



WAKE COUNTY
BOARD OF EDUCATION
CARY, NORTH CAROLINA

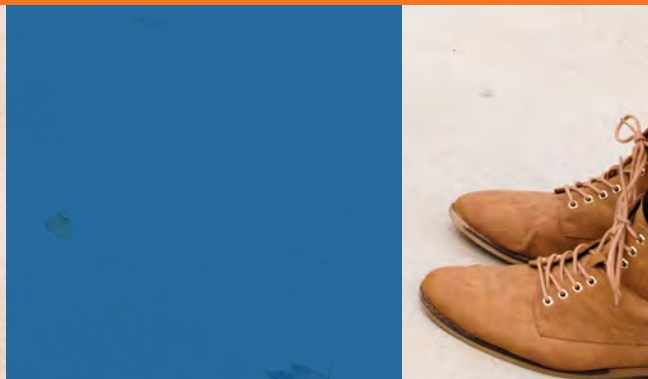


Annual Comprehensive **FINANCIAL REPORT**

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



PREPARED BY THE FINANCE DEPARTMENT





WAKE COUNTY
BOARD OF EDUCATION
CARY, NORTH CAROLINA

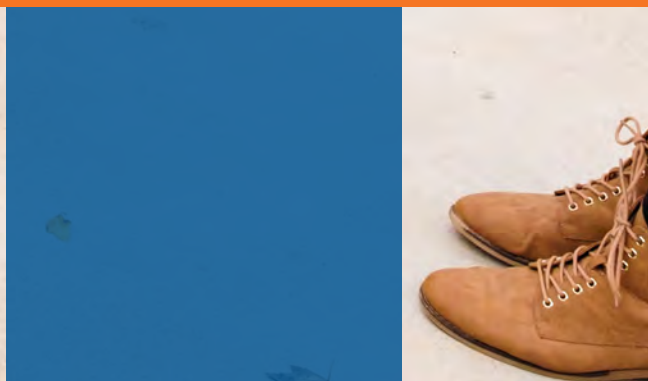


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Introduction





Cathy Q. Moore, Superintendent
Crossroads 1
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Cary, NC 27518

tel: (919) 533-7770
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November 5, 2021

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, 2021, as mandated by both local ordinances and state statutes. These ordinances and statutes require that the Board issue annually a report on its financial position and activity and that an independent firm of certified public accountants will audit this report. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and reported in a manner that presents fairly the financial position and results of operations of the various funds of the Board. All disclosures necessary to enable the reader to gain an understanding of the Board's activities have been included.

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

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

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

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

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION, AND OUTLOOK

The Wake County Public School System ("WCPSS") is one comprehensive school district serving the entire county; including Raleigh, Cary, Apex, Wendell, Fuquay-Varina, Garner, Knightdale, Rolesville, Wake Forest, Holly Springs, Morrisville, and Zebulon. In July 1976, the former Wake County and Raleigh City public school systems merged to create the WCPSS. For 2020-21 the school system was the largest in North Carolina and the 15th largest system in the nation. It served 158,546 students from kindergarten through 12th grade in 117 elementary schools, 37 middle schools, 31 high schools, and 6 optional schools, and 3 academies. The school system has over 19,500 full-time employees and is the second largest employer in Wake County. The system has over 10,600 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 her administrative team are in charge of managing the operations of the school system.

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

Forty-seven of the school system's 194 schools are magnet schools, which offer unique educational alternatives. All students are eligible to apply, and the network features distinct programs under the following areas: Leadership and Technology, Gifted and Talented, International Baccalaureate, Language Immersion/Global Studies. The Board established the magnet network to offer a choice in instructional opportunities, maximize use of school facilities, and help balance schools. The program has proven to be highly successful and contributes to Wake County's stature as a leader in education.

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

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

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

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

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

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

MAJOR INITIATIVES

Wake County Public School System Board Goal and Strategies

In January of 2015, the Wake County Board of Education adopted a Mission, Vision, Core Beliefs and Goal to sustain academic growth for Wake County's students.

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 will 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.
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 goal states, “By 2020, Wake County Public School System will annually graduate at least 95% of its students ready for productive citizenship as well as higher education or a career”.

Graduation Rates

For the 2020-21 school year, 90.5 percent of seniors who started school four years earlier graduated on time. While a slight decrease from 2019-20, this is the second highest graduation rate for the Wake County Public School System.

National Board Certified Teachers

In 2020, 98 Wake County Public School System teachers earned National Board Certification. More than 3,000 teachers have achieved this milestone while working for the school system. This is the highest number of National Board Certified teachers in the nation and is the 15th consecutive year that the school system has held that honor. Seeking this certification is a rigorous process and takes a significant commitment of time outside the teacher’s regular classroom responsibilities. The school system provides support to these candidates from initial candidacy through renewal.

FINANCIAL INFORMATION

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

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

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

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

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

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

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

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

1. The Superintendent may accept all state appropriations. A summary of such appropriations must be reported to the Board monthly.

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

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

The school system continues to experience student growth, and this is expected to continue. Due to this growth, the Board has been engaged in an aggressive building and renovation program for many years. In November, 2018 the residents of Wake County approved a bond issue of \$548 million. This bond issue will provide seven new schools, eleven major renovations, life cycle replacements, technology, security, and land acquisition for new schools. The school system's oldest building was built in 1924 and most recent building was completed in 2021.

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 Dixon Hughes Goodman 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) and the Association of School Business Officials (ASBO) awarded the Certificate of Achievement for Excellence in Financial Reporting to the Board for its comprehensive annual financial report for the year ended June 30, 2020. This was the thirty-second consecutive year that the Board received these prestigious awards. In order to be awarded Certificates of Achievement, the Board published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

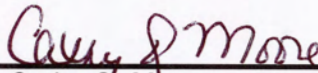
The Certificates of Achievement are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the requirements for the Certificates of Achievement, and we are submitting it to the GFOA and ASBO to determine its eligibility for another certificate.

Acknowledgments

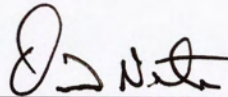
The efficient and dedicated services of the entire staff of the finance division were essential in the preparation of this report. We would like to express our appreciation to all members of the division who assisted and contributed to the preparation of this report and to the Board's independent certified public accountants, Dixon Hughes Goodman 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.

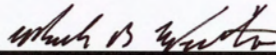
Respectfully submitted,



Cathy Q. Moore
Superintendent



David Neter
Chief Business Officer



Mark Winters
Finance Officer



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Wake County Board of Education

**for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.**

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



W. Edward Chabal

W. Edward Chabal
President

David J. Lewis

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Wake County Board of Education
North Carolina**

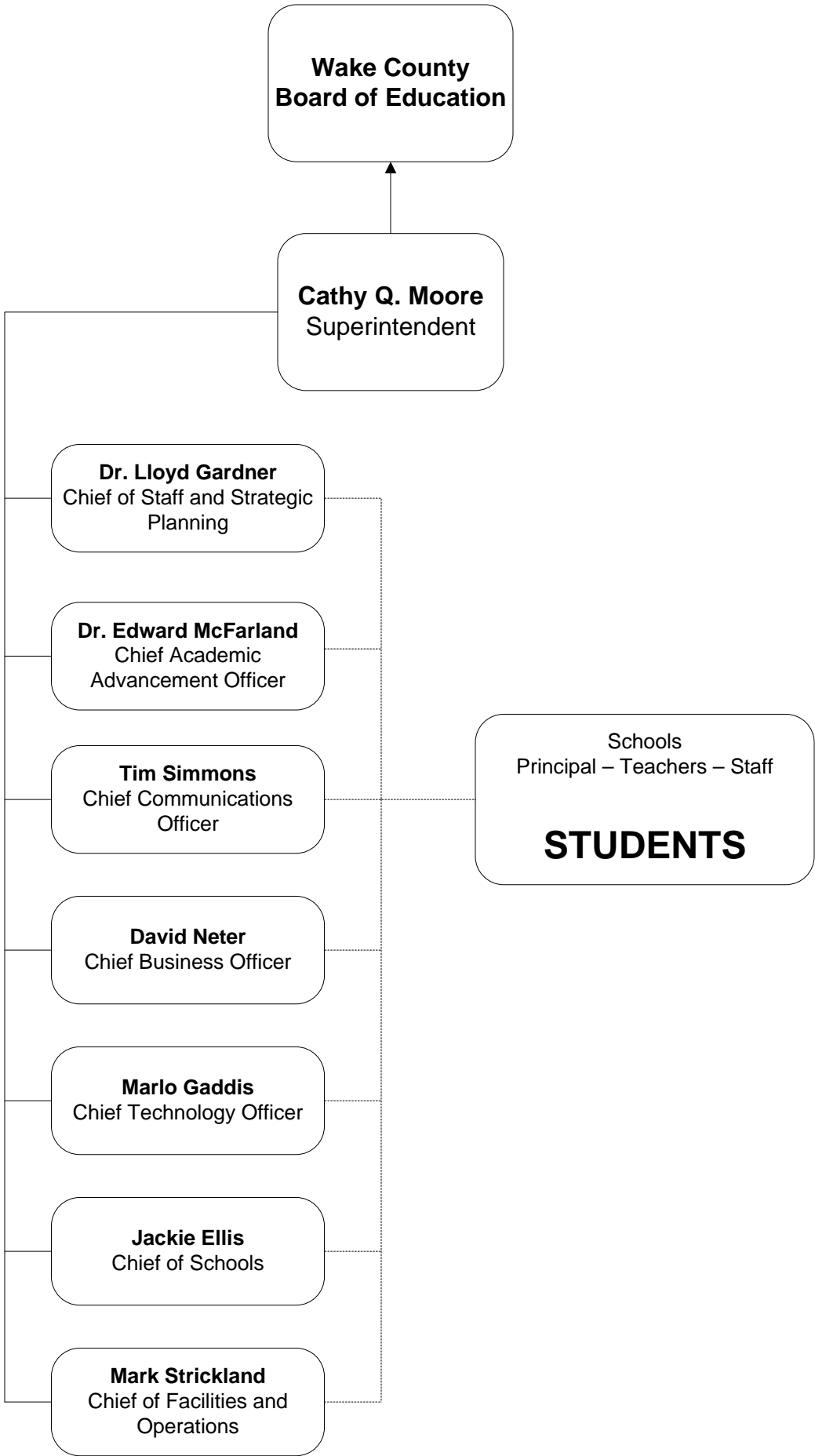
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

Organizational Chart



Board of Education and Leadership Team



Keith Sutton
Chair, District 4



Lindsay Mahaffey
Vice Chair, District 8



Heather Scott
District 1



Monika Johnson-Hostler
District 2



Roxie Cash
District 3



Dr. Jim Martin
District 5



Christine Kushner
District 6



Chris Heagarty
District 7



Karen Carter
District 9



Cathy Q. Moore
Superintendent

Leadership Team Cathy Q. Moore, Superintendent

Chief Officers

Dr. Lloyd Gardner, Chief of Staff and Strategic Planning
Dr. Edward McFarland, Chief Academic
Advancement Officer
David Neter, Chief Business Officer
Tim Simmons, Chief Communications Officer
Marlo Gaddis, Chief Technology Officer
Jackie Ellis, Chief of Schools
Mark Strickland, Chief of Facilities and Operations

Finance

Mark Winters, Finance Officer

Area Superintendents

Dr. Mark Savage - Eastern Wake County
Dr. Ashlie Thompson - Central Wake County
Chris McCabe - Northern Wake County
Dr. Ve-Lecia Council - Northeastern Wake County
Dr. Clinton Robinson - 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
Karen Hamilton - Special Education
Paul Koh - Student Support Services
Dr. Bradley McMillen - Data, Research, and Accountability
Vacant - Equity Affairs
Vacant - School Choice, Planning, and Assignment



FINANCIAL SECTION

Financial Section





Independent Auditors' Report

Wake County Board of Education
Cary, North Carolina

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

Management’s Responsibility for the Financial Statements

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

Auditors’ Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Board as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, State Public School, and Other Restricted funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 Schedules of Proportionate Share of the Net Pension and OPEB Asset and Liability and the Schedules of Board Contributions on pages 61 through 67, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Board's basic financial statements. The individual fund schedules and the accompanying 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.

The combining individual fund statements and schedules and the accompanying schedule of expenditures of federal and state awards are 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules, and the accompanying schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2021 on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

Dixon Hughes Goodman LLP

Winston-Salem, NC
November 5, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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, 2021. 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 \$1,237,251,209.
- The Board's total net position increased \$232,992,748 primarily due to increased capital assets in the Governmental Activities.
- As of the close of the current fiscal year, the Board's General Fund reported a total fund balance of \$128,548,255 and the Board's governmental funds reported combined ending fund balances of \$146,155,347. Of this total, \$44,697,733 is available for spending at the government's discretion.
- The Board experienced a decrease in enrollment of 3,289 students (or 2.03%) from the previous year.
- Federal and state funds related to COVID-19, totaling \$46,521,148, provided additional funding support to the Board.

Overview of the Financial Statements

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

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

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

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

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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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.

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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

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

Financial Analysis of the District as a Whole

Net position is an indicator of the fiscal health of the Board. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$1.2 billion as of June 30, 2021. The largest component of net investment in capital assets of approximately \$3.9 billion.

Following is a summary of the Statements of Net Position (Deficit) (in thousands):

**Condensed Statements of Net Position (Deficit)
June 30, 2021 and 2020**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 262,763	\$ 193,620	\$ 24,516	\$ 27,637	\$ 287,279	\$ 221,257
Capital assets	3,897,041	3,736,578	6,153	6,773	3,903,194	3,743,351
Total assets	<u>4,159,804</u>	<u>3,930,198</u>	<u>30,669</u>	<u>34,410</u>	<u>4,190,473</u>	<u>3,964,608</u>
Deferred outflows of resources	498,910	503,179	10,870	10,928	509,780	514,107
Current Liabilities	99,156	76,261	4,598	5,493	103,754	81,754
Long-term liabilities:	2,507,290	2,606,798	58,867	60,820	2,566,157	2,667,618
Total liabilities	<u>2,606,446</u>	<u>2,683,059</u>	<u>63,465</u>	<u>66,313</u>	<u>2,669,911</u>	<u>2,749,372</u>
Deferred inflows of resources	774,174	707,011	18,917	18,073	793,091	725,084
Net investment in capital assets	3,892,211	3,733,191	6,153	6,773	3,898,364	3,739,964
Restricted net position	21,663	22,444	128	167	21,791	22,611
Unrestricted net position	<u>(2,635,780)</u>	<u>(2,712,328)</u>	<u>(47,124)</u>	<u>(45,988)</u>	<u>(2,682,904)</u>	<u>(2,758,316)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ 1,278,094</u>	<u>\$ 1,043,307</u>	<u>\$ (40,843)</u>	<u>\$ (39,048)</u>	<u>\$ 1,237,251</u>	<u>\$ 1,004,259</u>

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Following is a summary of the Statement of Net Position

Note that net position for governmental activities increased by approximately \$233 million during the year, indicating an improvement in the financial condition of the Board. The increase of net position was mainly a result in the increase of capital assets in the governmental activities due to new school construction. Also note that the Board carries capital assets for which Wake County carries the offsetting debt.

The following table shows the revenues and expenses for the Board for the current and previous fiscal year (in thousands):

**Condensed Statements of Revenues, Expenses, and Changes in Net Position (Deficit)
For the Years Ended June 30, 2021 and 2020**

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 14	\$ 1,101	\$ 1,916	\$ 22,716	\$ 1,930	\$ 23,817
Operating grants and contributions	1,156,495	1,120,724	25,600	29,683	1,182,095	1,150,407
General Revenues:						
Other revenues	<u>816,357</u>	<u>796,038</u>	<u>453</u>	<u>434</u>	<u>816,810</u>	<u>796,472</u>
Total revenues	<u>1,972,866</u>	<u>1,917,863</u>	<u>27,969</u>	<u>52,833</u>	<u>2,000,835</u>	<u>1,970,696</u>
Expenses:						
Governmental activities:						
Instructional services	1,312,344	1,324,087	-	-	1,312,344	1,324,087
System-wide support services	271,448	298,706	-	-	271,448	298,706
Ancillary services	8,038	3,997	-	-	8,038	3,997
Nonprogram charges	44,639	37,140	-	-	44,639	37,140
Depreciation	97,819	93,794	-	-	97,819	93,794
Business-type activities:						
Food services	-	-	27,628	49,473	27,628	49,473
Tuition programs	-	-	<u>5,927</u>	<u>11,456</u>	<u>5,927</u>	<u>11,456</u>
Total expenses	<u>1,734,288</u>	<u>1,757,724</u>	<u>33,555</u>	<u>60,929</u>	<u>1,767,843</u>	<u>1,818,653</u>
Excess (deficiency) before transfers	<u>238,578</u>	<u>160,139</u>	<u>(5,586)</u>	<u>(8,096)</u>	<u>232,992</u>	<u>152,043</u>
Transfers	<u>(3,791)</u>	<u>(2,449)</u>	<u>3,791</u>	<u>2,449</u>	-	-
Increase (decrease) in net position	234,787	157,690	(1,795)	(5,647)	232,992	152,043
Net position, beginning	<u>1,043,307</u>	<u>885,617</u>	<u>(39,048)</u>	<u>(33,401)</u>	<u>1,004,259</u>	<u>852,216</u>
Net position, ending	<u>\$ 1,278,094</u>	<u>\$ 1,043,307</u>	<u>\$ (40,843)</u>	<u>\$ (39,048)</u>	<u>\$ 1,237,251</u>	<u>\$ 1,004,259</u>

Total governmental activities generated revenues of \$1.97 billion while expenses in this category totaled \$1.73 billion for the year ended June 30, 2021. Comparatively, revenues were

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

\$1.92 billion, and expenses totaled \$1.76 billion for the year ended June 30, 2020. After transfers to the business-type activities, the increase in net position stands at \$235 million at June 30, 2021, compared to \$158 million in 2020. The increase in revenues is due to the increase in county appropriation, state funding and funds related to COVID-19, allowing the school system to further support instructional programs and technology initiatives. Instructional services expenses comprised 75.7% of total governmental-type expenses while system-wide support services made up 15.7% of those expenses for 2021. County funding comprised 39.6% of total governmental revenue for 2021. In 2020, county funding was 41.1%. Much of the remaining 60.4% of the total governmental revenue for 2021 consists of restricted state and federal money. This revenue represented 58.9% of total revenue in 2020. Business-type activities generated revenue of \$28 million and expenses of \$34 million. Net position decreased in the business-type activities by \$1.8 million after transfers from the governmental activities of \$3.8 million. The decrease in net position in 2020 was \$5.6 million. The majority of the decrease was due to limited operations because of 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 \$128,548,255, an increase of \$37,659,304 over last year. The underlying reason for this increase was the reduction in costs due to spending restrictions enforced with the school closure related to the COVID-19 pandemic and the board's strategic use of federal funds and additional funds related to the pandemic. The unassigned fund balance in the general fund increased to \$44,697,733. This level of unassigned fund balance equals 2.07 percent of the total operating budget (state, local funds, grant, enterprise, and other restricted funds \$2,160,515,586). The Board assigned \$20,135,556 from fund balance to support the 2021-22 budget.

The total fund balance in the capital outlay fund decreased by \$13,563, and the restricted fund balance for capital expenditures increased to \$1,400,218. The total fund balance decrease was due to the fulfillment of orders related to supply chain delays in the 2019-20 fiscal year.

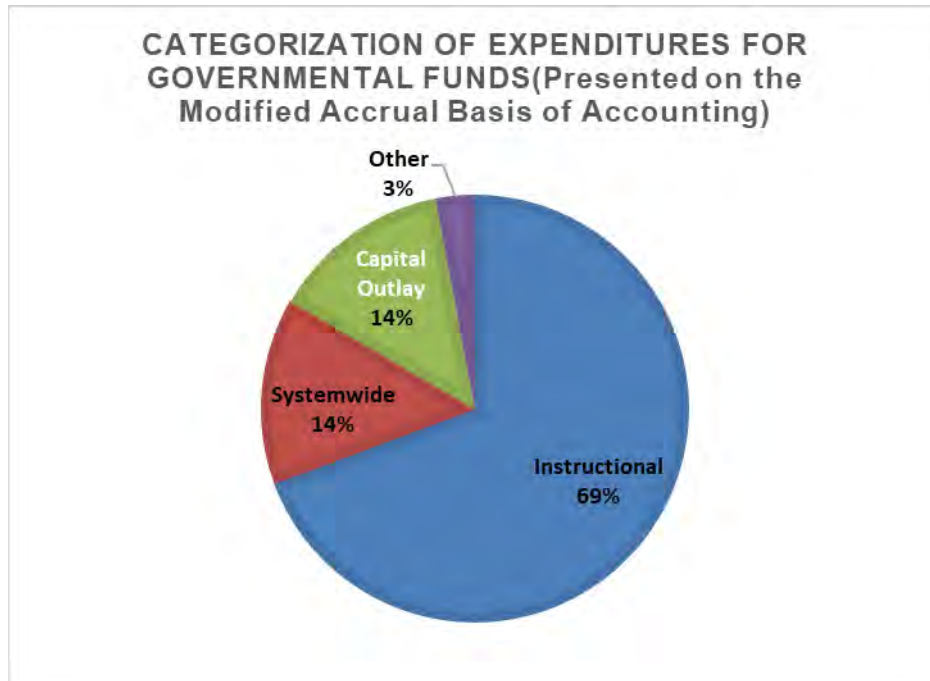
The fund balance restricted for individual schools in the individual schools fund increased by \$119,062. The significant decrease in both revenues and expenditures is a result of the pandemic and school closure.

The fund balance for the State Public School Fund is zero, after the transfer to the Child Nutrition Program of \$116,638. 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 \$146,155,347, a \$40,853,443 increase over last year. Total county funding to support operating and capital needs decreased over the prior year by \$6.9 million. This decrease was due to the decrease in the building program while the local appropriations received from the county increased. State funding increased approximately \$20 million as a result of teacher salary increases and student growth calculations by the state. Federal funding increased by approximately \$27.6 million due to grant awards and funds related to the pandemic.

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

The Board's business-type funds reflected a total decrease in net position of approximately \$1.8 million. The Child Nutrition Program reflected an increase in net position over the last year of \$2.1 million and Tuition Programs reflected a decrease in net position over last year of \$3.9 million. The increase in the Child Nutrition Program was due to federal, state, and local support of the program due to the pandemic. The decrease in tuition program funds was due to the use of these funds to provide daycare programs at no cost.



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 \$18.5 million. This was mainly due the appropriation of fund balance to offer a substitute teacher per school, to pay staff bonuses and for average daily membership reconciliation. Total revenues were \$507,280 greater than the final budget due to the increase in fines and forfeitures. Total expenditures for the general fund were \$69.5 million less than the final budget due to the spending restrictions put in place as we faced the pandemic and school closure as well as the use of federal funds due to the pandemic. Other financing sources final budget includes \$30.7 million of appropriated fund balance.

Total amendments to the state public school fund increased revenues by approximately \$23.5 million. This change was the net of the increases and decreases in allotments received from the state.

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Capital Assets

The Board's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totals \$3,903,194 (net of accumulated depreciation). The following is a summary of the capital assets, net of depreciation at year-end (in thousands):

Summary of Capital Assets
June 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 220,121	\$ 213,252	\$ -	\$ -	\$ 220,121	\$ 213,252
Land improvements	6,601	6,897	-	-	6,601	6,897
Buildings	2,884,382	2,962,349	-	-	2,884,382	2,962,349
Equipment	15,401	24,032	5,937	6,483	21,338	30,515
Vehicles	14,281	10,794	216	290	14,497	11,084
Construction in progress	<u>756,255</u>	<u>519,254</u>	<u>-</u>	<u>-</u>	<u>756,255</u>	<u>519,254</u>
Total	<u>\$ 3,897,041</u>	<u>\$ 3,736,578</u>	<u>\$ 6,153</u>	<u>\$ 6,773</u>	<u>\$3,903,194</u>	<u>\$ 3,743,351</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 decreased by \$99,507,256 and the business-type activities debt decreased by \$1,953,373. The decrease in the government-type and the business-type activities debt was due to the reduction of the net OPEB liability. More detailed information on the Board's outstanding debt is contained on page 57 of the notes to the financial statements. The county holds virtually all debt issued for school capital construction.

Economic Factors

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

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

- Wake County's unemployment rate was 4.1% at June 30, 2021. This is a decrease of 3.0% from the previous year. The increase is a return to the pre-pandemic rate.
- The population of Wake County continues to increase. At June 30, 2021, the population was 1,129,410.
- Total sales tax collections for fiscal year ended June 30, 2021, was \$239.7 million, a \$30.4 million (or 14.5%) increase from the prior fiscal year.

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Impact of Coronavirus on Board. During the fiscal year, the state and the nation were affected by the spread of a coronavirus. The Board's response to the coronavirus included offering remote learning combined with in-person instruction when the health and safety of the students and staff allowed. This closure as well as the challenges of the coronavirus resulted in the reduction of revenue for several areas like child nutrition, before and after programs and building rentals. While the board has experienced challenges of additional expenditures due to remote learning, we have been able to utilize relief funding available from state and federal sources.

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS

WAKE COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION (DEFICIT)
JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 181,679,842	\$ 20,683,416	\$ 202,363,258
Restricted cash	38,680	-	38,680
Due from other governments	69,720,180	2,357,265	72,077,445
Net OPEB asset	2,838,792	65,387	2,904,179
Internal balances	(4,698)	4,698	-
Receivables	1,162,952	62,715	1,225,667
Inventories	7,327,585	1,343,123	8,670,708
Total current assets	<u>262,763,333</u>	<u>24,516,604</u>	<u>287,279,937</u>
Noncurrent assets:			
Land and construction in progress	976,376,272	-	976,376,272
Capital assets, net of accumulated depreciation	2,920,664,304	6,153,140	2,926,817,444
	<u>3,897,040,576</u>	<u>6,153,140</u>	<u>3,903,193,716</u>
TOTAL ASSETS	<u>4,159,803,909</u>	<u>30,669,744</u>	<u>4,190,473,653</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>498,910,388</u>	<u>10,869,705</u>	<u>509,780,093</u>
LIABILITIES			
Current liabilities:			
Salaries and benefits payable	27,903,131	1,053,905	28,957,036
Accounts payable	71,252,851	1,130,626	72,383,477
Unearned revenue	-	2,413,881	2,413,881
Long-term due within one year	7,920,916	600,000	8,520,916
Long-term liabilities:			
Net pension liability	793,958,283	15,802,526	809,760,809
Net OPEB liability	1,589,877,060	42,310,358	1,632,187,418
Due in more than one year	115,534,019	154,109	115,688,128
TOTAL LIABILITIES	<u>2,606,446,260</u>	<u>63,465,405</u>	<u>2,669,911,665</u>
DEFERRED INFLOWS OF RESOURCES	<u>774,174,284</u>	<u>18,916,588</u>	<u>793,090,872</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	3,892,210,778	6,153,140	3,898,363,918
Restricted for:			
Individual school activities	10,063,049	-	10,063,049
Special programs	51,110	-	51,110
Stabilization by state statute	7,054,182	-	7,054,182
School capital outlay	1,400,218	-	1,400,218
Energy savings obligations	38,680	-	38,680
OPEB Plan	3,001,582	128,695	3,130,277
Restricted contributions	53,916	-	53,916
Unrestricted	<u>(2,635,779,762)</u>	<u>(47,124,379)</u>	<u>(2,682,904,141)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ 1,278,093,753</u>	<u>\$ (40,842,544)</u>	<u>\$ 1,237,251,209</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, 2021**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:				
Instructional programs:				
Regular	\$ 745,163,752	\$ 13,947	\$ 577,294,217	\$ -
Special populations	242,809,587	-	210,891,539	-
Alternative programs and services	97,272,637	-	82,632,614	-
School leadership	98,228,064	-	86,379,998	-
Co-curricular	24,341,345	-	98,426	-
School-based support services	104,529,800	-	84,588,157	-
Systemwide support services				
Support and development	8,545,457	-	3,535,249	-
Special populations support and development	7,370,943	-	1,738,012	-
Alternative programs and services support and development	4,202,968	-	1,953,447	-
Technology support	53,857,612	-	7,045,151	-
Operational support	155,973,871	-	83,314,791	-
Financial and human resource	22,087,993	-	6,079,165	-
Accountability	1,993,596	-	75,474	-
Systemwide pupil support	5,339,159	-	661,891	-
Policy, leadership and public relations	12,076,314	-	3,386,715	-
Ancillary services	8,037,759	-	6,646,754	-
Nonprogram charges	44,638,864	-	173,373	-
Depreciation - unallocated *	97,818,810	-	-	-
Total governmental activities	<u>1,734,288,531</u>	<u>13,947</u>	<u>1,156,494,973</u>	<u>-</u>
BUSINESS-TYPE ACTIVITIES:				
Food services	27,627,454	26,802	-	25,599,831
Tuition programs	5,926,451	1,889,707	-	-
Total business-type activities	<u>33,553,905</u>	<u>1,916,509</u>	<u>-</u>	<u>25,599,831</u>
Total school district	<u>\$ 1,767,842,436</u>	<u>\$ 1,930,456</u>	<u>\$ 1,156,494,973</u>	<u>\$ 25,599,831</u>
GENERAL REVENUES				
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				
TRANSFER				
Subtotal, general revenues and transfers				
Changes in net position				
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, 2021

Functions/Programs	Net (Expenses) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:			
Instructional programs:			
Regular	\$ (167,855,588)		\$ (167,855,588)
Special populations	(31,918,048)		(31,918,048)
Alternative programs and services	(14,640,023)		(14,640,023)
School leadership	(11,848,066)		(11,848,066)
Co-curricular	(24,242,919)		(24,242,919)
School-based support services	(19,941,643)		(19,941,643)
Systemwide support services			
Support and development	(5,010,208)		(5,010,208)
Special populations support and development	(5,632,931)		(5,632,931)
Alternative programs and services support and development	(2,249,521)		(2,249,521)
Technology support	(46,812,461)		(46,812,461)
Operational support	(72,659,080)		(72,659,080)
Financial and human resource	(16,008,828)		(16,008,828)
Accountability	(1,918,122)		(1,918,122)
Systemwide pupil support	(4,677,268)		(4,677,268)
Policy, leadership and public relations	(8,689,599)		(8,689,599)
Ancillary services	(1,391,005)		(1,391,005)
Nonprogram charges	(44,465,491)		(44,465,491)
Depreciation - unallocated *	(97,818,810)		(97,818,810)
Total governmental activities	<u>(577,779,611)</u>		<u>(577,779,611)</u>
BUSINESS-TYPE ACTIVITIES:			
Food services		\$ (2,000,821)	(2,000,821)
Tuition programs		(4,036,744)	(4,036,744)
Total business-type activities		<u>(6,037,565)</u>	<u>(6,037,565)</u>
Total school district	<u>(577,779,611)</u>	<u>(6,037,565)</u>	<u>(583,817,176)</u>
GENERAL REVENUES			
Unrestricted county appropriations - operating	526,003,342	-	526,003,342
Unrestricted county appropriations - capital	255,970,316	-	255,970,316
Unrestricted state appropriations - capital	2,201,044	-	2,201,044
Investment earnings, unrestricted	528,408	78,351	606,759
Non-capital OPEB plan contribution	27,584,669	374,655	27,959,324
Miscellaneous, unrestricted	4,069,139	-	4,069,139
Subtotal, general revenues	<u>816,356,918</u>	<u>453,006</u>	<u>816,809,924</u>
TRANSFER	<u>(3,790,656)</u>	<u>3,790,656</u>	<u>-</u>
Subtotal, general revenues and transfers	<u>812,566,262</u>	<u>4,243,662</u>	<u>816,809,924</u>
Changes in net position	234,786,651	(1,793,903)	232,992,748
Net position (deficit) - beginning	<u>1,043,307,102</u>	<u>(39,048,641)</u>	<u>1,004,258,461</u>
Net position (deficit) - ending	<u>\$ 1,278,093,753</u>	<u>\$ (40,842,544)</u>	<u>\$ 1,237,251,209</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, 2021

	Major Funds					Total Governmental Funds
	General Fund	State Public School Fund	Capital Outlay Fund	Other Restricted Funds	Non-Major Funds	
ASSETS						
Cash and cash equivalents	\$ 143,416,902	\$ 8,449,457	\$ 4,396,103	\$ 14,486,657	\$ 10,930,723	\$ 181,679,842
Restricted cash	38,680	-	-	-	-	38,680
Due from other governments	1,778,088	12,231,242	43,896,663	1,649,538	10,164,649	69,720,180
Accounts receivable	851,121	-	-	303,779	8,052	1,162,952
Due from other funds	67,896	2,879	-	-	-	70,775
Inventories	4,238,945	-	-	3,088,640	-	7,327,585
Total assets	<u>\$ 150,391,632</u>	<u>\$ 20,683,578</u>	<u>\$ 48,292,766</u>	<u>\$ 19,528,614</u>	<u>\$ 21,103,424</u>	<u>\$ 260,000,014</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Salaries and benefits payable	\$ 6,451,457	\$ 12,231,242	\$ -	\$ 59,290	\$ 9,161,142	\$ 27,903,131
Accounts payable	15,388,418	8,452,336	43,888,473	1,666,212	1,857,412	71,252,851
Due to other funds	3,502	-	-	50,150	21,821	75,473
Total liabilities	<u>21,843,377</u>	<u>20,683,578</u>	<u>43,888,473</u>	<u>1,775,652</u>	<u>11,040,375</u>	<u>99,231,455</u>
Deferred inflows of resources:	-	-	-	14,613,212	-	14,613,212
Fund balances:						
Nonspendable:						
Inventories	4,238,945	-	-	3,088,640	-	7,327,585
Restricted:						
Stabilization by state statute	5,038,800	-	2,015,382	-	-	7,054,182
Capital expenditures	-	-	1,400,218	-	-	1,400,218
Energy savings obligations	38,680	-	-	-	-	38,680
Individual schools	-	-	-	-	10,063,049	10,063,049
Special programs	-	-	-	51,110	-	51,110
Restricted contributions for capital expenditures	-	-	53,916	-	-	53,916
Assigned						
Special projects	38,458,921	-	934,777	-	-	39,393,698
Insurance	13,878,448	-	-	-	-	13,878,448
Flexible benefit plan	2,061,172	-	-	-	-	2,061,172
Subsequent years expenditures	20,135,556	-	-	-	-	20,135,556
Unassigned	44,697,733	-	-	-	-	44,697,733
Total fund balances	<u>128,548,255</u>	<u>-</u>	<u>4,404,293</u>	<u>3,139,750</u>	<u>10,063,049</u>	<u>146,155,347</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 150,391,632</u>	<u>\$ 20,683,578</u>	<u>\$ 48,292,766</u>	<u>\$ 19,528,614</u>	<u>\$ 21,103,424</u>	

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

Net OPEB asset	2,838,792
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds	3,897,040,576
Deferred outflows of resources related to pensions	301,493,083
Deferred outflows of resources related to OPEB	197,417,305
Net pension liability	(793,958,283)
Net OPEB liability	(1,589,877,060)
Deferred inflows of resources related to pensions	(8,721,176)
Deferred inflows of resources related to OPEB	(750,839,896)
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	(9,158,167)
Compensated absences (vacation)	(102,701,518)
Installment purchase	(11,595,250)

Total net position - governmental activities \$ 1,278,093,753

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, 2021

	Major Funds					Total Governmental Funds
	General Fund	State Public School Fund	Capital Outlay Fund	Other Restricted Funds	Non-Major Funds	
REVENUES:						
County	\$ 525,073,614	\$ -	\$ 255,970,316	\$ 929,728	\$ -	\$ 781,973,658
State	-	1,020,653,881	2,201,044	109,694	-	1,022,964,619
Federal	-	16,345,689	-	18,119,672	82,704,492	117,169,853
Other local	4,732,970	-	347,423	13,233,737	3,769,698	22,083,828
Total revenues	<u>529,806,584</u>	<u>1,036,999,570</u>	<u>258,518,783</u>	<u>32,392,831</u>	<u>86,474,190</u>	<u>1,944,191,958</u>
EXPENDITURES:						
Current operations:						
Instructional services:						
Regular instruction	170,862,504	570,983,249	-	3,379,254	3,384,357	748,609,364
Special populations	33,800,676	181,116,918	-	1,882,609	27,257,475	244,057,678
Alternative programs and services	15,295,437	40,414,238	-	2,178,125	39,341,848	97,229,648
School leadership	16,404,818	82,558,643	-	43,540	19,224	99,026,225
Co-curricular	21,158,251	98,426	-	-	3,220,860	24,477,537
School-based support	22,825,132	73,479,939	-	5,404,991	5,584,000	107,294,062
Systemwide support services						
Support and development	5,519,855	672,585	-	1,001,464	1,804,472	8,998,376
Special populations support and development	5,604,224	885,354	-	341,811	499,163	7,330,552
Alternative programs and services support and development	2,254,666	502,713	-	458,501	964,836	4,180,716
Technology support	16,035,654	3,722,767	-	3,322,384	-	23,080,805
Connectivity support	482	-	-	-	-	482
Operational support	99,681,350	71,972,049	-	8,725,871	1,789,518	182,168,788
Financial and human resource	16,105,707	5,478,646	-	191,121	407,736	22,183,210
Accountability	1,943,997	73,424	-	2,037	-	2,019,458
Systemwide pupil support	4,673,282	446,516	-	215,375	-	5,335,173
Policy, leadership, and public relations	8,747,963	3,386,715	-	-	-	12,134,678
Ancillary services	1,018,761	1,090,750	-	5,547,811	10,935	7,668,257
Non-program charges	44,286,186	-	-	70,978	1,640,928	45,998,092
Debt service:						
Principal	391,195	-	2,201,044	-	-	2,592,239
Interest	253,703	-	-	-	-	253,703
Capital outlay:						
Land, buildings, and other	-	-	253,686,477	-	-	253,686,477
Equipment	-	-	6,289,010	-	-	6,289,010
Total expenditures	<u>486,863,843</u>	<u>1,036,882,932</u>	<u>262,176,531</u>	<u>32,765,872</u>	<u>85,925,352</u>	<u>1,904,614,530</u>
Excess (deficiency) of revenues over expenditures	<u>42,942,741</u>	<u>116,638</u>	<u>(3,657,748)</u>	<u>(373,041)</u>	<u>548,838</u>	<u>39,577,428</u>
OTHER FINANCING SOURCES (USES):						
Installment purchase obligations issued	-	-	3,644,185	-	-	3,644,185
Transfers in	-	-	-	429,776	-	429,776
Transfers out	(3,617,283)	(116,638)	-	(56,735)	(429,776)	(4,220,432)
Total other financing sources (uses)	<u>(3,617,283)</u>	<u>(116,638)</u>	<u>3,644,185</u>	<u>373,041</u>	<u>(429,776)</u>	<u>(146,471)</u>
Net change in fund balance	<u>39,325,458</u>	<u>-</u>	<u>(13,563)</u>	<u>-</u>	<u>119,062</u>	<u>39,430,957</u>
Fund balances, beginning of year	90,888,951	-	4,417,856	51,110	9,943,987	105,301,904
Increase (decrease) in reserve for inventories	(1,666,154)	-	-	3,088,640	-	1,422,486
Fund balances, end of year	<u>\$ 128,548,255</u>	<u>\$ -</u>	<u>\$ 4,404,293</u>	<u>\$ 3,139,750</u>	<u>\$ 10,063,049</u>	<u>\$ 146,155,347</u>

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

WAKE COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENT FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Total net change in fund balances - governmental funds.	\$ 39,430,957
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as a depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	161,013,825
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	143,556,030
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities.	65,756,044
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.	
Installment purchase	(1,051,946)
Proceeds from disposal of capital assets are recorded as revenues on the fund statements but not shown in the statement of activities	(162,985)
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	(227,601,785)
Compensated absences	(2,203,271)
Loss on disposal of assets	(387,861)
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	28,135,229
Non-capital OPEB plan contribution	27,584,669
The estimated reserve for workers' compensation self-insurance is recorded as a long-term obligation in the government-wide statements.	(704,741)
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements.	<u>1,422,486</u>
Change in net position of governmental activities.	<u>\$ 234,786,651</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, 2021

	General Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES:				
County	\$ 526,974,373	\$ 525,073,614	\$ 525,073,614	\$ -
State	-	-	-	-
Federal	-	-	-	-
Other local	3,520,000	4,225,690	4,732,970	507,280
Total revenues	<u>530,494,373</u>	<u>529,299,304</u>	<u>529,806,584</u>	<u>507,280</u>
EXPENDITURES:				
Current operations:				
Instructional services:				
Regular instruction	184,497,498	180,177,976	170,862,504	9,315,472
Special populations	41,377,401	38,090,309	33,800,676	4,289,633
Alternative programs and services	19,329,114	16,742,116	15,295,437	1,446,679
School leadership	15,655,138	16,546,695	16,404,818	141,877
Co-curricular	21,241,954	22,042,212	21,158,251	883,961
School-based support services	33,632,517	26,527,685	22,825,132	3,702,553
Systemwide support services				
Support and development	5,844,847	5,726,033	5,519,855	206,178
Special populations support and development	5,172,065	5,950,480	5,604,224	346,256
Alternative programs and services support and development	2,308,117	2,309,279	2,254,666	54,613
Technology support	17,714,444	17,321,489	16,035,654	1,285,835
Connectivity support services	-	500	482	18
Operational support	113,079,320	115,729,639	99,681,350	16,048,289
Financial and human resource	15,952,645	18,233,723	16,105,707	2,128,016
Accountability	2,066,876	2,038,355	1,943,997	94,358
Systemwide pupil support	4,611,775	4,911,081	4,673,282	237,799
Policy, leadership and public relations	9,025,015	9,462,732	8,747,963	714,769
Ancillary services	9,339	1,568,751	1,018,761	549,990
Non-program charges	49,089,043	45,589,043	44,286,186	1,302,857
Unbudgeted funds	273,725	26,623,063	-	26,623,063
Debt service	644,898	814,414	644,898	169,516
Total expenditures	<u>541,525,731</u>	<u>556,405,575</u>	<u>486,863,843</u>	<u>69,541,732</u>
Revenues over (under) expenditures	<u>(11,031,358)</u>	<u>(27,106,271)</u>	<u>42,942,741</u>	<u>70,049,012</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	11,031,358	30,723,554	-	(30,723,554)
Transfers in	-	-	-	-
Transfers out	-	(3,617,283)	(3,617,283)	-
Total other financing sources (uses)	<u>11,031,358</u>	<u>27,106,271</u>	<u>(3,617,283)</u>	<u>(30,723,554)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>39,325,458</u>	<u>\$ 39,325,458</u>
Fund balances, beginning of year			90,888,951	
Increase (decrease) in reserve for inventories			(1,666,154)	
Fund balances, end of year			<u>\$ 128,548,255</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, 2021

	State Public School Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES:				
County	\$ -	\$ -	\$ -	\$ -
State	1,031,402,710	1,037,457,085	1,020,653,881	(16,803,204)
Federal	-	17,485,759	16,345,689	(1,140,070)
Other local	-	-	-	-
Total revenues	<u>1,031,402,710</u>	<u>1,054,942,844</u>	<u>1,036,999,570</u>	<u>(17,943,274)</u>
EXPENDITURES:				
Current operations:				
Instructional services:				
Regular instruction	574,992,581	580,877,141	570,983,249	9,893,892
Special populations	180,605,556	181,985,962	181,116,918	869,044
Alternative programs and services	39,583,925	43,196,106	40,414,238	2,781,868
School leadership	83,263,036	83,218,250	82,558,643	659,607
Co-curricular	24,989	98,428	98,426	2
School-based support services	67,778,540	74,037,616	73,479,939	557,677
Systemwide support services				
Support and development	949,886	703,763	672,585	31,178
Special populations support and development	930,305	887,535	885,354	2,181
Alternative programs and services support and development	484,408	503,224	502,713	511
Technology support	4,195,228	6,428,497	3,722,767	2,705,730
Connectivity support services	-	-	-	-
Operational support	68,499,529	72,302,281	71,972,049	330,232
Financial and human resource	5,315,845	5,481,166	5,478,646	2,520
Accountability	116,495	74,582	73,424	1,158
Systemwide pupil support	641,289	446,924	446,516	408
Policy, leadership and public relations	3,504,032	3,389,039	3,386,715	2,324
Ancillary services	517,066	1,195,692	1,090,750	104,942
Non-program charges	-	-	-	-
Unbudgeted funds	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>1,031,402,710</u>	<u>1,054,826,206</u>	<u>1,036,882,932</u>	<u>17,943,274</u>
Revenues over (under) expenditures	<u>-</u>	<u>116,638</u>	<u>116,638</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(116,638)	(116,638)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances, beginning of year			-	
Increase (decrease) in reserve for inventories			-	
Fund balances, end of year			<u>\$ -</u>	

(Continued)

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

WAKE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Other Restricted Funds			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES:				
County	\$ 929,728	\$ 929,728	\$ 929,728	\$ -
State	4,700	113,589	109,694	(3,895)
Federal	30,827,030	24,826,793	18,119,672	(6,707,121)
Other local	13,165,208	27,852,203	13,233,737	(14,618,466)
Total revenues	<u>44,926,666</u>	<u>53,722,313</u>	<u>32,392,831</u>	<u>(21,329,482)</u>
EXPENDITURES:				
Current operations:				
Instructional services:				
Regular instruction	3,135,292	7,508,046	3,379,254	4,128,792
Special populations	3,737,372	5,348,119	1,882,609	3,465,510
Alternative programs and services	4,828,768	3,133,643	2,178,125	955,518
School leadership	15,865	59,644	43,540	16,104
Co-curricular	316	316	-	316
School-based support services	4,361,284	10,299,778	5,404,991	4,894,787
Systemwide support services				
Support and development	814,117	1,848,374	1,001,464	846,910
Special populations support and development	562,886	717,886	341,811	376,075
Alternative programs and services support and development	574,281	605,569	458,501	147,068
Technology support	2,354,062	3,332,384	3,322,384	10,000
Connectivity support services	-	-	-	-
Operational support	10,193,871	8,957,766	8,725,871	231,895
Financial and human resource	678,869	693,513	191,121	502,392
Accountability	16,686	16,686	2,037	14,649
Systemwide pupil support	252,675	335,464	215,375	120,089
Policy, leadership and public relations	-	-	-	-
Ancillary services	74,788	5,575,611	5,547,811	27,800
Non-program charges	74,473	187,847	70,978	116,869
Unbudgeted funds	13,251,061	5,474,051	-	5,474,051
Debt service	-	-	-	-
Total expenditures	<u>44,926,666</u>	<u>54,094,697</u>	<u>32,765,872</u>	<u>21,328,825</u>
Revenues over (under) expenditures	<u>-</u>	<u>(372,384)</u>	<u>(373,041)</u>	<u>(657)</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	-	-	-	-
Transfers in	-	429,119	429,776	657
Transfers out	-	(56,735)	(56,735)	-
Total other financing sources (uses)	<u>-</u>	<u>372,384</u>	<u>373,041</u>	<u>657</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances, beginning of year			51,110	
Increase (decrease) in reserve for inventories			3,088,640	
Fund balances, end of year			<u>\$ 3,139,750</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, 2021

	Major Fund Child Nutrition Program	Major Fund Tuition Programs	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 12,374,245	\$ 8,309,171	\$ 20,683,416
Due from other governments	2,319,373	37,892	2,357,265
Accounts receivable	11,327	51,388	62,715
Net OPEB asset	50,829	14,558	65,387
Due from other funds	1,163	20,049	21,212
Inventory	1,343,123	-	1,343,123
Total current assets	16,100,060	8,433,058	24,533,118
Noncurrent assets:			
Capital assets, net of accumulated depreciation	5,762,792	390,348	6,153,140
Total assets	21,862,852	8,823,406	30,686,258
DEFERRED OUTFLOWS OF RESOURCES	8,345,413	2,524,292	10,869,705
LIABILITIES			
Current liabilities:			
Salaries and benefits payable	1,033,196	20,709	1,053,905
Accounts payable	690,039	440,587	1,130,626
Due to other funds	16,514	-	16,514
Unearned revenue	2,322,538	91,343	2,413,881
Current portion of long-term obligations	504,000	96,000	600,000
Total current liabilities	4,566,287	648,639	5,214,926
Noncurrent liabilities:			
Net pension liability	12,170,847	3,631,679	15,802,526
Net OPEB liability	32,633,414	9,676,944	42,310,358
Compensated absences	127,451	26,658	154,109
Total noncurrent liabilities	44,931,712	13,335,281	58,266,993
Total liabilities	49,497,999	13,983,920	63,481,919
DEFERRED INFLOWS OF RESOURCES	14,493,520	4,423,068	18,916,588
NET POSITION (DEFICIT)			
Net investment in capital assets	5,762,792	390,348	6,153,140
OPEB Plan	101,249	27,446	128,695
Unrestricted	(39,647,295)	(7,477,084)	(47,124,379)
Total net deficit	\$ (33,783,254)	\$ (7,059,290)	\$ (40,842,544)

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, 2021

	Major Fund Child Nutrition Program	Major Fund Tuition Programs	Total
OPERATING REVENUES			
Food sales	\$ 26,802	\$ -	\$ 26,802
Participant fees	-	1,889,707	1,889,707
Total operating revenues	26,802	1,889,707	1,916,509
OPERATING EXPENSES:			
Salaries	10,502,826	3,171,879	13,674,705
Food	5,515,714	-	5,515,714
Supplies	1,265,230	454,775	1,720,005
Purchased services	592,753	495,323	1,088,076
Employee benefits	5,370,641	1,519,709	6,890,350
Donated commodities	3,221,193	-	3,221,193
Indirect costs	-	235,743	235,743
Depreciation	1,159,097	48,586	1,207,683
TOTAL OPERATING EXPENSES	27,627,454	5,926,015	33,553,469
Operating loss	(27,600,652)	(4,036,308)	(31,636,960)
NON-OPERATING REVENUES (EXPENSES):			
Federal regular USDA grants	1,941	-	1,941
USDA grants - summer feeding program	21,174,298	-	21,174,298
USDA grants - fresh fruit & vegetable program	102,231	-	102,231
Federal commodities	3,221,193	-	3,221,193
CARES act funds	237,000	-	237,000
Interest	40,818	37,533	78,351
Local donations and grants	882,737	-	882,737
Non-capital OPEB plan contribution	288,820	85,835	374,655
Loss on sale of capital assets	(19,569)	(436)	(20,005)
Total non-operating revenues	25,929,469	122,932	26,052,401
Loss before contributions and transfers	(1,671,183)	(3,913,376)	(5,584,559)
Transfers from other funds	3,790,656	-	3,790,656
Change in net deficit	2,119,473	(3,913,376)	(1,793,903)
Total net deficit, beginning	(35,902,727)	(3,145,914)	(39,048,641)
Total net deficit, ending	\$ (33,783,254)	\$ (7,059,290)	\$ (40,842,544)

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, 2021

	Major Fund Child Nutrition Program	Major Fund Tuition Programs	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 18,946	\$ 2,207,002	\$ 2,225,948
Cash paid for goods and services	(6,493,088)	(936,289)	(7,429,377)
Cash paid to employees for services	(13,697,728)	(4,743,141)	(18,440,869)
Other cash receipts	15,351	(249,425)	(234,074)
Net cash used by operating activities	<u>(20,156,519)</u>	<u>(3,721,853)</u>	<u>(23,878,372)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Federal regular USDA grants	(939,227)	-	(939,227)
USDA grants - summer feeding program	21,174,298	-	21,174,298
USDA grants - fresh fruit & vegetable program	102,231	-	102,231
CARES act funds	237,000	-	237,000
Local donations and grants	274,700	-	274,700
Net cash provided by non-capital financing activities	<u>20,849,002</u>	<u>-</u>	<u>20,849,002</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	40,818	37,533	78,351
Net increase (decrease) in cash and cash equivalents	733,301	(3,684,320)	(2,951,019)
Cash and cash equivalents, beginning of year	11,640,944	11,993,491	23,634,435
Cash and cash equivalents, end of year	<u>\$ 12,374,245</u>	<u>\$ 8,309,171</u>	<u>\$ 20,683,416</u>
Reconciliation of operating loss to net cash used by operating activities			
Operating loss	\$ (27,600,652)	\$ (4,036,308)	\$ (31,636,960)
Adjustments to reconcile operating income (loss) to net cash used by operating activities			
Depreciation	1,159,097	48,586	1,207,683
Donated commodities	3,221,193	-	3,221,193
Salaries paid by special revenue funds	3,790,656	-	3,790,656
Non-capital OPEB plan contribution	288,820	85,835	374,655
(Increase) decrease in accounts receivable	(6,399)	275,893	269,494
Increase in due from other funds	(1,163)	(12,243)	(13,406)
Increase in net OPEB assets	(3,603)	(1,071)	(4,674)
Decrease in due from other governments	-	43,227	43,227
Decrease in inventories	801,179	-	801,179
Increase in net pension liability	1,226,797	364,595	1,591,392
Decrease in net OPEB liability	(2,310,131)	(686,554)	(2,996,685)
Decrease in deferred outflows	44,690	13,282	57,972
Increase in deferred inflows	650,340	193,277	843,617
Increase (decrease) in accounts payable and accrued liabilities	(903,680)	12,253	(891,427)
Increase (decrease) in due to other funds	16,514	(1,439)	15,075
Decrease in unearned revenue	(1,457)	(1,825)	(3,282)
Decrease in long-term liabilities	(528,720)	(19,361)	(548,081)
Total adjustments	<u>7,444,133</u>	<u>314,455</u>	<u>7,758,588</u>
Net cash used by operating activities	<u>\$ (20,156,519)</u>	<u>\$ (3,721,853)</u>	<u>\$ (23,878,372)</u>

(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**

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of \$3,221,193 during the fiscal year.

During the fiscal year, capital assets of \$608,037 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 State Public School Fund, General Fund, and Other Restricted Fund paid salaries and benefits of \$116,638, \$3,617,283, and \$56,735, respectively, 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 \$288,820 and the Tuition Fund recorded \$85,835 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, 2021**

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

B. Basis of Presentation

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

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

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

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

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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. 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 capital 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, 2021**

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 \$490,707,915 approved by the Board as follows:

General fund	\$	18,497,127
State public school fund		23,540,134
Grants and other restricted funds		337,954,815
Capital outlay fund		137,019,966
Enterprise fund		<u>(26,304,127)</u>
	\$	<u>490,707,915</u>

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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

1. Deposits and Investments

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

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

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

The Board's investments are reported at amortized cost or at fair value as determined by either quoted market prices or a matrix pricing model. Bank deposits and the NCCMT are measured at amortized cost, which is the NCCMT's share price. Ownership interest of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs – other than quoted prices – included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2021 of 1.3 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.

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

**WAKE COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021**

3. 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.

4. 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.

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.

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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

5. 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 position 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 position 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 – unearned grant revenue in the Other Restricted Funds and pension and OPEB related deferrals.

6. Long-term Obligations

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

7. 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, 2021, are recorded in the government-wide and proprietary fund financial statements on a LIFO basis. An estimate of the current portion of compensated absences has been made based on prior years’ records.

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

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

8. 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 energy savings obligations – the revenue source restricted for specific expenditures related to the energy savings project related to the obligation.

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.

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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, 2021, the Board does not have any committed fund balances.

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

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

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

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

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

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

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

**WAKE COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021**

9. 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 \$1,131,938,406 consists of the following elements:

Description	Amount
Capital assets used in governmental activities are not financial resources and are, therefore, not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 5,219,098,438
Less accumulated depreciation	<u>(1,322,057,862)</u>
Net capital assets	<u>3,897,040,576</u>
Net OPEB Asset	2,838,792
Pension-related deferred outflows of resources	301,493,083
OPEB related deferred outflows of resources	197,417,305
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	(9,158,167)
Compensated absences	(102,701,518)
Installment purchase	(11,595,250)
Net pension liability	(793,958,283)
Net OPEB liability	(1,589,877,060)
Deferred inflows of resources related to pension	(8,721,176)
Deferred inflows of resources related to OPEB	<u>(750,839,896)</u>
Total adjustments	<u>\$ 1,131,938,406</u>

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 \$195,355,694 consists of the following elements:

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 260,301,278
Depreciation expense (the allocation of those assets over their useful lives) that is recorded on the statement of activities, but not in the fund statements.	(99,287,453)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(3,644,185)
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.	2,592,239
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	143,556,030
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities.	65,756,044
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	(227,601,785)
Loss on disposal of assets	(387,861)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(2,203,271)
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.	1,422,486
OPEB benefit	28,135,229
Proceeds from disposal of capital assets	(162,985)
Non-capital OPEB plan contribution	27,584,669
Estimated reserve for workers' compensation self-insurance recorded as a long-term obligation in the government-wide statements.	(704,741)
Total adjustments	<u>\$ 195,355,694</u>

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

10. 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, 2021, the Board's deposits with banks had a carrying amount of \$52,298,376 and with the State Treasurer of \$9,101,970. The bank balances with financial institutions and the State Treasurer were \$67,121,002 and \$13,074,804, respectively. Of these balances, \$303,655 was covered by federal depository insurance and \$79,892,151 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

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2. Investments

At June 30, 2021, the Board had \$39,512 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 \$140,962,080 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2021. 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 1.3 years as of June 30, 2021.

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, 2021. The STIF is unrated and is authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly-liquid fixed income securities consisting primarily of short-to-intermediate treasuries and agencies and money market instruments. The Board has no policy on credit risk.

Concentration of Credit Risk. The Board places no limit on the amount the Board may invest in any one issuer. More than five percent of the Board's investments are in the State Treasurer's STIF. This investment is 99.7percent of the Board's total investments.

3. Accounts Receivable

Receivables at the government-wide level at June 30, 2021, were as follows:

	Due from other funds (internal balances)	Due from other governments	Other	Total
Governmental activities:				
General Fund	\$ 67,896	\$ 1,778,088	\$ 851,121	\$ 2,697,105
Other governmental activities	2,879	67,942,092	311,831	68,256,802
Total	<u>\$ 70,775</u>	<u>\$ 69,720,180</u>	<u>\$1,162,952</u>	<u>\$ 70,953,907</u>
Business-type activities				
Child Nutrition Program	\$ 1,163	\$ 2,319,373	\$ 11,327	\$ 2,331,863
Tuition Programs	20,049	37,892	51,388	109,329
Total	<u>\$ 21,212</u>	<u>\$ 2,357,265</u>	<u>\$ 62,715</u>	<u>\$ 2,441,192</u>

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

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Due from other governments consists of the following:

Governmental activities:

General Fund	\$ 1,494,065	Sales tax refund from state
	1,296	Miscellaneous revenue from state
	<u>282,727</u>	Miscellaneous revenue from municipalities
	<u>1,778,088</u>	
State Public School Fund	12,231,242	Operating funds from DPI
Capital Outlay Fund	43,875,061	County funds from county appropriations
	6,585	Surplus sales from state
	<u>15,017</u>	Sales tax refund from state
	<u>43,896,663</u>	
State Administered Federal Grants Fund	10,119,475	Federal grant funds
Individual Schools Fund	45,174	Sales tax refund from state
Other restricted fund	1,480,078	Federal grant funds
	<u>169,460</u>	Sales tax refund from state
	<u>1,649,538</u>	
	<u>\$ 69,720,180</u>	

Business-type activities:

Child Nutrition Program	\$ 2,319,373	USDA Reimbursement from state
Tuition Programs	21,872	Sales tax refund from state
	<u>16,020</u>	Miscellaneous revenue from municipalities
	<u>37,892</u>	
	<u>\$ 2,357,265</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, 2021 was:

	Beginning Balances	Increases	Transfers	Retirements	Ending Balances
Capital assets not being depreciated:					
Land	\$ 213,252,175	\$ 6,869,009	\$ -	\$ -	\$ 220,121,184
Construction in progress	<u>519,253,793</u>	<u>245,458,805</u>	<u>(8,457,510)</u>	<u>-</u>	<u>756,255,088</u>
Total capital assets not being depreciated	<u>732,505,968</u>	<u>252,327,814</u>	<u>(8,457,510)</u>	<u>-</u>	<u>976,376,272</u>
Capital assets being depreciated					
Land improvements	11,782,410	280,546	-	(105,262)	11,957,694
Buildings	4,025,174,721	-	8,457,510	(41,263)	4,033,590,968
Equipment	101,759,452	1,203,049	-	(669,813)	102,292,688
Vehicles and motor equipment	<u>88,857,408</u>	<u>6,489,869</u>	<u>-</u>	<u>(466,461)</u>	<u>94,880,816</u>
Total capital assets being depreciated	<u>4,227,573,991</u>	<u>7,973,464</u>	<u>8,457,510</u>	<u>(1,282,799)</u>	<u>4,242,722,166</u>
Less accumulated depreciation for					
Land improvements	4,885,668	533,640	-	(62,029)	5,357,279
Buildings	1,062,825,675	86,394,455	-	(10,889)	1,149,209,241
Equipment	77,727,275	9,370,305	-	(206,303)	86,891,277
Vehicles and motor equipment	<u>78,063,744</u>	<u>2,989,053</u>	<u>-</u>	<u>(452,732)</u>	<u>80,600,065</u>
Total accumulated depreciation	<u>1,223,502,362</u>	<u>\$ 99,287,453</u>	<u>-</u>	<u>\$ (731,953)</u>	<u>1,322,057,862</u>
Total capital assets being depreciated, net	<u>3,004,071,629</u>				<u>2,920,664,304</u>
Governmental activity capital assets, net	<u>\$ 3,736,577,597</u>				<u>\$3,897,040,576</u>

Depreciation was charged to governmental functions as follows:

Unallocated depreciation	\$ 97,818,810
Operational support services	<u>1,468,643</u>
Total	<u>\$ 99,287,453</u>

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Business-type Activities:	Beginning Balances	Increases	Retirements	Ending Balances
Child nutrition program activities				
Capital assets being depreciated:				
Equipment	\$ 24,659,214	\$ 608,037	\$ (143,559)	\$ 25,123,692
Vehicles	<u>1,208,509</u>	<u>-</u>	<u>-</u>	<u>1,208,509</u>
Total capital assets being depreciated	25,867,723	608,037	(143,559)	26,332,201
Less accumulated depreciation for:				
Equipment	18,607,879	1,091,390	(123,990)	19,575,279
Vehicles	<u>926,423</u>	<u>67,707</u>	<u>-</u>	<u>994,130</u>
Total accumulated depreciation	<u>19,534,302</u>	<u>1,159,097</u>	<u>(123,990)</u>	<u>20,569,409</u>
Child nutrition program capital assets, net	<u>6,333,421</u>			<u>5,762,792</u>
Tuition program activities:				
Capital assets being depreciated:				
Equipment	867,950	-	(10,473)	857,477
Vehicles	<u>81,812</u>	<u>-</u>	<u>-</u>	<u>81,812</u>
Total capital assets being depreciated	949,762	-	(10,473)	939,289
Less accumulated depreciation for:				
Equipment	436,210	42,944	(10,037)	469,117
Vehicles	<u>74,182</u>	<u>5,642</u>	<u>-</u>	<u>79,824</u>
Total accumulated depreciation	<u>510,392</u>	<u>\$ 48,586</u>	<u>\$ (10,037)</u>	<u>548,941</u>
Tuition program capital assets, net	<u>439,370</u>			<u>390,348</u>
Business-type activities capital assets, net	<u>\$ 6,772,791</u>			<u>\$ 6,153,140</u>

5. Construction Commitments

The Board has active construction projects as of June 30, 2021. At year-end, the Board's commitments with contractors for school construction totaled approximately \$266,098,492. These commitments will be funded by future revenues from Wake County.

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

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proprietary component units, along with the employees of Local Education Agencies and charter schools. Article 1 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the TSERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Teachers' and State Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The ACFR includes financial statements and required supplementary information for TSERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82 percent of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. General employee plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service (or 10 years of creditable service for members joining TSERS on or after August 1, 2011), at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (or 10 years of creditable service for members joining TSERS on or after August 1, 2011). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service, regardless of age, or have completed five years of service and have reached age 60 (10 years for members joining on or after August 1, 2011). Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6 percent of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually-required contribution rate for the year ended June 30, 2021, was 14.78 percent of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$145,505,808 for the year ended June 30, 2021.

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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, 2021, the Board reported a liability of \$809,760,809 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020, utilizing 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, 2020, and at June 30, 2019, the Board's proportion was 6.6654% and 6.6364%, respectively.

For the year ended June 30, 2021, the Board recognized pension expense of \$230,693,072. At June 30, 2021, 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	\$ 44,622,176	\$ -
Changes of assumptions	27,440,523	-
Net difference between projected and actual earnings on pension plan investments	89,551,244	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	8,807,453
Board contributions subsequent to the measurement date	145,505,808	-
Total	<u>\$ 307,119,751</u>	<u>\$ 8,807,453</u>

A total of \$145,505,808 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 51,650,450
2023	40,286,672
2024	34,191,287
2025	26,678,081
	<u>\$152,806,490</u>

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

Inflation	3.0 percent
Salary increases	3.5 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7 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, 2019, actuarial valuation are based on the experience study prepared as of December 31, 2014 and adopted by the Board of Trustees on January 21, 2016. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020, are summarized in the following table:

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

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 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

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arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05 percent. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily-required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 7.0 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 (6.0 percent) or one percentage point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Board's proportionate share of the net pension liability	1,457,379,278	809,760,809	266,542,937

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.

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

Benefits provided. 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.

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

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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 6.68% of covered payroll which amounted to \$65,763,112. During the year ended June 30, 2021, the North Carolina State Health Plan (“SHP”) contributed \$475.2 million to the Retiree Health Benefit Fund as a result of cost savings to the SHP over a span of six years. In accordance with GASB 75, the Board recognized revenue of \$27,959,324 as a result of this non-employer contribution.

At June 30, 2021, Board reported a liability of \$1,632,187,418 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The total OPEB liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. 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, 2020, and at June 30, 2019, the Board’s proportion was 5.8655% and 5.9287%, respectively.

\$65,763,112 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, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$ (215,754,345)
2023	(215,575,114)
2024	(109,253,982)
2025	(41,381,853)
2026	<u>(53,068,651)</u>
	<u>\$ (635,033,945)</u>

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

Inflation	3.00%
Salary increases based on service	3.5 to 8.10 percent, including inflation and productivity factor
Investment rate of Return	7.00%
<u>Healthcare cost trend rates:</u>	
Medical	6.5% grading down to 5.0% by 2024 for non-MA and MA coverage
Prescription drug	9.5% grading down to 5.0% by 2028
Administrative costs	3.00%
Post-Retirement Mortality Rates	RP-2014 Health Annuitant Mortality Table for males and females, adjusted for Collar for some Participants, further adjusted with scaling factors varying before and after age 78, and projected for mortality improvement using Scale MP-2015

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Discount rate. The discount rate used to measure the total OPEB liability for the RHBF was 2.21% at June 30, 2020 compared to 3.5% at June 30, 2019. 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 2.21% was used as the discount rate used to measure the total OPEB liability. The 3.5% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2020.

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

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Net OPEB Liability	\$ 1,935,670,995	\$ 1,632,187,418	\$ 1,387,680,808

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:

	1% Decrease in Trend Rates	Current Trend Rates (6.5% Medical, 7.25% Rx, 3.0% Administrative)	1% Increase in Trend Rates
Net OPEB Liability	\$ 1,315,838,180	\$ 1,632,187,418	\$ 2,055,030,763

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

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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 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

WAKE COUNTY BOARD OF EDUCATION
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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, 2021, employers made a statutory contribution of 0.09% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$886,030 for the year ended June 30, 2021.

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

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

At June 30, 2021, Board reported an asset of \$2,904,179 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019. The total OPEB asset was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB asset was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2020 and at June 30, 2019, the Board's proportion was 5.9221% and 5.92019%, respectively..

\$886,030 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, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:		
2022	\$	545,842
2023		348,310
2024		147,472
2025		275,343
2026		9,984
Thereafter		47,987
	\$	<u>1,374,938</u>

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

Inflation	3%
Salary increases	3.5-8.10%, include 3.5% inflation and productivity factor
Investment rate of return	3.75%, net of OPEB plan expense, including inflation

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
Net OPEB Asset	\$ 2,508,170	\$ 2,904,179	\$ 3,288,675

Common actuarial assumptions for both OPEB plans. The net OPEB liability was determined by an actuarial valuation performed as of June 30, 2019 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, 2019 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, 2020. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

The actuarial assumptions were based on the results of an actuarial experience review for the period January 1, 2010 through December 31, 2014.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges 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 and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29%	1.4%
Global Equity	42%	5.3%
Real Estate	8%	4.3%
Alternatives	8%	8.9%
Credit	7%	6.0%
Inflation Sensitive	6%	4.0%
Total	<u>100.0%</u>	

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Total OPEB Expense, OPEB Liabilities, and Deferred Outflows and Inflows of Resources of Related to OPEB

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

	Retiree Health Benefit Fund	Disability Income Plan of NC	Total
OPEB expense (benefit)	\$ (30,590,779)	\$ 2,073,417	\$ (28,517,362)
OPEB liability (asset)	1,632,187,418	(2,904,179)	1,629,283,239
Proportionate share of the OPEB liability(asset)	5.8837%	5.9035%	
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 1,478,643	\$ 2,103,834	\$ 3,582,477
Changes in assumptions	71,580,734	225,810	71,806,544
Net difference between projected and actual earnings on plan investments	3,438,377	-	3,438,377
Changes in proportion and differences between Board contributions and proportionate share of contributions	57,183,802	-	57,183,802
Board contributions subsequent to the measurement date	65,763,112	886,030	66,649,142
Total Deferred Outflows of Resources	\$ 199,444,668	\$ 3,215,674	\$ 202,660,342
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 63,853,180	\$ -	\$ 63,853,180
Changes of assumptions	662,367,424	228,702	662,596,126
Net difference between projected and actual earnings on plan investments	-	491,999	491,999
Changes in proportion and differences between Board contributions and proportionate share of contributions	42,494,897	234,005	42,728,902
Total Deferred Inflows of Resources	\$ 768,715,501	\$ 954,706	\$ 769,670,207

2. Accounts Payable

Accounts payables as of June 30, 2021, are as follows:

	<u>Vendors</u>	<u>Salaries and benefits</u>	<u>Due to other funds (internal balances)</u>
Governmental Activities			
General	\$ 15,388,418	\$ 6,451,457	\$ 3,502
Other Governmental	55,864,433	21,451,674	71,971
Total Governmental activities	\$ 71,252,851	\$ 27,903,131	\$ 75,473
Business-type Activities			
Child Nutrition Program	\$ 690,039	\$ 1,033,196	\$ 16,514
Tuition Programs	440,587	20,709	-
Total Business-type activities	\$ 1,130,626	\$ 1,053,905	\$ 16,514

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

3. Unearned Revenues

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

Business-type activities:	
Prepayments of meals (Child Nutrition Program)	\$ 2,322,538
Prepayments of community use fees (Tuition Programs)	<u>91,343</u>
	<u>\$ 2,413,881</u>

4. Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Change in proportion and difference between employer contributions and proportionate share of contributions	\$ 57,183,802	\$ 51,536,355
Changes in assumptions	99,247,067	662,596,126
Board contributions subsequent to the measurement date	212,154,950	-
Difference between projected and actual earnings on plan investments	92,989,621	491,999
Difference between expected and actual experience	48,204,653	63,853,180
Grants not yet earned (Other Restricted Funds)	-	<u>14,613,212</u>
Totals	<u>\$ 509,780,093</u>	<u>\$ 793,090,872</u>

5. Risk Management

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

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

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

A summary of changes in the self-insured workers' compensation claims for fiscal years 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Estimated claims payable, beginning of year	\$ 8,453,426	\$ 7,506,244
Current year claims and changes in estimates	3,073,161	4,020,194
Claim payments	<u>(2,368,420)</u>	<u>(3,073,012)</u>
Estimated claims payable, end of year	<u>\$ 9,158,167</u>	<u>\$ 8,453,426</u>

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

6. Contingent Liabilities

At June 30, 2021, the Board was a defendant to various lawsuits. In the opinion of the Board's management and the Board's attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Board's financial position.

7. Long-Term Obligations

a. Operating Leases

The Board leases building and office facilities and parking areas under operating leases. The total costs for such leases were \$8,456,192 for the year ended June 30, 2021. The future minimum lease payments for these leases are as follows:

<u>Year ending June 30</u>	<u>Amount</u>
2022	\$ 8,597,422
2023	7,468,107
2024	7,564,654
2025	7,737,174
2026	7,913,911
2027-2031	40,190,695
2032-2034	<u>26,588,585</u>
Total	<u>\$ 106,060,548</u>

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

b. Installment Purchase

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

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

The future minimum payments of the installment purchases as of June 30, 2021, including \$1,898,463 of interest are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 2,745,302	\$ 239,835
2023	1,995,553	225,503
2024	1,342,851	210,692
2025	446,263	195,384
2026	444,593	179,564
2027-2031	2,435,062	650,604
2032-2035	2,185,626	196,881
	<u>\$ 11,595,250</u>	<u>\$ 1,898,463</u>

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

c. Long-Term Obligation Activity

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2021:

	Beginning Balance	Increases	Decreases	Ending Balance	Due within One Year
Governmental activities:					
Worker's compensation	\$ 8,453,426	\$ 3,073,161	\$ 2,368,420	\$ 9,158,167	\$ 5,110,614
Direct placement installment purchase	10,543,304	3,644,185	2,592,239	11,595,250	2,745,302
Net pension liability	676,789,053	117,169,230	-	793,958,283	-
Net OPEB liability	1,810,513,504	-	220,636,444	1,589,877,060	-
Compensated absences	100,498,247	611,279,411	609,076,140	102,701,518	65,000
Total	\$ 2,606,797,534	\$ 735,165,987	\$ 834,673,243	\$ 2,507,290,278	\$ 7,920,916
Business-type activities:					
Net pension liability	\$ 14,211,134	\$ 1,591,392	\$ -	\$ 15,802,526	\$ -
Net OPEB liability	45,307,042	-	2,996,684	42,310,358	-
Compensated absences	1,302,190	3,930,871	4,478,952	754,109	600,000
Total	\$ 60,820,366	\$ 5,522,263	\$ 7,475,636	\$ 58,866,993	\$ 600,000

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

C. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2021, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Individual Schools Fund	\$ 1,232
General Fund	Other Restricted Funds	50,150
General Fund	Child Nutrition Program	16,514
State Public School Fund	General Fund	2,879
Child Nutrition Program	General Fund	423
Child Nutrition Program	Individual Schools Fund	740
Tuition Program	General Fund	200
Tuition Program	Individual Schools Fund	19,849
		<u>\$ 91,987</u>

**WAKE COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021**

Most interfund balances are due to allocation of printing costs or mailroom costs. The Individual Schools Fund owes \$19,849 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 General Fund owes \$42,603 to the Other Restricted Fund for grant funds wired by grantor to the General Fund.

The following is a summary of Transfers for the year ended June 30, 2021:

<u>Transfers From:</u>	<u>Transfers To:</u>	
	<u>Other Restricted Funds</u>	<u>Child Nutrition Fund</u>
State Public School Fund	\$ -	\$ 116,638
General Fund	-	3,617,283
Other Restricted Fund	-	56,735
Individual Schools Fund	429,776	-
	<u>\$ 429,776</u>	<u>\$ 3,790,656</u>

During the year, the State Public School Fund transferred \$116,638 to the Child Nutrition Program for COVID-19 feeding costs. The General Fund transferred \$3,617,283 to the Child Nutrition Program for COVID-19 feeding costs. The Other Restricted Fund transferred \$56,735 to the Child Nutrition Program for COVID-19 feeding costs. The Individual School Fund transferred \$429,776 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
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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	\$ 128,548,255
Less:	
Inventories	4,238,945
Stabilization by State Statute	5,038,800
Energy savings obligations	38,680
Special projects	
Certified and non-certified staff bonus	25,800,000
Average daily membership reconciliation	6,000,000
System upgrade	2,200,000
Substitute teacher incentive pay	145,327
Fire suppression for buses	1,800,000
Textbook	189,472
TSERS potential underfunded pension liability	1,314,571
Other special projects	1,009,551
Insurance	13,878,448
Flexible benefit plan	2,061,172
Appropriated fund balance in 2022 budget	<u>20,135,556</u>
Remaining fund balance	<u>\$ 44,697,733</u>

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

General Fund	\$ 2,341,695
Capital Outlay Fund	2,015,382

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, 2021**

Subsequent Events

The Board has evaluated subsequent events through November 5, 2021, in connection with the preparation of these financial statements. This is the date the financial statements were available to be issued.

COVID 19

In March 2020, the World Health Organization declared the outbreak of a novel strain of the coronavirus (“COVID-19”) to be a pandemic. The COVID-19 pandemic is continuing to have a widespread and unpredictable impact on global society, economies, and business practices. Federal and state governments have implemented measures in an effort to contain the virus, including social distancing, travel restrictions, border closures, limitations on public gatherings, work from home, supply chain logistical changes, and closure of non-essential businesses. The COVID-19 pandemic has impacted and may continue to impact our Board, including employees, partners, and communities, and there is substantial uncertainty in the nature and degree of its continued effects over time. The financial statements do not reflect any adjustments as a result of the subsequent increase in economic uncertainty.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles

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

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
LAST EIGHT 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>
2021	6.7022%	\$ 809,760,809	\$ 985,571,902	82%	92.01%
2020	6.6654%	691,000,187	956,695,716	72%	91.89%
2019	6.6364%	660,723,896	908,398,166	73%	89.51%
2018	6.5650%	520,899,223	874,819,518	60%	87.32%
2017	6.4350%	591,446,650	839,696,815	70%	94.64%
2016	6.1602%	227,014,746	800,662,003	28%	98.24%
2015	5.9756%	70,058,926	750,539,861	9%	90.60%
2014	5.8869%	357,394,818	740,564,917	48%	90.60%

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

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

<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>
2021	\$ 145,505,808	\$ 145,505,808	\$ -	\$ 984,477,723	14.78%
2020	127,828,676	127,828,676	-	985,571,902	12.97%
2019	117,577,904	117,577,904	-	956,695,716	12.29%
2018	97,925,324	97,925,324	-	908,398,166	10.78%
2017	87,306,988	87,306,988	-	874,819,518	9.98%
2016	76,832,259	76,832,259	-	839,696,815	9.15%
2015	73,180,297	73,180,297	-	800,662,003	9.14%
2014	65,221,914	65,221,914	-	750,539,861	8.69%
2013	61,689,058	61,689,058	-	740,564,917	8.33%
2012	53,912,121	53,912,121	-	724,625,280	7.44%

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

Years	Board's portion of the net OPEB liability	Board's proportionate share of the net OPEB liability	Board's covered payroll	Board's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
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>
2021	\$ 65,763,112	\$ 65,763,112	\$ -	\$ 984,477,723	6.68%
2020	63,766,502	63,766,502	-	985,571,902	6.47%
2019	59,984,821	59,984,821	-	956,695,716	6.27%
2018	54,958,089	54,958,089	-	908,398,166	6.05%
2017	50,856,815	50,856,815	-	874,819,518	5.81%
2016	47,023,022	47,023,022	-	839,696,815	5.60%
2015	43,956,244	43,956,244	-	800,662,003	5.49%
2014	40,529,152	40,529,152	-	750,539,861	5.40%
2013	39,249,941	39,249,941	-	740,564,917	5.30%
2012	36,231,264	36,231,264	-	724,625,280	5.00%

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

Years	Board's portion of the net OPEB asset	Board's proportionate share of the net OPEB asset	Board's covered payroll	Board's proportionate share of the net pension asset as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB asset
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
2021	\$ 886,030	\$ 886,030	\$ -	\$ 984,477,723	0.09%
2020	985,572	985,572	-	985,571,902	0.10%
2019	1,339,374	1,339,374	-	956,695,716	0.14%
2018	1,271,757	1,271,757	-	908,398,166	0.14%
2017	3,324,314	3,324,314	-	874,819,518	0.38%
2016	3,442,757	3,442,757	-	839,696,815	0.41%
2015	3,282,714	3,282,714	-	800,662,003	0.41%
2014	3,302,375	3,302,375	-	750,539,861	0.44%
2013	3,258,486	3,258,486	-	740,564,917	0.44%
2012	3,768,051	3,768,051	-	724,625,280	0.52%

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, 2021**

	State Administered Federal Grants	Individual School Fund	Total
ASSETS			
Cash	\$ 652,512	\$ 10,278,211	\$ 10,930,723
Due from other governments	10,119,475	45,174	10,164,649
Accounts receivable	-	8,052	8,052
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 10,771,987</u>	<u>\$ 10,331,437</u>	<u>\$ 21,103,424</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Salaries and benefits payable	\$ 9,161,142	\$ -	\$ 9,161,142
Accounts payable	1,610,845	246,567	1,857,412
Due to other funds	-	21,821	21,821
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>10,771,987</u>	<u>268,388</u>	<u>11,040,375</u>
Fund balances	<u>-</u>	<u>10,063,049</u>	<u>10,063,049</u>
Total liabilities and fund balances	<u>\$ 10,771,987</u>	<u>\$ 10,331,437</u>	<u>\$ 21,103,424</u>

WAKE COUNTY BOARD OF EDUCATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	State Administered Federal Grants	Individual School Fund	Total
REVENUES:			
Federal	\$ 82,704,492	\$ -	\$ 82,704,492
Other	-	3,769,698	3,769,698
Total revenues	<u>82,704,492</u>	<u>3,769,698</u>	<u>86,474,190</u>
EXPENDITURES:			
Instructional services			
Regular instructional	3,384,357	-	3,384,357
Special populations	27,257,475	-	27,257,475
Alternative programs	39,341,848	-	39,341,848
School leadership	19,224	-	19,224
Co-curricular	-	3,220,860	3,220,860
School-based support	5,584,000	-	5,584,000
Systemwide support services			
Support and development	1,804,472	-	1,804,472
Special populations support and development	499,163	-	499,163
Alternative programs and services support and development	964,836	-	964,836
Operational support	1,789,518	-	1,789,518
Financial and human resource	407,736	-	407,736
Ancillary services	10,935	-	10,935
Non-program charges	1,640,928	-	1,640,928
Total expenditures	<u>82,704,492</u>	<u>3,220,860</u>	<u>85,925,352</u>
Excess (deficiency) of revenues over expenditures before other financing sources	<u>-</u>	<u>548,838</u>	<u>548,838</u>
OTHER FINANCING USES:			
Transfers out	<u>-</u>	<u>(429,776)</u>	<u>(429,776)</u>
Net change in fund balance	-	119,062	119,062
Fund balances, beginning of year	<u>-</u>	<u>9,943,987</u>	<u>9,943,987</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 10,063,049</u>	<u>\$ 10,063,049</u>

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021		Variance-	2020
	Budget	Actual	Positive (Negative)	Actual
REVENUES:				
Wake County:				
County appropriation	\$ 525,073,614	\$ 525,073,614	\$ -	\$ 513,103,536
Other:				
Fines and forfeitures	3,670,189	3,742,330	72,141	3,481,015
Interest	530,689	500,481	(30,208)	1,230,136
Tuition and fees	24,812	24,781	(31)	18,494
Other local	-	465,378	465,378	152,933
Total	<u>4,225,690</u>	<u>4,732,970</u>	<u>507,280</u>	<u>4,882,578</u>
Total revenues	<u>529,299,304</u>	<u>529,806,584</u>	<u>507,280</u>	<u>517,986,114</u>
EXPENDITURES:				
Regular instructional services				
Regular curricular		134,840,119		138,667,035
CTE curricular		8,076,669		7,365,980
Program enhancement teachers		27,945,716		26,842,041
	<u>180,177,976</u>	<u>170,862,504</u>	<u>9,315,472</u>	<u>172,875,056</u>
Special populations services				
Children with disabilities curricular		21,797,601		23,840,901
Special population CTE curricular		358,243		351,010
Pre-K children with disabilities curricular		2,948,548		3,162,406
Speech and language pathology		2,663,495		3,098,415
Audiology		506,200		397,993
Academically/intellectually gifted curricular		2,563,263		2,183,740
Limited english proficiency		2,963,326		2,759,867
	<u>38,090,309</u>	<u>33,800,676</u>	<u>4,289,633</u>	<u>35,794,332</u>
Alternative programs and services				
Alternative instructional K-12		1,999,141		2,033,744
Attendance and social work		3,186,499		4,451,228
Remedial and supplemental K-12		7,289,027		7,487,335
Pre-K readiness/remedial and supplemental		1,714,808		1,963,395
Extended day/year instructional		1,105,962		1,058,760
	<u>16,742,116</u>	<u>15,295,437</u>	<u>1,446,679</u>	<u>16,994,462</u>
School leadership services				
School leadership		2,169,405		2,150,906
School principal		6,798,656		6,969,087
School assistant principal		7,436,757		6,955,380
	<u>16,546,695</u>	<u>16,404,818</u>	<u>141,877</u>	<u>16,075,373</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION

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

FOR YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021		Variance- Positive (Negative)	2020
	Budget	Actual		Actual
Co-Curricular	\$ 22,042,212	\$ 21,158,251	\$ 883,961	\$ 20,604,182
School-based support services				
Educational media		5,533,062		8,283,860
Student accounting		400,312		610,004
Guidance		14,114,434		17,225,942
Health		620,369		614,569
Safety and security		1,287,697		1,624,059
Instructional technology		537,444		917,321
Staff development unallocated		110,652		442,384
Parent involvement		221,162		193,480
	<u>26,527,685</u>	<u>22,825,132</u>	<u>3,702,553</u>	<u>29,911,619</u>
Support and development services				
Regular curricular support and development		5,133,231		5,268,722
CTE curricular support and development		386,624		383,001
	<u>5,726,033</u>	<u>5,519,855</u>	<u>206,178</u>	<u>5,651,723</u>
Special population support and development services	<u>5,950,480</u>	<u>5,604,224</u>	<u>346,256</u>	<u>5,225,958</u>
Alternative programs and services support and development services	<u>2,309,279</u>	<u>2,254,666</u>	<u>54,613</u>	<u>2,118,024</u>
Technology support services	<u>17,321,489</u>	<u>16,035,654</u>	<u>1,285,835</u>	<u>14,193,578</u>
Connectivity support services	<u>500</u>	<u>482</u>	<u>18</u>	<u>-</u>
Operational support services				
Communication		51,633		35,717
Printing and copying		147,761		197,239
Public utility and energy		26,923,260		30,287,134
Custodial/housekeeping		14,265,797		13,553,674
Transportation		20,133,130		22,196,727
Warehouse and delivery		348,019		285,882
Facilities planning, acquisition and construction		7,855,230		3,894,926
Maintenance		29,956,520		30,464,064
	<u>115,729,639</u>	<u>99,681,350</u>	<u>16,048,289</u>	<u>100,915,363</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION

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

FOR YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021		Variance- Positive (Negative)	2020
	Budget	Actual		Actual
Financial and human resource services				
Financial	\$ -	\$ 10,034,862	\$ -	\$ 9,772,217
Human resource		6,070,845		6,302,640
	<u>18,233,723</u>	<u>16,105,707</u>	<u>2,128,016</u>	<u>16,074,857</u>
Accountability services				
Student testing		961,065		1,023,829
Planning, research development and program evaluation		982,932		926,315
	<u>2,038,355</u>	<u>1,943,997</u>	<u>94,358</u>	<u>1,950,144</u>
Systemwide pupil support services				
Educational media support		463,487		386,173
Student accounting support		2,008,590		2,019,610
Guidance support		596,526		591,088
Health support		298,919		194,324
Safety and security support		1,052,204		1,281,387
Instructional technology support		253,556		253,953
	<u>4,911,081</u>	<u>4,673,282</u>	<u>237,799</u>	<u>4,726,535</u>
Policy, leadership and public relations services				
Board of education		309,311		339,651
Legal		1,244,195		1,188,268
Audit		608,292		657,513
Leadership		4,401,566		4,496,354
Public relations and marketing		2,184,599		1,797,841
	<u>9,462,732</u>	<u>8,747,963</u>	<u>714,769</u>	<u>8,479,627</u>
Ancillary services				
Community		7,490		8,849
Aftercare		957,773		-
Nutrition		53,498		4,800
Adult		-		536
	<u>1,568,751</u>	<u>1,018,761</u>	<u>549,990</u>	<u>14,185</u>
Non-program charges:				
Payments to charter schools	<u>45,589,043</u>	<u>44,286,186</u>	<u>1,302,857</u>	<u>39,988,874</u>
Unbudgeted funds	<u>26,623,063</u>	<u>-</u>	<u>26,623,063</u>	<u>-</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021		Variance-	2020
	Budget	Actual	Positive (Negative)	Actual
Debt service:				
Principal	\$ -	\$ 391,195	\$ -	\$ -
Interest		253,703		-
	<u>814,414</u>	<u>644,898</u>	<u>169,516</u>	<u>-</u>
Total expenditures	<u>556,405,575</u>	<u>486,863,843</u>	<u>69,541,732</u>	<u>491,593,892</u>
Excess (deficiency) of revenues over expenditures before other financing sources	<u>(27,106,271)</u>	<u>42,942,741</u>	<u>70,049,012</u>	<u>26,392,222</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	30,723,554	-	(30,723,554)	-
Energy savings obligations issued	-	-	-	301,733
Transfers out	<u>(3,617,283)</u>	<u>(3,617,283)</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>27,106,271</u>	<u>(3,617,283)</u>	<u>(30,723,554)</u>	<u>301,733</u>
Net change in fund balance	<u>\$ -</u>	<u>39,325,458</u>	<u>\$ 39,325,458</u>	<u>26,693,955</u>
Fund balance, beginning of year		90,888,951		62,849,011
Increase (Decrease) in reserve for inventories		<u>(1,666,154)</u>		<u>1,345,985</u>
Fund balance, end of year		<u>\$ 128,548,255</u>		<u>\$ 90,888,951</u>

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STATE PUBLIC SCHOOL FUND
FOR YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021		Variance- Positive (Negative)	2020
	Budget	Actual		Actual
REVENUES:				
Federal: Coronavirus relief	\$ 17,485,759	\$ 16,345,689	\$ (1,140,070)	\$ 4,087,201
State: other	<u>1,037,457,085</u>	<u>1,020,653,881</u>	<u>(16,803,204)</u>	<u>1,001,304,321</u>
Total revenues	<u>1,054,942,844</u>	<u>1,036,999,570</u>	<u>(17,943,274)</u>	<u>1,005,391,522</u>
EXPENDITURES:				
Regular instructional services				
Regular curricular		442,330,722		427,119,049
CTE curricular		45,683,712		44,375,783
Program enhancement		<u>82,968,815</u>		<u>80,818,329</u>
	<u>580,877,141</u>	<u>570,983,249</u>	<u>9,893,892</u>	<u>552,313,161</u>
Special populations services				
Children with disabilities curricular		123,709,658		116,023,582
Special population CTE curricular		1,767,328		1,834,896
Pre-K children with disabilities curricular		16,805,541		16,900,574
Speech and language pathology		13,728,727		13,656,927
Audiology		1,127,626		1,050,662
Academically/intellectually gifted curricular		9,494,886		10,290,137
Limited english proficiency		<u>14,483,152</u>		<u>13,544,483</u>
	<u>181,985,962</u>	<u>181,116,918</u>	<u>869,044</u>	<u>173,301,261</u>
Alternative programs and services				
Alternative instructional K-12		7,630,471		7,681,410
Attendance and social work		6,230,111		4,741,737
Remedial and supplemental K-12		20,519,726		20,344,745
Pre-K readiness/remedial and supplemental		29,104		-
Extended day/year instructional		<u>6,004,826</u>		<u>2,378,073</u>
	<u>43,196,106</u>	<u>40,414,238</u>	<u>2,781,868</u>	<u>35,145,965</u>
School leadership services				
School leadership		25,868,655		25,151,702
School principal		21,726,325		21,119,330
School assistant principal		<u>34,963,663</u>		<u>33,584,322</u>
	<u>83,218,250</u>	<u>82,558,643</u>	<u>659,607</u>	<u>79,855,354</u>
Co-Curricular	<u>98,428</u>	<u>98,426</u>	<u>2</u>	<u>128,613</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STATE PUBLIC SCHOOL FUND
FOR YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021		Variance- Positive (Negative)	2020
	Budget	Actual		Actual
School-based support services				
Educational media	\$ -	\$ 14,081,283	\$ -	\$ 10,822,884
Student accounting		10,444,103		10,342,919
Guidance		33,163,953		28,601,655
Health		8,943,973		7,504,070
Safety and security		641,102		1,050,406
Instructional technology		6,200,275		935,442
Staff development unallocated		5,250		53,736
Parent involvement		-		1,543
	<u>74,037,616</u>	<u>73,479,939</u>	<u>557,677</u>	<u>59,312,655</u>
Support and development services				
Regular curricular support and development		556,782		576,786
CTE curricular support and development		115,803		112,746
	<u>703,763</u>	<u>672,585</u>	<u>31,178</u>	<u>689,532</u>
Special population support and development services	<u>887,535</u>	<u>885,354</u>	<u>2,181</u>	<u>676,691</u>
Alternative programs and services support and development services	<u>503,224</u>	<u>502,713</u>	<u>511</u>	<u>432,401</u>
Technology support services	<u>6,428,497</u>	<u>3,722,767</u>	<u>2,705,730</u>	<u>4,149,902</u>
Operational support services				
Custodial/housekeeping		20,698,128		21,184,272
Transportation		50,695,831		62,095,343
Warehouse and delivery		76,903		83,249
Facilities planning, acquisition and construction		-		1,422
Maintenance		501,187		812,053
	<u>72,302,281</u>	<u>71,972,049</u>	<u>330,232</u>	<u>84,176,339</u>
Financial and human resource services				
Financial		3,463,241		3,434,125
Human resource		2,015,405		1,787,674
	<u>5,481,166</u>	<u>5,478,646</u>	<u>2,520</u>	<u>5,221,799</u>
Accountability services				
Student testing		19,670		62,935
Planning, research development and program evaluation		53,754		53,458
	<u>74,582</u>	<u>73,424</u>	<u>1,158</u>	<u>116,393</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STATE PUBLIC SCHOOL FUND****FOR YEAR ENDED JUNE 30, 2021****(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)**

	2021		Variance-	2020
	Budget	Actual	Positive (Negative)	Actual
Systemwide pupil support services				
Student accounting support	\$ -	\$ 234,399	\$ -	\$ 267,802
Health support		69,889		-
Safety and security support		142,228		-
	<u>446,924</u>	<u>446,516</u>	<u>408</u>	<u>267,802</u>
Policy, leadership and public relations services				
Audit		27,168		-
Leadership		3,183,504		3,131,369
Public relations and marketing		176,043		299,073
	<u>3,389,039</u>	<u>3,386,715</u>	<u>2,324</u>	<u>3,430,442</u>
Ancillary services				
Child Care		962,996		-
Nutrition		127,754		3,724,456
	<u>1,195,692</u>	<u>1,090,750</u>	<u>104,942</u>	<u>3,724,456</u>
Total expenditures	<u>1,054,826,206</u>	<u>1,036,882,932</u>	<u>17,943,274</u>	<u>1,002,942,766</u>
Excess of revenues over expenditures before other financing sources	<u>116,638</u>	<u>116,638</u>	<u>-</u>	<u>2,448,756</u>
OTHER FINANCING USES:				
Transfers out	<u>(116,638)</u>	<u>(116,638)</u>	<u>-</u>	<u>(2,448,756)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL OUTLAY FUND
FOR YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021		Variance- Positive (Negative)	2020
	Budget	Actual		Actual
REVENUES:				
Wake County:				
Appropriation	\$ 1,900,759	\$ 1,900,759	\$ -	\$ 1,931,961
Capital improvements fund	789,591,510	254,069,557	(535,521,953)	272,888,572
	<u>791,492,269</u>	<u>255,970,316</u>	<u>(535,521,953)</u>	<u>274,820,533</u>
State				
LEA financed purchase of school buses	2,201,044	2,201,044	-	1,359,984
Other:				
Sale of school property	165,134	162,985	(2,149)	226,323
Interest	-	6	6	24
Other local	236,698	184,432	(52,266)	708,914
	<u>401,832</u>	<u>347,423</u>	<u>(54,409)</u>	<u>935,261</u>
Total revenues	<u>794,095,145</u>	<u>258,518,783</u>	<u>(535,576,362)</u>	<u>277,115,778</u>
EXPENDITURES:				
Land and buildings:				
Land: Purchase of new sites	44,612,052	6,536,709	38,075,343	23,639,190
Buildings:				
General contracts		13,467,146		6,105,153
Heating contracts		9,899,065		5,794,328
Electrical contracts		437,260		586,956
Architect fees		15,179,602		8,485,202
Construction management contracts		149,274,939		164,324,568
Equipment contracts		36,656,297		42,116,679
Improvements to new sites		378,931		1,067,871
Improvements to existing sites		1,114,156		220,927
Miscellaneous contracts		20,282,219		19,440,561
Other:				
Library books	4,217,100	460,153	3,756,947	933,615
	<u>788,867,782</u>	<u>253,686,477</u>	<u>535,181,305</u>	<u>272,715,050</u>
Equipment:	153,146	101,147	51,999	196,276
Vehicles:				
Administration		919,051		366,311
Transportation		5,268,812		3,073,086
	<u>8,649,271</u>	<u>6,187,863</u>	<u>2,461,408</u>	<u>3,439,397</u>
Unbudgeted funds	<u>47,458</u>	-	<u>47,458</u>	-

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL OUTLAY FUND
FOR YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021		Variance- Positive (Negative)	2020
	Budget	Actual		Actual
Debt service:				
Principal	\$ 2,201,044	\$ 2,201,044	\$ -	\$ 1,359,984
Total expenditures	<u>799,918,701</u>	<u>262,176,531</u>	<u>537,742,170</u>	<u>277,710,707</u>
Deficiency of revenues over expenditures before other financing sources	<u>(5,823,556)</u>	<u>(3,657,748)</u>	<u>2,165,808</u>	<u>(594,929)</u>
OTHER FINANCING SOURCES:				
Installment purchase obligations issued	3,644,185	3,644,185	-	2,666,753
Appropriated fund balance	<u>2,179,371</u>	<u>-</u>	<u>(2,179,371)</u>	<u>-</u>
Total other financing sources	<u>5,823,556</u>	<u>3,644,185</u>	<u>(2,179,371)</u>	<u>2,666,753</u>
Net change in fund balance	<u>\$ -</u>	<u>(13,563)</u>	<u>\$ (13,563)</u>	2,071,824
Fund balance, beginning of year		<u>4,417,856</u>		<u>2,346,032</u>
Fund balance, end of year		<u>\$ 4,404,293</u>		<u>\$ 4,417,856</u>

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OTHER RESTRICTED FUNDS
FOR YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021		Variance- Positive (Negative)	2020
	Budget	Actual		Actual
REVENUES:				
State: other	\$ 113,589	\$ 109,694	\$ (3,895)	\$ 1,482
Wake County:				
County appropriation	929,728	929,728	-	919,604
Federal:				
ROTC	462,191	569,204	107,013	551,159
MSAP Cornerstone 2017	5,142,521	2,090,500	(3,052,021)	2,458,751
Project Nexus	3,582,265	51,692	(3,530,573)	-
CARES act funds	15,000,000	14,779,040	(220,960)	14,100,000
Other Federal	639,816	629,236	(10,580)	116,853
Total	24,826,793	18,119,672	(6,707,121)	17,226,763
Other local:				
Medicaid	15,135,353	3,863,028	(11,272,325)	3,488,652
Indirect Cost	2,112,000	2,004,125	(107,875)	4,285,851
E-Rate	4,482,536	4,482,536	-	4,787,619
Other restricted local	6,089,314	2,856,127	(3,233,187)	4,053,905
Interest	33,000	27,921	(5,079)	71,257
Total	27,852,203	13,233,737	(14,618,466)	16,687,284
Total revenues	53,722,313	32,392,831	(21,329,482)	34,835,133
EXPENDITURES:				
Regular instructional services				
Regular curricular		3,089,201		2,881,705
CTE curricular		116,109		74,680
Program enhancement teachers		173,944		175,378
	7,508,046	3,379,254	4,128,792	3,131,763
Special populations services				
Children with disabilities curricular		1,455,142		1,698,031
Pre-K children with disabilities curricular		243,574		213,069
Speech and language pathology		170,874		150,215
Audiology		13,019		12,344
Academically/intellectually gifted curricular		-		38,050
	5,348,119	1,882,609	3,465,510	2,111,709

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OTHER RESTRICTED FUNDS
FOR YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021		Variance-	2020
	Budget	Actual	Positive (Negative)	Actual
Alternative programs and services				
Alternative instructional K-12	\$ -	\$ 72,000	\$ -	\$ 76,860
Remedial and supplemental K-12		359,448		226,523
Pre-K readiness/remedial and supplemental		1,698,007		1,409,521
Extended day/year instructional		48,670		107,477
	<u>3,133,643</u>	<u>2,178,125</u>	<u>955,518</u>	<u>1,820,381</u>
School leadership services				
School leadership		12,737		12,795
School assistant principal		30,803		-
School leadership services	<u>59,644</u>	<u>43,540</u>	<u>16,104</u>	<u>12,795</u>
Co-Curricular services	<u>316</u>	<u>-</u>	<u>316</u>	<u>4,946</u>
School-based support services				
Educational media		37,432		100,130
Guidance		95,607		7,963
Health		5,120,595		686,535
Safety and security		6,979		42,115
Instructional technology		54,654		13,073
Staff development unallocated		36,239		56,893
Parent involvement		53,485		50,217
	<u>10,299,778</u>	<u>5,404,991</u>	<u>4,894,787</u>	<u>956,926</u>
Support and development services				
Regular curricular support and development	<u>1,848,374</u>	<u>1,001,464</u>	<u>846,910</u>	<u>834,482</u>
Special population support and development services	<u>717,886</u>	<u>341,811</u>	<u>376,075</u>	<u>288,682</u>
Alternative programs and services support and development services	<u>605,569</u>	<u>458,501</u>	<u>147,068</u>	<u>507,375</u>
Technology support services	<u>3,332,384</u>	<u>3,322,384</u>	<u>10,000</u>	<u>17,305,658</u>
Operational support services				
Communication		2,760,152		1,581,961
Public utility and energy		2,089,685		5,423,250
Custodial/housekeeping		2,342,468		-
Transportation		293,381		9,098
Facilities planning, acquisition and construction		1,240,185		919,604
	<u>8,957,766</u>	<u>8,725,871</u>	<u>231,895</u>	<u>7,933,913</u>
Financial and human resource services				
Human resource	<u>693,513</u>	<u>191,121</u>	<u>502,392</u>	<u>187,814</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OTHER RESTRICTED FUNDS
FOR YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021		Variance- Positive (Negative)	2020
	Budget	Actual		Actual
Accountability services				
Student testing	\$ 16,686	\$ 2,037	\$ 14,649	\$ 12,660
Systemwide pupil support services				
Guidance support		37,387		-
Health support		177,988		92,262
	<u>335,464</u>	<u>215,375</u>	<u>120,089</u>	<u>92,262</u>
Policy, leadership and public relations services				
Leadership		-		4,500
Ancillary services				
Community		2,742		20,694
Nutrition		5,545,069		56,406
	<u>5,575,611</u>	<u>5,547,811</u>	<u>27,800</u>	<u>77,100</u>
Nonprogram charges:				
Indirect cost	<u>187,847</u>	<u>70,978</u>	<u>116,869</u>	<u>70,622</u>
Unbudgeted funds	<u>5,474,051</u>	<u>-</u>	<u>5,474,051</u>	<u>-</u>
Total expenditures	<u>54,094,697</u>	<u>32,765,872</u>	<u>21,328,825</u>	<u>35,353,588</u>
Deficiency of revenues over expenditures before other financing sources (uses)	<u>(372,384)</u>	<u>(373,041)</u>	<u>(657)</u>	<u>(518,455)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	429,119	429,776	657	518,455
Transfers out	<u>(56,735)</u>	<u>(56,735)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>372,384</u>	<u>373,041</u>	<u>657</u>	<u>518,455</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund balance, beginning of year		51,110		51,110
Increase in reserve for inventories		<u>3,088,640</u>		<u>-</u>
Fund balance, end of year		<u>\$ 3,139,750</u>		<u>\$ 51,110</u>

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STATE ADMINISTERED FEDERAL GRANTS FUND
FOR YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021		Variance-	2020
	Budget	Actual	Positive (Negative)	Actual
REVENUES:				
Federal:				
Special education	\$ 49,888,578	\$ 28,906,316	\$ (20,982,262)	\$ 29,128,209
Elementary and secondary school emergency relief fund	339,130,843	12,105,143	(327,025,700)	-
Title I	37,841,240	30,011,027	(7,830,213)	30,944,623
Governor's emergency education relief	5,333,795	2,484,133	(2,849,662)	-
Career technical education	1,885,493	1,607,529	(277,964)	1,499,233
Improving teacher quality	6,225,695	2,855,063	(3,370,632)	2,747,336
English language acquisition	2,704,423	1,791,304	(913,119)	1,851,748
Other federal	4,839,559	2,943,977	(1,895,582)	2,038,907
Total revenues	<u>447,849,626</u>	<u>82,704,492</u>	<u>(365,145,134)</u>	<u>68,210,056</u>
EXPENDITURES:				
Regular instructional services				
Regular curricular		463,042		16,004
CTE curricular		1,570,313		1,459,746
Program enhancement teachers		1,351,002		943,586
	<u>14,989,215</u>	<u>3,384,357</u>	<u>11,604,858</u>	<u>2,419,336</u>
Special populations services				
Children with disabilities curricular		25,299,403		25,222,729
Special population CTE curricular		225		3,467
Pre-K children with disabilities curricular		362,411		411,594
Speech and language pathology		151,832		158,236
Audiology		5,893		839
Limited english proficiency		1,437,711		1,371,081
	<u>35,632,440</u>	<u>27,257,475</u>	<u>8,374,965</u>	<u>27,167,946</u>
Alternative programs and services				
Alternative instructional K-12		486,179		458,131
Attendance and social work		919,147		824,571
Remedial and supplemental K-12		22,403,092		22,388,245
Pre-K readiness/remedial and supplemental		6,335,899		6,121,398
Extended day/year instructional		730,505		1,142,236
School extension learning		8,467,026		-
	<u>86,331,059</u>	<u>39,341,848</u>	<u>46,989,211</u>	<u>30,934,581</u>
School leadership services				
School leadership	<u>2,347,931</u>	<u>19,224</u>	<u>2,328,707</u>	<u>11,866</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STATE ADMINISTERED FEDERAL GRANTS FUND
FOR YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021		Variance- Positive (Negative)	2020
	Budget	Actual		Actual
School-based support services				
Educational media	\$ -	\$ 3,895	\$ -	\$ -
Guidance		3,376,611		1,198,740
Health		526,963		176,966
Safety and security		260,000		50,000
Instructional technology		488,074		376,245
Staff development unallocated		357,396		652,112
Parent involvement		571,061		485,998
	<u>18,497,820</u>	<u>5,584,000</u>	<u>12,913,820</u>	<u>2,940,061</u>
Support and development services				
Regular curricular support and development	<u>1,912,784</u>	<u>1,804,472</u>	<u>108,312</u>	<u>1,434,302</u>
Special population support and development services	<u>675,055</u>	<u>499,163</u>	<u>175,892</u>	<u>524,550</u>
Alternative programs and services support and development services	<u>1,241,985</u>	<u>964,836</u>	<u>277,149</u>	<u>854,051</u>
Technology support services	<u>19,878,776</u>	<u>-</u>	<u>19,878,776</u>	<u>-</u>
Operational support services				
Custodial/housekeeping		1,787,341		-
Transportation		-		117,104
Maintenance		2,177		-
	<u>29,897,976</u>	<u>1,789,518</u>	<u>28,108,458</u>	<u>117,104</u>
Financial and human resource services				
Human resource	<u>433,398</u>	<u>407,736</u>	<u>25,662</u>	<u>440,235</u>
Accountability services	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Systemwide pupil support services	<u>405,897</u>	<u>-</u>	<u>405,897</u>	<u>-</u>
Ancillary services	<u>53,800</u>	<u>10,935</u>	<u>42,865</u>	<u>-</u>
Non-program charges:				
Indirect cost	<u>4,790,692</u>	<u>1,640,928</u>	<u>3,149,764</u>	<u>1,366,024</u>
Unbudgeted funds	<u>230,750,798</u>	<u>-</u>	<u>230,750,798</u>	<u>-</u>
Total expenditures	<u>447,849,626</u>	<u>82,704,492</u>	<u>365,145,134</u>	<u>68,210,056</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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
FOR YEAR ENDED JUNE 30, 2021

	Fund Balance 6/30/2020	Revenues	Expenditures and Transfers	Fund Balance 6/30/2021
HIGH SCHOOLS:				
Apex	\$ 349,772	\$ 135,544	\$ 133,121	\$ 352,195
Apex Friendship	241,845	123,704	138,064	227,485
Athens Drive	178,561	115,910	91,282	203,189
Broughton	154,694	126,636	115,152	166,178
Cary	130,932	80,919	51,302	160,549
East Wake	91,987	56,335	44,169	104,153
Enloe	241,825	110,057	124,146	227,736
Fuquay-Varina	266,139	79,890	82,665	263,364
Garner	109,973	122,814	66,684	166,103
Green Hope	178,150	141,703	131,879	187,974
Green Level	27,815	82,219	49,923	60,111
Heritage	195,657	102,588	105,403	192,842
Holly Springs	253,760	119,112	128,725	244,147
Knightdale	111,001	50,625	6,589	155,037
Leesville Road	170,308	119,146	116,343	173,111
Middle Creek	375,364	89,977	141,559	323,782
Millbrook	204,677	158,209	115,945	246,941
North Wake College and Career	6,754	2,605	2,463	6,896
Panther Creek	188,160	146,995	119,705	215,450
Rolesville	130,918	83,199	59,609	154,508
Sanderson	239,267	85,735	101,634	223,368
South Garner	24,579	38,356	5,963	56,972
Southeast Raleigh	66,447	31,701	13,343	84,805
Vernon Malone College and Career	27,409	914	6,181	22,142
Wake STEM Early College	22,151	4,884	1,179	25,856
Wake Early College	39,416	13,211	9,524	43,103
Wake Forest	194,355	119,464	128,489	185,330
Wakefield	133,837	121,470	98,044	157,263
	<u>4,355,753</u>	<u>2,463,922</u>	<u>2,189,085</u>	<u>4,630,590</u>
MIDDLE SCHOOLS:				
Alston Ridge	14,442	5,032	6,840	12,634
Apex	124,429	6,517	19,998	110,948
Apex Friendship	51,458	43,959	35,603	59,814
Carnage	43,284	7,743	7,255	43,772
Carroll	48,169	5,150	10,880	42,439
Centennial Campus	22,366	2,171	853	23,684
Oberlin	38,577	6,589	19,991	25,175
Davis Drive	74,134	3,771	29,561	48,344
Dillard Drive	27,967	4,787	8,211	24,543
Durant Road	28,363	20,608	16,680	32,291
East Cary	51,452	1,312	7,906	44,858
East Garner	107,851	3,621	7,444	104,028
East Millbrook	20,462	2,251	11,574	11,139
Neuse River	14,686	5,009	11,647	8,048

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
FOR YEAR ENDED JUNE 30, 2021

	Fund Balance 6/30/2020	Revenues	Expenditures and Transfers	Fund Balance 6/30/2021
Fuquay-Varina	\$ 157,835	\$ 12,323	\$ 26,413	\$ 143,745
Heritage	60,710	19,630	20,187	60,153
Holly Grove	147,246	10,542	17,859	139,929
Holly Ridge	71,794	12,095	14,913	68,976
Leesville Road	91,919	1,968	10,655	83,232
Ligon	85,834	60,304	56,788	89,350
Lufkin Road	37,052	6,988	4,290	39,750
Martin	44,397	9,166	8,289	45,274
Mills Park	78,788	8,770	16,078	71,480
Moore Square	25,724	7,630	10,958	22,396
North Garner	32,269	874	2,306	30,837
Pine Hollow	93,659	9,410	21,333	81,736
Reedy Creek	60,411	1,875	3,184	59,102
River Bend	25,776	307	2,860	23,223
Rolesville	37,485	20,777	20,960	37,302
Salem	57,689	7,668	9,649	55,708
Wake Forest	64,936	8,099	8,016	65,019
Wakefield	55,429	11,883	17,509	49,803
Wendell	36,883	580	1,492	35,971
West Cary	37,190	2,516	3,836	35,870
West Lake	31,707	2,588	3,610	30,685
West Millbrook	57,168	6,985	8,449	55,704
Zebulon	20,311	3,644	2,778	21,177
	<u>2,079,852</u>	<u>345,142</u>	<u>486,855</u>	<u>1,938,139</u>
ELEMENTARY SCHOOLS:				
Abbotts Creek	24,032	4,194	6,394	21,832
Adams	18,146	10,508	13,715	14,939
Alston Ridge	15,448	9,070	6,550	17,968
Apex	34,148	31,843	29,881	36,110
Aversboro	25,943	3,136	2,152	26,927
Baileywick Road	28,685	561	1,992	27,254
Ballentine	27,732	3,582	13,595	17,719
Banks Road	14,760	8,478	15,165	8,073
Barwell Road	10,668	3,256	2,229	11,695
Baucom	67,598	15,598	13,103	70,093
Beaverdam	8,686	874	972	8,588
Brassfield	47,138	934	9,015	39,057
Brentwood	14,926	1,746	996	15,676
Briarcliff	33,811	2,980	6,563	30,228
Brier Creek	27,354	2,900	4,788	25,466
Brooks	169,982	28,347	35,769	162,560
Bryan Road	11,766	1,089	3,174	9,681
Buckhorn Creek	23,417	10,424	11,945	21,896
Bugg	12,930	502	1,740	11,692
Carpenter	20,574	11,290	5,164	26,700

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
FOR YEAR ENDED JUNE 30, 2021

	Fund Balance 6/30/2020	Revenues	Expenditures and Transfers	Fund Balance 6/30/2021
Carver	\$ 21,546	\$ 736	\$ 807	\$ 21,475
Cary	25,481	6,309	3,515	28,275
Cedar Fork	31,228	4,114	9,566	25,776
Combs	31,520	4,157	11,014	24,663
Conn	8,568	2,034	1,575	9,027
Creech Road	13,631	896	1,690	12,837
Davis Drive	21,059	1,851	6,460	16,450
Dillard Drive	24,545	12,822	9,452	27,915
Douglas	33,420	864	2,917	31,367
Durant Road	45,417	11,077	16,753	39,741
East Garner	11,818	17,971	810	28,979
Farmington Woods	21,411	1,490	(9,731)	32,632
Forest Pines Drive	21,806	643	3,728	18,721
Forestville Road	16,912	13,872	1,922	28,862
Fox Road	18,989	1,135	1,738	18,386
Fuller	8,324	4,628	673	12,279
Fuquay-Varina	36,212	1,714	5,974	31,952
Green	30,493	1,535	2,050	29,978
Green Hope	21,965	629	5,650	16,944
Harris Creek	32,113	2,905	8,725	26,293
Herbert Akins Road	23,715	36,555	19,465	40,805
Heritage	25,206	431	11,302	14,335
Highcroft Drive	23,282	26,464	16,741	33,005
Hodge Road	8,029	175	1,205	6,999
Holly Grove	53,337	20,573	22,190	51,720
Holly Ridge	50,930	18,279	9,438	59,771
Holly Springs	66,371	24,167	42,715	47,823
Hortons Creek	26,641	916	8,140	19,417
Hunter	61,697	3,047	2,680	62,064
Jeffreys Grove	46,614	21,351	21,610	46,355
Jones Dairy	17,052	3,973	4,150	16,875
Joyner	32,086	49,719	(9,029)	90,834
Kingswood	22,483	8,025	7,739	22,769
Knightdale	21,545	3,651	4,938	20,258
Lacy	125,261	6,072	(50,412)	181,745
Lake Myra	16,522	550	2,868	14,204
Laurel Park	47,763	3,443	6,849	44,357
Lead Mine	23,770	5,925	6,420	23,275
Leesville Road	9,694	2,076	416	11,354
Lincoln Heights	28,681	17,459	10,976	35,164
Lockhart	15,042	2,091	5,128	12,005
Lynn Road	4,777	1,637	771	5,643
Middle Creek	28,237	2,970	11,702	19,505
Millbrook	11,831	3,034	1,590	13,275
Mills Park	18,131	1,196	6,169	13,158
Morrisville	32,908	3,298	6,774	29,432

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
FOR YEAR ENDED JUNE 30, 2021

	Fund Balance 6/30/2020	Revenues	Expenditures and Transfers	Fund Balance 6/30/2021
North Forest Pines	\$ 32,150	\$ 8,750	\$ 10,544	\$ 30,356
North Ridge	64,943	3,857	28,681	40,119
Northwoods	20,527	1,204	3,679	18,052
Oak Grove	15,749	6,304	5,178	16,875
Oakview	16,675	26,695	2,251	41,119
Olds	33,183	8,632	10,157	31,658
Olive Chapel	91,070	6,558	23,582	74,046
Partnership	19,963	771	5,155	15,579
Parkside	5,753	8,920	1,522	13,151
Penny Road	34,676	2,701	3,412	33,965
Pleasant Grove	23,405	3,126	1,096	25,435
Pleasant Union	22,427	1,987	1,980	22,434
Poe	14,769	565	236	15,098
Powell	9,437	772	554	9,655
Rand Road	16,867	923	4,598	13,192
Reedy Creek	17,682	846	3,798	14,730
Richland Creek	15,780	4,485	6,742	13,523
River Bend	38,189	532	3,988	34,733
Rogers Lane	19,628	182	(357)	20,167
Rolesville	22,807	3,166	4,668	21,305
Root	58,022	166,694	151,542	73,174
Salem	54,183	3,989	17,980	40,192
Sanford Creek	86,291	2,334	11,051	77,574
Scotts Ridge	72,581	2,077	4,268	70,390
Smith	25,496	411	1,928	23,979
South Lakes	-	307	86	221
Southeast Raleigh	3,853	10,620	7,697	6,776
Stough	11,269	15,331	12,518	14,082
Swift Creek	12,358	1,623	1,752	12,229
Sycamore Creek	64,235	7,761	9,836	62,160
Timber Drive	14,247	5,466	4,680	15,033
Turner Creek	41,789	19,188	39,837	21,140
Underwood	26,518	3,234	(3,912)	33,664
Vance	16,350	2,690	2,915	16,125
Vandora Springs	32,084	2,133	9,755	24,462
Wake Forest	30,899	12,717	5,717	37,899
Wakefield	26,734	6,846	24,511	9,069
Wakelon	15,811	4,081	1,838	18,054
Walnut Creek	13,234	12,023	10,584	14,673
Washington	19,087	24,516	6,318	37,285
Weatherstone	40,237	1,007	4,605	36,639
Wendell	27,860	501	-	28,361
West Lake	35,612	(2,726)	828	32,058
White Oak	29,463	3,247	6,763	25,947

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
FOR YEAR ENDED JUNE 30, 2021

	Fund Balance 6/30/2020	Revenues	Expenditures and Transfers	Fund Balance 6/30/2021
Wilburn	\$ 24,466	\$ 2,374	\$ 6,642	\$ 20,198
Wildwood Forest	9,199	1,233	2,864	7,568
Wiley	29,543	10,063	10,407	29,199
Willow Springs	25,324	3,409	13,896	14,837
Yates Mill	11,150	5,675	2,626	14,199
York	3,806	1,539	3,643	1,702
Zebulon	17,786	5,644	3,800	19,630
	<u>3,370,974</u>	<u>936,754</u>	<u>941,164</u>	<u>3,366,564</u>
ACADEMIES:				
Hilburn	26,726	2,894	4,704	24,916
Wake Young Men's Leadership	15,605	10,352	14,349	11,608
Wake Young Women's Leadership	36,083	4,910	6,868	34,125
	<u>78,414</u>	<u>18,156</u>	<u>25,921</u>	<u>70,649</u>
OTHER:				
Connections Academy	-	815	109	706
Crossroads Flex	11,963	2,044	3,065	10,942
Longview School	16,223	316	312	16,227
Mt. Vernon	14,480	527	1,130	13,877
Phillips High School	8,948	2,013	2,619	8,342
River Oaks	7,380	9	376	7,013
	<u>58,994</u>	<u>5,724</u>	<u>7,611</u>	<u>57,107</u>
TOTAL	<u>\$ 9,943,987</u>	<u>\$ 3,769,698</u>	<u>\$ 3,650,636</u>	<u>\$ 10,063,049</u>

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (Non-GAAP)
ENTERPRISE FUND - CHILD NUTRITION PROGRAM
FOR YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021		Variance- Positive (Negative)	2020
	Budget	Actual		Actual
REVENUES:				
Federal:				
Regular USDA grants	\$ -	\$ 1,941	\$ 1,941	\$ 19,406,173
USDA grants - fresh fruit & vegetable program	101,588	102,231	643	62,757
USDA grants - summer feeding program	14,823,835	21,174,298	6,350,463	5,455,981
USDA grants - commodities used	11,538,272	3,221,193	(8,317,079)	3,482,054
CARES act funds	237,000	237,000	-	-
	<u>26,700,695</u>	<u>24,736,663</u>	<u>(1,964,032)</u>	<u>28,406,965</u>
Other:				
Food sales	472,806	26,802	(446,004)	12,417,023
Interest	33,000	40,818	7,818	203,768
NCDPI kindergarten breakfast	-	-	-	77,467
Local donations or grants	274,700	882,737	608,037	1,191,974
	<u>780,506</u>	<u>950,357</u>	<u>169,851</u>	<u>13,890,232</u>
Total revenues	<u>27,481,201</u>	<u>25,687,020</u>	<u>(1,794,181)</u>	<u>42,297,197</u>
EXPENDITURES:				
Salaries		10,926,539		17,885,243
Employee benefits		5,867,555		9,036,368
Food		5,515,714		11,798,865
Supplies		1,265,230		2,546,360
Purchased services		592,753		627,618
Donated commodities		3,221,193		3,482,054
Indirect cost		-		2,038,825
Equipment purchases		-		329,035
Total expenditures	<u>31,271,857</u>	<u>27,388,984</u>	<u>3,882,873</u>	<u>47,744,368</u>
Deficiency of revenues over expenditures	<u>(3,790,656)</u>	<u>(1,701,964)</u>	<u>2,088,692</u>	<u>(5,447,171)</u>
OTHER FINANCING SOURCES:				
Operating transfer in	<u>3,790,656</u>	<u>3,790,656</u>	<u>-</u>	<u>2,448,756</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (Non-GAAP)
ENTERPRISE FUND - CHILD NUTRITION PROGRAM
FOR YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021		Variance- Positive (Negative)	2020
	Budget	Actual		Actual
Deficiency of revenues and other financing sources over expenditures - budgetary (non-GAAP) basis	\$ -	\$ 2,088,692	\$ 2,088,692	\$ (2,998,415)
Reconciliation from budgetary (non-GAAP) basis to GAAP:				
Equipment purchases, net of contributions		-		329,035
Depreciation		(1,159,097)		(1,160,912)
Gain (Loss) on sale of capital assets		(19,569)		5,570
Non-capital OPEB plan contribution		288,820		-
Net OPEB asset		3,603		13,067
Net pension liability		(1,226,797)		(522,569)
Net OPEB liability		2,310,131		(2,879,811)
Deferred outflows		(44,690)		(455,839)
Deferred inflows		(650,340)		3,060,233
Decrease (increase) in accrued vacation pay		528,720		(111,991)
Change in net deficit		\$ 2,119,473		\$ (4,721,632)

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

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (Non-GAAP)
ENTERPRISE FUND - TUITION PROGRAMS
FOR YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021			2020	
	Budget	Actual	Variance- Positive (Negative)		Actual
REVENUES:					
Other:					
Participant fees	\$ 12,276,969	\$ 1,889,707	\$ (10,387,262)		\$ 10,299,433
Interest	-	37,533	37,533		230,533
Total revenues	12,276,969	1,927,240	(10,349,729)		10,529,966
EXPENDITURES:					
Salaries		3,188,450			4,913,479
Employee benefits		1,638,970			1,352,313
Supplies		454,775			2,414,250
Purchased services		495,323			1,669,180
Indirect costs paid		235,743			866,958
Equipment purchases		-			92,396
Total expenditures	12,276,969	6,013,261	6,263,708		11,308,576
Excess of revenues over expenditures - budgetary (non-GAAP) basis	\$ -	(4,086,021)	\$ (4,086,021)		(778,610)
Reconciliation from budgetary (non-GAAP) basis to GAAP					
Equipment purchases, net of contributions		-			92,396
Depreciation		(48,586)			(43,553)
Loss on sale of capital assets		(436)			-
Non-capital OPEB plan contribution		85,835			-
Net OPEB asset		1,071			3,407
Net pension liability		(364,595)			(136,244)
Net OPEB liability		686,554			(750,820)
Deferred outflows		(13,282)			(118,845)
Deferred inflows		(193,277)			797,859
Decrease (increase) in accrued vacation pay		19,361			8,393
Change in net position (deficit)	\$ (3,913,376)		\$ (4,086,021)		\$ (926,017)



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				
	2021	2020	2019	2018	2017
Governmental activities:					
Net investment in capital assets	\$ 3,892,210,778	\$ 3,733,190,940	\$ 3,549,276,038	\$ 3,329,761,944	\$ 3,115,825,897
Restricted	21,662,737	22,443,897	24,179,548	21,429,835	14,821,717
Unrestricted	<u>(2,635,779,762)</u>	<u>(2,712,327,735)</u>	<u>(2,687,838,303)</u>	<u>(2,720,230,222)</u>	<u>(258,293,051)</u>
Total net position	<u>1,278,093,753</u>	<u>1,043,307,102</u>	<u>885,617,283</u>	<u>630,961,557</u>	<u>2,872,354,563</u>
Business-type activities					
Net investment in capital assets	6,153,140	6,772,791	6,621,851	5,267,553	6,412,914
Restricted	128,695	167,034	209,593	166,611	-
Unrestricted	<u>(47,124,379)</u>	<u>(45,988,466)</u>	<u>(40,232,436)</u>	<u>(38,281,827)</u>	<u>26,507,774</u>
Total net position	<u>(40,842,544)</u>	<u>(39,048,641)</u>	<u>(33,400,992)</u>	<u>(32,847,663)</u>	<u>32,920,688</u>
Government-wide					
Net investment in capital assets	3,898,363,918	3,739,963,731	3,555,897,889	3,335,029,497	3,122,238,811
Restricted	21,791,432	22,610,931	24,389,141	21,596,446	14,821,717
Unrestricted	<u>(2,682,904,141)</u>	<u>(2,758,316,201)</u>	<u>(2,728,070,739)</u>	<u>(2,758,512,049)</u>	<u>(231,785,277)</u>
Total net position	<u>\$ 1,237,251,209</u>	<u>\$ 1,004,258,461</u>	<u>\$ 852,216,291</u>	<u>\$ 598,113,894</u>	<u>\$ 2,905,275,251</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				
	2016	2015	2014	2013	2012
Governmental activities:					
Net investment in capital assets	\$ 2,931,684,587	\$ 2,723,207,488	\$ 2,648,922,011	\$ 2,631,483,747	\$ 2,638,196,366
Restricted	14,602,314	17,025,811	16,599,934	12,011,212	14,427,305
Unrestricted	<u>(226,145,732)</u>	<u>(224,731,658)</u>	<u>(1,250,869)</u>	<u>5,464,347</u>	<u>16,786,497</u>
Total net position	<u>2,720,141,169</u>	<u>2,515,501,641</u>	<u>2,664,271,076</u>	<u>2,648,959,306</u>	<u>2,669,410,168</u>
Business-type activities					
Net investment in capital assets	6,087,244	7,356,663	7,727,478	8,010,544	8,243,904
Restricted	-	-	-	-	-
Unrestricted	<u>27,187,091</u>	<u>26,001,803</u>	<u>32,693,479</u>	<u>33,965,521</u>	<u>30,806,811</u>
Total net position	<u>33,274,335</u>	<u>33,358,466</u>	<u>40,420,957</u>	<u>41,976,065</u>	<u>39,050,715</u>
Government-wide					
Net investment in capital assets	2,937,771,831	2,730,564,151	2,656,649,489	2,639,494,291	2,646,440,270
Restricted	14,602,314	17,025,811	16,599,934	12,011,212	14,427,305
Unrestricted	<u>(198,958,641)</u>	<u>(198,729,855)</u>	<u>31,442,610</u>	<u>39,429,868</u>	<u>47,593,308</u>
Total net position	<u>\$ 2,753,415,504</u>	<u>\$ 2,548,860,107</u>	<u>\$ 2,704,692,033</u>	<u>\$ 2,690,935,371</u>	<u>\$ 2,708,460,883</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				
	2021	2020	2019	2018	2017
Expenses					
Governmental activities:					
Instructional programs					
Regular	\$ 745,163,752	\$ 756,413,532	\$ 702,874,136	\$ 731,974,296	\$ 655,240,420
Special populations	242,809,587	246,494,723	233,027,523	243,000,627	221,579,226
Alternative programs and services	97,272,637	87,640,748	80,924,330	83,782,030	82,345,265
School leadership	98,228,064	99,993,182	90,152,056	90,665,395	80,203,279
Co-curricular	24,341,345	35,689,594	33,478,902	29,884,642	27,654,770
School-based support services	104,529,800	97,856,120	90,949,064	90,602,486	81,922,365
Systemwide support services					
Support and development	8,545,457	8,497,991	8,426,648	14,976,789	13,158,583
Special populations support and development	7,370,943	6,941,524	6,141,058	6,414,994	5,830,879
Alternative programs and services support and development	4,202,968	4,106,244	3,502,850	3,185,133	3,028,276
Technology support	53,857,612	63,510,929	30,844,405	34,493,632	42,430,480
Operational support	155,973,871	172,671,446	184,310,605	172,750,747	147,592,022
Financial and human resource	22,087,993	22,399,593	21,035,774	20,835,125	20,400,114
Accountability	1,993,596	2,163,932	1,993,192	2,766,782	2,852,691
Systemwide pupil support	5,339,159	6,101,720	4,392,791	5,923,268	5,693,573
Policy, leadership and public relations	12,076,314	12,312,374	11,199,607	11,098,595	10,642,828
Ancillary Services	8,037,759	3,997,339	342,910	140,697	91,242
Nonprogram charges	44,638,864	37,139,670	32,440,098	25,807,938	23,963,483
Depreciation - unallocated	97,818,810	93,793,766	93,204,421	89,277,817	129,457,253
Total governmental activities expenses	<u>1,734,288,531</u>	<u>1,757,724,427</u>	<u>1,629,240,370</u>	<u>1,657,580,993</u>	<u>1,554,086,749</u>
Business-type activities:					
Food service	27,627,454	49,473,155	54,185,940	58,151,824	55,387,857
Tuition programs	5,926,451	11,455,983	13,791,003	14,381,100	13,162,916
Total business-type activities	<u>33,553,905</u>	<u>60,929,138</u>	<u>67,976,943</u>	<u>72,532,924</u>	<u>68,550,773</u>
Total school district expenses	<u>1,767,842,436</u>	<u>1,818,653,565</u>	<u>1,697,217,313</u>	<u>1,730,113,917</u>	<u>1,622,637,522</u>
Program revenues					
Governmental activities:					
Charges for services-regular instructional	13,947	1,100,760	1,629,450	1,371,417	1,321,281
Charges for services-ancillary services	-	-	32,480	28,777	24,085
Operating grants and contributions	1,156,494,973	1,120,724,055	1,075,480,070	1,001,491,868	970,584,143
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	<u>1,156,508,920</u>	<u>1,121,824,815</u>	<u>1,077,142,000</u>	<u>1,002,892,062</u>	<u>971,929,509</u>
Business-type activities:					
Charges for services-food services	26,802	12,417,023	17,424,575	17,271,145	18,083,111
Charges for services-tuition programs	1,889,707	10,299,433	14,189,922	13,971,475	13,372,693
Operating grants and contributions	25,599,831	29,681,976	35,254,178	34,048,329	36,407,837
Total business-type activities program revenues	<u>27,516,340</u>	<u>52,398,432</u>	<u>66,868,675</u>	<u>65,290,949</u>	<u>67,863,641</u>
Total school district program revenues	<u>1,184,025,260</u>	<u>1,174,223,247</u>	<u>1,144,010,675</u>	<u>1,068,183,011</u>	<u>1,039,793,150</u>
Net (expense)/revenue					
Governmental activities	(577,779,611)	(635,899,612)	(552,098,370)	(654,688,931)	(582,157,240)
Business-type activities	(6,037,565)	(8,530,706)	(1,108,268)	(7,241,975)	(687,132)
Total school district net expense	<u>\$ (583,817,176)</u>	<u>\$ (644,430,318)</u>	<u>\$ (553,206,638)</u>	<u>\$ (661,930,906)</u>	<u>\$ (582,844,372)</u>

(Continued)

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

	Fiscal Year				
	2016	2015	2014	2013	2012
Expenses					
Governmental activities:					
Instructional programs					
Regular	\$ 583,890,706	\$ 538,699,660	\$ 548,740,312	\$ 541,574,616	\$ 519,493,395
Special populations	196,300,020	181,153,903	181,570,641	177,338,087	169,258,921
Alternative programs and services	78,254,955	63,987,611	67,406,274	64,409,245	64,474,589
School leadership	71,562,962	67,145,678	69,258,721	68,170,100	66,186,552
Co-curricular	24,699,448	21,546,339	23,226,828	21,733,809	20,697,012
School-based support services	72,328,355	61,577,799	61,233,044	60,149,751	61,734,726
Systemwide support services					
Support and development	11,835,596	10,932,679	10,115,956	9,919,952	9,914,905
Special populations support and development	4,918,030	4,373,936	4,651,561	4,299,423	4,115,631
Alternative programs and services support and development	3,373,273	3,086,128	2,739,756	2,469,867	3,138,741
Technology support	28,037,064	23,361,372	18,109,553	17,505,099	22,221,921
Operational support	156,926,276	161,949,750	167,828,385	183,977,661	144,351,091
Financial and human resource	18,222,357	16,308,934	16,209,892	16,587,230	16,134,413
Accountability	3,433,611	3,804,913	4,012,919	3,221,131	3,305,901
Systemwide pupil support	5,515,556	5,062,216	4,925,370	4,915,910	4,733,648
Policy, leadership and public relations	8,642,718	8,209,071	7,667,733	7,248,610	7,026,646
Ancillary Services	112,906	166,997	176,331	516,479	245,029
Nonprogram charges	21,134,354	14,957,067	10,589,182	9,879,925	9,081,210
Depreciation - unallocated	79,120,543	75,594,568	63,861,810	85,310,073	43,016,402
Total governmental activities expenses	<u>1,368,308,730</u>	<u>1,261,918,621</u>	<u>1,262,324,268</u>	<u>1,279,226,968</u>	<u>1,169,130,733</u>
Business-type activities:					
Food service	53,618,487	53,254,152	52,823,064	49,839,848	47,476,596
Tuition programs	11,750,436	11,217,887	12,931,220	10,222,509	10,595,711
Total business-type activities	<u>65,368,923</u>	<u>64,472,039</u>	<u>65,754,284</u>	<u>60,062,357</u>	<u>58,072,307</u>
Total school district expenses	<u>1,433,677,653</u>	<u>1,326,390,660</u>	<u>1,328,078,552</u>	<u>1,339,289,325</u>	<u>1,227,203,040</u>
Program revenues					
Governmental activities:					
Charges for services-regular instructional	1,269,473	1,182,907	1,157,302	1,136,084	1,135,858
Charges for services-ancillary services	34,136	52,628	34,070	30,271	34,001
Operating grants and contributions	934,462,654	896,644,270	855,019,388	830,318,727	823,164,394
Capital grants and contributions	-	-	53,432	371,846	621,850
Total governmental activities program revenues	<u>935,766,263</u>	<u>897,879,805</u>	<u>856,264,192</u>	<u>831,856,928</u>	<u>824,956,103</u>
Business-type activities:					
Charges for services-food services	17,315,970	16,913,781	18,540,817	20,004,234	20,920,103
Charges for services-tuition programs	13,531,484	12,364,080	12,050,049	10,736,600	10,676,628
Operating grants and contributions	35,165,199	33,504,107	33,048,188	31,578,527	29,914,761
Total business-type activities program revenues	<u>66,012,653</u>	<u>62,781,968</u>	<u>63,639,054</u>	<u>62,319,361</u>	<u>61,511,492</u>
Total school district program revenues	<u>1,001,778,916</u>	<u>960,661,773</u>	<u>919,903,246</u>	<u>894,176,289</u>	<u>886,467,595</u>
Net (expense)/revenue					
Governmental activities	(432,542,467)	(364,038,816)	(406,060,076)	(447,370,040)	(344,174,630)
Business-type activities	643,730	(1,690,071)	(2,115,230)	2,257,004	3,439,185
Total school district net expense	<u>\$ (431,898,737)</u>	<u>\$ (365,728,887)</u>	<u>\$ (408,175,306)</u>	<u>\$ (445,113,036)</u>	<u>\$ (340,735,445)</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				
	2021	2020	2019	2018	2017
Net (expense)/revenue					
Governmental activities	\$ (577,779,611)	\$ (552,098,370)	\$ (552,098,370)	\$ (654,688,931)	\$ (582,157,240)
Business-type activities	(6,037,565)	(1,108,268)	(1,108,268)	(7,241,975)	(687,132)
Total school district net expense	<u>(583,817,176)</u>	<u>(553,206,638)</u>	<u>(553,206,638)</u>	<u>(661,930,906)</u>	<u>(582,844,372)</u>
General revenues and other changes in net position					
Governmental activities:					
Unrestricted county appropriations- operating	526,003,342	514,023,140	475,847,283	429,719,331	408,760,031
Unrestricted county appropriations - capital	255,970,316	274,820,533	321,238,447	305,195,784	319,326,301
Unrestricted state appropriation - capital	2,201,044	1,359,984	693,296	387,942	428,778
Investment earnings, unrestricted	528,408	1,301,417	1,284,091	761,942	706,920
Non-Capital OPEB Plan Contribution	27,584,669	-	-	-	-
Miscellaneous, unrestricted	4,069,139	4,533,113	7,759,709	5,663,606	5,203,959
Transfer	(3,790,656)	(2,448,756)	(68,730)	(45,012)	(55,355)
Total governmental activities	<u>812,566,262</u>	<u>793,589,431</u>	<u>806,754,096</u>	<u>741,683,593</u>	<u>734,370,634</u>
Business-type activities:					
Investment earnings, unrestricted	78,351	434,301	486,209	374,257	278,130
Non-Capital OPEB Plan Contribution	374,655	-	-	-	-
Transfer	3,790,656	2,448,756	68,730	45,012	55,355
Total business-type activities	<u>4,243,662</u>	<u>2,883,057</u>	<u>554,939</u>	<u>419,269</u>	<u>333,485</u>
Total school district	<u>816,809,924</u>	<u>796,472,488</u>	<u>807,309,035</u>	<u>742,102,862</u>	<u>734,704,119</u>
Change in net position					
Governmental activities	234,786,651	241,491,061	254,655,726	86,994,662	152,213,394
Business-type activities	(1,793,903)	1,774,789	(553,329)	(6,822,706)	(353,647)
Total school district	<u>\$ 232,992,748</u>	<u>\$ 243,265,850</u>	<u>\$ 254,102,397</u>	<u>\$ 80,171,956</u>	<u>\$ 151,859,747</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				
	2016	2015	2014	2013	2012
Net (expense)/revenue					
Governmental activities	\$ (432,542,467)	\$ (364,038,816)	\$ (406,060,076)	\$ (447,370,040)	\$ (344,174,630)
Business-type activities	643,730	(1,690,071)	(2,115,230)	2,257,004	3,439,185
Total school district net expense	<u>(431,898,737)</u>	<u>(365,728,887)</u>	<u>(408,175,306)</u>	<u>(445,113,036)</u>	<u>(340,735,445)</u>
General revenues and other changes in net position					
Governmental activities:					
Unrestricted county appropriations- operating	384,849,031	340,138,653	323,966,127	317,181,372	311,759,998
Unrestricted county appropriations - capital	280,060,809	149,664,203	90,259,437	72,689,611	99,168,170
Unrestricted state appropriation - capital	816,720	4,947,219	5,154,525	32,522,268	-
Investment earnings, unrestricted	475,650	389,767	458,800	443,039	628,155
Non-Capital OPEB Plan Contribution	-	-	-	-	-
Miscellaneous, unrestricted	7,966,262	6,765,132	1,959,815	4,615,860	10,532,393
Transfer	(45,187)	(331,509)	(426,858)	(532,972)	(50,974)
Total governmental activities	<u>674,123,285</u>	<u>501,573,465</u>	<u>421,371,846</u>	<u>426,919,178</u>	<u>422,037,742</u>
Business-type activities:					
Investment earnings, unrestricted	199,082	139,011	133,264	135,374	181,053
Non-Capital OPEB Plan Contribution	-	-	-	-	-
Transfer	45,187	331,509	426,858	532,972	50,974
Total business-type activities	<u>244,269</u>	<u>470,520</u>	<u>560,122</u>	<u>668,346</u>	<u>232,027</u>
Total school district	<u>674,367,554</u>	<u>502,043,985</u>	<u>421,931,968</u>	<u>427,587,524</u>	<u>422,269,769</u>
Change in net position					
Governmental activities	241,580,818	137,534,649	15,311,770	(20,450,862)	77,863,112
Business-type activities	887,999	(1,219,551)	(1,555,108)	2,925,350	3,671,212
Total school district	<u>\$ 242,468,817</u>	<u>\$ 136,315,098</u>	<u>\$ 13,756,662</u>	<u>\$ (17,525,512)</u>	<u>\$ 81,534,324</u>

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

	Fiscal Year				
	2021	2020	2019	2018	2017
General fund					
Nonspendable					
Inventories	\$ 4,238,945	\$ 5,905,099	\$ 4,559,114	\$ 4,438,637	\$ 3,919,935
Prepaid	-	-	-	105,263	49,622
Restricted					
Stabilization by state statute	5,038,800	5,005,418	5,057,968	5,261,993	4,797,511
Energy savings obligations	38,680	1,170,115	6,488,539	-	-
Assigned					
Special projects	38,458,921	19,296,846	13,899,683	9,838,302	14,420,578
Insurance	13,878,448	13,851,590	11,735,920	10,643,848	10,732,144
Flexible benefit plan	2,061,172	1,693,169	1,609,584	1,557,774	1,354,093
Subsequent year expenditures	20,135,556	8,695,601	8,107,000	4,900,000	12,840,355
Unassigned	44,697,733	35,271,113	11,391,203	12,135,493	9,899,217
Total general fund	<u>\$ 128,548,255</u>	<u>\$ 90,888,951</u>	<u>\$ 62,849,011</u>	<u>\$ 48,881,310</u>	<u>\$ 58,013,455</u>
All other governmental funds					
Nonspendable					
Inventories	\$ 3,088,640	\$ -	\$ -	\$ -	\$ -
Restricted					
Stabilization by State Statute	2,015,382	2,080,942	168,929	111,038	239,002
Capital expenditures	1,400,218	1,375,364	1,205,318	1,079,897	779,049
Individual schools	10,063,049	9,943,987	9,000,578	8,733,707	8,920,713
Special Programs	51,110	51,110	51,110	-	-
Restricted contributions for capital expenditures	53,916	48,896	27,832	27,832	85,442
Subsequent years expenditures			-	-	-
Assigned					
Special projects	934,777	912,654	943,953	723,723	1,773,212
Total all other governmental funds	<u>\$ 17,607,092</u>	<u>\$ 14,412,953</u>	<u>\$ 11,397,720</u>	<u>\$ 10,676,197</u>	<u>\$ 11,797,418</u>

(Continued)

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

	Fiscal Year				
	2016	2015	2014	2013	2012
General fund					
Nonspendable					
Inventories	\$ 3,435,317	\$ 2,442,586	\$ 2,966,259	\$ 3,122,198	\$ 3,000,164
Prepaid	88,607	1,639,972	4,543,602	1,537,187	11,591,489
Restricted					
Stabilization by state statute	4,116,427	7,404,038	5,542,274	3,163,132	4,399,049
Energy savings obligations	-	-	-	-	-
Assigned					
Special projects	14,270,811	10,604,339	19,427,037	6,008,131	3,819,829
Insurance	10,310,534	10,212,545	9,909,912	8,388,026	7,569,663
Flexible benefit plan	1,229,780	1,139,379	1,225,223	1,244,575	1,174,388
Subsequent year expenditures	10,400,000	20,000,000	26,075,734	28,400,000	28,385,581
Unassigned	13,880,710	14,894,753	20,215,744	36,320,179	32,089,863
Total general fund	<u>\$ 57,732,186</u>	<u>\$ 68,337,612</u>	<u>\$ 89,905,785</u>	<u>\$ 88,183,428</u>	<u>\$ 92,030,026</u>
All other governmental funds					
Nonspendable					
Inventories	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted					
Stabilization by State Statute	738,296	725,074	2,311,510	177,432	439,360
Capital expenditures	741,489	397,078	368,912	253,610	1,273,248
Individual schools	8,978,294	8,471,820	8,377,238	8,417,038	8,059,392
Special Programs	-	-	-	-	-
Restricted contributions for capital expenditures	27,808	27,801	43,191	388,189	60,642
Subsequent years expenditures	-	-	-	273,248	195,614
Assigned					
Special projects	115,802	107,107	-	-	-
Total all other governmental funds	<u>\$ 10,601,689</u>	<u>\$ 9,728,880</u>	<u>\$ 11,100,851</u>	<u>\$ 9,509,517</u>	<u>\$ 10,028,256</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
2021	\$ 1,022,964,619	\$ 527,904,101	\$ 254,069,557	\$ 3,742,330	\$ 117,169,853	\$ 528,408	\$ 17,813,090	\$ 1,944,191,958
2020	1,002,665,787	515,955,101	272,888,572	3,481,015	89,524,020	4,069,139	33,409,472	1,921,993,106
2019	970,618,049	475,919,244	321,166,486	4,495,103	70,426,105	1,284,091	36,054,513	1,879,963,591
2018	908,160,414	430,911,000	304,004,115	4,087,338	70,339,551	761,942	32,285,650	1,750,550,010
2017	880,309,550	409,911,000	318,175,332	3,427,124	66,295,538	706,920	33,076,928	1,711,902,392
2016	839,894,769	386,000,000	278,909,840	5,176,776	70,453,401	475,650	33,017,341	1,613,927,777
2015	813,264,723	341,426,400	148,376,456	4,135,691	66,031,320	389,382	31,641,424	1,405,265,396
2014	772,586,613	327,496,020	86,729,544	3,572,599	66,288,955	458,770	30,907,403	1,288,039,904
2013	760,563,546	318,341,737	71,529,246	2,449,100	64,607,219	443,040	25,936,675	1,243,870,563
2012	710,488,290	314,411,592	96,516,576	3,645,125	98,687,403	628,154	26,844,302	1,251,221,442

**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
2021	158,546	\$ 1,320,694,514	\$ 267,432,238	\$ 7,668,257	\$ 45,998,092
		8,330	1,687	48	290
2020	161,835	1,278,049,260	289,034,698	3,815,741	41,425,520
		7,897	1,786	24	256
2019	160,339	1,246,123,929	265,636,328	291,722	37,676,820
		7,772	1,657	2	235
2018	160,095	1,163,219,125	259,114,420	25,777	31,486,467
		7,266	1,619	-	197
2017	159,213	1,117,493,674	245,113,368	45,559	26,848,688
		7,019	1,540	-	169
2016	156,644	1,072,274,881	244,878,979	61,198	24,407,069
		6,845	1,563	-	156
2015	155,000	1,008,882,076	241,445,418	212,275	19,655,778
		6,509	1,558	1	127
2014	153,039	945,690,541	229,297,218	233,721	15,153,538
		6,179	1,498	2	99
2013	149,508	923,736,970	223,162,370	565,028	13,496,176
		6,179	1,493	4	90
2012	146,687	895,801,620	210,554,870	299,770	12,919,217
		6,107	1,435	2	88

(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
2021	\$ 18 2,845,942	10,373 \$ 1,644,639,043	1,640 \$ 259,975,487	12,013 \$ 1,904,614,530
2020	8 1,359,984	9,971 1,613,685,203	1,708 276,350,723	11,679 1,890,035,926
2019	4 693,296	9,670 1,550,422,095	2,024 324,532,117	11,694 1,874,954,212
2018	2 387,942	9,084 1,454,233,731	1,918 307,043,335	11,001 1,761,277,066
2017	3 428,778	8,730 1,389,930,067	2,016 320,924,590	10,746 1,710,854,657
2016	5 816,720	8,570 1,342,438,847	1,811 283,720,859	10,381 1,626,159,706
2015	32 4,947,219	8,227 1,275,142,766	985 152,657,413	9,212 1,427,800,179
2014	34 5,154,525	7,812 1,195,529,543	581 88,990,466	8,393 1,284,520,009
2013	87 13,060,081	7,853 1,174,020,625	627 93,747,356	8,480 1,267,767,981
2012	25 3,617,971	7,657 1,123,193,448	683 100,396,136	8,341 1,223,589,584

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

Fiscal Year Ended June 30,	Excess of Revenues over (under) Expenditures	Transfers In	Transfers out	Installment Purchase and Capitalized Leases	Energy Savings Obligations Issued	Total Other Financing Sources (Uses)	Net Change In Fund Balance	Debt Service As A Percentage of Noncapital Expenditures
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	0.0842%
2019	5,009,379	492,774	(561,504)	2,773,184	6,854,914	9,559,368	14,568,747	0.0447%
2018	(10,727,056)	551,032	(596,044)	-	-	(45,012)	(10,772,068)	0.0267%
2017	1,047,735	2,415,913	(2,471,268)	-	-	(55,355)	992,380	0.0308%
2016	(12,231,929)	2,370,430	(2,415,617)	1,551,768	-	1,506,581	(10,725,348)	0.0608%
2015	(22,534,783)	1,061,981	(1,107,012)	163,344	-	118,313	(22,416,470)	0.3875%
2014	3,519,895	220,473	(270,738)	-	-	(50,265)	3,469,630	0.4308%
2013	(23,897,418)	331,640	(383,780)	19,462,187	-	19,410,047	(4,487,371)	1.1108%
2012	27,631,858	168,526	(219,500)	-	-	(50,974)	27,580,884	0.3215%

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

Fiscal Year Ended June 30,	Employee Salaries	Benefits	Food	Donated Commodities	Indirect Costs	Other	Total
2021	\$ 13,674,705	\$ 6,890,350	\$ 5,515,714	\$ 3,221,193	\$ 235,743	\$ 4,015,764	\$ 33,553,469
2020	22,873,936	11,406,627	11,798,865	3,482,054	2,905,783	8,461,873	60,929,138
2019	24,817,246	10,353,852	16,592,150	3,314,323	3,574,777	9,324,595	67,976,943
2018	23,495,607	12,724,047	18,456,777	3,720,564	3,827,629	10,308,300	72,532,924
2017	22,981,173	10,215,786	18,606,124	3,574,688	3,583,215	9,589,787	68,550,773
2016	22,164,409	7,917,753	19,530,729	3,507,389	3,534,612	8,714,031	65,368,923
2015	21,435,620	6,865,662	20,205,145	3,079,893	3,687,902	9,197,817	64,472,039
2014	20,233,350	8,421,643	19,799,206	3,312,709	3,222,731	10,760,210	65,749,849
2013	19,811,898	8,056,761	18,226,524	2,753,096	2,886,740	8,318,735	60,053,754
2012	18,542,572	7,316,280	18,178,501	2,518,294	2,931,793	8,584,263	58,071,703

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
2021	\$ 26,802	0.08%	\$ 1,889,707	5.95%	\$ 21,278,470	67.00%	\$ 3,221,193	10.14%
2020	12,417,023	22.46	10,299,433	18.63	24,924,911	45.09	3,482,054	6.30
2019	17,424,575	25.84	14,189,922	21.05	29,001,728	43.01	3,314,323	4.92
2018	17,271,145	26.28	13,971,475	21.26	29,942,507	45.57	3,720,564	5.66
2017	18,083,111	26.52	13,372,693	19.61	31,014,513	45.48	3,574,688	5.24
2016	17,315,970	26.14	13,531,484	20.42	31,671,137	47.80	3,507,389	5.29
2015	16,913,781	26.74	12,364,080	19.55	30,390,911	48.06	3,079,893	4.87
2014	18,540,817	28.88	12,050,049	18.77	29,763,762	46.37	3,312,709	5.16
2013	20,004,234	31.76	10,736,600	17.05	28,819,984	45.76	2,753,096	4.37
2012	20,920,103	33.88	10,676,628	17.29	27,408,343	44.39	2,518,294	4.08

(Continued)

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

Fiscal Year Ended June 30,	Transfers		Other		Total	
	Amount	Percent	Amount	Percent	Amount	Percent
2021	\$ 3,790,656	11.94%	\$ 1,552,738	4.89%	\$ 31,759,566	100%
2020	2,448,756	4.43	1,709,312	3.09	55,281,489	100
2019	68,730	0.10	3,424,336	5.08	67,423,614	100
2018	45,012	0.07	759,515	1.16	65,710,218	100
2017	55,355	0.08	2,096,766	3.07	68,197,126	100
2016	45,187	0.07	185,755	0.28	66,256,922	100
2015	331,509	0.52	172,314	0.16	63,252,488	100
2014	426,858	0.66	100,546	0.16	64,194,741	100
2013	532,972	0.85	132,218	0.21	62,979,104	100
2012	50,974	0.08	168,573	0.28	61,742,915	100

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

<u>Fiscal Year Ended June 30,</u>	<u>Energy Savings</u>	<u>Installment Purchase</u>	<u>Total</u>	<u>Per Student</u>
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
2012	-	3,617,962	3,617,962	24.66

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)
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	0.0960	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	0.6145	0.080	0.6945
2015	109,552,757,999	15,528,241,566	2,866,523,443	127,947,523,008	0.578	0.080	0.658
2014	107,096,246,490	17,429,308,807	2,900,935,929	127,426,491,226	0.534	0.080	0.614
2013	105,310,957,601	14,311,760,539	2,827,432,989	122,450,151,129	0.534	0.080	0.614
2012	104,028,407,900	13,698,928,311	2,828,064,440	120,555,400,651	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, 2021.

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
2021	.6000	.091	.6910	.53	.38	.35	.580	.3950	.4971	.4216
2020	.7207	.096	.8167	.53	.4150	.35	.580	.4325	.5600	.4825
2019	.6544	.096	.7504	.53	.4150	.35	.580	.4325	.5325	.4325
2018	.6150	.096	.7110	.53	.3800	.35	.550	.4325	.5325	.4325
2017 ⁽²⁾	.6005	.096	.6965	.53	.3800	.35	.550	.4330	.5180	.4330
2016	.6145	.080	.6945	.53	.3900	.37	.550	.3850	.5180	.4350
2015	.5780	.080	.6580	.53	.3900	.35	.525	.3850	.5000	.4350
2014	.5340	.080	.6140	.53	.3900	.35	.525	.3850	.4900	.4350
2013	.5340	.080	.6140	.53	.3900	.33	.525	.3850	.4900	.4350
2012	.5340	.080	.6140	.53	.3400	.33	.525	.3850	.4900	.4150

(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, 2021.

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
2021	.42	.36	.3552	.46	.495	.47	.55
2020	.43	.390	.4382	.48	.52	.49	.592
2019	.43	.390	.4382	.48	.52	.49	.592
2018	.43	.390	.4253	.48	.52	.49	.575
2017 ⁽²⁾	.43	.390	.4180	.48	.52	.49	.575
2016	.43	.410	.4210	.44	.52	.49	.525
2015	.43	.390	.4040	.44	.52	.49	.525
2014	.43	.390	.3830	.44	.51	.49	.525
2013	.41	.367	.3830	.44	.51	.49	.513
2012	.41	.367	.3740	.44	.51	.49	.500

- 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, 2021.

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

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

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2021.

**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
2021	\$ 1,173,469,163	\$ (10,534,301)	\$ 1,162,934,862	\$ 1,161,494,700	99.88%	\$ -	\$ 1,161,494,700	99.88%
2020	1,130,623,568	(1,373,567)	1,129,250,001	1,126,999,613	99.80%	587,258	1,127,586,871	99.85%
2019	999,314,645	(1,372,951)	997,941,694	996,947,099	99.90%	330,757	997,277,856	99.93%
2018	914,686,233	(1,989,030)	912,697,203	911,681,836	99.89%	711,377	912,393,213	99.97%
2017	877,544,091	(7,317,373)	870,226,718	869,108,487	99.87%	880,613	869,989,100	99.97%
2016	833,221,749	(835,817)	832,385,932	831,114,362	99.85%	1,058,724	832,173,086	99.97%
2015	760,907,032	(664,952)	760,242,080	758,063,799	99.71%	1,999,009	760,062,808	99.98%
2014	702,953,904	(1,690,243)	701,263,661	697,580,105	99.47%	3,078,549	700,658,654	99.91%
2013	676,163,798	(2,306,621)	673,857,177	667,843,411	99.11%	5,250,099	673,093,510	99.89%
2012	665,819,212	(2,298,064)	663,521,148	657,541,978	99.10%	5,127,345	662,669,323	99.87%

Notes:

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

collections by category:	Vehicle taxes	99.26%
	Real and personal property taxes	99.92%

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

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2021.

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
2021	\$ 1,724,981,737	\$ 78,352,012	\$ -	\$ 961,205,881	\$ 3,002,115	\$ -
2020	1,763,962,578	36,078,529	239,242,066	620,426,297	3,719,115	-
2019	1,913,368,260	-	-	646,146,796	4,427,115	-
2018	1,937,469,050	50,197,448	3,485,580	424,746,261	5,306,359	-
2017	1,901,610,244	100,229,537	3,928,079	264,041,694	5,115,000	-
2016	1,969,481,706	1,301,000	-	279,088,791	4,007,860	163,467
2015	2,142,354,768	-	-	278,125,603	4,922,510	326,928
2014	1,806,329,227	-	-	291,053,822	5,329,121	490,389
2013	1,960,133,287	-	-	303,982,042	5,327,348	653,850
2012	1,934,669,373	-	-	316,910,261	5,693,721	817,311

(Continued)

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2021. .

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		Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Leases	Notes Payable	Total Governmental Activities	Capital Leases				
2021	\$ 26,380	\$ -	\$ 2,767,568,125	\$ -		\$ 2,767,568,125	3.93%	2,450
2020	32,305	-	2,663,460,890	-		2,663,460,890	4.01%	2,396
2019	34,883	-	2,563,977,054	-		\$ 2,563,977,054	4.18%	2,347
2018	34,333	-	2,421,239,031	-		2,421,239,031	4.28%	2,258
2017	37,553	-	2,274,962,107	-		2,274,962,107	4.29%	2,173
2016	390,611	-	2,254,433,435	-		2,254,433,435	4.25%	2,201
2015	763,502	-	2,426,493,311	3,777		2,426,497,088	4.58%	2,414
2014	51,293	-	2,103,253,852	5,877		2,103,259,729	4.93%	2,106
2013	81,238	-	2,270,177,765	-		2,270,177,765	5.32%	2,328
2012	132,027	-	2,258,222,693	-		2,258,222,693	5.29%	2,371

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2021. .

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			
2021	\$ 1,724,981,737	\$ 78,352,012	\$ 1,803,333,749	0.93%	\$ 1,596.70	
2020	1,763,962,578	-	1,763,962,578	1.16%	1,751.68	
2019	1,913,368,260	-	1,913,368,260	1.29%	1,751.68	
2018	1,937,469,050	50,197,448	1,987,666,498	1.38%	1,853.82	
2017	1,901,610,244	100,229,537	2,001,839,781	1.42%	1,912.36	
2016	1,969,481,706	1,301,000	1,970,782,706	1.49%	1,924.22	
2015	2,142,354,768	-	2,142,354,768	1.67%	2,130.88	
2014	1,806,329,227	-	1,806,329,227	1.42%	1,808.70	
2013	1,960,133,287	-	1,960,133,287	1.60%	2,010.34	
2012	1,934,669,373	-	1,934,669,373	1.60%	2,030.91	

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2021.

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

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Municipality:			
Apex	\$ 132,176,080	100%	\$ 132,176,080
Cary	366,209,241	100%	366,209,241
Garner	69,932,647	100%	69,932,647
Fuquay-Varina	39,526,223	100%	39,526,223
Holly Springs	111,674,730	100%	111,674,730
Knightdale	11,810,656	100%	11,810,656
Morrisville	27,747,858	100%	27,747,858
Raleigh	1,677,634,092	100%	1,677,634,092
Rolesville	4,342,000	100%	4,342,000
Wake Forest	44,960,123	100%	44,960,123
Wendell	2,473,302	100%	2,473,302
Zebulon	1,767,127	100%	1,767,127
Wake County	<u>2,767,568,125</u>	100%	<u>2,767,568,125</u>
Overlapping debt	5,257,822,204		5,257,822,204
Direct debt	<u>11,595,250</u>		<u>11,595,250</u>
Total direct and overlapping debt	<u>\$ 5,269,417,454</u>		<u>\$ 5,269,417,454</u>

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2021.

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

	Fiscal Year				
	2021	2020	2019	2018	2017
Assessed value of property	\$ 192,431,793,695	\$ 155,673,341,532	\$ 148,627,572,143	\$ 144,219,213,822	\$ 141,411,010,294
Debt limit, 8% of assessed value (Statutory Limitation)	15,394,543,496	12,453,867,323	11,890,205,771	11,537,537,106	11,312,880,824
Amount of debt applicable to limit					
General obligation bonds	1,525,740,000	1,580,690,000	1,727,510,000	1,762,270,000	1,727,865,000
GO bond anticipation notes	78,352,012	36,078,529	-	50,197,448	100,229,537
Other Long Term Debt	805,198,495	772,873,485	554,346,998	374,041,272	231,140,632
Bonds Authorized not Issued	980,140,000	980,140,000	1,017,000,000	147,152,552	294,865,463
Total net debt applicable to limit	3,389,430,507	3,369,782,014	3,298,856,998	2,333,661,272	2,354,100,632
Legal debt margin	\$ 12,005,112,989	\$ 9,084,085,309	\$ 8,591,348,773	\$ 9,203,875,834	\$ 8,958,780,192
Total net debt applicable to limit as a percentage of debt limit	22.02%	27.06%	27.74%	20.23%	20.81%

(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, 2021.

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

	Fiscal Year				
	2016	2015	2014	2013	2012
Assessed value of property	\$ 131,950,999,915	\$ 127,947,523,008	\$ 127,426,491,226	\$ 122,450,151,129	\$ 120,555,400,651
Debt limit, 8% of assessed value (Statutory Limitation)	10,556,079,993	10,235,801,841	10,194,119,298	9,796,012,090	9,644,432,052
Amount of debt applicable to limit					
General obligation bonds	1,812,535,000	1,967,590,000	1,664,875,000	1,801,325,000	1,754,870,000
GO bond anticipation notes	1,301,000	-	-	-	-
Other Long Term Debt	238,761,938	266,887,940	278,885,802	291,217,436	303,938,059
Bonds Authorized not Issued	509,909,000	511,210,000	950,450,000	145,450,000	65,700,000
Total net debt applicable to limit	2,562,506,938	2,745,687,940	2,894,210,802	2,237,992,436	2,124,508,059
Legal debt margin	\$ 7,993,573,055	\$ 7,490,113,901	\$ 7,299,908,496	\$ 7,558,019,654	\$ 7,519,923,993
Total net debt applicable to limit as a percentage of debt limit	24.28%	26.82%	28.39%	22.85%	22.03%

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, 2021.

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

Year	Population Estimates	Personal Income (thousands of dollars)	Per Capita Personal Income	School Membership	Unemployment Rate
2021	1,129,410	*	*	158,546	4.1%
2020	1,111,761	*	*	161,835	7.1%
2019	1,092,305	\$ 69,222,569	\$ 62,264	160,339	3.9%
2018	1,072,203	64,461,643	59,014	160,095	3.6%
2017	1,046,791	60,216,950	56,162	159,213	3.9%
2016	1,024,198	57,229,926	54,549	156,644	4.2%
2015	998,691	54,904,525	53,625	155,000	4.7%
2014	974,289	50,780,179	50,835	153,039	4.9%
2013	952,143	47,064,181	48,285	149,508	6.0%
2012	929,070	46,320,314	48,626	146,687	7.1%

* Information not yet available

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2021.

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

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

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2021.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
School and school based support										
Principals	190	190	183	181	172	173	166	170	169	164
Assistant principals, nonteaching	394	387	363	337	336	324	328	323	309	290
Elementary teachers	4,012	4,119	4,212	4,446	4,501	4,517	4,538	4,547	4,394	4,283
Secondary teachers	4,224	4,290	4,407	4,356	4,144	4,103	4,121	4,145	3,888	3,774
Other teachers	2,437	2,330	2,028	1,814	1,820	1,737	1,709	1,871	1,760	1,753
Guidance	464	413	400	472	476	457	436	436	409	397
Psychological	110	110	106	107	103	100	98	96	96	90
Librarian, audiovisual	213	215	210	222	213	208	204	208	209	205
Consultant, supervisor	99	98	99	100	95	97	88	89	82	73
Teacher assistants	<u>2,450</u>	<u>2,476</u>	<u>2,478</u>	<u>2,437</u>	<u>2,395</u>	<u>2,419</u>	<u>2,351</u>	<u>2,191</u>	<u>2,177</u>	<u>2,100</u>
Total school and school based support	<u>14,593</u>	<u>14,628</u>	<u>14,486</u>	<u>14,472</u>	<u>14,255</u>	<u>14,135</u>	<u>14,039</u>	<u>14,076</u>	<u>13,493</u>	<u>13,129</u>
Central services										
Administrators, managers	25	25	21	23	21	20	21	20	17	19
Technicians	116	117	410	360	353	354	338	317	303	294
Clerical, secretarial	796	796	724	983	986	986	973	955	910	910
Service workers	1,783	1,888	1,850	1,636	1,638	1,633	1,713	1,752	1,697	1,671
Skilled crafts	278	288	278	300	298	306	291	295	264	265
Other professionals	<u>1,953</u>	<u>1,818</u>	<u>1,209</u>	<u>934</u>	<u>872</u>	<u>852</u>	<u>747</u>	<u>596</u>	<u>592</u>	<u>589</u>
Total central services	<u>4,951</u>	<u>4,932</u>	<u>4,492</u>	<u>4,236</u>	<u>4,168</u>	<u>4,151</u>	<u>4,083</u>	<u>3,935</u>	<u>3,783</u>	<u>3,748</u>
Total full time employees	<u>19,544</u>	<u>19,560</u>	<u>18,978</u>	<u>18,708</u>	<u>18,423</u>	<u>18,286</u>	<u>18,122</u>	<u>18,011</u>	<u>17,276</u>	<u>16,877</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
2021	158,546	-2.03%	\$ 1,644,639,043	\$ 10,373	7.27%	193	12,027
2020	161,835	0.93%	1,613,685,203	9,971	9.76%	191	11,960
2019	160,339	0.15%	1,550,422,095	9,670	6.45%	187	11,592
2018	160,095	0.55%	1,454,233,731	9,084	4.05%	183	11,125
2017	159,213	1.64%	1,389,930,067	8,730	1.87%	177	10,819
2016	156,644	1.06%	1,342,438,847	8,570	4.17%	171	10,502
2015	155,000	1.28%	1,275,142,766	8,227	5.31%	171	10,154
2014	153,039	2.36%	1,195,529,543	7,812	-0.52%	170	9,678
2013	149,508	1.92%	1,174,020,625	7,853	2.56%	169	9,384
2012	146,687	2.37%	1,123,193,448	7,657	-2.15%	165	9,284

Source: Wake County Public Schools Growth Management Department

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

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>System Average Salary</u>
2021	\$ 41,274.60	\$ 98,133.96	\$ 56,515.89
2020	41,274.60	91,936.30	56,032.39
2019	41,212.50	97,946.16	56,934.80
2018	41,037.50	96,545.52	55,399.27
2017	41,037.50	93,128.88	54,459.90
2016	41,037.50	94,170.00	50,802.93
2015	37,867.50	87,291.00	49,530.36
2014	37,702.50	84,576.88	49,798.52
2013	35,189.00	79,679.80	46,245.03
2012	34,462.00	78,128.70	46,243.08

Source: Wake County Public Schools Human Resources Department

WAKE COUNTY BOARD OF EDUCATION
CAPITAL ASSETS INFORMATION
LAST TEN YEARS

	2021	2020	2019	2018	2017
Schools					
Elementary					
Buildings	212	211	207	209	210
Square feet	10,293,202	10,174,118	9,873,283	9,600,466	9,284,509
Capacity	73,406	71,177	70,498	77,232	76,596
Membership	68,535	72,245	71,857	73,098	73,717
Mobile classrooms	579	552	565	527	560
Middle					
Buildings	125	125	122	121	120
Square feet	6,025,480	6,025,480	5,810,972	5,577,309	5,374,984
Capacity	42,380	41,553	40,669	40,141	38,737
Membership	37,396	37,551	36,980	35,895	35,234
Mobile classrooms	165	192	180	142	167
High					
Buildings	224	223	223	213	229
Square feet	7,549,632	7,178,907	7,178,907	6,919,426	6,978,461
Capacity	54,251	52,614	50,656	50,526	48,921
Membership	50,039	49,872	49,716	49,253	47,969
Mobile classrooms	247	245	261	286	310
Other (includes academies)					
Buildings	10	9	9	11	9
Square feet	251,212	221,196	221,196	298,405	271,580
Capacity	2,740	2,684	2,531	2,728	2,681
Membership	2,576	2,167	1,786	1,849	2,293
Mobile classrooms	14	10	13	13	19
Administrative					
Buildings	19	19	17	17	17
Square Feet	508,081	508,081	339,668	340,160	340,160
Transportation					
Buses	693	764	762	751	760

(Continued)

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

WAKE COUNTY BOARD OF EDUCATION
CAPITAL ASSETS INFORMATION
LAST TEN YEARS

	2016	2015	2014	2013	2012
Schools					
Elementary					
Buildings	206	204	203	215	220
Square feet	8,769,259	8,642,082	8,592,579	8,685,116	8,925,284
Capacity	74,521	73,745	73,177	73,728	76,351
Membership	72,811	71,918	72,075	70,612	70,526
Mobile classrooms	581	597	572	571	607
Middle					
Buildings	115	114	114	111	107
Square feet	5,327,777	5,328,621	5,329,020	5,266,057	5,570,506
Capacity	38,109	38,187	37,929	38,202	37,233
Membership	34,925	35,532	34,983	34,365	33,604
Mobile classrooms	176	175	181	183	189
High					
Buildings	226	226	211	211	210
Square feet	6,956,509	6,640,769	6,390,006	6,009,897	5,894,216
Capacity	48,476	47,243	45,381	44,021	43,619
Membership	46,990	45,182	44,448	43,285	42,143
Mobile classrooms	336	361	353	349	309
Other (includes academies)					
Buildings	9	9	9	9	7
Square feet	276,564	276,564	276,564	276,564	195,471
Capacity	2,095	1,993	1,656	1,235	384
Membership	1,918	2,368	1,533	1,246	414
Mobile classrooms	19	19	13	33	1
Administrative					
Buildings	17	17	18	24	23
Square Feet	340,160	340,160	383,811	625,877	523,725
Transportation					
Buses	814	908	928	920	928

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



Single Audit Section



Independent Auditors’ 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*

Wake County Board of Education
Cary, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying 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 (“the Board”), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board’s basic financial statements, and have issued our report thereon dated November 5, 2021.

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 over financial reporting.

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 reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board'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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purposes.

Dixon Hughes Goodman LLP

Winston-Salem, NC
November 5, 2021



Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act

Wake County Board of Education
Cary, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the Wake County Board of Education, North Carolina (“the Board”) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Board’s major federal programs for the year ended June 30, 2021. The Board’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditors’ Responsibility

Our responsibility is to express an opinion on compliance for each of the Board’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements in Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Board’s compliance.



Opinion on Each Major Federal Program

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

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

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

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

Dixon Hughes Goodman LLP

Winston-Salem, NC
November 5, 2021



Independent Auditors' Report on Compliance for Each Major State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act

Wake County Board of Education
Cary, North Carolina

Report on Compliance for Each Major State Program

We have audited the Wake County Board of Education, North Carolina (“the Board”) compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021. The Board’s major state programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditors’ Responsibility

Our responsibility is to express an opinion on compliance for each of the Board’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Board’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination on the Board’s compliance.



Opinion on Each Major State Program

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

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

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

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.

Dixon Hughes Goodman LLP

Winston-Salem, NC
November 5, 2021

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, 2021**

There were no findings or questioned costs related to the audit of federal and state awards for the fiscal year ended June 30, 2020.

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR YEAR ENDED JUNE 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Expenditures
<u>FEDERAL GRANTS:</u>			
<u>U.S. Department of Agriculture</u>			
School Nutrition Program (Note 3)			
<u>Child Nutrition Cluster:</u>			
Non-Cash Assistance (Commodities)			
Passed through the N.C. Department of Agriculture:			
National School Lunch Program	10.555	35	\$ 3,221,193
Cash Assistance:			
Passed through the N.C. Department of Public Instruction:			
After-School Snack Program	10.555	35	1,941
Child Nutrition Equipment	10.579	53	10,935
Summer School Food Program for Children	10.559	35	21,174,298
Total Cash Assistance			<u>21,187,174</u>
Total Child Nutrition Cluster			<u>24,408,367</u>
Fresh Fruit and Vegetable Program	10.582	35	102,231
Total U.S. Department of Agriculture			<u>24,510,598</u>
<u>U.S. Department of Education</u>			
Cash Assistance:			
Direct Programs			
Magnet Schools Assistance Cornerstone 2017	84.165A	394	2,090,500
Magnet Schools Project Nexus	84.165A	395	51,692
Indian Education Formula Grants to Local Education Agencies	84.060A	310	59,095
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	29,763,233
Targeted Support Improvement - TSI	84.010A	115	12,967
School Improvements	84.010A	105	234,827
Total Title I Grants to Local Education Agencies (Title I)			<u>30,011,027</u>
<u>Special Education Cluster:</u>			
Special Education - Grants to States (IDEA, Part B) -			
Education of the Handicapped	84.027	60	26,218,077
Coordinated Early Intervening Services	84.027	70	2,244,760
Special Needs Targeted Assistance	84.027	118	10,625
Risk Pool	84.027	114	11,366
Special Education - Preschool Grants (IDEA Preschool) -			
Preschool Handicapped	84.173	49	391,770
Preschool Targeted Assistance	84.173	119	29,717
Total Special Education Cluster			<u>28,906,315</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR YEAR ENDED JUNE 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Expenditures
Career and Technical Education - Capacity Building Grant	84.048	17	\$ 1,607,529
Education for Homeless Children and Youth	84.196	26	1,880
English Language Acquisition Grants	84.365	104, 111	1,791,304
Supporting Effective Instruction	84.367	103	2,855,063
Student Support and Academic Enrichment	84.424A	108	2,931,162
COVID-19 Education Stabilization Fund	84.425		
CARES Act - K-12 Emergency Relief Fund	84.425D	163	6,134,902
CARES Act - Innovative Childcare & Remote Extended Support (ICARES) - ESSER I	84.425D	168	117,468
CRRSA - Supplemental - K-12 -Emergency Relief Fund - ESSER II	84.425D	171	5,821,657
ARP - K-12 Emergency Relief Fund - ESSER III	84.425U	181	31,116
CARES Act - GEER I - Specialized instructions Support Personnel for COVID-19 Response	84.425C	169	2,356,488
CARES Act - GEER I - Supplemental Instructional Services	84.425C	170	127,645
Total Education Stabilization Fund			<u>14,589,276</u>
Total U.S. Department of Education			<u>84,894,843</u>
<u>U.S. Department of Defense</u>			
Direct Program - ROTC	None	301	569,204
<u>U.S. Department of Treasury</u>			
Passed-through the Office of State Budget and Management:			
NC Pandemic Recovery Office			
Passed-through the N.C. Department of Public Instruction:			
COVID-19 Coronavirus Relief Fund	21.019		
Summer Learning		121	5,599,192
Instructional Support		122	548,691
Nondigital Resources		123	314,409
Student Computers and Devices		124	3,321,872
School Nutrition		125	127,754
Personnel Computers and Devices		126	586,197
Mobile Wi-Fi for Homes & Communities		128	856,950
Services for Exceptional Children		132	3,106,258
Cybersecurity		135	268,346
Personal Protective Equipment (PPE)		137	1,483,411
Gaggle Safety Management		138	132,610
Passed-through the N.C. Department of Commerce			
Plasma Games Pilot Program		349	570,142
Passed-through Wake County - Coronavirus Relief Fund		373	15,016,040
Total COVID-19 Coronavirus Relief Fund	21.019		<u>31,931,872</u>
Total U.S. Department of Treasury			<u>31,931,872</u>
Total Federal Assistance			<u>141,906,517</u>

(Continued)

**WAKE COUNTY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR YEAR ENDED JUNE 30, 2021**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Expenditures
STATE GRANTS:			
Cash Assistance			
<u>N.C. Department of Public Instruction</u>			
State Public School Fund		xxxx	963,791,385
Drivers Training - SPSF		12	2,094,962
Technology Fund - SPSF		15	832,987
State Textbooks and Digital Resources		130/131	4,798,218
Career & Technical Education:			
State Months of Employment		13	47,100,016
Program Support Funds		14	2,036,312
Professional Leave Funding		509	2,656
<u>N.C. Department of Health and Human Services</u>			
DCDEE COVID-19 Child Care Payments		429	94,199
<u>N.C. Outdoor Heritage Advisory Council</u>			
N.C. Go Outside		462	12,839
Non-Cash Assistance			
<u>N.C. Department of Public Instruction</u>			
Financed Purchase of School Buses		120	2,201,044
Total State Assistance			<u>1,022,964,618</u>
TOTAL FINANCIAL ASSISTANCE			<u>\$ 1,164,871,135</u>

WAKE COUNTY BOARD OF EDUCATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2021

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, 2021. 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 \$5,422,237 were received during the year ended June 30, 2021. These non-cash items received were included in the determination of federal and state awards expended for the year ended June 30, 2021.