeds from disposal of capital assets are recorded as revenues on the fund statements but not shown in the statement of activities	(240,503)
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	(191,498,612)
Compensated absences	(3,184,002)
Loss on disposal of assets	(392,918)
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	142,925,335
Non-capital OPEB plan contribution	10,055,489
Decrease in interest revenue on lease receivable	(1,159)
The estimated reserve for workers' compensation self-insurance is recorded as a long-term obligation in the government-wide statements.	(1,040,445)
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements.	<u>(639,076)</u>
Change in net position of governmental activities.	<u>\$ 322,983,532</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, 2023**

	General Fund			
	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
County	\$ 593,317,101	\$ 593,317,101	\$ 593,317,101	\$ -
State	-	-	-	-
Federal	-	-	-	-
Other local	<u>3,122,500</u>	<u>6,493,647</u>	<u>7,531,676</u>	<u>1,038,029</u>
Total revenues	<u>596,439,601</u>	<u>599,810,748</u>	<u>600,848,777</u>	<u>1,038,029</u>
<b>EXPENDITURES:</b>				
Current operations				
Instructional services				
Regular instruction	233,534,611	237,613,959	225,413,221	12,200,738
Special populations	49,173,497	45,666,706	41,847,246	3,819,460
Alternative programs and services	21,654,215	20,375,140	18,764,180	1,610,960
School leadership	29,676,413	25,895,135	24,788,168	1,106,967
Co-curricular	23,759,360	23,743,549	23,370,873	372,676
School-based support services	37,144,667	38,163,329	34,561,996	3,601,333
Systemwide support services				
Support and development	7,180,882	6,610,637	6,276,282	334,355
Special populations support and development	7,065,381	7,911,038	7,370,570	540,468
Alternative programs and services support and development	2,860,716	3,630,160	3,218,971	411,189
Technology support	20,920,781	20,330,630	18,443,216	1,887,414
Operational support	112,623,137	100,894,618	84,692,777	16,201,841
Financial and human resource	18,843,464	22,318,618	20,448,131	1,870,487
Accountability	2,262,001	2,097,811	1,967,442	130,369
Systemwide pupil support	6,036,487	6,001,747	5,535,886	465,861
Policy, leadership and public relations	10,132,591	10,861,888	9,983,388	878,500
Ancillary services	3,572	377,388	133,606	243,782
Non-program charges	51,912,862	58,270,152	57,603,013	667,139
Unbudgeted funds	34,180	4,929,576	-	4,929,576
Debt service	643,585	11,678,087	11,677,822	265
Total expenditures	<u>635,462,402</u>	<u>647,370,168</u>	<u>596,096,788</u>	<u>51,273,380</u>
Revenues over (under) expenditures	<u>(39,022,801)</u>	<u>(47,559,420)</u>	<u>4,751,989</u>	<u>52,311,409</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Appropriated fund balance	39,022,801	43,006,468	-	(43,006,468)
Lease/subscription liability issued	-	4,552,952	4,552,952	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>39,022,801</u>	<u>47,559,420</u>	<u>4,552,952</u>	<u>(43,006,468)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>9,304,941</u>	<u>\$ 9,304,941</u>
Fund balances, beginning of year			117,054,174	
Increase (decrease) in reserve for inventories			<u>24,108</u>	
Fund balances, end of year			<u>\$ 126,383,223</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, 2023

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
County	\$ -	\$ -	\$ -	\$ -
State	1,095,107,603	1,119,691,666	1,103,527,263	(16,164,403)
Federal	-	-	-	-
Other local	-	-	-	-
Total revenues	<u>1,095,107,603</u>	<u>1,119,691,666</u>	<u>1,103,527,263</u>	<u>(16,164,403)</u>
<b>EXPENDITURES:</b>				
Current operations				
Instructional services				
Regular instruction	610,753,838	607,226,241	594,063,715	13,162,526
Special populations	204,170,788	207,795,443	207,712,467	82,976
Alternative programs and services	33,669,192	33,598,565	33,521,433	77,132
School leadership	92,787,984	93,501,934	92,667,655	834,279
Co-curricular	21,437	60,748	60,737	11
School-based support services	60,804,928	61,385,219	60,975,457	409,762
Systemwide support services				
Support and development	1,287,705	1,668,060	1,657,752	10,308
Special populations support and development	640,485	695,730	695,730	-
Alternative programs and services support and development	570,942	471,376	471,376	-
Technology support	2,699,928	6,326,107	5,162,447	1,163,660
Operational support	77,061,933	93,876,219	93,461,119	415,100
Financial and human resource	5,865,580	5,799,187	5,796,034	3,153
Accountability	241,967	415,759	415,759	-
Systemwide pupil support	495,245	728,690	728,570	120
Policy, leadership and public relations	4,035,651	3,554,234	3,548,858	5,376
Ancillary services	-	-	-	-
Non-program charges	-	-	-	-
Unbudgeted funds	-	-	-	-
Debt service	-	2,926,828	2,926,828	-
Total expenditures	<u>1,095,107,603</u>	<u>1,120,030,340</u>	<u>1,103,865,937</u>	<u>16,164,403</u>
Revenues over (under) expenditures	<u>-</u>	<u>(338,674)</u>	<u>(338,674)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Appropriated fund balance	-	-	-	-
Lease/subscription liability issued	-	383,674	383,674	-
Transfers in	-	-	-	-
Transfers out	-	(45,000)	(45,000)	-
Total other financing sources (uses)	<u>-</u>	<u>338,674</u>	<u>338,674</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, 2023**

	Other Restricted Funds			
	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
County	\$ 935,944	\$ 935,944	\$ 935,944	\$ -
State	-	4,509	4,509	-
Federal	26,540,126	20,566,057	7,854,913	(12,711,144)
Other local	19,009,797	35,956,527	24,111,028	(11,845,499)
Total revenues	<u>46,485,867</u>	<u>57,463,037</u>	<u>32,906,394</u>	<u>(24,556,643)</u>
<b>EXPENDITURES:</b>				
Current operations				
Instructional services				
Regular instruction	6,579,314	8,973,150	4,839,367	4,133,783
Special populations	7,903,080	8,378,742	4,987,129	3,391,613
Alternative programs and services	3,928,355	5,001,637	3,221,423	1,780,214
School leadership	48,037	111,988	43,350	68,638
Co-curricular	-	25,000	17,246	7,754
School-based support services	5,248,788	7,496,249	3,730,782	3,765,467
Systemwide support services				
Support and development	1,826,995	2,218,046	1,580,044	638,002
Special populations support and development	1,363,062	1,315,966	368,557	947,409
Alternative programs and services support and development	1,257,997	1,414,266	597,409	816,857
Technology support	1,342,904	1,270,038	1,269,694	344
Operational support	12,626,397	11,007,607	11,005,351	2,256
Financial and human resource	351,998	895,635	189,656	705,979
Accountability	-	-	-	-
Systemwide pupil support	299,562	1,308,733	629,528	679,205
Policy, leadership and public relations	-	66,000	1,081	64,919
Ancillary services	57,337	329,007	82,212	246,795
Non-program charges	177,530	362,890	142,409	220,481
Unbudgeted funds	3,474,511	7,168,481	-	7,168,481
Debt service	-	1,029,142	1,029,142	-
Total expenditures	<u>46,485,867</u>	<u>58,372,577</u>	<u>33,734,380</u>	<u>24,638,197</u>
Revenues over (under) expenditures	<u>-</u>	<u>(909,540)</u>	<u>(827,986)</u>	<u>81,554</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Appropriated fund balance	-	-	-	-
Lease/subscription liability issued	-	190,564	190,564	-
Transfers in	-	718,976	718,976	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>909,540</u>	<u>909,540</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	81,554	<u>\$ -</u>
Fund balances, beginning of year			3,119,429	
Increase (decrease) in reserve for inventories			(663,184)	
Fund balances, end of year			<u>\$ 2,537,799</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, 2023**

	Major Fund Child Nutrition Program	Major Fund Tuition Programs	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 25,588,309	\$ 13,676,805	\$ 39,265,114
Due from other governments	1,868,381	125,467	1,993,848
Accounts receivable	200,433	-	200,433
Due from other funds	1,837	121,711	123,548
Inventory	<u>2,380,382</u>	<u>-</u>	<u>2,380,382</u>
Total current assets	30,039,342	13,923,983	43,963,325
Noncurrent assets:			
Capital assets, net of accumulated depreciation/amortization	<u>8,554,865</u>	<u>420,597</u>	<u>8,975,462</u>
Total assets	<u>38,594,207</u>	<u>14,344,580</u>	<u>52,938,787</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>15,805,218</u>	<u>3,828,046</u>	<u>19,633,264</u>
<b>LIABILITIES</b>			
Current liabilities:			
Salaries and benefits payable	3,392,053	25,865	3,417,918
Accounts payable	900,567	1,030,871	1,931,438
Due to other funds	1,869	-	1,869
Unearned revenue	2,554,146	565,783	3,119,929
Current portion of long-term obligations	<u>591,840</u>	<u>8,160</u>	<u>600,000</u>
Total current liabilities	7,440,475	1,630,679	9,071,154
Noncurrent liabilities:			
Net pension liability	17,133,708	4,535,539	21,669,247
Net OPEB liability	26,243,079	8,567,908	34,810,987
Compensated absences	<u>785,355</u>	<u>113,023</u>	<u>898,378</u>
Total noncurrent liabilities	<u>44,162,142</u>	<u>13,216,470</u>	<u>57,378,612</u>
Total liabilities	<u>51,602,617</u>	<u>14,847,149</u>	<u>66,449,766</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>13,817,283</u>	<u>4,339,821</u>	<u>18,157,104</u>
<b>NET POSITION (DEFICIT)</b>			
Net investment in capital assets	8,554,865	420,597	8,975,462
Unrestricted	<u>(19,575,340)</u>	<u>(1,434,941)</u>	<u>(21,010,281)</u>
Total net deficit	<u>\$ (11,020,475)</u>	<u>\$ (1,014,344)</u>	<u>\$ (12,034,819)</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, 2023**

	Major Fund Child Nutrition Program	Major Fund Tuition Programs	Total
<b>OPERATING REVENUES</b>			
Food sales	\$ 19,185,631	\$ -	\$ 19,185,631
Participant fees	-	11,056,264	11,056,264
Total operating revenues	19,185,631	11,056,264	30,241,895
<b>OPERATING EXPENSES:</b>			
Salaries	24,734,194	4,528,043	29,262,237
Food	17,639,268	-	17,639,268
Supplies	3,536,973	973,198	4,510,171
Purchased services	708,734	790,500	1,499,234
Employee benefits	8,492,551	627,189	9,119,740
Donated commodities	4,438,900	-	4,438,900
Indirect costs	2,840,817	745,016	3,585,833
Depreciation/Amortization	1,171,930	43,766	1,215,696
TOTAL OPERATING EXPENSES	63,563,367	7,707,712	71,271,079
Operating income (loss)	(44,377,736)	3,348,552	(41,029,184)
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Federal regular USDA grants	37,703,209	-	37,703,209
USDA grants - summer feeding program	483,720	-	483,720
USDA grants - fresh fruit & vegetable program	102,067	-	102,067
Federal commodities	4,438,900	-	4,438,900
NCDPI reduced-price breakfast	59,232	-	59,232
Interest	622,510	303,457	925,967
Local donations and grants	2,615,100	1,000	2,616,100
Non-capital OPEB plan contribution	227,272	38,395	265,667
Loss on sale of capital assets	(28,056)	-	(28,056)
Total non-operating revenues	46,223,954	342,852	46,566,806
Income (loss) before contributions and transfers	1,846,218	3,691,404	5,537,622
Transfers from other funds	45,000	-	45,000
Change in net deficit	1,891,218	3,691,404	5,582,622
Total net deficit, beginning	(12,911,693)	(4,705,748)	(17,617,441)
Total net deficit, ending	\$ (11,020,475)	\$ (1,014,344)	\$ (12,034,819)

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, 2023**

	Major Fund Child Nutrition Program	Major Fund Tuition Programs	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 19,430,816	\$ 10,871,366	\$ 30,302,182
Cash paid for goods and services	(22,379,954)	(1,691,196)	(24,071,150)
Cash paid to employees for services	(36,903,026)	(5,959,379)	(42,862,405)
Other cash payments	(2,856,565)	(744,780)	(3,601,345)
Net cash provided (used) by operating activities	<u>(42,708,729)</u>	<u>2,476,011</u>	<u>(40,232,718)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
Federal regular USDA grants	39,107,670	-	39,107,670
USDA grants - summer feeding program	483,720	-	483,720
USDA grants - fresh fruit & vegetable program	102,067	-	102,067
NCDPI reduced-price breakfast	59,232	-	59,232
Local donations and grants	185,711	1,000	186,711
Net cash provided by non-capital financing activities	<u>39,938,400</u>	<u>1,000</u>	<u>39,939,400</u>
<b>CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchase of equipment	(259,264)	(115,331)	(374,595)
Proceeds from sale of equipment	33,194	-	33,194
Net cash used for capital and related financing activities	<u>(226,070)</u>	<u>(115,331)</u>	<u>(341,401)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest income	622,510	303,457	925,967
Net increase (decrease) in cash and cash equivalents	(2,373,889)	2,665,137	291,248
Cash and cash equivalents, beginning of year	27,962,198	11,011,668	38,973,866
Cash and cash equivalents, end of year	<u>\$ 25,588,309</u>	<u>\$ 13,676,805</u>	<u>\$ 39,265,114</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	<u>\$ (44,377,736)</u>	<u>\$ 3,348,552</u>	<u>\$ (41,029,184)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation/amortization	1,171,930	43,766	1,215,696
Donated commodities	4,438,900	-	4,438,900
Salaries paid by special revenue funds	45,000	-	45,000
Non-capital OPEB plan contribution	227,272	38,395	265,667
(Increase) decrease in accounts receivable	(185,089)	2,398	(182,691)
(Increase) decrease in due from other funds	(1,372)	541	(831)
Decrease in net OPEB assets	12,519	8,341	20,860
Increase in due from other governments	-	(78,153)	(78,153)
Increase in inventories	(92,189)	-	(92,189)
Increase in net pension liability	14,801,451	2,500,517	17,301,968

(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, 2023**

	Major Fund Child Nutrition Program	Major Fund Tuition Programs	Total
Decrease in net OPEB liability	\$ (9,884,570)	\$ (1,676,098)	\$ (11,560,668)
Increase in deferred outflows	(14,001,184)	(2,365,323)	(16,366,507)
Increase in deferred inflows	3,983,218	672,914	4,656,132
Increase in accounts payable and accrued liabilities	513,808	77,207	591,015
Decrease in due to other funds	(14,376)	(305)	(14,681)
Increase (decrease) in unearned revenue	430,275	(109,143)	321,132
Decrease in lease liability	(3,052)	-	(3,052)
Increase in compensated absence liability	226,466	12,402	238,868
Total adjustments	<u>1,669,007</u>	<u>(872,541)</u>	<u>796,466</u>
Net cash provided (used) by operating activities	<u>\$ (42,708,729)</u>	<u>\$ 2,476,011</u>	<u>\$ (40,232,718)</u>

**NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:**

The School Food Service Fund received donated commodities with a value of \$4,438,900 during the fiscal year.

During the fiscal year, capital assets of \$2,429,389 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 \$45,000 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 \$227,272 and the Tuition Fund recorded \$38,395 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, 2023**

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**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/amortization 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, 2023**

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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.

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.

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.



**WAKE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**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.

During the fiscal year, there were budget amendments totaling \$60,864,049 approved by the Board as follows:

General fund	\$ 11,907,766
State public school fund	24,967,737
Other restricted funds	11,886,710
State administered federal grant fund	3,843,000
Capital outlay fund	4,451,170
Enterprise fund	3,807,666
	<u>60,864,049</u>
	<u>\$ 60,864,049</u>

**WAKE COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023**

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E. Assets, Liabilities, Deferred Inflows, and Net Position/Fund Balance

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 measured at fair value 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, 2023 of .7 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.

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.

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 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.

**WAKE COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2023**

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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. Right to use lease and subscription assets are amortized on a straight-line basis over the shorter of the lease/subscription term and the useful life of the underlying asset.

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

**6. 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 two items that meet this criterion – leases and pension and OPEB related deferrals.

**7. Long-term Obligations**

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

**8. 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, 2023, 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.

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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.

9. 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.

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.

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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, 2023, 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 to offset potential losses in future years. Balances are assigned by management and approved by the Board.

Potential unfunded pension liability – the portion of fund balance that is assigned for potential liability from the Teachers and State Employees Retirement System for pension spiking. 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.

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10. 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 \$1,833,408,718 consists of the following elements:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are, therefore, not reported in the funds	\$ 5,813,465,409
Less accumulated depreciation/amotization	<u>(1,555,254,361)</u>
Net capital assets	<u>4,258,211,048</u>
Accrued interest receivable	101,323
Pension-related deferred outflows of resources	584,144,713
OPEB related deferred outflows of resources	211,134,805
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	(12,048,603)
Compensated absences	(108,861,389)
Installment purchase	(8,317,690)
Net pension liability	(962,872,798)
Net OPEB liability	(1,324,741,950)
Leases	(89,216,577)
Subscription liability	(6,993,757)
Accrued interest	(1,482,917)
Deferred inflows of resources related to pension	(30,637,234)
Deferred inflows of resources related to OPEB	<u>(675,010,256)</u>
Total adjustments	<u>\$ 1,833,408,718</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 \$312,789,074 consists of the following elements:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 220,576,960
Depreciation/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.	(135,992,194)
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	(7,744,275)
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.	16,746,324
Increase in accrued interest payable for debt owed	(439,771)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	188,033,429
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities.	75,624,492
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	(191,498,612)
Loss on disposal of assets	(392,918)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(3,184,002)
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.	(639,076)
OPEB benefit	142,925,335
Proceeds from disposal of capital assets	(240,503)
Non-capital OPEB plan contribution	10,055,489
Interest revenue	(1,159)
Estimated reserve for workers' compensation self-insurance recorded as a long-term obligation in the government-wide statements.	<u>(1,040,445)</u>
Total adjustments	<u>\$ 312,789,074</u>



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11. 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, 2023, the Board's deposits with banks had a carrying amount of \$38,551,989 and with the State Treasurer of \$11,179,133. The bank balances with financial institutions and the State Treasurer were \$45,233,999 and \$12,337,276, respectively. Of these balances, \$315,934 was covered by federal depository insurance and \$57,255,341 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

**WAKE COUNTY BOARD OF EDUCATION**  
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2. Investments

At June 30, 2023, the Board had \$146,203,330 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 \$28,622,394 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of .7 years at June 30, 2023. 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 .7 years as of June 30, 2023.

*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, 2023. 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 (16% of total investments) and NC Capital Management Trust (84% of total investments).

3. Accounts Receivable

Receivables at the government-wide level at June 30, 2023, were as follows:

	Due from other funds (internal balances)	Due from other governments	Other	Total
Governmental activities:				
General Fund	\$ 93,361	\$ 1,857,757	\$1,248,804	\$ 3,199,922
Other governmental activities	100,473	45,682,230	2,190,897	47,973,600
Total	<u>\$ 193,834</u>	<u>\$ 47,539,987</u>	<u>\$3,439,701</u>	<u>\$ 51,173,522</u>
Business-type activities				
Child Nutrition Program	\$ 1,837	\$ 1,868,381	\$ 200,433	\$ 2,070,651
Tuition Programs	121,711	125,467	-	247,178
Total	<u>\$ 123,548</u>	<u>\$ 1,993,848</u>	<u>\$ 200,433</u>	<u>\$ 2,317,829</u>

Internal balances consist of the transfer of tuition payments receipted at the school level, allocation of printing and mailroom costs, catering fees, and other cost allocations.

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Due from other governments consists of the following:

Governmental activities:

General Fund	\$ 1,440,633	Sales tax refund from state
	<u>417,124</u>	Miscellaneous revenue from municipalities
	<u>1,857,757</u>	
State Public School Fund	<u>13,260,774</u>	Operating funds from DPI
Capital Outlay Fund	28,242,739	County funds from county appropriations
	11,392	Surplus sales from state
	<u>6,782</u>	Sales tax refund from state
	<u>28,260,913</u>	
State Administered Federal Grants Fund	<u>2,633,884</u>	Federal grant funds
Individual Schools Fund	<u>98,036</u>	Sales tax refund from state
Other restricted fund	1,373,866	Federal grant funds
	<u>54,757</u>	Sales tax refund from state
	<u>1,428,623</u>	
	<u>\$ 47,539,987</u>	

Business-type activities:

Child Nutrition Program	\$ 1,731,477	USDA Reimbursement from state
	<u>136,904</u>	Universal Breakfast from county
	<u>1,868,381</u>	
Tuition Programs	65,390	Sales tax refund from state
	<u>60,077</u>	Miscellaneous revenue from municipalities
	<u>125,467</u>	
	<u>\$ 1,993,848</u>	

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

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**4. Capital Assets**

Capital asset activity for the year ended June 30, 2023 was:

	Beginning Balances Restated	Increases	Transfers	Retirements	Ending Balances
Capital assets not being depreciated/amortized:					
Land	\$ 228,521,993	\$ 7,197,854	\$ -	\$ -	\$ 235,719,847
Construction in progress	<u>1,012,840,337</u>	<u>198,175,878</u>	<u>(615,977,074)</u>	<u>-</u>	<u>595,039,141</u>
Total capital assets not being depreciated/amortized	<u>1,241,362,330</u>	<u>205,373,732</u>	<u>(615,977,074)</u>	<u>-</u>	<u>830,758,988</u>
Capital assets being depreciated/amortized					
Land improvements	13,184,904	1,389,081	-	(287,607)	14,286,378
Buildings	4,033,290,703	-	615,977,074	(643,988)	4,648,623,789
Right-to-use leased buildings	99,169,081	313,831	-	(341,389)	99,141,523
Equipment	105,673,863	3,785,590	-	(6,961,749)	102,497,704
Right-to-use leased equipment	2,997,300	1,734,957	-	(601,457)	4,130,800
Right-to-use subscription assets	8,333,485	4,822,506	-	-	13,155,991
Vehicles and motor equipment	<u>98,633,304</u>	<u>3,157,263</u>	<u>-</u>	<u>(920,331)</u>	<u>100,870,236</u>
Total capital assets being depreciated/amortized, net	<u>4,361,282,640</u>	<u>15,203,228</u>	<u>615,977,074</u>	<u>(9,756,521)</u>	<u>4,982,706,421</u>
Less accumulated depreciation/amortization for					
Land improvements	5,870,004	622,717	-	(249,297)	6,243,424
Buildings	1,234,051,575	115,544,731	-	(359,651)	1,349,236,655
Right-to-use leased buildings	8,315,077	8,249,801	-	(106,320)	16,458,558
Equipment	95,535,218	3,086,724	-	(6,923,518)	91,698,424
Right-to-use leased equipment	1,525,695	1,387,109	-	(596,239)	2,316,565
Right-to-use subscription assets	-	3,563,186	-	-	3,563,186
Vehicles and motor equipment	<u>83,087,698</u>	<u>3,537,926</u>	<u>-</u>	<u>(888,075)</u>	<u>85,737,549</u>
Total accumulated depreciation/amortization	<u>1,428,385,267</u>	<u>\$ 135,992,194</u>	<u>\$ -</u>	<u>\$ (9,123,100)</u>	<u>1,555,254,361</u>
Total capital assets being depreciated/amortized, net	<u>2,932,897,373</u>				<u>3,427,452,060</u>
Governmental activity capital assets, net	<u>\$ 4,174,259,703</u>				<u>\$ 4,258,211,048</u>

Depreciation/amortization was charged to governmental functions as follows:

Unallocated depreciation/amortization	\$ 121,007,361
Operational support services	<u>14,984,833</u>
Total	<u>\$ 135,992,194</u>

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Business-type Activities:	Beginning Balances	Increases	Retirements	Ending Balances
Child nutrition program activities				
Capital assets being depreciated/ amortized:				
Equipment	\$ 27,688,440	\$ 2,567,775	\$ (123,273)	\$ 30,132,942
Right-to-use leased equipment	6,664	-	-	6,664
Vehicles	<u>1,038,507</u>	<u>120,878</u>	<u>-</u>	<u>1,159,385</u>
Total capital assets being depreciated/ amortized	28,733,611	2,688,653	(123,273)	31,298,991
Less accumulated depreciation/amortization for:				
Equipment	20,740,618	1,107,230	(62,023)	21,785,825
Right-to-use leased equipment	3,332	3,332	-	6,664
Vehicles	<u>890,269</u>	<u>61,368</u>	<u>-</u>	<u>951,637</u>
Total accumulated depreciation/ amortization	<u>21,634,219</u>	<u>1,171,930</u>	<u>(62,023)</u>	<u>22,744,126</u>
Child nutrition program capital assets, net	<u>7,099,392</u>			<u>8,554,865</u>
Tuition program activities:				
Capital assets being depreciated:				
Equipment	857,477	115,331	-	972,808
Vehicles	<u>81,812</u>	<u>-</u>	<u>-</u>	<u>81,812</u>
Total capital assets being depreciated	939,289	115,331	-	1,054,620
Less accumulated depreciation for:				
Equipment	508,445	43,766	-	552,211
Vehicles	<u>81,812</u>	<u>-</u>	<u>-</u>	<u>81,812</u>
Total accumulated depreciation	<u>590,257</u>	<u>\$ 43,766</u>	<u>\$ -</u>	<u>634,023</u>
Tuition program capital assets, net	<u>349,032</u>			<u>420,597</u>
Business-type activities capital assets, net	<u>\$ 7,448,424</u>			<u>\$ 8,975,462</u>

**5. Construction Commitments**

The Board has active construction projects as of June 30, 2023. At year-end, the Board's commitments with contractors for school construction totaled approximately \$494,738,478. These commitments will be funded by future revenues from Wake County.

**6. 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

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payment components of these leases. Lease revenue totaling \$280,407 has been recognized for the year ended June 30, 2023.

**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](http://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 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

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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 17.38 percent of covered payroll from July 1, 2022 to June 30, 2023. 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 \$193,001,282 for the year ended June 30, 2023.

*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, 2023, the Board reported a liability of \$984,542,045 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022, utilizing 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 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, 2023, and at June 30, 2022, the Board's proportion was 6.6334% and 6.6707%, respectively.

For the year ended June 30, 2023, the Board recognized pension expense of \$196,558,014. At June 30, 2023, 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	\$ 4,286,754	\$ 13,419,461
Changes of assumptions	77,676,614	-
Net difference between projected and actual earnings on pension plan investments	323,363,080	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	17,843,052
Board contributions subsequent to the measurement date	193,001,282	-
Total	<u>\$ 598,327,730</u>	<u>\$ 31,262,513</u>

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A total of \$193,001,282 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2024	\$ 97,681,541
2025	90,260,729
2026	31,110,522
2027	<u>155,011,143</u>
	<u>\$ 374,063,935</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

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

The assumptions used in the December 31, 2021, actuarial valuation are based on the experience study prepared as of December 31, 2020 and adopted by the Board of Trustees on January 28, 2022. 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



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of arithmetic real rates of return for each major asset class as of June 30, 2022, are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Fixed Income	33%	0.9%
Global Equity	38%	6.5%
Real Estate	8%	5.9%
Alternatives	8%	8.2%
Credit	7%	5.0%
Inflation Protector	6%	2.7%
Total	<u>100.0%</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 Board’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 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:

	<b>1% Decrease (5.50%)</b>	<b>Current Discount Rate</b>	<b>1% Increase (7.50%)</b>
Board's proportionate share of the net pension liability	1,740,720,502	984,542,047	360,377,207

*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.

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.

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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 6.89% of covered payroll which amounted to \$76,512,016. During the year ended June 30, 2023, the North Carolina State Health Plan (“SHP”) contributed \$475.2 million to the RHBF. In accordance with GASB 75, the Board recognized revenue of \$10,321,156 as a result of this non-employer contribution.

At June 30, 2023, Board reported a liability of \$1,357,818,450 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The Board’s proportion of the net OPEB liability was based on a projection of the Board’s present value of future salary, actuarially determined. At June 30, 2023, and at June 30, 2022, the Board’s proportion was 5.7179% and 5.8509%, respectively.

\$76,512,016 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, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	\$ 196,352,232
2025	130,192,322
2026	141,400,749
2027	<u>88,993,541</u>
	<u>\$ 556,938,844</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 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, 2022 and June 30, 2021. 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, 2022.

*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 (1.16 percent) or 1-percentage point higher (3.16 percent) than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Net OPEB Liability	\$ 1,599,353,692	\$ 1,357,818,450	\$ 1,160,549,726

*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	\$ 1,117,701,792	\$ 1,357,818,450	\$ 1,668,203,548

*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.

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

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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.

*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, 2023, 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 \$1,110,479 for the year ended June 30, 2023.

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 Liability, OPEB Expense, and Deferred Outflows and Inflows of Resources of Related to OPEB***

At June 30, 2023, Board reported liability of \$1,734,487 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. The total OPEB liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB asset/liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2023 and at June 30, 2022, the Board's proportion was 5.83060% and 5.92238%, respectively.

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\$1,110,479 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, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	\$ 850,617
2025	976,908
2026	715,144
2027	547,281
2028	95,645
Thereafter	<u>173,725</u>
	<u>\$ 3,359,320</u>

*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 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 (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	\$ 2,135,807	\$ 1,734,487	\$ 1,332,176

*Common actuarial assumptions for both OPEB plans.* The net OPEB liability was determined by an actuarial valuation performed as of June 30, 2022 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, 2021 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, 2022. 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.

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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, 2022. 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, 2022 is 3%.

***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)	\$ (149,101,939)	\$ 2,400,491	\$ (146,701,448)
OPEB liability	1,357,818,450	1,734,487	1,359,552,937
Proportionate share of the OPEB liability(asset)	5.7179%	5.8306%	
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ 13,182,622	\$ 1,944,214	\$ 15,126,836
Changes in assumptions	108,711,009	111,481	108,822,490
Net difference between projected and actual earnings on plan investments	11,758,120	1,834,540	13,592,660
Changes in proportion and differences between Board contributions and proportionate share of contributions	1,413,426	7,145	1,420,571
Board contributions subsequent to the measurement date	<u>76,512,016</u>	<u>1,110,479</u>	<u>77,622,495</u>
<b>Total Deferred Outflows of Resources</b>	<b><u>\$ 211,577,193</u></b>	<b><u>\$ 5,007,859</u></b>	<b><u>\$ 216,585,052</u></b>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ 3,757,224	\$ -	\$ 3,757,224
Changes of assumptions	617,975,148	321,324	618,296,472
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	<u>70,271,649</u>	<u>216,736</u>	<u>70,488,385</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>\$ 692,004,021</u></b>	<b><u>\$ 538,060</u></b>	<b><u>\$ 692,542,081</u></b>



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2. Accounts Payable

Accounts payables as of June 30, 2023, are as follows:

	<u>Vendors</u>	<u>Salaries and benefits</u>	<u>Due to other funds (internal balances)</u>
Governmental Activities			
General	\$ 16,668,511	\$ 7,515,423	\$ 102,199
Other Governmental	<u>43,178,531</u>	<u>14,480,216</u>	<u>213,314</u>
Total Governmental activities	<u>\$ 59,847,042</u>	<u>\$ 21,995,639</u>	<u>\$ 315,513</u>
Business-type Activities			
Child Nutrition Program	\$ 900,567	\$ 3,392,053	\$ 1,869
Tuition Programs	<u>1,030,871</u>	<u>25,865</u>	<u>-</u>
Total Business-type activities	<u>\$ 1,931,438</u>	<u>\$ 3,417,918</u>	<u>\$ 1,869</u>

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)	\$16,920,625
Business-type activities:	
Prepayments of meals (Child Nutrition Program)	\$ 2,554,146
Prepayments of community use fees (Tuition Programs)	<u>565,783</u>
	<u>\$ 3,119,929</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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in proportion and difference between employer contributions and proportionate share of contributions	\$ 1,420,571	\$ 88,331,437
Changes in assumptions	186,499,104	618,296,472
Board contributions subsequent to the measurement date	270,623,777	-
Difference between projected and actual earnings on plan investments	336,955,740	-
Difference between expected and actual experience	19,413,590	17,176,685
Leases (Capital Outlay Fund)	<u>-</u>	<u>4,415,536</u>
Totals	<u>\$ 814,912,782</u>	<u>\$ 728,220,130</u>

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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.

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 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Estimated claims payable, beginning of year	\$ 11,008,158	\$ 9,158,167
Current year claims and changes in estimates	3,912,830	3,867,357
Claim payments	<u>(2,872,385)</u>	<u>(2,017,366)</u>
Estimated claims payable, end of year	<u>\$ 12,048,603</u>	<u>\$ 11,008,158</u>

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

6. Contingent Liabilities

At June 30, 2023, 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.

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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 January 2023. 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 the leases were measured. 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.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows.

Year ending June 30	Principal Payments	Interest Payments	Total
2024	\$ 6,883,255	\$ 3,130,495	\$ 10,013,750
2025	6,976,679	2,871,121	9,847,800
2026	5,596,491	2,606,192	8,202,683
2027	6,523,892	2,387,487	8,911,379
2028	7,057,167	2,148,811	9,205,978
2029-2033	40,009,424	6,658,244	46,667,668
2034-2038	11,930,425	1,273,911	13,204,336
2039-2043	3,419,455	524,186	3,943,641
2044	819,789	29,061	848,850
Total	<u>\$ 89,216,577</u>	<u>\$ 21,629,508</u>	<u>\$ 110,846,085</u>

b. Subscription-Based Information Technology Arrangements

The Board has entered into numerous subscription-based information technology arrangements for various software. The arrangements qualify as other than short-term arrangements under GASB 96 and, therefore, have been recorded at the present value of the future minimum agreement payments as of the date of their inception.

The arrangements have effective dates ranging from May 2017 to April 2023. The arrangements range in term from two to five years and there are no variable payment components of the arrangements.

**WAKE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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The future minimum subscription-based information technology arrangements obligations and the net present value of these minimum subscription payments as of June 30, 2023, were as follows.

Year ending June 30	Principal Payments	Interest Payments	Total
2024	\$ 3,452,141	\$ 384,007	\$ 3,836,148
2025	2,057,923	188,916	2,246,839
2026	738,929	72,055	810,984
2027	<u>744,764</u>	<u>31,139</u>	<u>775,903</u>
Total	<u>\$ 6,993,757</u>	<u>\$ 676,117</u>	<u>\$ 7,669,874</u>

c. 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 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 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. In fiscal year 2023, the Board entered into a direct placement installment purchase contract to finance the purchase of 9 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 payment of \$436,488 for the year ending June 30, 2023 and payments of \$218,247 for the years ending June 30, 2024 and 2025.

**WAKE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

The future minimum payments of the installment purchases as of June 30, 2023, including \$1,433,125 of interest are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2024	2,074,498	210,692
2025	1,177,910	195,384
2026	444,593	179,564
2027	459,453	163,803
2028	474,813	147,516
2029-2033	2,557,731	475,819
2034-2035	1,128,692	60,347
	<u>\$ 8,317,690</u>	<u>\$ 1,433,125</u>

d. 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, 2023:

	Beginning Balance Restated	Increases	Decreases	Ending Balance	Due within One Year
Governmental activities:					
Worker's compensation	\$ 11,008,158	\$ 3,912,830	\$ 2,872,385	\$ 12,048,603	\$ 7,458,238
Direct placement installment purchase	10,903,549	872,982	3,458,841	8,317,690	2,074,498
Lease liability	94,293,039	2,048,787	7,125,249	89,216,577	6,883,255
Subscription liability	8,333,485	4,822,506	6,162,234	6,993,757	3,452,141
Net pension liability	307,992,643	654,880,155	-	962,872,798	-
Net OPEB liability	1,762,470,630	-	437,728,680	1,324,741,950	-
Compensated absences	105,677,387	673,942,989	670,758,987	108,861,389	65,000,000
<b>Total</b>	<b>\$ 2,300,678,891</b>	<b>\$ 1,340,480,249</b>	<b>\$ 1,128,106,376</b>	<b>\$ 2,513,052,764</b>	<b>\$ 84,868,132</b>
Business-type activities:					
Net pension liability	\$ 4,367,279	\$ 17,301,968	\$ -	\$ 21,669,247	\$ -
Net OPEB liability	46,371,653	-	11,560,666	34,810,987	-
Lease liability	3,052	-	3,052	-	-
Compensated absences	1,259,513	9,486,961	9,248,096	1,498,378	600,000
<b>Total</b>	<b>\$ 52,001,497</b>	<b>\$ 26,788,929</b>	<b>\$ 20,811,814</b>	<b>\$ 57,978,612</b>	<b>\$ 600,000</b>

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.

**WAKE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**C. Interfund Balances and Activity**

The composition of interfund balances as of June 30, 2023, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Individual Schools Fund	\$ 5,355
General Fund	Other Restricted Funds	86,137
General Fund	Child Nutrition Program	1,869
State Public School Fund	General Fund	7,572
State Administered Federal Grant Fund	General Fund	1,012
Other Restricted Funds	General Fund	91,889
Child Nutrition Program	General Fund	1,726
Child Nutrition Program	Individual Schools Fund	111
Tuition Program	Individual Schools Fund	121,711
		<u>\$ 317,382</u>

Most interfund balances are due to allocation of printing costs or mailroom costs. The Individual Schools Fund owes \$121,711 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 following is a summary of Transfers for the year ended June 30, 2023:

<u>Transfers From:</u>	<u>Transfers To:</u>	
	<u>Other Restricted Funds</u>	<u>Child Nutrition Fund</u>
State Public School Fund	\$ -	\$ 45,000
Individual Schools Fund	718,976	-
	<u>\$ 718,976</u>	<u>\$ 45,000</u>

During the year, the General Fund transferred \$45,000 to the Child Nutrition Program for salaries. The Individual School Fund transferred \$718,976 to the Other Restricted Funds to fund the costs of additional positions in the schools.

**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.

**WAKE COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2023**

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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	\$ 126,383,223
Less:	
Inventories	4,840,017
Stabilization by State Statute	5,820,934
Special projects	
Instructional Support:	
Targeted enrollment	7,482,328
Textbook	1,110,723
Work together initiative	485,797
Tutoring hub	675,000
Before/After support	176,083
Retesting and readministration	206,855
Central Office Support:	
Oracle uprade/support	914,800
Recruitment advertising	350,000
Employee engagement survey	200,000
Transition costs for new volunteer background check system	400,000
Other special projects	884,108
Insurance	20,454,340
Flexible benefit plan	1,000,000
Potential underfunded pension liability	3,622,809
Appropriated fund balance in 2024 budget	25,200,000
Remaining fund balance	\$ 52,559,429

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	\$ 2,621,012
Capital Outlay Fund	361,908

**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.

**WAKE COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023**

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Subsequent Events

The Board has evaluated subsequent events through October 26, 2023, 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, 2022, the Board implemented accounting and financial reporting requirements of GASB Statement 96, Subscription-Based Information Technology Arrangements. This statement establishes a model for subscription-based information technology arrangement accounting based on the principle that they are financings of the right to use the underlying asset. Under this statement, the Board is required to recognize a liability and an intangible right-to-use asset. At July 1, 2022, the Board recognized right to use assets and liabilities for governmental activities of \$8,333,485. 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 (Liability) – 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 TEN FISCAL YEARS**

<u>Year</u>	<u>Board's portion of the net pension liability</u>	<u>Board's proportionate share of the net pension liability</u>	<u>Board's covered payroll</u>	<u>Board's proportionate share of the net pension liability as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2023	6.6334%	\$ 984,542,045	\$ 1,054,201,389	93%	84.14%
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%

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

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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
2023	\$ 193,001,282	\$ 193,001,282	\$ -	\$ 1,110,479,181	17.38%
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%

**WAKE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**RETIREE HEALTH BENEFIT FUND**  
**LAST SEVEN 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 OPEB liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2023	5.7179%	\$ 1,357,818,450	\$ 1,054,201,389	129%	10.58%
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>
2023	\$ 76,512,016	\$ 76,512,016	\$ -	\$ 1,110,479,181	6.89%
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%

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

Years	Board's portion of the net OPEB asset (liability)	Board's proportionate share of the net OPEB asset (liability)	Board's covered payroll	Board's proportionate share of the net OPEB asset (liability) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB asset (liability)
2023	5.83060%	\$ (1,734,487)	\$ 1,054,201,389	-0.1645%	90.34%
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
2023	\$ 1,110,479	\$ 1,110,479	\$ -	\$ 1,110,479,181	0.10%
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%

# COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

## Major Governmental Funds

General Fund  
State Public School Fund  
Capital Outlay Fund  
Other Restricted Funds

## Non-Major Governmental Funds

### State Administered Federal Grants Fund

This fund is used to account for the federal grant monies administered through the State Department of Public Instruction

### 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  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2023**

	State		
	Administered	Individual	
	Federal Grants	School Fund	Total
<b>ASSETS</b>			
Cash	\$ 1,061,971	\$ 11,429,362	\$ 12,491,333
Due from other governments	2,633,884	98,036	2,731,920
Due from other funds	1,012	-	1,012
Lease receivable	-	16,886	16,886
	<u>-</u>	<u>16,886</u>	<u>16,886</u>
 Total assets	 <u>\$ 3,696,867</u>	 <u>\$ 11,544,284</u>	 <u>\$ 15,241,151</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Salaries and benefits payable	\$ 1,123,161	\$ 60	\$ 1,123,221
Accounts payable	2,573,706	347,298	2,921,004
Due to other funds	-	127,177	127,177
	<u>-</u>	<u>127,177</u>	<u>127,177</u>
 Total liabilities	 <u>3,696,867</u>	 <u>474,535</u>	 <u>4,171,402</u>
 Fund balances	 <u>-</u>	 <u>11,069,749</u>	 <u>11,069,749</u>
 Total liabilities and fund balances	 <u>\$ 3,696,867</u>	 <u>\$ 11,544,284</u>	 <u>\$ 15,241,151</u>

**WAKE COUNTY BOARD OF EDUCATION**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	State Administered Federal Grants	Individual School Fund	Total
<b>REVENUES:</b>			
Federal	\$ 164,562,786	\$ -	\$ 164,562,786
Other	-	15,081,881	15,081,881
Total revenues	<u>164,562,786</u>	<u>15,081,881</u>	<u>179,644,667</u>
<b>EXPENDITURES:</b>			
Instructional services			
Regular instructional	28,481,077	-	28,481,077
Special populations	35,303,740	-	35,303,740
Alternative programs	58,281,488	-	58,281,488
School leadership	1,710,267	-	1,710,267
Co-curricular	-	13,990,075	13,990,075
School-based support	12,799,434	-	12,799,434
Systemwide support services			
Support and development	2,482,996	-	2,482,996
Special populations support and development	874,339	-	874,339
Alternative programs and services support and development	1,677,741	-	1,677,741
Technology support	1,169,088	-	1,169,088
Operational support	15,100,926	-	15,100,926
Financial and human resource	838,600	-	838,600
Accountability services	25,514	-	25,514
Systemwide pupil support	678,252	-	678,252
Policy, leadership and public relations	87,967	-	87,967
Ancillary services	1,043,857	-	1,043,857
Non-program charges	4,030,375	-	4,030,375
Debt service			
Principal	969,152	130,836	1,099,988
Interest	1,027	16,177	17,204
Total expenditures	<u>165,555,840</u>	<u>14,137,088</u>	<u>179,692,928</u>
Excess (deficiency) of revenues over expenditures before other financing sources	<u>(993,054)</u>	<u>944,793</u>	<u>(48,261)</u>
<b>OTHER FINANCING USES:</b>			
Lease liabilities issued	993,054	-	993,054
Transfers out	-	(718,976)	(718,976)
Total other financing sources (uses)	<u>993,054</u>	<u>(718,976)</u>	<u>274,078</u>
Net change in fund balance	-	225,817	225,817
Fund balances, beginning of year	-	10,843,932	10,843,932
Fund balances, end of year	<u>\$ -</u>	<u>\$ 11,069,749</u>	<u>\$ 11,069,749</u>

**WAKE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023			2022
	Budget	Actual	Variance	Actual
<b>REVENUES:</b>				
Wake County:				
County appropriation	\$ 593,317,101	\$ 593,317,101	\$ -	\$ 543,317,051
Other:				
Fines and forfeitures	3,309,892	3,495,281	185,389	2,624,170
Interest	3,159,132	3,745,390	586,258	270,052
Tuition and fees	24,623	28,538	3,915	27,086
Other local	-	262,467	262,467	514,064
Total	<u>6,493,647</u>	<u>7,531,676</u>	<u>1,038,029</u>	<u>3,435,372</u>
Total revenues	<u>599,810,748</u>	<u>600,848,777</u>	<u>1,038,029</u>	<u>546,752,423</u>
<b>EXPENDITURES:</b>				
Regular instructional services				
Regular curricular		182,516,163		154,381,859
CTE curricular		9,603,436		9,173,598
Program enhancement teachers		33,293,622		29,893,593
	<u>237,613,959</u>	<u>225,413,221</u>	<u>12,200,738</u>	<u>193,449,050</u>
Special populations services				
Children with disabilities curricular		27,202,255		37,464,416
Special population CTE curricular		411,456		388,016
Pre-K children with disabilities curricular		3,872,041		4,822,364
Speech and language pathology		3,491,755		3,496,142
Audiology		413,188		323,370
Academically/intellectually gifted curricular		2,860,642		2,918,846
Limited english proficiency		3,595,909		3,517,427
	<u>45,666,706</u>	<u>41,847,246</u>	<u>3,819,460</u>	<u>52,930,581</u>
Alternative programs and services				
Alternative instructional K-12		2,432,332		2,044,572
Attendance and social work		4,745,196		3,985,760
Remedial and supplemental K-12		9,673,297		9,522,725
Pre-K readiness/remedial and supplemental		1,913,355		2,063,689
Extended day/year instructional		-		2,050,956
School extension learning recovery and enrichment program		-		2,000
	<u>20,375,140</u>	<u>18,764,180</u>	<u>1,610,960</u>	<u>19,669,702</u>
School leadership services				
School leadership		8,973,363		7,114,924
School principal		6,648,195		7,348,957
School assistant principal		9,166,610		8,536,977
	<u>25,895,135</u>	<u>24,788,168</u>	<u>1,106,967</u>	<u>23,000,858</u>

(Continued)

**WAKE COUNTY BOARD OF EDUCATION**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND**

**YEAR ENDED JUNE 30, 2023**

**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023			2022
	Budget	Actual	Variance	Actual
Co-Curricular	\$ 23,743,549	\$ 23,370,873	\$ 372,676	\$ 21,821,336
School-based support services				
Educational media		8,352,332		7,663,492
Student accounting		2,573,457		868,605
Guidance		16,626,552		18,277,424
Health		1,238,691		908,016
Safety and security		4,425,637		1,895,765
Instructional technology		795,607		661,468
Staff development unallocated		368,547		299,798
Parent involvement		181,173		230,877
	<u>38,163,329</u>	<u>34,561,996</u>	<u>3,601,333</u>	<u>30,805,445</u>
Support and development services				
Regular curricular support and development		5,806,380		5,676,781
CTE curricular support and development		469,902		307,872
	<u>6,610,637</u>	<u>6,276,282</u>	<u>334,355</u>	<u>5,984,653</u>
Special population support and development services	<u>7,911,038</u>	<u>7,370,570</u>	<u>540,468</u>	<u>6,408,583</u>
Alternative programs and services support and development services	<u>3,630,160</u>	<u>3,218,971</u>	<u>411,189</u>	<u>2,403,968</u>
Technology support services	<u>20,330,630</u>	<u>18,443,216</u>	<u>1,887,414</u>	<u>18,002,992</u>
Operational support services				
Communication		85,202		89,057
Printing and copying		-		27,755
Public utility and energy		17,554,973		26,989,340
Custodial/housekeeping		14,159,244		12,447,490
Transportation		18,947,254		24,665,731
Warehouse and delivery		293,999		522,853
Facilities planning, acquisition and construction		923,368		513,685
Maintenance		<u>32,728,737</u>		<u>28,978,155</u>
	<u>100,894,618</u>	<u>84,692,777</u>	<u>16,201,841</u>	<u>94,234,066</u>

(Continued)

**WAKE COUNTY BOARD OF EDUCATION**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND**

**YEAR ENDED JUNE 30, 2023**

**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023			2022
	Budget	Actual	Variance	Actual
Financial and human resource services				
Financial	\$ -	\$ 12,390,873	\$ -	\$ 10,218,559
Human resource		8,057,258		6,759,875
	<u>22,318,618</u>	<u>20,448,131</u>	<u>1,870,487</u>	<u>16,978,434</u>
Accountability services				
Student testing		989,997		1,030,309
Planning, research development and program evaluation		977,445		1,007,239
	<u>2,097,811</u>	<u>1,967,442</u>	<u>130,369</u>	<u>2,037,548</u>
Systemwide pupil support services				
Educational media support		635,177		594,983
Student accounting support		2,276,246		2,081,913
Guidance support		687,890		709,137
Health support		337,718		290,036
Safety and security support		1,316,302		1,257,094
Instructional technology support		282,553		295,021
	<u>6,001,747</u>	<u>5,535,886</u>	<u>465,861</u>	<u>5,228,184</u>
Policy, leadership and public relations services				
Board of education		338,882		301,655
Legal		1,369,867		1,290,436
Audit		504,174		687,670
Leadership		5,545,765		4,599,938
Public relations and marketing		2,224,700		2,105,202
	<u>10,861,888</u>	<u>9,983,388</u>	<u>878,500</u>	<u>8,984,901</u>
Ancillary services				
Community		1,467		14,760
Aftercare		123,917		29,423
Nutrition		8,222		-
	<u>377,388</u>	<u>133,606</u>	<u>243,782</u>	<u>44,183</u>
Non-program charges				
Payments to charter schools	<u>58,270,152</u>	<u>57,603,013</u>	<u>667,139</u>	<u>47,394,532</u>
Unbudgeted funds	<u>4,929,576</u>	<u>-</u>	<u>4,929,576</u>	<u>-</u>

(Continued)

**WAKE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023			2022
	Budget	Actual	Variance	Actual
Debt service				
Principal	\$ -	\$ 8,589,335	\$ -	\$ 7,828,976
Interest		<u>3,088,487</u>		<u>1,674,476</u>
	<u>11,678,087</u>	<u>11,677,822</u>	<u>265</u>	<u>9,503,452</u>
Total expenditures	<u>647,370,168</u>	<u>596,096,788</u>	<u>51,273,380</u>	<u>558,882,468</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(47,559,420)</u>	<u>4,751,989</u>	<u>52,311,409</u>	<u>(12,130,045)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Appropriated fund balance	43,006,468	-	(43,006,468)	-
Lease/subscription-based information technology arrangement issued	4,552,952	4,552,952	-	1,001,941
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(942,941)</u>
Total other financing sources (uses)	<u>47,559,420</u>	<u>4,552,952</u>	<u>(43,006,468)</u>	<u>59,000</u>
Net change in fund balance	<u>\$ -</u>	<u>9,304,941</u>	<u>\$ 9,304,941</u>	<u>(12,071,045)</u>
Fund balance, beginning of year		117,054,174		128,548,255
Increase in reserve for inventories		<u>24,108</u>		<u>576,964</u>
Fund balance, end of year		<u>\$ 126,383,223</u>		<u>\$ 117,054,174</u>

**WAKE COUNTY BOARD OF EDUCATION**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
STATE PUBLIC SCHOOL FUND**

**YEAR ENDED JUNE 30, 2023**

**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023			2022
	Budget	Actual	Variance	Actual
<b>REVENUES:</b>				
Federal: Coronavirus relief	\$ -	\$ -	\$ -	\$ 32,050,670
State: other	1,119,691,666	1,103,527,263	(16,164,403)	1,054,645,868
Total revenues	1,119,691,666	1,103,527,263	(16,164,403)	1,086,696,538
<b>EXPENDITURES:</b>				
Regular instructional services				
Regular curricular		448,817,101		459,046,031
CTE curricular		57,511,229		49,406,387
Program enhancement		87,735,385		89,824,624
	607,226,241	594,063,715	13,162,526	598,277,042
Special populations services				
Children with disabilities curricular		141,473,910		124,369,954
Special population CTE curricular		2,127,075		1,931,188
Pre-K children with disabilities curricular		19,354,616		16,912,514
Speech and language pathology		15,850,286		15,446,562
Audiology		1,323,013		1,281,434
Academically/intellectually gifted curricular		10,832,612		9,367,498
Limited english proficiency		16,750,955		15,953,725
	207,795,443	207,712,467	82,976	185,262,875
Alternative programs and services				
Alternative instructional K-12		7,615,918		8,048,298
Attendance and social work		5,911,653		5,988,838
Remedial and supplemental K-12		19,772,590		21,507,095
Pre-K readiness/remedial and supplemental		2,717		217,918
Extended day/year instructional		218,555		3,437,279
	33,598,565	33,521,433	77,132	39,199,428
School leadership services				
School leadership		26,488,734		25,560,705
School principal		24,581,219		22,998,418
School assistant principal		41,597,702		38,238,616
	93,501,934	92,667,655	834,279	86,797,739
Co-Curricular	60,748	60,737	11	156,772

(Continued)

**WAKE COUNTY BOARD OF EDUCATION**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
STATE PUBLIC SCHOOL FUND**

**YEAR ENDED JUNE 30, 2023**

**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023			2022
	Budget	Actual	Variance	Actual
School-based support services				
Educational media	\$ -	\$ 12,763,049	\$ -	\$ 13,044,171
Student accounting		10,990,360		11,829,178
Guidance		27,360,755		32,383,591
Health		8,216,802		8,138,536
Safety and security		692,906		1,128,539
Instructional technology		943,784		1,208,626
Staff development unallocated		-		449
Parent involvement		7,801		68,969
	<u>61,385,219</u>	<u>60,975,457</u>	<u>409,762</u>	<u>67,802,059</u>
Support and development services				
Regular curricular support and development		1,436,291		1,053,257
CTE curricular support and development		221,461		301,384
	<u>1,668,060</u>	<u>1,657,752</u>	<u>10,308</u>	<u>1,354,641</u>
Special population support and development services	<u>695,730</u>	<u>695,730</u>	<u>-</u>	<u>960,744</u>
Alternative programs and services support and development services	<u>471,376</u>	<u>471,376</u>	<u>-</u>	<u>584,686</u>
Technology support services	<u>6,326,107</u>	<u>5,162,447</u>	<u>1,163,660</u>	<u>5,953,105</u>
Operational support services				
Printing and copying		-		8,061
Custodial/housekeeping		23,681,362		21,539,026
Transportation		69,122,922		66,582,138
Warehouse and delivery		111,049		85,179
Facilities planning, acquisition and construction		6,845		45,045
Maintenance		538,941		882,132
	<u>93,876,219</u>	<u>93,461,119</u>	<u>415,100</u>	<u>89,141,581</u>
Financial and human resource services				
Financial		3,832,318		3,770,780
Human resource		1,963,716		1,857,270
	<u>5,799,187</u>	<u>5,796,034</u>	<u>3,153</u>	<u>5,628,050</u>
Accountability services				
Student testing		236,622		66,534
Planning, research development and program evaluation		179,137		23,581
	<u>415,759</u>	<u>415,759</u>	<u>-</u>	<u>90,115</u>

(Continued)



**WAKE COUNTY BOARD OF EDUCATION****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
STATE PUBLIC SCHOOL FUND****YEAR ENDED JUNE 30, 2023****(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023			2022
	Budget	Actual	Variance	Actual
Systemwide pupil support services				
Educational media support	\$ -	\$ -	\$ -	\$ 38,281
Student accounting support		357,710		367,307
Guidance support		-		9,137
Health support		-		83,478
Safety and security support		164,310		17,203
Instructional technology support		206,550		2,147
	<u>728,690</u>	<u>728,570</u>	<u>120</u>	<u>517,553</u>
Policy, leadership and public relations services				
Audit		107,401		2,971
Leadership		3,113,662		3,424,901
Public relations and marketing		327,795		207,052
	<u>3,554,234</u>	<u>3,548,858</u>	<u>5,376</u>	<u>3,634,924</u>
Ancillary services				
Community		-		16,096
Nutrition		-		1,260,114
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,276,210</u>
Debt service	<u>2,926,828</u>	<u>2,926,828</u>	<u>-</u>	<u>92,937</u>
Total expenditures	<u>1,120,030,340</u>	<u>1,103,865,937</u>	<u>16,164,403</u>	<u>1,086,730,461</u>
Deficiency of revenues over expenditures before other financing sources (uses)	<u>(338,674)</u>	<u>(338,674)</u>	<u>-</u>	<u>(33,923)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Lease/subscription-based information technology arrangement issued	383,674	383,674	-	33,923
Transfers out	(45,000)	(45,000)	-	-
Total other financing sources (uses)	<u>338,674</u>	<u>338,674</u>	<u>-</u>	<u>33,923</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**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023			2022
	Budget	Actual	Variance	Actual
<b>REVENUES:</b>				
Wake County:				
Capital improvements fund	\$ 987,129,435	\$ 211,503,151	\$ (775,626,284)	\$ 278,419,093
	<u>987,129,435</u>	<u>211,503,151</u>	<u>(775,626,284)</u>	<u>278,419,093</u>
State				
State capital infrastructure fund	459,817	-	(459,817)	459,817
LEA financed purchase of school buses	3,041,024	3,041,024	-	2,341,016
	<u>3,500,841</u>	<u>3,041,024</u>	<u>(459,817)</u>	<u>2,800,833</u>
Other:				
Interest	57,158	69,048	11,890	3
Other local	530,235	707,212	176,977	305,822
	<u>587,393</u>	<u>776,260</u>	<u>188,867</u>	<u>305,825</u>
Total revenues	<u>991,217,669</u>	<u>215,320,435</u>	<u>(775,897,234)</u>	<u>281,525,751</u>
<b>EXPENDITURES:</b>				
Land and buildings:				
Land: Purchase of new sites	27,343,881	7,064,156	20,279,725	8,229,292
Buildings:				
General contracts		20,151,060		17,140,216
Heating contracts		14,651,962		9,883,282
Electrical contracts		591,352		1,364,278
Architect fees		12,876,838		15,399,579
Construction management contracts		92,279,116		162,772,503
Equipment contracts		44,131,594		41,932,972
Improvements to new sites		1,361,398		649,288
Improvements to existing sites		10,538		54,435
Miscellaneous contracts		16,070,948		19,229,345
	<u>951,326,503</u>	<u>202,124,806</u>	<u>749,201,697</u>	<u>268,425,898</u>
Other:				
Library books	5,786,509	597,780	5,188,729	619,694
	<u>984,456,893</u>	<u>209,786,742</u>	<u>774,670,151</u>	<u>277,274,884</u>
Equipment:	<u>536,470</u>	<u>219,821</u>	<u>316,649</u>	<u>171,253</u>

(Continued)

**WAKE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**CAPITAL OUTLAY FUND**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023			2022
	Budget	Actual	Variance	Actual
Vehicles:				
Administration	\$	\$ 141,078	\$	\$ 176,450
Transportation		2,636,449		4,507,916
	<u>4,445,184</u>	<u>2,777,527</u>	<u>1,667,657</u>	<u>4,684,366</u>
Unbudgeted funds	<u>459,817</u>	<u>-</u>	<u>459,817</u>	<u>-</u>
Debt service:				
Principal		3,262,084		2,492,213
Interest		122,818		186,820
	<u>3,384,902</u>	<u>3,384,902</u>	<u>-</u>	<u>2,679,033</u>
Total expenditures	<u>993,283,266</u>	<u>216,168,992</u>	<u>777,114,274</u>	<u>284,809,536</u>
Deficiency of revenues over expenditures before other financing sources	<u>(2,065,597)</u>	<u>(848,557)</u>	<u>1,217,040</u>	<u>(3,283,785)</u>
<b>OTHER FINANCING SOURCES:</b>				
Installment purchase obligations issued	872,982	872,982	-	2,053,600
Lease/subscription-based information technology arrangement issued	317,218	317,218	-	-
Appropriated fund balance	634,894	-	(634,894)	-
Sale of school property	<u>240,503</u>	<u>240,503</u>	<u>-</u>	<u>911,447</u>
Total other financing sources	<u>2,065,597</u>	<u>1,430,703</u>	<u>(634,894)</u>	<u>2,965,047</u>
Net change in fund balance	<u>\$ -</u>	<u>582,146</u>	<u>\$ 582,146</u>	<u>(318,738)</u>
Fund balance, beginning of year		<u>4,085,555</u>		<u>4,404,293</u>
Fund balance, end of year		<u>\$ 4,667,701</u>		<u>\$ 4,085,555</u>

**WAKE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**OTHER RESTRICTED FUNDS**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023			2022
	Budget	Actual	Variance	Actual
<b>REVENUES:</b>				
State: Other	\$ 4,509	\$ 4,509	\$ -	\$ 1,843
Wake County:				
County appropriation	935,944	935,944	-	888,050
Federal:				
ROTC	507,615	566,484	58,869	473,800
MSAP Cornerstone 2017	2,132,135	1,864,537	(267,598)	1,990,613
Project Nexus	5,648,658	2,654,508	(2,994,150)	2,224,144
NC DHHS K-12 COVID Testing Program	5,857,024	2,071,205	(3,785,819)	220,960
Other federal	6,420,625	698,179	(5,722,446)	1,464,506
Total	20,566,057	7,854,913	(12,711,144)	6,374,023
Other local:				
Medicaid	16,802,574	8,632,863	(8,169,711)	6,612,479
Indirect cost	7,758,448	7,758,448	-	10,581,851
E-Rate	2,427,134	2,427,134	-	1,134,079
Other restricted local	8,846,395	5,152,397	(3,693,998)	4,916,734
Interest	121,976	140,186	18,210	12,646
Total	35,956,527	24,111,028	(11,845,499)	23,257,789
Total revenues	57,463,037	32,906,394	(24,556,643)	30,521,705
<b>EXPENDITURES:</b>				
Regular instructional services				
Regular curricular		3,654,916		3,161,936
CTE curricular		127,470		89,487
Program enhancement teachers		1,056,981		1,018,487
	8,973,150	4,839,367	4,133,783	4,269,910
Special populations services				
Children with disabilities curricular		2,572,174		1,858,135
Pre-K children with disabilities curricular		1,071,148		344,810
Speech and language pathology		1,252,264		6,779
Audiology		49,768		51,841
Academically/intellectually gifted curricular		41,775		39,731
	8,378,742	4,987,129	3,391,613	2,301,296
Alternative programs and services				
Alternative instructional K-12		66,000		72,000
Attendance and social work		623,157		251,785
Remedial and supplemental K-12		389,944		481,191
Pre-K readiness/remedial and supplemental		2,142,322		1,667,721
Extended day/year instructional		-		50,463
	5,001,637	3,221,423	1,780,214	2,523,160

**WAKE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**OTHER RESTRICTED FUNDS**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023			2022
	Budget	Actual	Variance	Actual
School leadership services				
School leadership	\$ -	\$ 3,500	\$ -	\$ 14,590
School assistant principal		39,850		144,659
	<u>111,988</u>	<u>43,350</u>	<u>68,638</u>	<u>159,249</u>
Co-Curricular services	<u>25,000</u>	<u>17,246</u>	<u>7,754</u>	<u>15,000</u>
School-based support services				
Educational media		329,968		201,479
Student accounting		193,761		-
Guidance		1,192,358		52,181
Health		1,832,572		2,890,580
Safety and security		9,497		4,579
Instructional technology		59,427		57,216
Staff development unallocated		65,419		17,567
Parent involvement		47,780		77,242
	<u>7,496,249</u>	<u>3,730,782</u>	<u>3,765,467</u>	<u>3,300,844</u>
Support and development services				
Regular curricular support and development	<u>2,218,046</u>	<u>1,580,044</u>	<u>638,002</u>	<u>1,250,206</u>
Special population support and development services	<u>1,315,966</u>	<u>368,557</u>	<u>947,409</u>	<u>982,837</u>
Alternative programs and services support and development services	<u>1,414,266</u>	<u>597,409</u>	<u>816,857</u>	<u>851,327</u>
Technology support services	<u>1,270,038</u>	<u>1,269,694</u>	<u>344</u>	<u>1,129,057</u>
Operational support services				
Communication		1,157,096		5,022
Public utility and energy		9,831,207		12,283,567
Custodial/housekeeping		12,871		10,665
Transportation		4,177		8,371
	<u>11,007,607</u>	<u>11,005,351</u>	<u>2,256</u>	<u>12,307,625</u>
Financial and human resource services				
Human resource	<u>895,635</u>	<u>189,656</u>	<u>705,979</u>	<u>337,591</u>

(Continued)

**WAKE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**OTHER RESTRICTED FUNDS**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023			2022
	Budget	Actual	Variance	Actual
Systemwide pupil support services				
Guidance support	\$ -	\$ 266,320	\$ -	\$ 331,781
Health support		363,208		273,284
	<u>1,308,733</u>	<u>629,528</u>	<u>679,205</u>	<u>605,065</u>
Policy, leadership and public relations services				
Leadership	<u>66,000</u>	<u>1,081</u>	<u>64,919</u>	<u>2,873</u>
Ancillary services				
Community		-		26,760
Nutrition		82,212		43
	<u>329,007</u>	<u>82,212</u>	<u>246,795</u>	<u>26,803</u>
Nonprogram charges				
Indirect cost	<u>362,890</u>	<u>142,409</u>	<u>220,481</u>	<u>149,700</u>
Unbudgeted funds	<u>7,168,481</u>	<u>-</u>	<u>7,168,481</u>	<u>-</u>
Debt service				
Principal		632,749		171,882
Interest		396,393		716,168
	<u>1,029,142</u>	<u>1,029,142</u>	<u>-</u>	<u>888,050</u>
Total expenditures	<u>58,372,577</u>	<u>33,734,380</u>	<u>24,638,197</u>	<u>31,115,093</u>
Deficiency of revenues over expenditures before other financing sources	<u>(909,540)</u>	<u>(827,986)</u>	<u>81,554</u>	<u>(593,388)</u>
<b>OTHER FINANCING SOURCES:</b>				
Lease/subscription-based information technology arrangement issued	190,564	190,564	-	-
Transfers in	<u>718,976</u>	<u>718,976</u>	<u>-</u>	<u>593,388</u>
Total other financing sources	<u>909,540</u>	<u>909,540</u>	<u>-</u>	<u>593,388</u>
Net change in fund balance	<u>\$ -</u>	81,554	<u>\$ 81,554</u>	-
Fund balance, beginning of year		3,119,429		3,139,750
Decrease in reserve for inventories		<u>(663,184)</u>		<u>(20,321)</u>
Fund balance, end of year		<u>\$ 2,537,799</u>		<u>\$ 3,119,429</u>

**WAKE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**STATE ADMINISTERED FEDERAL GRANTS FUND**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)**

	<u>2023</u>			<u>2022</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>REVENUES:</b>				
Federal:				
Special education	\$ 57,272,364	\$ 27,683,154	\$ (29,589,210)	\$ 30,830,283
Elementary and secondary school emergency relief fund	197,933,979	99,788,713	(98,145,266)	161,006,187
Title I	33,489,548	26,564,864	(6,924,684)	30,421,693
Governor's emergency education relief	269,780	256,801	(12,979)	2,592,451
Career technical education	1,896,698	1,841,893	(54,805)	1,489,350
Improving teacher quality	7,749,195	4,392,118	(3,357,077)	3,406,313
English language acquisition	2,620,699	2,005,309	(615,390)	1,821,099
Student support and academic enrichment	3,490,948	1,861,896	(1,629,052)	2,405,018
Other federal	304,680	168,038	(136,642)	12,273,852
Total revenues	<u>305,027,891</u>	<u>164,562,786</u>	<u>(140,465,105)</u>	<u>246,246,246</u>
<b>EXPENDITURES:</b>				
Regular instructional services				
Regular curricular		23,968,259		44,891,486
CTE curricular		2,708,132		3,952,533
Program enhancement teachers		1,804,686		7,070,075
	<u>36,339,837</u>	<u>28,481,077</u>	<u>7,858,760</u>	<u>55,914,094</u>
Special populations services				
Children with disabilities curricular		31,101,050		37,421,437
Special population CTE curricular		33,318		93,742
Pre-K children with disabilities curricular		1,302,626		1,630,744
Speech and language pathology		507,556		898,147
Audiology		18,174		50,853
Academically/intellectually gifted curricular		192,764		499,770
Limited english proficiency		2,148,252		2,398,963
	<u>42,746,898</u>	<u>35,303,740</u>	<u>7,443,158</u>	<u>42,993,656</u>
Alternative programs and services				
Alternative instructional K-12		1,258,437		1,136,227
Attendance and social work		2,326,404		2,984,128
Remedial and supplemental K-12		44,819,565		48,252,438
Pre-K readiness/remedial and supplemental		8,188,819		7,677,450
Extended day/year instructional		1,688,263		703,380
School extension learning		-		24,093,848
	<u>71,463,634</u>	<u>58,281,488</u>	<u>13,182,146</u>	<u>84,847,471</u>

(Continued)

**WAKE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**STATE ADMINISTERED FEDERAL GRANTS FUND**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023			2022
	Budget	Actual	Variance	Actual
School leadership services				
School leadership	\$ -	\$ 779,388	\$ -	\$ 1,621,786
School principal		343,412		514,693
School assistant principal		587,467		3,735,107
	<u>2,140,023</u>	<u>1,710,267</u>	<u>429,756</u>	<u>5,871,586</u>
Co-Curricular services	-	-	-	8,594
School-based support services				
Educational media		299,336		1,368,956
Student accounting		732,880		918,870
Guidance		7,312,323		8,192,431
Health		122,793		1,948,117
Safety and security		272,350		276,030
Instructional technology		2,472,835		2,713,743
Staff development unallocated		880,801		651,097
Parent involvement		706,116		616,050
	<u>21,803,563</u>	<u>12,799,434</u>	<u>9,004,129</u>	<u>16,685,294</u>
Support and development services				
Regular curricular support and development		2,474,959		2,124,711
CTE curricular support and development		8,037		16,081
Regular curricular support and development	<u>2,717,581</u>	<u>2,482,996</u>	<u>234,585</u>	<u>2,140,792</u>
Special population support and development services	<u>1,034,229</u>	<u>874,339</u>	<u>159,890</u>	<u>945,641</u>
Alternative programs and services support and development services	<u>1,786,997</u>	<u>1,677,741</u>	<u>109,256</u>	<u>1,592,120</u>
Technology support services	<u>1,170,200</u>	<u>1,169,088</u>	<u>1,112</u>	<u>7,081,537</u>
Operational support services				
Printing and copying		5,372		13,386
Public utility and energy		5,500,000		-
Custodial/housekeeping		3,998,605		8,738,031
Transportation		1,394,525		2,633,659
Warehouse and delivery		2,685		5,372
Facilities planning, acquisition and construction		46,988		103,372
Maintenance		4,152,751		4,762,398
	<u>20,706,946</u>	<u>15,100,926</u>	<u>5,606,020</u>	<u>16,256,218</u>
Financial and human resource services				
Financial		261,093		371,481
Human resource		577,507		652,385
	<u>1,111,350</u>	<u>838,600</u>	<u>272,750</u>	<u>1,023,866</u>

(Continued)



**WAKE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**STATE ADMINISTERED FEDERAL GRANTS FUND**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023			2022
	Budget	Actual	Variance	Actual
Accountability services				
Student testing	\$ -	\$ 12,086	\$ -	\$ 22,831
Planning, research development and program evaluation		13,428		57,829
	<u>25,514</u>	<u>25,514</u>	<u>-</u>	<u>80,660</u>
Systemwide pupil support services				
Educational media support		125,242		90,259
Student accounting support		30,868		59,013
Guidance support		397,270		24,995
Health support		104,817		46,922
Safety and security support		14,778		29,561
Instructional technology support		5,277		6,710
	<u>678,712</u>	<u>678,252</u>	<u>460</u>	<u>257,460</u>
Policy, leadership and public relations services				
Audit		5,371		13,430
Leadership		65,143		136,947
Public relations and marketing		17,453		33,542
	<u>87,968</u>	<u>87,967</u>	<u>1</u>	<u>183,919</u>
Ancillary services				
Community		14,757		28,190
Nutrition		1,029,100		2,935,770
	<u>2,005,889</u>	<u>1,043,857</u>	<u>962,032</u>	<u>2,963,960</u>
Non-program charges: Indirect cost	<u>4,977,389</u>	<u>4,030,375</u>	<u>947,014</u>	<u>7,395,561</u>
Unbudgeted funds	<u>94,254,036</u>	<u>-</u>	<u>94,254,036</u>	<u>-</u>
Debt service				
Principal		969,152		32,635
Interest		1,027		225
	<u>970,179</u>	<u>970,179</u>	<u>-</u>	<u>32,860</u>
Total expenditures	<u>306,020,945</u>	<u>165,555,840</u>	<u>140,465,105</u>	<u>246,275,289</u>
Deficiency of revenues over expenditures before other financing sources	<u>(993,054)</u>	<u>(993,054)</u>	<u>-</u>	<u>(29,043)</u>
<b>OTHER FINANCING SOURCES:</b>				
Lease/subscription-based information technology arrangement issued	<u>993,054</u>	<u>993,054</u>	<u>-</u>	<u>29,043</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WAKE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**INDIVIDUAL SCHOOLS FUND**  
**YEAR ENDED JUNE 30, 2023**

	Fund Balance 6/30/2022	Revenues	Expenditures and Transfers	Fund Balance 6/30/2023
<b>HIGH SCHOOLS:</b>				
Apex	\$ 391,944	\$ 428,642	\$ 347,153	\$ 473,433
Apex Friendship	253,185	458,914	446,981	265,118
Athens Drive	207,922	296,109	263,303	240,728
Broughton	192,901	332,175	305,240	219,836
Cary	201,715	216,632	174,258	244,089
East Wake	123,954	188,457	155,829	156,582
Enloe	207,126	378,354	355,281	230,199
Fuquay-Varina	251,332	224,337	278,887	196,782
Garner	125,769	232,261	216,994	141,036
Green Hope	205,433	378,183	349,931	233,685
Green Level	71,999	376,829	369,647	79,181
Heritage	145,790	258,280	241,270	162,800
Holly Springs	317,515	327,977	354,310	291,182
Knightdale	198,282	167,283	161,272	204,293
Leesville Road	246,892	340,799	244,206	343,485
Middle Creek	363,359	276,610	313,304	326,665
Millbrook	327,126	309,473	278,167	358,432
North Wake College and Career	13,350	37,043	22,043	28,350
Panther Creek	274,910	471,333	548,303	197,940
Rolesville	234,099	261,538	219,662	275,975
Sanderson	224,061	256,131	296,363	183,829
South Garner	75,481	159,961	170,987	64,455
Southeast Raleigh	93,151	176,901	194,219	75,833
Vernon Malone College and Career	21,520	31,291	24,936	27,875
Wake STEM Early College	29,343	9,673	14,521	24,495
Wake Early College of Health and Sciences	44,929	30,855	26,245	49,539
Wake Early College of Information and Biotechnologies	-	1,447	750	697
Wake Forest	199,355	420,877	427,749	192,483
Wakefield	180,827	290,313	297,280	173,860
Willow Spring	26,560	199,574	175,691	50,443
	<u>5,249,830</u>	<u>7,538,252</u>	<u>7,274,782</u>	<u>5,513,300</u>
<b>MIDDLE SCHOOLS:</b>				
Alston Ridge	21,382	33,301	17,295	37,388
Apex	110,689	35,966	57,377	89,278
Apex Friendship	60,436	346,831	343,003	64,264
Carnage	40,383	64,092	61,449	43,026
Carroll	44,682	38,774	48,324	35,132
Centennial Campus	24,554	10,196	7,415	27,335
Oberlin	47,927	158,909	143,811	63,025
Davis Drive	54,739	79,252	74,556	59,435
Dillard Drive	31,445	148,972	140,322	40,095
Durant Road	41,878	37,319	40,676	38,521

(Continued)

**WAKE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**INDIVIDUAL SCHOOLS FUND**  
**YEAR ENDED JUNE 30, 2023**

	Fund Balance 6/30/2022	Revenues	Expenditures and Transfers	Fund Balance 6/30/2023
East Cary	\$ 53,693	\$ 57,429	\$ 58,578	\$ 52,544
East Garner	106,051	72,267	63,206	115,112
East Millbrook	24,044	33,919	19,071	38,892
Neuse River	20,820	35,877	31,510	25,187
Fuquay-Varina	154,945	149,403	160,018	144,330
Herbert Akins Road	-	46,758	28,693	18,065
Heritage	74,890	41,693	59,093	57,490
Holly Grove	156,244	224,631	232,848	148,027
Holly Ridge	76,305	147,417	139,713	84,009
Leesville Road	76,845	109,509	83,250	103,104
Ligon	92,823	51,041	59,779	84,085
Lufkin Road	50,759	39,224	31,022	58,961
Martin	55,139	102,276	85,542	71,873
Mills Park	71,278	86,314	91,276	66,316
Moore Square	21,664	113,891	112,603	22,952
North Garner	34,367	30,585	29,354	35,598
Pine Hollow	108,910	143,837	138,322	114,425
Reedy Creek	66,693	22,582	24,445	64,830
River Bend	34,602	94,897	85,477	44,022
Rolesville	33,282	66,752	43,427	56,607
Salem	63,216	121,935	137,185	47,966
Wake Forest	62,927	35,144	26,397	71,674
Wakefield	56,791	38,818	40,976	54,633
Wendell	42,755	93,301	83,603	52,453
West Cary	41,441	134,252	135,797	39,896
West Lake	41,204	30,909	21,578	50,535
West Millbrook	58,412	84,374	85,120	57,666
Zebulon	22,147	32,729	25,505	29,371
	<u>2,180,362</u>	<u>3,195,376</u>	<u>3,067,616</u>	<u>2,308,122</u>
<b>ELEMENTARY SCHOOLS:</b>				
Abbotts Creek	20,388	33,309	32,046	21,651
Adams	32,093	38,025	53,428	16,690
Alston Ridge	23,529	47,111	40,959	29,681
Apex	37,671	50,002	61,073	26,600
Apex Friendship	-	43,932	43,523	409
Aversboro	27,508	8,807	8,613	27,702
Baileywick Road	24,724	22,431	18,363	28,792
Ballentine	30,862	26,172	35,822	21,212
Banks Road	8,909	33,802	38,366	4,345
Barton Pond	-	13,838	9,183	4,655
Barwell Road	11,202	21,591	24,286	8,507
Baucom	67,701	20,893	30,258	58,336

(Continued)

**WAKE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**INDIVIDUAL SCHOOLS FUND**  
**YEAR ENDED JUNE 30, 2023**

	Fund Balance 6/30/2022	Revenues	Expenditures and Transfers	Fund Balance 6/30/2023
Beaverdam	\$ 9,623	\$ 11,141	\$ 11,705	\$ 9,059
Brassfield	38,485	39,321	39,418	38,388
Brentwood	13,945	15,201	12,566	16,580
Briarcliff	20,185	34,760	30,250	24,695
Brier Creek	25,867	44,026	56,140	13,753
Brooks	97,313	93,576	93,639	97,250
Bryan Road	12,065	43,175	41,063	14,177
Buckhorn Creek	14,312	66,621	67,319	13,614
Bugg	12,451	4,912	6,122	11,241
Carpenter	14,749	22,668	26,145	11,272
Carver	20,836	17,211	21,406	16,641
Cary	28,743	22,638	17,321	34,060
Cedar Fork	12,649	27,592	26,974	13,267
Combs	26,886	29,724	33,594	23,016
Conn	10,499	14,862	17,681	7,680
Creech Road	12,639	11,630	9,280	14,989
Davis Drive	14,870	51,419	52,613	13,676
Dillard Drive	20,679	19,610	21,320	18,969
Douglas	31,952	32,915	38,250	26,617
Durant Road	29,488	50,603	65,351	14,740
East Garner	48,701	29,543	24,001	54,243
Farmington Woods	22,251	39,443	39,089	22,605
Forest Pines Drive	13,548	22,697	26,948	9,297
Forestville Road	16,726	20,820	24,636	12,910
Fox Road	17,786	12,575	16,926	13,435
Fuller	13,783	15,700	14,823	14,660
Fuquay-Varina	24,591	17,857	20,781	21,667
Green	26,325	12,317	12,229	26,413
Green Hope	14,476	48,514	48,818	14,172
Harris Creek	35,442	55,798	30,753	60,487
Herbert Akins Road	53,976	59,508	58,743	54,741
Heritage	6,270	18,363	19,733	4,900
Highcroft Drive	14,192	59,370	64,223	9,339
Hodge Road	4,533	14,353	12,275	6,611
Holly Grove	43,538	59,209	55,808	46,939
Holly Ridge	34,818	24,156	30,099	28,875
Holly Springs	29,910	76,450	85,837	20,523
Hortons Creek	24,797	28,353	29,587	23,563
Hunter	70,229	45,771	39,509	76,491
Jeffreys Grove	50,294	31,745	37,914	44,125
Jones Dairy	16,214	20,825	20,920	16,119
Joyner	111,848	56,576	108,919	59,505
Kingswood	22,973	31,959	27,853	27,079
Knightdale	16,509	14,316	13,195	17,630
Lacy	349,936	329,002	291,515	387,423
Lake Myra	18,314	11,269	12,287	17,296

(Continued)

**WAKE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**INDIVIDUAL SCHOOLS FUND**  
**YEAR ENDED JUNE 30, 2023**

	Fund Balance 6/30/2022	Revenues	Expenditures and Transfers	Fund Balance 6/30/2023
Laurel Park	\$ 22,140	\$ 38,027	\$ 34,669	\$ 25,498
Lead Mine	22,989	14,480	14,521	22,948
Leesville Road	14,142	76,812	77,745	13,209
Lincoln Heights	30,755	27,902	30,187	28,470
Lockhart	7,279	4,808	6,341	5,746
Lynn Road	5,635	15,969	10,320	11,284
Middle Creek	17,685	25,005	25,483	17,207
Millbrook	15,198	9,908	4,724	20,382
Mills Park	6,121	55,959	58,357	3,723
Morrisville	16,245	22,897	24,567	14,575
North Forest Pines	34,455	26,625	33,098	27,982
North Ridge	38,577	61,885	82,710	17,752
Northwoods	18,331	12,823	17,043	14,111
Oak Grove	15,334	67,273	62,361	20,246
Oakview	78,716	72,956	73,371	78,301
Olds	29,361	21,075	20,104	30,332
Olive Chapel	60,322	117,773	119,710	58,385
Partnership	15,480	35,015	37,271	13,224
Parkside	11,875	20,789	18,101	14,563
Penny Road	32,969	15,755	19,630	29,094
Pleasant Grove	25,010	10,787	14,756	21,041
Pleasant Union	19,401	51,927	53,114	18,214
Poe	15,004	11,641	16,137	10,508
Powell	8,506	16,847	12,973	12,380
Rand Road	5,306	33,734	29,647	9,393
Reedy Creek	15,100	16,218	12,390	18,928
Richland Creek	12,999	14,067	10,696	16,370
River Bend	35,922	7,176	9,300	33,798
Rogers Lane	20,444	19,828	25,129	15,143
Rolesville	21,384	12,917	22,116	12,185
Root	25,023	306,859	322,219	9,663
Salem	43,068	32,713	40,108	35,673
Sanford Creek	69,139	49,598	40,519	78,218
Scotts Ridge	73,610	37,363	57,478	53,495
Smith	14,403	4,871	6,839	12,435
South Lakes	5,598	23,605	20,172	9,031
Southeast Raleigh	5,645	16,180	11,220	10,605
Stough	12,395	51,049	47,874	15,570
Swift Creek	9,396	4,948	5,433	8,911
Sycamore Creek	62,794	44,436	34,654	72,576
Timber Drive	13,757	17,902	18,794	12,865
Turner Creek	28,555	39,851	44,599	23,807
Underwood	18,141	22,553	26,290	14,404
Vance	15,808	16,090	12,687	19,211
Vandora Springs	18,385	27,020	34,782	10,623
Wake Forest	39,927	14,429	21,823	32,533

(Continued)

**WAKE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**INDIVIDUAL SCHOOLS FUND**  
**YEAR ENDED JUNE 30, 2023**

	Fund Balance 6/30/2022	Revenues	Expenditures and Transfers	Fund Balance 6/30/2023
Wakefield	\$ 8,733	\$ 30,499	\$ 18,665	\$ 20,567
Wakelon	17,220	15,881	15,018	18,083
Walnut Creek	16,361	17,654	21,673	12,342
Washington	33,614	23,440	30,487	26,567
Weatherstone	28,183	33,152	41,519	19,816
Wendell	25,095	24,612	21,723	27,984
West Lake	25,447	31,572	38,837	18,182
White Oak	23,271	48,750	50,020	22,001
Wilburn	29,970	17,433	20,476	26,927
Wildwood Forest	5,948	4,042	4,452	5,538
Wiley	30,004	39,367	41,125	28,246
Willow Springs	8,647	46,368	40,242	14,773
Yates Mill	14,562	18,165	21,945	10,782
York	5,919	12,939	10,838	8,020
Zebulon	25,586	11,649	12,553	24,682
	<u>3,281,692</u>	<u>4,193,875</u>	<u>4,363,133</u>	<u>3,112,434</u>
<b>ACADEMIES:</b>				
Hilburn	25,785	35,715	45,698	15,802
Wake Young Men's Leadership	12,742	19,473	17,600	14,615
Wake Young Women's Leadership	38,936	55,778	57,543	37,171
	<u>77,463</u>	<u>110,966</u>	<u>120,841</u>	<u>67,588</u>
<b>OTHER:</b>				
Connections Academy	1,287	-	-	1,287
Crossroads Flex	14,318	9,650	8,808	15,160
Longview School	13,918	8,913	5,372	17,459
Mt. Vernon	12,042	18,256	8,340	21,958
Phillips High School	5,846	5,342	5,665	5,523
River Oaks	7,174	1,251	1,507	6,918
	<u>54,585</u>	<u>43,412</u>	<u>29,692</u>	<u>68,305</u>
<b>TOTAL</b>	<u>\$ 10,843,932</u>	<u>\$ 15,081,881</u>	<u>\$ 14,856,064</u>	<u>\$ 11,069,749</u>

**WAKE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (Non-GAAP)**  
**ENTERPRISE FUND - CHILD NUTRITION PROGRAM**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023			2022
	Budget	Actual	Variance	Actual
<b>REVENUES:</b>				
Federal:				
Regular USDA grants	\$ 43,053,054	\$ 37,703,209	\$ (5,349,845)	\$ 66,662,757
USDA grants - fresh fruit & vegetable program	184,491	102,067	(82,424)	123,108
USDA grants - summer feeding program	665,957	483,720	(182,237)	1,165,392
USDA grants - commodities used	-	4,438,900	4,438,900	4,913,849
	<u>43,903,502</u>	<u>42,727,896</u>	<u>(1,175,606)</u>	<u>72,865,106</u>
State: Reduced-price breakfast	<u>59,232</u>	<u>59,232</u>	<u>-</u>	<u>-</u>
Other:				
Food sales	23,226,726	19,185,631	(4,041,095)	3,371,913
Interest	527,456	622,510	95,054	36,330
Local donations or grants	<u>288,450</u>	<u>2,615,100</u>	<u>2,326,650</u>	<u>2,833,068</u>
	<u>24,042,632</u>	<u>22,423,241</u>	<u>(1,619,391)</u>	<u>6,241,311</u>
Total revenues	<u>68,005,366</u>	<u>65,210,369</u>	<u>(2,794,997)</u>	<u>79,106,417</u>
<b>EXPENDITURES:</b>				
Salaries		24,565,629		21,541,309
Employee benefits		13,523,216		11,552,286
Food		17,639,268		17,900,231
Supplies		3,536,973		3,197,419
Purchased services		708,734		546,975
Donated commodities		4,438,900		4,913,849
Indirect cost		2,840,817		2,412,799
Equipment purchases		259,264		-
Debt service - principal		<u>3,052</u>		<u>3,612</u>
Total expenditures	<u>68,050,366</u>	<u>67,515,853</u>	<u>534,513</u>	<u>62,068,480</u>
Deficiency of revenues over expenditures	<u>(45,000)</u>	<u>(2,305,484)</u>	<u>(2,260,484)</u>	<u>17,037,937</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfer in	<u>45,000</u>	<u>45,000</u>	<u>-</u>	<u>942,941</u>
Deficiency of revenues and other financing sources over expenditures - budgetary (non-GAAP) basis	<u>\$ -</u>	<u>\$ (2,260,484)</u>	<u>\$ (2,260,484)</u>	<u>\$ 17,980,878</u>

(Continued)

**WAKE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (Non-GAAP)**  
**ENTERPRISE FUND - CHILD NUTRITION PROGRAM**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023			2022
	Budget	Actual	Variance	Actual
Reconciliation from budgetary (non-GAAP) basis to GAAP:				
Equipment purchases, net of contributions		\$ 259,264		\$ -
Depreciation/amortization		(1,171,930)		(1,234,812)
Debt service principal		3,052		3,612
Gain (loss) on sale of capital assets		(28,056)		625
Non-capital OPEB plan contribution		227,272		216,417
Net OPEB asset		(12,519)		(38,310)
Net pension liability		(14,801,451)		9,838,589
Net OPEB liability		9,884,570		(3,494,233)
Deferred outflows		14,001,184		(6,541,379)
Deferred inflows		(3,983,218)		4,659,455
Increase in accrued vacation pay		(226,466)		(519,281)
Change in net deficit		<u>\$ 1,891,218</u>		<u>\$ 20,871,561</u>

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**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023			2022
	Budget	Actual	Variance	Actual
<b>REVENUES:</b>				
Other:				
Participant fees	\$ 18,224,455	\$ 11,056,264	\$ (7,168,191)	\$ 8,580,634
Local donations or grants	-	1,000	1,000	-
Interest	-	303,457	303,457	16,269
Total revenues	<u>18,224,455</u>	<u>11,360,721</u>	<u>(6,863,734)</u>	<u>8,596,903</u>
<b>EXPENDITURES:</b>				
Salaries		4,518,838		3,675,586
Employee benefits		1,483,641		1,171,806
Supplies		973,198		709,758
Purchased services		790,500		786,895
Indirect costs paid		745,016		624,966
Equipment purchases		115,331		-
Total expenditures	<u>18,224,455</u>	<u>8,626,524</u>	<u>9,597,931</u>	<u>6,969,011</u>
Excess of revenues over expenditures - budgetary (non-GAAP) basis	<u>\$ -</u>	2,734,197	<u>\$ 2,734,197</u>	1,627,892
Reconciliation from budgetary (non-GAAP) basis to GAAP				
Equipment purchases, net of contributions		115,331		-
Depreciation		(43,766)		(41,316)
Non-capital OPEB plan contribution		38,395		35,121
Net OPEB asset		(8,341)		(6,217)
Net pension liability		(2,500,517)		1,596,657
Net OPEB liability		1,676,098		(567,062)
Deferred outflows		2,365,323		(1,061,569)
Deferred inflows		(672,914)		756,161
Decrease (increase) in accrued vacation pay		(12,402)		13,875
Change in net deficit		<u>\$ 3,691,404</u>		<u>\$ 2,353,542</u>



STATISTICAL SECTION

# 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				
	2023	2022	2021	2020	2019
Governmental activities:					
Net investment in capital assets	\$ 4,159,626,374	\$ 4,067,090,797	\$ 3,892,210,778	\$ 3,733,190,940	\$ 3,549,276,038
Restricted	20,624,893	20,785,371	21,662,737	22,443,897	24,179,548
Unrestricted	<u>(2,202,184,077)</u>	<u>(2,432,792,510)</u>	<u>(2,635,779,762)</u>	<u>(2,712,327,735)</u>	<u>(2,687,838,303)</u>
Total net position	<u>1,978,067,190</u>	<u>1,655,083,658</u>	<u>1,278,093,753</u>	<u>1,043,307,102</u>	<u>885,617,283</u>
Business-type activities:					
Net investment in capital assets	8,975,462	7,445,092	6,153,140	6,772,791	6,621,851
Restricted	-	106,483	128,695	167,034	209,593
Unrestricted	<u>(21,010,281)</u>	<u>(25,169,016)</u>	<u>(47,124,379)</u>	<u>(45,988,466)</u>	<u>(40,232,436)</u>
Total net position	<u>(12,034,819)</u>	<u>(17,617,441)</u>	<u>(40,842,544)</u>	<u>(39,048,641)</u>	<u>(33,400,992)</u>
Government-wide:					
Net investment in capital assets	4,168,601,836	4,074,535,889	3,898,363,918	3,739,963,731	3,555,897,889
Restricted	20,624,893	20,891,854	21,791,432	22,610,931	24,389,141
Unrestricted	<u>(2,223,194,358)</u>	<u>(2,457,961,526)</u>	<u>(2,682,904,141)</u>	<u>(2,758,316,201)</u>	<u>(2,728,070,739)</u>
Total net position	<u>\$ 1,966,032,371</u>	<u>\$ 1,637,466,217</u>	<u>\$ 1,237,251,209</u>	<u>\$ 1,004,258,461</u>	<u>\$ 852,216,291</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				
	2018	2017	2016	2015	2014
Governmental activities:					
Net investment in capital assets	\$ 3,329,761,944	\$ 3,115,825,897	\$ 2,931,684,587	\$ 2,723,207,488	\$ 2,648,922,011
Restricted	21,429,835	14,821,717	14,602,314	17,025,811	16,599,934
Unrestricted	<u>(2,720,230,222)</u>	<u>(258,293,051)</u>	<u>(226,145,732)</u>	<u>(224,731,658)</u>	<u>(1,250,869)</u>
Total net position	<u>630,961,557</u>	<u>2,872,354,563</u>	<u>2,720,141,169</u>	<u>2,515,501,641</u>	<u>2,664,271,076</u>
Business-type activities:					
Net investment in capital assets	5,267,553	6,412,914	6,087,244	7,356,663	7,727,478
Restricted	166,611	-	-	-	-
Unrestricted	<u>(38,281,827)</u>	<u>26,507,774</u>	<u>27,187,091</u>	<u>26,001,803</u>	<u>32,693,479</u>
Total net position	<u>(32,847,663)</u>	<u>32,920,688</u>	<u>33,274,335</u>	<u>33,358,466</u>	<u>40,420,957</u>
Government-wide:					
Net investment in capital assets	3,335,029,497	3,122,238,811	2,937,771,831	2,730,564,151	2,656,649,489
Restricted	21,596,446	14,821,717	14,602,314	17,025,811	16,599,934
Unrestricted	<u>(2,758,512,049)</u>	<u>(231,785,277)</u>	<u>(198,958,641)</u>	<u>(198,729,855)</u>	<u>31,442,610</u>
Total net position	<u>\$ 598,113,894</u>	<u>\$ 2,905,275,251</u>	<u>\$ 2,753,415,504</u>	<u>\$ 2,548,860,107</u>	<u>\$ 2,704,692,033</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				
	2023	2022	2021	2020	2019
<b>Expenses</b>					
Governmental activities:					
Instructional programs					
Regular	\$ 751,664,187	\$ 755,888,171	\$ 745,163,752	\$ 756,413,532	\$ 702,874,136
Special populations	254,287,799	249,957,184	242,809,587	246,494,723	233,027,523
Alternative programs and services	99,559,290	133,890,588	97,272,637	87,640,748	80,924,330
School leadership	104,527,906	101,682,419	98,228,064	99,993,182	90,152,056
Co-curricular	34,243,562	27,266,813	24,341,345	35,689,594	33,478,902
School-based support services	99,012,169	105,919,583	104,529,800	97,856,120	90,949,064
Systemwide support services					
Support and development	10,474,696	9,291,875	8,545,457	8,497,991	8,426,648
Special populations support and development	8,291,746	8,287,946	7,370,943	6,941,524	6,141,058
Alternative programs and services support and development	5,306,469	4,795,986	4,202,968	4,106,244	3,502,850
Technology support	56,871,033	56,325,755	53,857,612	63,510,929	30,844,405
Operational support	158,465,455	180,829,104	155,973,871	172,671,446	184,310,605
Financial and human resource	24,719,589	21,852,273	22,087,993	22,399,593	21,035,774
Accountability	2,084,224	1,942,251	1,993,596	2,163,932	1,993,192
Systemwide pupil support	6,944,974	5,896,814	5,339,159	6,101,720	4,392,791
Policy, leadership and public relations	12,287,817	11,490,403	12,076,314	12,312,374	11,199,607
Ancillary Services	1,289,862	4,128,656	8,037,759	3,997,339	342,910
Nonprogram charges	56,564,321	45,002,063	44,638,864	37,139,670	32,440,098
Interest on long-term debt	3,800,422	3,381,001			
Depreciation/amortization - unallocated	121,007,361	97,437,981	97,818,810	93,793,766	93,204,421
Total governmental activities expenses	<u>1,811,402,882</u>	<u>1,825,266,866</u>	<u>1,734,288,531</u>	<u>1,757,724,427</u>	<u>1,629,240,370</u>
Business-type activities:					
Food service	63,563,367	59,394,839	27,627,454	49,473,155	54,185,940
Tuition programs	7,707,712	6,278,482	5,926,451	11,455,983	13,791,003
Total business-type activities	<u>71,271,079</u>	<u>65,673,321</u>	<u>33,553,905</u>	<u>60,929,138</u>	<u>67,976,943</u>
Total school district expenses	<u>1,882,673,961</u>	<u>1,890,940,187</u>	<u>1,767,842,436</u>	<u>1,818,653,565</u>	<u>1,697,217,313</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services-regular instructional	1,859,232	1,686,639	13,947	1,100,760	1,629,450
Charges for services-ancillary services	-	-	-	-	32,480
Operating grants and contributions	1,306,168,394	1,362,724,761	1,156,494,973	1,120,724,055	1,075,480,070
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	<u>1,308,027,626</u>	<u>1,364,411,400</u>	<u>1,156,508,920</u>	<u>1,121,824,815</u>	<u>1,077,142,000</u>
Business-type activities:					
Charges for services-food services	19,185,631	3,371,913	26,802	12,417,023	17,424,575
Charges for services-tuition programs	11,056,264	8,580,634	1,889,707	10,299,433	14,189,922
Operating grants and contributions	42,944,783	73,134,051	-	-	-
Capital grants and contributions - food services	2,429,389	2,564,748	25,599,831	29,681,976	35,254,178
Capital grants and contributions - tuition programs	1,000	-	-	-	-
Total business-type activities program revenues	<u>75,617,067</u>	<u>87,651,346</u>	<u>27,516,340</u>	<u>52,398,432</u>	<u>66,868,675</u>
Total school district program revenues	<u>1,383,644,693</u>	<u>1,452,062,746</u>	<u>1,184,025,260</u>	<u>1,174,223,247</u>	<u>1,144,010,675</u>
<b>Net (expense)/revenue</b>					
Governmental activities	(503,375,256)	(460,855,466)	(577,779,611)	(635,899,612)	(552,098,370)
Business-type activities	4,345,988	21,978,025	(6,037,565)	(8,530,706)	(1,108,268)
Total school district net expense	<u>\$ (499,029,268)</u>	<u>\$ (438,877,441)</u>	<u>\$ (583,817,176)</u>	<u>\$ (644,430,318)</u>	<u>\$ (553,206,638)</u>

(Continued)

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

	Fiscal Year				
	2018	2017	2016	2015	2014
<b>Expenses</b>					
Governmental activities:					
Instructional programs					
Regular	\$ 731,974,296	\$ 655,240,420	\$ 583,890,706	\$ 538,699,660	\$ 548,740,312
Special populations	243,000,627	221,579,226	196,300,020	181,153,903	181,570,641
Alternative programs and services	83,782,030	82,345,265	78,254,955	63,987,611	67,406,274
School leadership	90,665,395	80,203,279	71,562,962	67,145,678	69,258,721
Co-curricular	29,884,642	27,654,770	24,699,448	21,546,339	23,226,828
School-based support services	90,602,486	81,922,365	72,328,355	61,577,799	61,233,044
Systemwide support services					
Support and development	14,976,789	13,158,583	11,835,596	10,932,679	10,115,956
Special populations support and development	6,414,994	5,830,879	4,918,030	4,373,936	4,651,561
Alternative programs and services support and development	3,185,133	3,028,276	3,373,273	3,086,128	2,739,756
Technology support	34,493,632	42,430,480	28,037,064	23,361,372	18,109,553
Operational support	172,750,747	147,592,022	156,926,276	161,949,750	167,828,385
Financial and human resource	20,835,125	20,400,114	18,222,357	16,308,934	16,209,892
Accountability	2,766,782	2,852,691	3,433,611	3,804,913	4,012,919
Systemwide pupil support	5,923,268	5,693,573	5,515,556	5,062,216	4,925,370
Policy, leadership and public relations	11,098,595	10,642,828	8,642,718	8,209,071	7,667,733
Ancillary Services	140,697	91,242	112,906	166,997	176,331
Nonprogram charges	25,807,938	23,963,483	21,134,354	14,957,067	10,589,182
Interest on long-term debt					
Depreciation/amortization - unallocated	89,277,817	129,457,253	79,120,543	75,594,568	63,861,810
Total governmental activities expenses	<u>1,657,580,993</u>	<u>1,554,086,749</u>	<u>1,368,308,730</u>	<u>1,261,918,621</u>	<u>1,262,324,268</u>
Business-type activities:					
Food service	58,151,824	55,387,857	53,618,487	53,254,152	52,823,064
Tuition programs	14,381,100	13,162,916	11,750,436	11,217,887	12,931,220
Total business-type activities	<u>72,532,924</u>	<u>68,550,773</u>	<u>65,368,923</u>	<u>64,472,039</u>	<u>65,754,284</u>
Total school district expenses	<u>1,730,113,917</u>	<u>1,622,637,522</u>	<u>1,433,677,653</u>	<u>1,326,390,660</u>	<u>1,328,078,552</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services-regular instructional	1,371,417	1,321,281	1,269,473	1,182,907	1,157,302
Charges for services-ancillary services	28,777	24,085	34,136	52,628	34,070
Operating grants and contributions	1,001,491,868	970,584,143	934,462,654	896,644,270	855,019,388
Capital grants and contributions	-	-	-	-	53,432
Total governmental activities program revenues	<u>1,002,892,062</u>	<u>971,929,509</u>	<u>935,766,263</u>	<u>897,879,805</u>	<u>856,264,192</u>
Business-type activities:					
Charges for services-food services	17,271,145	18,083,111	17,315,970	16,913,781	18,540,817
Charges for services-tuition programs	13,971,475	13,372,693	13,531,484	12,364,080	12,050,049
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions - food services	34,048,329	36,407,837	35,165,199	33,504,107	33,048,188
Capital grants and contributions - tuition programs	-	-	-	-	-
Total business-type activities program revenues	<u>65,290,949</u>	<u>67,863,641</u>	<u>66,012,653</u>	<u>62,781,968</u>	<u>63,639,054</u>
Total school district program revenues	<u>1,068,183,011</u>	<u>1,039,793,150</u>	<u>1,001,778,916</u>	<u>960,661,773</u>	<u>919,903,246</u>
<b>Net (expense)/revenue</b>					
Governmental activities	(654,688,931)	(582,157,240)	(432,542,467)	(364,038,816)	(406,060,076)
Business-type activities	(7,241,975)	(687,132)	643,730	(1,690,071)	(2,115,230)
Total school district net expense	<u>\$ (661,930,906)</u>	<u>\$ (582,844,372)</u>	<u>\$ (431,898,737)</u>	<u>\$ (365,728,887)</u>	<u>\$ (408,175,306)</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				
	2023	2022	2021	2020	2019
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (503,375,256)	\$ (460,855,466)	\$ (577,779,611)	\$ (552,098,370)	\$ (552,098,370)
Business-type activities	4,345,988	21,978,025	(6,037,565)	(1,108,268)	(1,108,268)
Total school district net expense	<u>(499,029,268)</u>	<u>(438,877,441)</u>	<u>(583,817,176)</u>	<u>(553,206,638)</u>	<u>(553,206,638)</u>
<b>General revenues and other changes in net position</b>					
Governmental activities:					
Unrestricted county appropriations - operating	594,253,045	544,205,101	526,003,342	514,023,140	475,847,283
Unrestricted county appropriations - capital	211,503,151	278,419,093	255,970,316	274,820,533	321,238,447
Unrestricted state appropriation - capital	3,041,024	2,341,016	2,201,044	1,359,984	693,296
Investment earnings, unrestricted	3,954,624	282,701	528,408	1,301,417	1,284,091
Non-Capital OPEB Plan Contribution	10,055,489	10,689,656	27,584,669	-	-
Miscellaneous, unrestricted	3,596,455	2,850,745	4,069,139	4,533,113	7,759,709
Transfer	(45,000)	(942,941)	(3,790,656)	(2,448,756)	(68,730)
Total governmental activities	<u>826,358,788</u>	<u>837,845,371</u>	<u>812,566,262</u>	<u>793,589,431</u>	<u>806,754,096</u>
Business-type activities:					
Investment earnings, unrestricted	925,967	52,599	78,351	434,301	486,209
Non-Capital OPEB Plan Contribution	265,667	251,538	374,655	-	-
Transfer	45,000	942,941	3,790,656	2,448,756	68,730
Total business-type activities	<u>1,236,634</u>	<u>1,247,078</u>	<u>4,243,662</u>	<u>2,883,057</u>	<u>554,939</u>
Total school district	<u>827,595,422</u>	<u>839,092,449</u>	<u>816,809,924</u>	<u>796,472,488</u>	<u>807,309,035</u>
<b>Change in net position</b>					
Governmental activities	322,983,532	376,989,905	234,786,651	241,491,061	254,655,726
Business-type activities	5,582,622	23,225,103	(1,793,903)	1,774,789	(553,329)
Total school district	<u>\$ 328,566,154</u>	<u>\$ 400,215,008</u>	<u>\$ 232,992,748</u>	<u>\$ 243,265,850</u>	<u>\$ 254,102,397</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				
	2018	2017	2016	2015	2014
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (654,688,931)	\$ (582,157,240)	\$ (432,542,467)	\$ (364,038,816)	\$ (406,060,076)
Business-type activities	(7,241,975)	(687,132)	643,730	(1,690,071)	(2,115,230)
Total school district net expense	<u>(661,930,906)</u>	<u>(582,844,372)</u>	<u>(431,898,737)</u>	<u>(365,728,887)</u>	<u>(408,175,306)</u>
<b>General revenues and other changes in net position</b>					
Governmental activities:					
Unrestricted county appropriations - operating	429,719,331	408,760,031	384,849,031	340,138,653	323,966,127
Unrestricted county appropriations - capital	305,195,784	319,326,301	280,060,809	149,664,203	90,259,437
Unrestricted state appropriation - capital	387,942	428,778	816,720	4,947,219	5,154,525
Investment earnings, unrestricted	761,942	706,920	475,650	389,767	458,800
Non-Capital OPEB Plan Contribution	-	-	-	-	-
Miscellaneous, unrestricted	5,663,606	5,203,959	7,966,262	6,765,132	1,959,815
Transfer	(45,012)	(55,355)	(45,187)	(331,509)	(426,858)
Total governmental activities	<u>741,683,593</u>	<u>734,370,634</u>	<u>674,123,285</u>	<u>501,573,465</u>	<u>421,371,846</u>
Business-type activities:					
Investment earnings, unrestricted	374,257	278,130	199,082	139,011	133,264
Non-Capital OPEB Plan Contribution	-	-	-	-	-
Transfer	45,012	55,355	45,187	331,509	426,858
Total business-type activities	<u>419,269</u>	<u>333,485</u>	<u>244,269</u>	<u>470,520</u>	<u>560,122</u>
Total school district	<u>742,102,862</u>	<u>734,704,119</u>	<u>674,367,554</u>	<u>502,043,985</u>	<u>421,931,968</u>
<b>Change in net position</b>					
Governmental activities	86,994,662	152,213,394	241,580,818	137,534,649	15,311,770
Business-type activities	(6,822,706)	(353,647)	887,999	(1,219,551)	(1,555,108)
Total school district	<u>\$ 80,171,956</u>	<u>\$ 151,859,747</u>	<u>\$ 242,468,817</u>	<u>\$ 136,315,098</u>	<u>\$ 13,756,662</u>

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

	Fiscal Year				
	2023	2022	2021	2020	2019
General fund					
Nonspendable					
Inventories	\$ 4,840,017	\$ 4,815,908	\$ 4,238,945	\$ 5,905,099	\$ 4,559,114
Prepaid	-	-	-	-	-
Restricted					
Stabilization by state statute	5,820,934	5,736,628	5,038,800	5,005,418	5,057,968
Energy savings obligations	-	-	38,680	1,170,115	6,488,539
Assigned					
Special projects	12,885,694	14,169,986	38,458,921	19,296,846	13,899,683
Insurance	20,454,340	15,316,319	13,878,448	13,851,590	11,735,920
Potential unfunded pension liability	3,622,809	-	-	-	-
Flexible benefit plan	1,000,000	2,540,613	2,061,172	1,693,169	1,609,584
Subsequent year expenditures	25,200,000	27,926,893	20,135,556	8,695,601	8,107,000
Unassigned	52,559,429	46,547,827	44,697,733	35,271,113	11,391,203
Total general fund	<u>\$126,383,223</u>	<u>\$117,054,174</u>	<u>\$128,548,255</u>	<u>\$ 90,888,951</u>	<u>\$ 62,849,011</u>
All other governmental funds					
Nonspendable					
Inventories	\$ 2,405,135	\$ 3,068,319	\$ 3,088,640	\$ -	\$ -
Restricted					
Stabilization by State Statute	361,908	327,123	2,015,382	2,080,942	168,929
Capital expenditures	3,037,162	2,605,325	1,400,218	1,375,364	1,205,318
Individual schools	11,069,749	10,843,932	10,063,049	9,943,987	9,000,578
Special Programs	132,664	51,110	51,110	51,110	51,110
Restricted contributions for capital expenditures	202,476	54,576	53,916	48,896	27,832
Assigned					
Special projects	1,066,155	1,098,531	934,777	912,654	943,953
Total all other governmental funds	<u>\$ 18,275,249</u>	<u>\$ 18,048,916</u>	<u>\$ 17,607,092</u>	<u>\$ 14,412,953</u>	<u>\$ 11,397,720</u>

(Continued)

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

	Fiscal Year				
	2018	2017	2016	2015	2014
General fund					
Nonspendable					
Inventories	\$ 4,438,637	\$ 3,919,935	\$ 3,435,317	\$ 2,442,586	\$ 2,966,259
Prepaid	105,263	49,622	88,607	1,639,972	4,543,602
Restricted					
Stabilization by state statute	5,261,993	4,797,511	4,116,427	7,404,038	5,542,274
Energy savings obligations	-	-	-	-	-
Assigned					
Special projects	9,838,302	14,420,578	14,270,811	10,604,339	19,427,037
Insurance	10,643,848	10,732,144	10,310,534	10,212,545	9,909,912
Potential unfunded pension liability	-	-	-	-	-
Flexible benefit plan	1,557,774	1,354,093	1,229,780	1,139,379	1,225,223
Subsequent year expenditures	4,900,000	12,840,355	10,400,000	20,000,000	26,075,734
Unassigned	12,135,493	9,899,217	13,880,710	14,894,753	20,215,744
Total general fund	<u>\$ 48,881,310</u>	<u>\$ 58,013,455</u>	<u>\$ 57,732,186</u>	<u>\$ 68,337,612</u>	<u>\$ 89,905,785</u>
All other governmental funds					
Nonspendable					
Inventories	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted					
Stabilization by State Statute	111,038	239,002	738,296	725,074	2,311,510
Capital expenditures	1,079,897	779,049	741,489	397,078	368,912
Individual schools	8,733,707	8,920,713	8,978,294	8,471,820	8,377,238
Special Programs	-	-	-	-	-
Restricted contributions for capital expenditures	27,832	85,442	27,808	27,801	43,191
Assigned					
Special projects	723,723	1,773,212	115,802	107,107	-
Total all other governmental funds	<u>\$ 10,676,197</u>	<u>\$ 11,797,418</u>	<u>\$ 10,601,689</u>	<u>\$ 9,728,880</u>	<u>\$ 11,100,851</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
2023	\$ 1,106,572,796	\$ 594,253,045	\$ 211,503,151	\$ 3,495,281	\$ 172,417,699	\$ 3,954,624	\$ 40,050,940	\$ 2,132,247,536
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

**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
2023	158,357	\$ 9,631 1,525,152,526	\$ 1,948 308,451,051	\$ 8 1,259,675	\$ 390 61,775,797
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

(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
2023	\$ 20,135,886	\$ 1,916,774,935	\$ 212,784,090	\$ 2,129,559,025
2022	13,196,332	1,934,105,443	282,130,503	2,216,235,946
2021	2,845,942	1,644,639,043	259,975,487	1,904,614,530
2020	1,359,984	1,613,685,203	276,350,723	1,890,035,926
2019	693,296	1,550,422,095	324,532,117	1,874,954,212
2018	387,942	1,454,233,731	307,043,335	1,761,277,066
2017	428,778	1,389,930,067	320,924,590	1,710,854,657
2016	816,720	1,342,438,847	283,720,859	1,626,159,706
2015	4,947,219	1,275,142,766	152,657,413	1,427,800,179
2014	5,154,525	1,195,529,543	88,990,466	1,284,520,009

**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, Capitalized Leases and Subscriptions Issued	Energy Savings Obligations Issued	Sale of School Property	Total Other Financing Sources (Uses)	Net Change In Fund Balance	Debt Service As A Percentage of Noncapital Expenditures
2023	\$ 2,688,511	\$ 718,976	\$ (763,976)	\$ 7,310,444	\$ -	\$ 240,503	\$ 7,505,947	\$ 10,194,458	1.0523%
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%

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

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Fiscal Year Ended June 30,	Employee Salaries	Benefits	Food	Donated Commodities	Indirect Costs	Other	Total
2023	\$ 29,262,237	\$ 9,119,740	\$ 17,639,268	\$ 4,438,900	\$ 3,585,833	\$ 7,225,101	\$ 71,271,079
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



**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
2023	\$ 19,185,631	24.96%	\$ 11,056,264	14.39%	\$ 38,348,228	49.90%	\$ 4,438,900	5.78%
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

(Continued)

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

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Fiscal Year Ended June 30,	Transfers		Other		Total	
	Amount	Percent	Amount	Percent	Amount	Percent
2023	\$ 45,000	0.06%	\$ 3,779,678	4.92%	\$ 76,853,701	100%
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

**WAKE COUNTY BOARD OF EDUCATION  
OUTSTANDING DEBT  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Energy Savings	Installment Purchase	Leases	Subscription-Based Information Technology Arrangements	Total	Per Student
2023	\$ 5,943,350	\$ 2,374,340	\$ 89,216,577	\$ 6,993,757	\$ 104,528,024	\$660.08
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)
2023	\$ 172,306,847,506	\$ 26,971,314,139	\$ 3,874,946,548	\$ 203,153,108,193	\$ 0.6195	\$ 0.103	\$ 0.7222
2022	167,914,600,900	24,887,995,618	3,731,411,649	196,534,008,167	0.6000	0.103	0.7027
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

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, 2023.

**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
2023	.6195	.1027	.7222	.49	.41	.345	.600	.4250	.5521	.4216
2022	.6000	.1027	.7027	.53	.39	.345	.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

(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, 2023.

**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
2023	.45	.39	.3930	.46	.495	.47	.575
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

- 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, 2023.

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

Taxpayer	Fiscal Year 2023			Fiscal Year 2014		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy Progress, Inc	\$2,505,968,370	1	1.25%	\$1,624,648,025	1	1.27%
Highwoods Realty LP	775,372,908	2	0.39%	322,466,600	7	0.25%
SAS Institute Inc	704,715,618	3	0.35%	528,745,658	2	0.41%
Seqirus Inc	543,521,203	4	0.27%	-	-	-
Cisco Systems Inc	491,708,941	5	0.25%	468,055,850	3	0.37%
Truist Bank	441,810,383	6	0.22%	-	-	-
WMCI Raleigh LLC	414,027,833	7	0.21%	-	-	-
CVM Holdings LLC	401,441,669	8	0.20%	344,466,115	6	0.26%
SREIT	394,122,228	9	0.20%	-	-	-
Glaxo Smith Kline	368,362,710	10	0.18%	242,597,402	9	0.19%
G & IV LP	-	-	-	241,968,634	10	0.19%
Duke Realty LP	-	-	-	420,526,829	4	0.33%
Novartis Vaccines & Diagnostics	-	-	-	358,401,109	5	0.28%
Network Appliance Inc	-	-	-	307,047,690	8	0.24%
	<u>\$7,041,051,863</u>		<u>3.52%</u>	<u>\$4,858,923,912</u>		<u>3.81%</u>

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year

ended June 30, 2023.

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

Notes:

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

Vehicle taxes	99.52%
Real and personal property taxes	99.96%

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

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2023.



**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
2023	\$ 1,934,768,668	\$ 36,253,724	22,763,012	\$ 979,409,322	\$ -	\$ -
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

(Continued)

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2023.

**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		
2023	\$ 43,819,021	\$ 3,017,013,747	\$ -	\$ 3,017,013,747	3.60%	2,568
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

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2023.

**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		
2023	\$ 1,934,768,668	\$ 36,253,724	\$ 1,971,022,392	0.97%	\$ 1,677.44
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

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2023.

**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	\$ 72,374,098	100%	\$ 72,374,098
Cary	208,219,513	100%	208,219,513
Garner	67,178,000	100%	67,178,000
Fuquay-Varina	55,767,694	100%	55,767,694
Holly Springs	112,673,462	100%	112,673,462
Knightdale	18,907,357	100%	18,907,357
Morrisville	39,289,080	100%	39,289,080
Raleigh	573,555,115	100%	573,555,115
Rolesville	7,600,000	100%	7,600,000
Wake Forest	35,972,449	100%	35,972,449
Wendell	12,188,822	100%	12,188,822
Zebulon	1,225,000	100%	1,225,000
Wake County	<u>3,017,013,747</u>	100%	<u>3,017,013,747</u>
Overlapping debt	4,221,964,337		4,221,964,337
Direct debt	<u>104,528,024</u>		<u>104,528,024</u>
Total direct and overlapping debt	<u>\$ 4,326,492,361</u>		<u>\$ 4,326,492,361</u>

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2023.

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

	Fiscal Year				
	2023	2022	2021	2020	2019
Assessed value of property	\$ 203,153,108,193	\$ 196,534,008,167	\$ 192,431,793,695	\$ 155,673,341,532	\$ 148,627,572,143
Debt limit, 8% of assessed value (Statutory Limitation)	16,252,248,655	15,722,720,653	15,394,543,496	12,453,867,323	11,890,205,771
Amount of debt applicable to limit					
General obligation bonds	1,704,400,000	1,595,065,000	1,525,740,000	1,580,690,000	1,727,510,000
GO bond anticipation notes	36,253,724	107,773,716	78,352,012	36,078,529	-
Other Long Term Debt	889,862,033	824,368,897	805,198,495	772,873,485	554,346,998
Bonds Authorized not Issued	1,183,815,000	602,240,000	849,830,000	980,140,000	1,017,000,000
Total net debt applicable to limit	3,814,330,757	3,129,447,613	3,259,120,507	3,369,782,014	3,298,856,998
Legal debt margin	\$ 12,437,917,898	\$ 12,593,273,040	\$ 12,005,112,989	\$ 9,084,085,309	\$ 8,591,348,773
Total net debt applicable to limit as a percentage of debt limit	23.47%	19.90%	21.17%	27.06%	27.74%

(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, 2023.

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

	Fiscal Year				
	2018	2017	2016	2015	2014
Assessed value of property	\$ 144,219,213,822	\$ 141,411,010,294	\$ 131,950,999,915	\$ 127,947,523,008	\$ 127,426,491,226
Debt limit, 8% of assessed value (Statutory Limitation)	11,537,537,106	11,312,880,824	10,556,079,993	10,235,801,841	10,194,119,298
Amount of debt applicable to limit					
General obligation bonds	1,762,270,000	1,727,865,000	1,812,535,000	1,967,590,000	1,664,875,000
GO bond anticipation notes	50,197,448	100,229,537	1,301,000	-	-
Other Long Term Debt	374,041,272	231,140,632	238,761,938	266,887,940	278,885,802
Bonds Authorized not Issued	147,152,552	294,865,463	509,909,000	511,210,000	950,450,000
Total net debt applicable to limit	2,333,661,272	2,354,100,632	2,562,506,938	2,745,687,940	2,894,210,802
Legal debt margin	\$ 9,203,875,834	\$ 8,958,780,192	\$ 7,993,573,055	\$ 7,490,113,901	\$ 7,299,908,496
Total net debt applicable to limit as a percentage of debt limit	20.23%	20.81%	24.28%	26.82%	28.39%

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, 2023.

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

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Year	Population Estimates	Personal Income (thousands of dollars)	Per Capita Personal Income	School Membership	Unemployment Rate
2023	1,175,021	*	*	158,357	3.1%
2022	1,150,204	*	*	158,654	3.4%
2021	1,129,410	\$ 81,900,659	\$ 71,205	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%

\* Information not yet available

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2023.

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

Employer	2023			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
State of North Carolina	24,083	1	3.84%	24,083	1	5.01%
Wake County Public School System	17,000	2	2.71%	17,572	2	3.66%
Wal-Mart	16,800	3	2.68%	-	-	-
WakeMed Health & Hospitals	10,307	4	1.65%	8,423	4	1.68%
Food Lion	9,037	5	1.44%	-	-	-
North Carolina State University	9,019	6	1.44%	8,080	5	1.75%
Target	8,400	7	1.34%	-	-	-
UNC Rex Healthcare	7,700	8	1.23%	5,400	7	1.12%
Harris Teeter	5,300	9	0.85%	-	-	-
Lenovo	5,100	10	0.81%	-	-	-
SAS Institute Inc				5,159	8	1.07%
IBM Corporation	-	-	-	10,000	3	2.08%
GlaxoSmithKline Inc	-	-	-	4,140	10	0.86%
Wake County Government	-	-	-	4,341	9	0.90%
Cisco Systems	-	-	-	5,500	6	1.15%
	<u>112,746</u>		<u>18.42%</u>	<u>92,698</u>		<u>19.28%</u>

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2023.



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

	<u>2023</u>	<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>
School and school based support										
Principals	195	190	190	190	183	181	172	173	166	170
Assistant principals, nonteaching	422	426	394	387	363	337	336	324	328	323
Elementary teachers	3,986	4,065	4,012	4,119	4,212	4,446	4,501	4,517	4,538	4,547
Secondary teachers	4,184	4,265	4,224	4,290	4,407	4,356	4,144	4,103	4,121	4,145
Other teachers	2,504	2,667	2,437	2,330	2,028	1,814	1,820	1,737	1,709	1,871
Guidance	481	484	464	413	400	472	476	457	436	436
Psychological	117	123	110	110	106	107	103	100	98	96
Librarian, audiovisual	218	211	213	215	210	222	213	208	204	208
Consultant, supervisor	118	114	99	98	99	100	95	97	88	89
Teacher assistants	<u>2,465</u>	<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>
Total school and school based support	<u>14,690</u>	<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>
Central services										
Administrators, managers	24	23	25	25	21	23	21	20	21	20
Technicians	142	130	116	117	410	360	353	354	338	317
Clerical, secretarial	786	789	796	796	724	983	986	986	973	955
Service workers	1,477	1,612	1,783	1,888	1,850	1,636	1,638	1,633	1,713	1,752
Skilled crafts	284	276	278	288	278	300	298	306	291	295
Other professionals	<u>1,975</u>	<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>
Total central services	<u>4,688</u>	<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>
Total full time employees	<u>19,378</u>	<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>

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
2023	158,357	-0.19%	\$ 1,916,774,935	\$ 12,104	-0.71%	198	12,180
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

Source: Wake County Public Schools Growth Management Department

**WAKE COUNTY BOARD OF EDUCATION  
TEACHER BASE SALARIES  
LAST TEN YEARS**

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<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>System Average Salary</u>
2023	\$ 43,689.70	\$ 99,781.92	\$ 58,331.96
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

Source: Wake County Public Schools Human Resources Department

**WAKE COUNTY BOARD OF EDUCATION**  
**CAPITAL ASSETS INFORMATION**  
**LAST TEN YEARS**

	2023	2022	2021	2020	2019
Schools					
Elementary					
Buildings	212	215	212	211	207
Square feet	10,573,400	10,525,289	10,293,202	10,174,118	9,873,283
Capacity	73,406	73,414	73,406	71,177	70,498
Membership	67,791	68,262	68,535	72,245	71,857
Mobile classrooms	579	579	579	552	565
Middle					
Buildings	127	127	125	125	122
Square feet	6,407,922	6,407,922	6,025,480	6,025,480	5,810,972
Capacity	42,380	42,380	42,380	41,553	40,669
Membership	37,583	36,601	37,396	37,551	36,980
Mobile classrooms	165	165	165	192	180
High					
Buildings	224	224	224	223	223
Square feet	7,549,632	7,549,632	7,549,632	7,178,907	7,178,907
Capacity	54,251	55,371	54,251	52,614	50,656
Membership	50,321	51,931	50,039	49,872	49,716
Mobile classrooms	247	247	247	245	261
Other (includes academies)					
Buildings	10	10	10	9	9
Square feet	251,212	251,212	251,212	221,196	221,196
Capacity	2,740	2,740	2,740	2,684	2,531
Membership	2,662	1,860	2,576	2,167	1,786
Mobile classrooms	14	14	14	10	13
Administrative					
Buildings	19	19	19	19	17
Square Feet	508,081	508,081	508,081	508,081	339,668
Transportation					
Buses	967	632	693	764	762

(Continued)

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

**WAKE COUNTY BOARD OF EDUCATION**  
**CAPITAL ASSETS INFORMATION**  
**LAST TEN YEARS**

	2018	2017	2016	2015	2014
Schools					
Elementary					
Buildings	209	210	206	204	203
Square feet	9,600,466	9,284,509	8,769,259	8,642,082	8,592,579
Capacity	77,232	76,596	74,521	73,745	73,177
Membership	73,098	73,717	72,811	71,918	72,075
Mobile classrooms	527	560	581	597	572
Middle					
Buildings	121	120	115	114	114
Square feet	5,577,309	5,374,984	5,327,777	5,328,621	5,329,020
Capacity	40,141	38,737	38,109	38,187	37,929
Membership	35,895	35,234	34,925	35,532	34,983
Mobile classrooms	142	167	176	175	181
High					
Buildings	213	229	226	226	211
Square feet	6,919,426	6,978,461	6,956,509	6,640,769	6,390,006
Capacity	50,526	48,921	48,476	47,243	45,381
Membership	49,253	47,969	46,990	45,182	44,448
Mobile classrooms	286	310	336	361	353
Other (includes academies)					
Buildings	11	9	9	9	9
Square feet	298,405	271,580	276,564	276,564	276,564
Capacity	2,728	2,681	2,095	1,993	1,656
Membership	1,849	2,293	1,918	2,368	1,533
Mobile classrooms	13	19	19	19	13
Administrative					
Buildings	17	17	17	17	18
Square Feet	340,160	340,160	340,160	340,160	383,811
Transportation					
Buses	751	760	814	908	928

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, 2023, 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 26, 2023.

#### ***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*.

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

# FORVIS

## ***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 26, 2023**





## **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, 2023. 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, 2023.

#### ***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*, the Uniform Guidance, and the State Single Audit Implementation Act 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*, the Uniform Guidance, and the State Single Audit Implementation Act, 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 consider 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.

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

# FORVIS

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 and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

**FORVIS,LLP**

**Winston-Salem, NC**

**October 26, 2023**



## **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, 2023. 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, 2023.

#### ***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

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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*, the Uniform Guidance, and the State Single Audit Implementation Act 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*, the Uniform Guidance, and the State Single Audit Implementation Act, 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 consider 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.

# FORVIS

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 and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

**FORVIS, LLP**

**Winston-Salem, NC**

**October 26, 2023**



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**State Awards**

Internal control over major state programs:

- Material weaknesses identified?  yes  no
- Significant deficiencies identified that are not considered to be material weaknesses  yes  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  no

Identification of major state programs:

Program Name

State Public School Fund  
Drivers Training - SPSF



**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, 2023**

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There were no findings or questioned costs related to the audit of federal and state awards for the fiscal year ended June 30, 2022.

**WAKE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR YEAR ENDED JUNE 30, 2023**

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass- Through Grantor's Number	Expenditures
<b><u>FEDERAL GRANTS:</u></b>			
<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	\$ 4,438,900
Cash Assistance:			
Passed through the N.C. Department of Public Instruction:			
National School Lunch Program	10.555	35	37,703,209
Summer School Food Program for Children	10.559	35	483,720
Passed through the N.C. Department of Health and Human Services:			
Fresh Fruit and Vegetable Program	10.582	35	102,067
Total Cash Assistance			<u>38,288,996</u>
Total Child Nutrition Cluster			<u>42,727,896</u>
Passed through the N.C. Department of Agriculture and Consumer Services:			
Local Food for Schools Cooperative Agreement Program	10.185	353	<u>58,214</u>
Total U.S. Department of Agriculture			<u>42,786,110</u>
<u>U.S. Department of Education</u>			
Cash Assistance:			
Direct Programs			
Magnet Schools Assistance Synergy 2022	84.165A	396	545,266
Magnet Schools Assistance Cornerstone 2017	84.165A	394	1,864,537
Magnet Schools Project Nexus	84.165A	395	<u>2,654,508</u>
Total Magnet School Assistance			5,064,311
Indian Education Formula Grants to Local Education Agencies	84.060A	310	52,310
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	26,294,367
School Improvements	84.010A	105	<u>270,497</u>
Total Title I Grants to Local Education Agencies (Title I)			26,564,864
<u>Special Education Cluster:</u>			
Special Education - Grants to States (IDEA, Part B) -			
Education of the Handicapped	84.027	60	22,350,360
Coordinated Early Intervening Services	84.027	70	4,786,111
Special Needs Targeted Assistance	84.027	118	9,518
ESSER III - ARP IDEA 611 Grants to States	84.027X	185	5,846,827

(Continued)

**WAKE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR YEAR ENDED JUNE 30, 2023**

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass- Through Grantor's Number	Expenditures
Special Education - Preschool Grants (IDEA Preschool) -			
Preschool Handicapped	84.173	49	\$ 520,410
Preschool Targeted Assistance	84.173	119	16,754
ESSER III - ARP IDEA Preschool	84.173X	186	<u>311,227</u>
Total Special Education Cluster			33,841,207
Career and Technical Education - Capacity Building Grant	84.048	17	1,841,893
English Language Acquisition Grants	84.365	104, 111	2,005,309
Supporting Effective Instruction	84.367	103	4,392,118
Student Support and Academic Enrichment	84.424A	108	1,861,895
COVID-19 Education Stabilization Fund	84.425		
CARES Act - K-12 Emergency Relief Fund	84.425D	163	131,321
CARES Act - ESSER I - Exceptional Children Grants	84.425D	167	443,929
CRRSA - ESSER II - Supplemental - K-12 -Emergency Relief Fund	84.425D	171	33,733,516
CRRSA - ESSER II - Supplemental Contracted Instructional Support Funding	84.425D	173	703,226
CRRSA-ESSER II-Learning Loss Funding	84.425D	176	75,465
CRRSA - ESSER II - Summer Career Accelerator Program	84.425D	177	691,232
CRRSA - ESSER II - Competency-Based Assessment	84.425D	178	10,254
ARP - ESSER III - K-12 Emergency Relief Fund	84.425U	181	55,735,291
ARP-ESSER III-Summer Career Accelerator Programs	84.425U	188	478,614
ARP-ESSER III-Math Enrichment Programs	84.425U	189	41,836
ARP-ESSER III-NC Preschool Pyramid Expansion	84.425U	190	536
ARP-ESSER III-Grants for Identification & Location of Missing Students	84.425U	191	155,496
ARP-ESSER III-Cyberbullying & Suicide Prevention Grants	84.425U	192	326,921
ARP-ESSER III-Career & Technical Education-Hospitality	84.425U	194	462
ARP-ESSER III-Dist. & Regional Supp Sch Improvement/ Leadership Grants	84.425U	195	93,893
ARP – ESSER III – STEM Pilot Program	84.425U	196	791,952
ARP ACT-NBPTS Certification Fee Reimbursement Program	84.425U	198	36,719
ARP-ESSER III-Educ & Competitive After-School Robotics Grant	84.425U	201	112,913
ARP-ESSER III-School Psychologists Grant Program	84.425U	204	6,840
ARP-ESSER III-Driver Training	84.425U	205	46,587
ARP-ESSER III-Principal Retention Supplements	84.425U	206	83,081
ARP - ESSER III - Homeless II	84.425W	184	98,614
CARES Act - GEER I - Supplemental Instructional Services	84.425C	170	<u>256,802</u>
Total COVID-19 Education Stabilization Fund			<u>94,055,500</u>
Total U.S. Department of Education			<u>169,679,407</u>

(Continued)

**WAKE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR YEAR ENDED JUNE 30, 2023**

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass- Through Grantor's Number	Expenditures
<u>U.S. Department of Defense</u>			
Direct Program			
Direct Program - ROTC	None	301	\$ 566,484
<u>U.S. Department of Health and Human Services</u>			
Passed through N. C. Department of Health & Human Services and Human Services			
Epidemiology and Laboratory Capacity for Infections Diseases (ELC)	93.323	350	2,071,205
<u>U.S. Department of Treasury</u>			
Passed-through Wake County - Coronavirus Relief Fund			
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	374	<u>42,391</u>
Total Federal Assistance			<u>215,145,597</u>
<b><u>STATE GRANTS:</u></b>			
Cash Assistance			
<u>N.C. Department of Public Instruction</u>			
State Public School Fund		xxxx	1,034,979,467
Drivers Training - SPSF		12	3,108,981
Technology Fund - SPSF		15	3,264,191
State Textbooks and Digital Resources		130/131	5,698,798
Career & Technical Education:			
State Months of Employment		13	51,429,772
Program Support Funds		14	5,046,052
Reduced-price breakfast			59,232
Professional leave funding		509	4,509
Non-Cash Assistance			
<u>N.C. Department of Public Instruction</u>			
Financed Purchase of School Buses		120	<u>3,041,024</u>
Total State Assistance			<u>1,106,632,026</u>
TOTAL FINANCIAL ASSISTANCE			<u>\$ 1,321,777,623</u>

**WAKE COUNTY BOARD OF EDUCATION**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**YEAR ENDED JUNE 30, 2023**

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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, 2023. 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 \$7,479,924 were received during the year ended June 30, 2023. These non-cash items received were included in the determination of federal and state awards expended for the year ended June 30, 2023.