



WAKE COUNTY
BOARD OF EDUCATION
CARY, NORTH CAROLINA

Comprehensive Annual FINANCIAL REPORT

for the fiscal year ended **June 30, 2019**

PREPARED BY THE FINANCE DEPARTMENT



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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Introduction





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

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November 6, 2019

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

We are pleased to submit the comprehensive annual financial report of the Wake County Board of Education (Board) for the year ended June 30, 2019, 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 comprehensive annual 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 Officers 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 comprehensive annual 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 2018-19 the school system was the largest in North Carolina and the 15th largest system in the nation. It served 160,339 students from kindergarten through 12th grade in 115 elementary schools, 37 middle schools, 26 high schools, and 5 optional schools, and 4 academies. The school system has over 18,500 full-time employees and is the third largest employer in Wake County. The system has over 10,500 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 four-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-five of the school system's 187 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, two early college programs, two college and career academy, 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 2018-19 school year, 89.8 percent of seniors who started school four years earlier graduated on time. This is a record for the Wake County Public School System, and it marks seventh consecutive years of increases in the graduation rate. It is a 0.79 percentage-point increase over the 2017-18 rate of 89.1 percent.

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.

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 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

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 Certificates of Achievement for Excellence in Financial Reporting to the Board for its comprehensive annual financial report for the year ended June 30, 2018. This was the thirtieth 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.

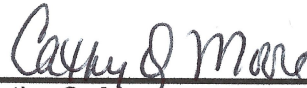
The Certificates of Achievement are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the requirements for the Certificates of Achievement, and we are submitting it to the GFOA and ASBO to determine its eligibility for another certificate.

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.

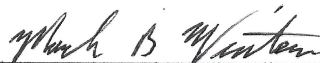
Respectfully submitted,



Cathy Q. Moore
Superintendent



David Neter
Chief Operating 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 (CAFR)
for the Fiscal Year Ended June 30, 2018.**

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



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSR
President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operating Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Wake County Board of Education
North Carolina**

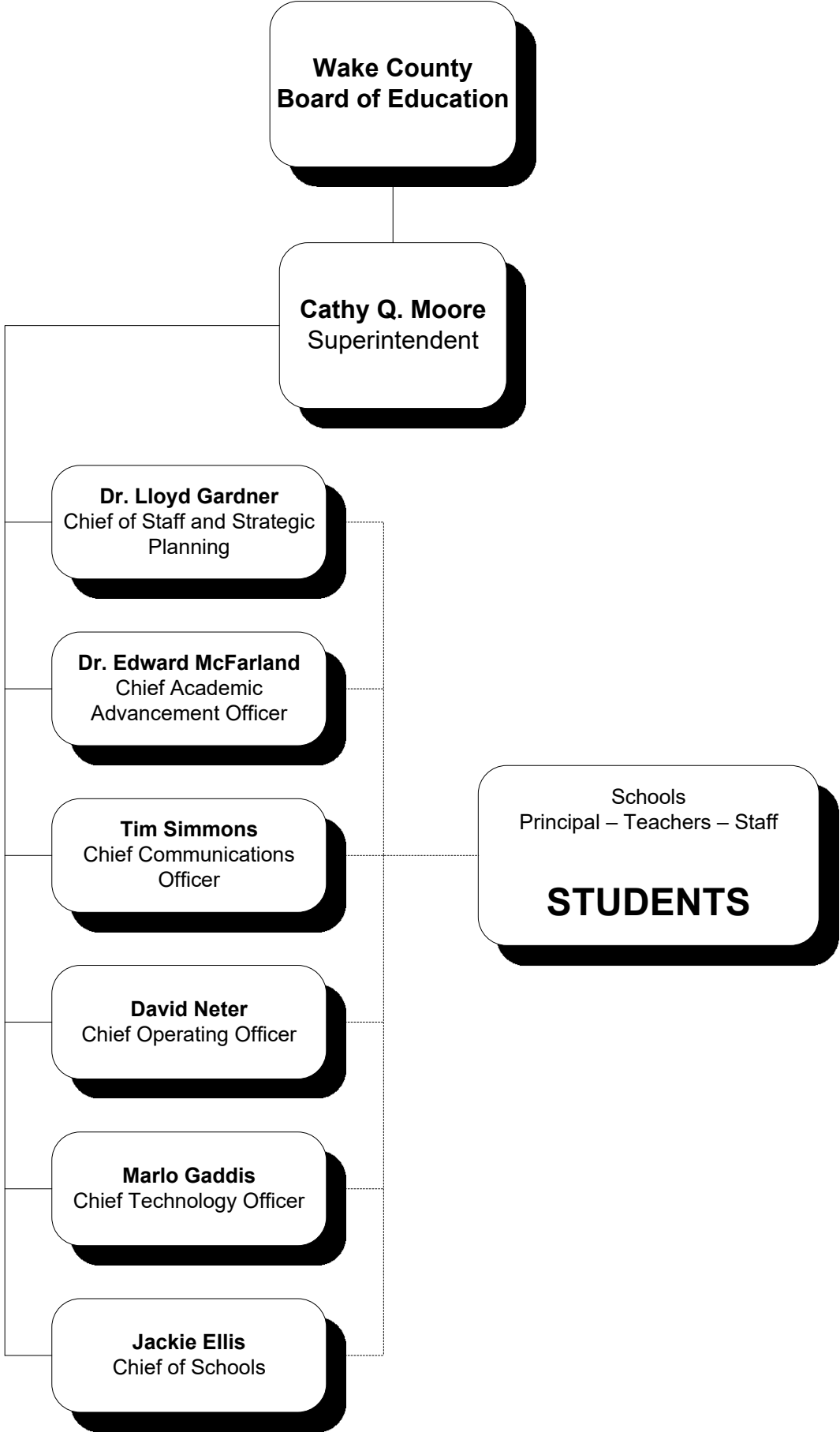
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

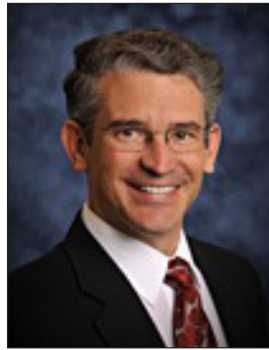
Christopher P. Morill

Executive Director/CEO

Organizational Chart



Board of Education and Leadership Team



Dr. Jim Martin
Chair, District 5



Keith Sutton
Vice Chair, District 4



Heather Scott
District 1



Monika Johnson-Hostler
District 2



Roxie Cash
District 3



Christine Kushner
District 6



Chris Heagarty
District 7



Lindsay Mahaffey
District 8



Bill Fletcher
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 Operating Officer
Tim Simmons, Chief Communications Officer
Marlo Gaddis, Chief Technology Officer
Jackie Ellis, Chief of Schools

Area Superintendents

Dr. Mark Savage - Eastern Wake County
Danny Barnes - Interim Central Wake County
Dr. Pamela Kinsey-Barker - Northern Wake County
Dr. Andre Smith - Northeastern Wake County
Dr. Clinton Robinson - Southern Wake County
Dr. Tammie Sexton - Western Wake County
Dr. Ashlie Thompson - Southwestern Wake County
James Overman - Elementary Support
Seydric Williams - Northwestern Wake County

Finance

Mark Winters, Finance Officer

Assistant Superintendents

Drew Cook - Academics
Dr. AJ Muttillio - Human Resources
Vacant - Facilities
Karen Hamilton - Special Education
Paul Koh - Student Support Services
Dr. Bradley McMillen - Data, Research, and Accountability
Dr. Rodney Trice - Equity Affairs



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, 2019, 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, 2019, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General and State Public School 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 11 and the Schedules of Proportionate Share of the Net Pension and OPEB Liabilities and the Schedules of Board Contributions on pages 57 through 63, 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 were derived from and relate 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 6, 2019 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, North Carolina
November 6, 2019**

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

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, 2019. 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 \$852,216,291.
- The Board's total net position increased \$254,102,397 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 \$62,849,011 and the Board's governmental funds reported combined ending fund balances of \$74,246,731. Approximately 15 percent of this total amount, or \$11,391,203, is available for spending at the government's discretion.
- The Board enjoyed an increased enrollment of 244 students (or 0.15%) from the previous year.

Overview of the Financial Statements

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

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

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

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

Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

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 twelve through fourteen 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, 2019**

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 fifteen through seventeen 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 through twenty-two 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 \$852,216,000 as of June 30, 2019. The largest component of net investment in capital assets of approximately \$3,555,898,000.

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

**Condensed Statements of Net Position (Deficit)
June 30, 2019 and 2018**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current assets	\$ 184,734	\$ 158,766	\$ 32,401	\$ 34,596	\$ 217,135	\$ 193,362
Capital assets	3,558,211	3,329,762	6,622	5,268	3,564,833	3,335,030
Total assets	<u>3,742,945</u>	<u>3,488,528</u>	<u>39,023</u>	<u>39,864</u>	<u>3,781,968</u>	<u>3,528,392</u>
Deferred outflows of resources	529,014	453,551	11,502	9,585	540,516	463,136
Current Liabilities	102,134	92,451	5,568	5,097	107,702	97,548
Long-term liabilities:	2,406,717	2,529,904	56,427	59,980	2,463,144	2,589,884
Total liabilities	<u>2,508,851</u>	<u>2,622,355</u>	<u>61,995</u>	<u>65,077</u>	<u>2,570,846</u>	<u>2,687,432</u>
Deferred inflows of resources	877,491	688,762	21,931	17,220	899,422	705,982
Net investment in capital assets	3,549,276	3,329,762	6,622	5,267	3,555,898	3,335,029
Restricted net position	24,180	21,430	210	167	24,390	21,597
Unrestricted net position	<u>(2,687,839)</u>	<u>(2,720,230)</u>	<u>(40,233)</u>	<u>(38,282)</u>	<u>(2,728,072)</u>	<u>(2,758,512)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ 885,617</u>	<u>\$ 630,962</u>	<u>\$ (33,401)</u>	<u>\$ (32,848)</u>	<u>\$ 852,216</u>	<u>\$ 598,114</u>

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

Note that net position for governmental activities increased by approximately \$254,655,000 during the year. 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, 2019 and 2018**

	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 1,662	\$ 1,400	\$ 31,614	\$ 31,243	\$ 33,276	\$ 32,643
Operating grants and contributions	1,075,480	1,001,492	35,255	34,048	1,110,735	1,035,540
General Revenues:						
Other revenues	<u>806,823</u>	<u>741,730</u>	<u>486</u>	<u>374</u>	<u>807,309</u>	<u>742,104</u>
Total revenues	<u>1,883,965</u>	<u>1,744,622</u>	<u>67,355</u>	<u>65,665</u>	<u>1,951,320</u>	<u>1,810,287</u>
Expenses:						
Governmental activities:						
Instructional services	1,231,407	1,269,909	-	-	1,231,407	1,269,909
System-wide support services	271,847	272,445	-	-	271,847	272,445
Ancillary services	343	141	-	-	343	141
Nonprogram charges	32,440	25,808	-	-	32,440	25,808
Depreciation	93,204	89,278	-	-	93,204	89,278
Business-type activities:						
Food services	-	-	54,186	58,152	54,186	58,152
Tuition programs	-	-	13,791	14,381	13,791	14,381
Total expenses	<u>1,629,241</u>	<u>1,657,581</u>	<u>67,977</u>	<u>72,533</u>	<u>1,697,218</u>	<u>1,730,114</u>
Excess (deficiency) before transfers	<u>254,724</u>	<u>87,041</u>	<u>(622)</u>	<u>(6,868)</u>	<u>254,102</u>	<u>80,173</u>
Transfers	<u>(69)</u>	<u>(45)</u>	<u>69</u>	<u>45</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	254,655	86,996	(553)	(6,823)	254,102	80,173
Net position, beginning	<u>630,962</u>	<u>543,966</u>	<u>(32,848)</u>	<u>(26,025)</u>	<u>598,114</u>	<u>517,941</u>
Net position, ending	<u>\$ 885,617</u>	<u>\$ 630,962</u>	<u>\$ (33,401)</u>	<u>\$ (32,848)</u>	<u>\$ 852,216</u>	<u>\$ 598,114</u>

Total governmental activities generated revenues of \$1.88 billion while expenses in this category totaled \$1.63 billion for the year ended June 30, 2019. Comparatively, revenues were \$1.7 billion and expenses totaled \$1.66 billion for the year ended June 30, 2018. After transfers to the business-type activities, the increase in net position stands at \$255 million at June 30,

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

2019, compared to \$87 million in 2018. The decrease in expenses and increase to net position is mainly due to the reduction in OPEB expenditures. Instructional services expenses comprised 75.6% of total governmental-type expenses while system-wide support services made up 16.7% of those expenses for 2019. County funding comprised 42.3% of total governmental revenue for 2019. In 2018, county funding was 42.1%. Much of the remaining 57.7% of the total governmental revenue for 2019 consists of restricted state and federal money. This revenue represented 57.9% of total revenue in 2018. Business-type activities generated revenue of \$67 million and expenses of \$68 million. Net position decreased in the business-type activities by \$553 thousand after transfers from the governmental activities of \$69 million. The decrease in net position in 2018 was \$6.8 million. The majority of the decrease was due to pension and OPEB expenses, which decreased from 2018.

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 \$62,849,011, an increase of \$13,967,701 over last year. The underlying reason for this increase was the issuance of energy saving obligations in this year with the related expenditures to occur in a following year; as well as the Board's strategic use of State and Federal funds in order to reduce the local personnel and operational expenditures, the decrease in Wake County charter school population as the year progressed, and the reduction in utility costs. The unassigned fund balance in the general fund decreased to \$11,391,203. This level of unassigned fund balance equals 0.68 percent of the total operating budget (state, local funds, grant, enterprise, and other restricted funds \$1,678,854,734). The Board assigned \$8,107,000 from fund balance to support the 2019-20 budget.

The total fund balance in the capital outlay fund increased by \$403,542, and the restricted fund balance for capital expenditures increased to \$1,205,318. The total fund balance increase was mainly due to the installment purchase obligations issued.

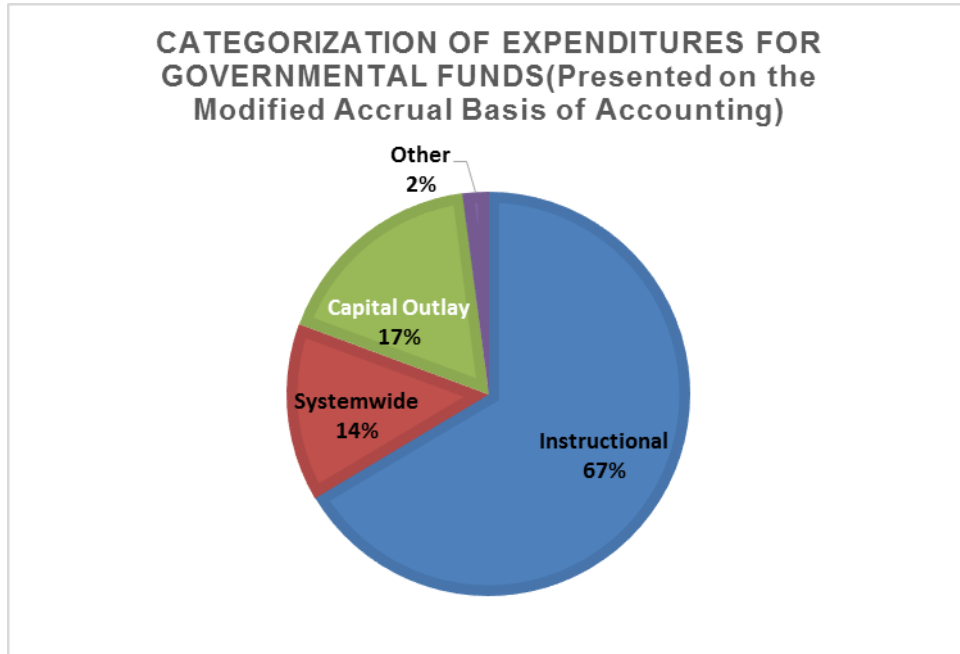
The fund balance restricted for individual schools in the individual schools fund increased by \$266,871 due to schools increasing their revenues by 11% while only increasing expenditures by 8% in this area.

The fund balance for the State Public School Fund is zero, after the transfer to the Child Nutrition Program of \$68,780. 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 \$74,246,731, a \$14,689,224 increase over last year. Total county funding to support operating and capital needs increased over the prior year by \$62.1 million. This increase was due to the increase in local appropriations and the capital building program. State funding increased approximately \$62.5 million as a result of teacher salary increases and student growth. Federal funding increased by approximately \$86 thousand due to grant awards.

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

The Board's business-type funds reflected a total decrease in net position of approximately \$553 thousand. The Child Nutrition Program reflected a decrease in net position over the last year of \$1.1 million. This was mainly due to the decrease in USDA grant funds and the increase in salary costs. Tuition Programs reflected an increase in net position over last year of \$627,717, due to increase in participant fees and decrease in employee benefit costs. The decrease in employee benefit costs are due to reduced OPEB expenditures.



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 \$10.9 million. This was mainly due to additional funding from the county and to the appropriation of fund balance for utilities, ADM reconciliation, curriculum purchase and insurance. Total revenues were \$42,000 greater than the final budget due to the increase in interest revenue and total expenditures for the general fund were \$24 million less than the final budget due to the inability to fully staff the transportation department, particularly in the area of bus drivers, the reduction in utility costs, the decrease in Wake County charter school population as the year progressed and steps to maximize state funds which create savings in local funds. Other financing sources final budget includes \$17 million of appropriated fund balance and \$6.8 million of energy savings obligations issued for a variance of \$10.3 million.

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

Total amendments to the state public school fund increased revenues by approximately \$15.7 million. This change was the net of the increases and decreases in allotments received from the state.

Capital Assets

The Board's investment in capital assets for its governmental and business-type activities as of June 30, 2019, totals \$3,564,832,691 (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, 2019 and 2018**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 189,481	\$ 176,194	\$ -	\$ -	\$ 189,481	\$ 176,194
Land improvements	6,724	6,188	-	-	6,724	6,188
Buildings	2,775,658	2,829,327	-	-	2,775,658	2,829,327
Equipment	29,739	35,380	6,536	5,114	36,275	40,494
Vehicles	11,807	13,048	86	154	11,893	13,202
Construction in progress	544,802	269,625	-	-	544,802	269,625
Total	<u>\$ 3,558,211</u>	<u>\$ 3,329,762</u>	<u>\$ 6,622</u>	<u>\$ 5,268</u>	<u>\$ 3,564,833</u>	<u>\$ 3,335,030</u>

More detailed information on the Board's capital assets is contained on pages 36 through 37 in the notes to the financial statements.

Debt Outstanding

During the year the Board's outstanding government-type debt decreased by \$123,187,649 and the business-type activities debt decreased by \$3,552,791. 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 53 of the notes to the financial statements. The county holds virtually all debt issued for school capital construction.

Economic Factors

County funding is a major source of income for the Board; therefore the County's economic outlook directly affects that of the school district.

- Wake County's unemployment rate was 3.9% at June 30, 2019. This is an increase of .3% from the previous year.
- The County's assessed valuation increased approximately 2.63% from the prior year.
- Total sales tax collections for fiscal year ended June 30, 2019 was \$202.5 million, a \$16.9 million (or 9.1%) increase from the prior fiscal year.

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

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
110 Corning Road, Crossroads II
Cary, NC 27518

WAKE COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION (DEFICIT)
JUNE 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 113,817,837	\$ 27,985,709	\$ 141,803,546
Restricted cash	6,488,539	-	6,488,539
Due from other governments	56,179,474	2,115,916	58,295,390
Net OPEB asset	1,754,078	44,239	1,798,317
Internal balances	(272,190)	272,190	-
Receivables	2,207,056	69,921	2,276,977
Inventories	4,559,114	1,913,113	6,472,227
Total current assets	<u>184,733,908</u>	<u>32,401,088</u>	<u>217,134,996</u>
Noncurrent assets:			
Land and construction in progress	734,282,876	-	734,282,876
Capital assets, net of accumulated depreciation	2,823,927,964	6,621,851	2,830,549,815
	<u>3,558,210,840</u>	<u>6,621,851</u>	<u>3,564,832,691</u>
TOTAL ASSETS	<u>3,742,944,748</u>	<u>39,022,939</u>	<u>3,781,967,687</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>529,014,152</u>	<u>11,502,361</u>	<u>540,516,513</u>
LIABILITIES			
Current liabilities:			
Salaries and benefits payable	19,152,112	1,928,430	21,080,542
Accounts payable	82,981,868	1,380,400	84,362,268
Unearned revenue	-	2,259,075	2,259,075
Long-term due within one year	64,185,646	700,000	64,885,646
Long-term liabilities:			
Net pension liability	647,171,575	13,552,321	660,723,896
Net OPEB liability	1,647,295,279	41,676,411	1,688,971,690
Due in more than one year	48,063,833	498,592	48,562,425
TOTAL LIABILITIES	<u>2,508,850,313</u>	<u>61,995,229</u>	<u>2,570,845,542</u>
DEFERRED INFLOWS OF RESOURCES	<u>877,491,304</u>	<u>21,931,063</u>	<u>899,422,367</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	3,549,276,038	6,621,851	3,555,897,889
Restricted for:			
Individual school activities	9,000,578	-	9,000,578
Special programs	51,110	-	51,110
Stabilization by state statute	5,226,897	-	5,226,897
School capital outlay	1,205,318	-	1,205,318
Energy savings obligations	6,488,539	-	6,488,539
OPEB Plan	2,179,274	209,593	2,388,867
Restricted contributions	27,832	-	27,832
Unrestricted	<u>(2,687,838,303)</u>	<u>(40,232,436)</u>	<u>(2,728,070,739)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ 885,617,283</u>	<u>\$ (33,400,992)</u>	<u>\$ 852,216,291</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, 2019**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:				
Instructional programs:				
Regular	\$ 702,874,136	\$ 1,629,450	\$ 548,273,301	\$ -
Special populations	233,027,523	-	200,460,460	-
Alternative programs and services	80,924,330	-	67,810,172	-
School leadership	90,152,056	-	74,487,315	-
Co-curricular	33,478,902	-	17,541,004	-
School-based support services	90,949,064	-	57,586,298	-
Systemwide support services				
Support and development	8,426,648	-	3,394,491	-
Special populations support and development	6,141,058	-	1,587,456	-
Alternative programs and services support and development	3,502,850	-	1,689,665	-
Technology support	30,844,405	-	5,843,566	-
Operational support	184,310,605	-	88,447,874	-
Financial and human resource	21,035,774	-	4,844,190	-
Accountability	1,993,192	-	-	-
Systemwide pupil support	4,392,791	-	617,374	-
Policy, leadership and public relations	11,199,607	-	2,566,102	-
Ancillary services	342,910	32,480	262,072	-
Nonprogram charges	32,440,098	-	68,730	-
Depreciation - unallocated *	93,204,421	-	-	-
Total governmental activities	<u>1,629,240,370</u>	<u>1,661,930</u>	<u>1,075,480,070</u>	<u>-</u>
BUSINESS-TYPE ACTIVITIES:				
Food services	54,185,940	17,424,575	-	35,254,178
Tuition programs	13,791,003	14,189,922	-	-
Total business-type activities	<u>67,976,943</u>	<u>31,614,497</u>	<u>-</u>	<u>35,254,178</u>
Total school district	<u>\$ 1,697,217,313</u>	<u>\$ 33,276,427</u>	<u>\$ 1,075,480,070</u>	<u>\$ 35,254,178</u>
GENERAL REVENUES				
Unrestricted county appropriations - operating				
Unrestricted county appropriations - capital				
Unrestricted state appropriations - capital				
Investment earnings, unrestricted				
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, 2019

Functions/Programs	Net (Expenses) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:			
Instructional programs:			
Regular	\$ (152,971,385)		\$ (152,971,385)
Special populations	(32,567,063)		(32,567,063)
Alternative programs and services	(13,114,158)		(13,114,158)
School leadership	(15,664,741)		(15,664,741)
Co-curricular	(15,937,898)		(15,937,898)
School-based support services	(33,362,766)		(33,362,766)
Systemwide support services			
Support and development	(5,032,157)		(5,032,157)
Special populations support and development	(4,553,602)		(4,553,602)
Alternative programs and services support and development	(1,813,185)		(1,813,185)
Technology support	(25,000,839)		(25,000,839)
Operational support	(95,862,731)		(95,862,731)
Financial and human resource	(16,191,584)		(16,191,584)
Accountability	(1,993,192)		(1,993,192)
Systemwide pupil support	(3,775,417)		(3,775,417)
Policy, leadership and public relations	(8,633,505)		(8,633,505)
Ancillary services	(48,358)		(48,358)
Nonprogram charges	(32,371,368)		(32,371,368)
Depreciation - unallocated *	(93,204,421)		(93,204,421)
Total governmental activities	<u>(552,098,370)</u>		<u>(552,098,370)</u>
BUSINESS-TYPE ACTIVITIES:			
Food services		\$ (1,507,187)	(1,507,187)
Tuition programs		398,919	398,919
Total business-type activities		<u>(1,108,268)</u>	<u>(1,108,268)</u>
Total school district	<u>(552,098,370)</u>	<u>(1,108,268)</u>	<u>(553,206,638)</u>
GENERAL REVENUES			
Unrestricted county appropriations - operating	475,847,283	-	475,847,283
Unrestricted county appropriations - capital	321,238,447	-	321,238,447
Unrestricted state appropriations - capital	693,296	-	693,296
Investment earnings, unrestricted	1,284,091	486,209	1,770,300
Miscellaneous, unrestricted	7,759,709	-	7,759,709
Subtotal, general revenues	<u>806,822,826</u>	<u>486,209</u>	<u>807,309,035</u>
TRANSFER	<u>(68,730)</u>	<u>68,730</u>	<u>-</u>
Subtotal, general revenues and transfers	<u>806,754,096</u>	<u>554,939</u>	<u>807,309,035</u>
Changes in net position	254,655,726	(553,329)	254,102,397
Net position (deficit) - beginning	630,961,557	(32,847,663)	598,113,894
Net position (deficit) - ending	<u>\$ 885,617,283</u>	<u>\$ (33,400,992)</u>	<u>\$ 852,216,291</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, 2019

	Major Funds				Total Governmental Funds
	General Fund	State Public School Fund	Capital Outlay Fund	Non-Major Funds	
ASSETS					
Cash and cash equivalents	\$ 86,499,548	\$ 7,512,179	\$ 2,409,643	\$ 17,396,467	\$ 113,817,837
Restricted cash	6,488,539	-	-	-	6,488,539
Due from other governments	1,383,986	11,737,343	41,217,989	1,840,156	56,179,474
Accounts receivable	1,999,692	-	-	207,364	2,207,056
Due from other funds	45,508	-	-	207,665	253,173
Inventories	4,559,114	-	-	-	4,559,114
Total assets	<u>\$ 100,976,387</u>	<u>\$ 19,249,522</u>	<u>\$ 43,627,632</u>	<u>\$ 19,651,652</u>	<u>\$ 183,505,193</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Salaries and benefits payable	\$ 6,733,134	\$ 11,737,000	\$ -	\$ 681,978	\$ 19,152,112
Accounts payable	31,188,164	7,512,522	41,270,532	3,010,650	82,981,868
Due to other funds	206,078	-	11,068	308,217	525,363
Total liabilities	<u>38,127,376</u>	<u>19,249,522</u>	<u>41,281,600</u>	<u>4,000,845</u>	<u>102,659,343</u>
Deferred inflows of resources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,599,119</u>	<u>6,599,119</u>
Fund balances:					
Nonspendable:					
Inventories	4,559,114	-	-	-	4,559,114
Restricted:					
Stabilization by state statute	5,057,968	-	168,929	-	5,226,897
Capital expenditures	-	-	1,205,318	-	1,205,318
Energy savings obligations	6,488,539	-	-	-	6,488,539
Individual schools	-	-	-	9,000,578	9,000,578
Special programs	-	-	-	51,110	51,110
Restricted contributions for capital expenditures	-	-	27,832	-	27,832
Assigned					
Special projects	13,899,683	-	943,953	-	14,843,636
Insurance	11,735,920	-	-	-	11,735,920
Flexible benefit plan	1,609,584	-	-	-	1,609,584
Subsequent years expenditures	8,107,000	-	-	-	8,107,000
Unassigned	11,391,203	-	-	-	11,391,203
Total fund balances	<u>62,849,011</u>	<u>-</u>	<u>2,346,032</u>	<u>9,051,688</u>	<u>74,246,731</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 100,976,387</u>	<u>\$ 19,249,522</u>	<u>\$ 43,627,632</u>	<u>\$ 19,651,652</u>	

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

Net OPEB asset	1,754,078
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds	3,558,210,840
Deferred outflows of resources related to pensions	357,319,855
Deferred outflows of resources related to OPEB	171,694,297
Net pension liability	(647,171,575)
Net OPEB liability	(1,647,295,279)
Deferred inflows of resources related to pensions	(9,632,415)
Deferred inflows of resources related to OPEB	(861,259,770)
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	(7,506,244)
Compensated absences (vacation)	(95,808,433)
Installment purchase	(8,934,802)
Total net position - governmental activities	<u>\$ 885,617,283</u>

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

WAKE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Major Funds			Non-Major Funds	Total Governmental
	General Fund	State Public School Fund	Capital Outlay Fund		
REVENUES:					
County	\$ 474,937,921	\$ -	\$ 321,238,447	\$ 909,362	\$ 797,085,730
State	-	969,920,989	693,296	3,764	970,618,049
Federal	-	-	-	70,426,105	70,426,105
Other local	5,867,378	-	924,028	35,042,301	41,833,707
Total revenues	<u>480,805,299</u>	<u>969,920,989</u>	<u>322,855,771</u>	<u>106,381,532</u>	<u>1,879,963,591</u>
EXPENDITURES:					
Current operations:					
Instructional services:					
Regular instruction	170,867,430	535,592,599	-	6,222,309	712,682,338
Special populations	36,838,111	172,063,061	-	27,862,472	236,763,644
Alternative programs and services	14,939,741	34,832,357	-	32,302,402	82,074,500
School leadership	16,022,924	74,487,315	-	12,359	90,522,598
Co-curricular	16,985,245	26,745	-	16,754,614	33,766,604
School-based support	32,801,219	53,221,214	-	4,291,812	90,314,245
Systemwide support services					
Support and development	5,833,791	825,121	-	2,519,700	9,178,612
Special populations support and development	4,654,085	912,999	-	664,586	6,231,670
Alternative programs and services support and development	1,832,166	393,110	-	1,269,531	3,494,807
Technology support	14,912,727	5,843,566	-	1,647,907	22,404,200
Operational support	91,314,624	83,879,746	-	10,245,258	185,439,628
Financial and human resource	16,452,922	4,424,454	-	492,108	21,369,484
Accountability	2,011,844	-	-	-	2,011,844
Systemwide pupil support	3,756,888	569,666	-	47,707	4,374,261
Policy, leadership, and public relations	8,565,720	2,561,602	-	4,500	11,131,822
Ancillary services	9,252	218,704	-	63,766	291,722
Non-program charges	36,014,300	-	-	1,662,520	37,676,820
Debt service:					
Principal	-	-	693,296	-	693,296
Capital outlay:					
Land, buildings, and other	-	-	321,321,727	-	321,321,727
Equipment	-	-	3,210,390	-	3,210,390
Total expenditures	<u>473,812,989</u>	<u>969,852,259</u>	<u>325,225,413</u>	<u>106,063,551</u>	<u>1,874,954,212</u>
Excess (deficiency) of revenues over expenditures	<u>6,992,310</u>	<u>68,730</u>	<u>(2,369,642)</u>	<u>317,981</u>	<u>5,009,379</u>
OTHER FINANCING SOURCES (USES):					
Installment purchase obligations issued	-	-	2,773,184	-	2,773,184
Energy savings obligations issued	6,854,914	-	-	-	6,854,914
Transfers in	-	-	-	492,774	492,774
Transfers out	-	(68,730)	-	(492,774)	(561,504)
Total other financing sources (uses)	<u>6,854,914</u>	<u>(68,730)</u>	<u>2,773,184</u>	<u>-</u>	<u>9,559,368</u>
Net change in fund balance	<u>13,847,224</u>	<u>-</u>	<u>403,542</u>	<u>317,981</u>	<u>14,568,747</u>
Fund balances, beginning of year	48,881,310	-	1,942,490	8,733,707	59,557,507
Increase in reserve for inventories	120,477	-	-	-	120,477
Fund balances, end of year	<u>\$ 62,849,011</u>	<u>\$ -</u>	<u>\$ 2,346,032</u>	<u>\$ 9,051,688</u>	<u>\$ 74,246,731</u>

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

WAKE COUNTY BOARD OF EDUCATION

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2019

Total net change in fund balances - governmental funds. \$ 14,568,747

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. 228,839,033

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities. 114,663,972

Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities. 59,804,398

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 (8,934,802)

Proceeds from disposal of capital assets are recorded as revenues on the fund statements but not shown in the statement of activities (231,996)

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 (149,486,753)
Compensated absences (5,872,542)
Loss on disposal of assets (158,141)

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 2,475,865

The estimated reserve for workers' compensation self-insurance is recorded as a long-term obligation in the government-wide statements. (1,132,532)

Adjustment due to the use of the consumption method of recording inventory in the government-wide statements. 120,477

Change in net position of governmental activities. \$ 254,655,726

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 FUND
YEAR ENDED JUNE 30, 2019

	General Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES:				
County	\$ 469,525,099	\$ 474,937,921	\$ 474,937,921	\$ -
State	-	-	-	-
Other local	5,355,000	5,825,266	5,867,378	42,112
Total revenues	<u>474,880,099</u>	<u>480,763,187</u>	<u>480,805,299</u>	<u>42,112</u>
EXPENDITURES:				
Current operations:				
Instructional services:				
Regular instruction	164,652,191	173,194,174	170,867,430	2,326,744
Special populations	48,762,884	38,664,463	36,838,111	1,826,352
Alternative programs and services	17,214,181	15,231,641	14,939,741	291,900
School leadership	15,635,643	16,302,615	16,022,924	279,691
Co-curricular	15,713,218	17,034,594	16,985,245	49,349
School-based support services	34,850,469	34,270,342	32,801,219	1,469,123
Systemwide support services				
Support and development	6,192,470	5,999,874	5,833,791	166,083
Special populations support and development	4,956,150	4,852,754	4,654,085	198,669
Alternative programs and services support and development	1,863,701	1,861,225	1,832,166	29,059
Technology support	14,910,351	15,225,804	14,912,727	313,077
Operational support	97,167,609	100,209,349	91,314,624	8,894,725
Financial and human resource	14,944,669	17,089,072	16,452,922	636,150
Accountability	2,137,434	2,031,032	2,011,844	19,188
Systemwide pupil support	4,032,558	3,867,323	3,756,888	110,435
Policy, leadership and public relations	8,703,158	9,122,669	8,565,720	556,949
Ancillary services	4,820	9,252	9,252	-
Non-program charges	32,311,985	37,994,616	36,014,300	1,980,316
Unbudgeted funds	2,974,033	4,998,369	-	4,998,369
Total expenditures	<u>487,027,524</u>	<u>497,959,168</u>	<u>473,812,989</u>	<u>24,146,179</u>
Revenues over (under) expenditures	<u>(12,147,425)</u>	<u>(17,195,981)</u>	<u>6,992,310</u>	<u>24,188,291</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	12,147,425	17,195,981	-	(17,195,981)
Energy savings obligations issued	-	-	6,854,914	6,854,914
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>12,147,425</u>	<u>17,195,981</u>	<u>6,854,914</u>	<u>(10,341,067)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>13,847,224</u>	<u>\$ 13,847,224</u>
Fund balances, beginning of year			48,881,310	
Increase in reserve for inventories			120,477	
Fund balances, end of year			<u>\$ 62,849,011</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 FUND
YEAR ENDED JUNE 30, 2019

	State Public School Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES:				
County	\$ -	\$ -	\$ -	\$ -
State	966,196,926	981,891,531	969,920,989	(11,970,542)
Other local	-	-	-	-
Total revenues	<u>966,196,926</u>	<u>981,891,531</u>	<u>969,920,989</u>	<u>(11,970,542)</u>
EXPENDITURES:				
Current operations:				
Instructional services:				
Regular instruction	553,407,732	539,764,429	535,592,599	4,171,830
Special populations	161,951,422	172,636,321	172,063,061	573,260
Alternative programs and services	33,674,782	37,046,623	34,832,357	2,214,266
School leadership	75,653,606	75,353,313	74,487,315	865,998
Co-curricular	20,486	26,745	26,745	-
School-based support services	53,233,882	54,184,475	53,221,214	963,261
Systemwide support services				
Support and development	879,909	829,304	825,121	4,183
Special populations support and development	888,690	912,999	912,999	-
Alternative programs and services support and development	465,307	395,807	393,110	2,697
Technology support	8,604,889	7,908,092	5,843,566	2,064,526
Operational support	70,337,888	84,901,219	83,879,746	1,021,473
Financial and human resource	4,659,991	4,430,633	4,424,454	6,179
Accountability	-	-	-	-
Systemwide pupil support	578,224	569,666	569,666	-
Policy, leadership and public relations	1,791,919	2,561,602	2,561,602	-
Ancillary services	48,199	301,573	218,704	82,869
Non-program charges	-	-	-	-
Unbudgeted funds	-	-	-	-
Total expenditures	<u>966,196,926</u>	<u>981,822,801</u>	<u>969,852,259</u>	<u>11,970,542</u>
Revenues over (under) expenditures	-	68,730	68,730	-
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	-	-	-	-
Energy savings obligations issued	-	-	-	-
Transfers out	-	(68,730)	(68,730)	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances, beginning of year			-	
Increase in reserve for inventories			-	
Fund balances, end of year			<u>\$ -</u>	

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

WAKE COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION (DEFICIT)
ENTERPRISE FUNDS
JUNE 30, 2019

	Major Fund Child Nutrition Program	Major Fund Tuition Programs	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 14,975,049	\$ 13,010,660	\$ 27,985,709
Due from other governments	1,457,363	658,553	2,115,916
Accounts receivable	54,541	15,380	69,921
Net OPEB asset	34,159	10,080	44,239
Due from other funds	9,823	278,826	288,649
Inventory	1,913,113	-	1,913,113
Total current assets	<u>18,444,048</u>	<u>13,973,499</u>	<u>32,417,547</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	<u>6,231,324</u>	<u>390,527</u>	<u>6,621,851</u>
Total assets	<u>24,675,372</u>	<u>14,364,026</u>	<u>39,039,398</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>8,845,942</u>	<u>2,656,419</u>	<u>11,502,361</u>
LIABILITIES			
Current liabilities:			
Salaries and benefits payable	1,902,603	25,827	1,928,430
Accounts payable	593,757	786,643	1,380,400
Due to other funds	15,493	966	16,459
Unearned revenue	1,753,749	505,326	2,259,075
Current portion of long-term obligations	616,000	84,000	700,000
Total current liabilities	<u>4,881,602</u>	<u>1,402,762</u>	<u>6,284,364</u>
Noncurrent liabilities:			
Net pension liability	10,421,481	3,130,840	13,552,321
Net OPEB liability	32,063,733	9,612,678	41,676,411
Compensated absences	432,180	66,412	498,592
Total noncurrent liabilities	<u>42,917,394</u>	<u>12,809,930</u>	<u>55,727,324</u>
Total liabilities	<u>47,798,996</u>	<u>14,212,692</u>	<u>62,011,688</u>
DEFERRED INFLOWS OF RESOURCES	<u>16,903,413</u>	<u>5,027,650</u>	<u>21,931,063</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	6,231,324	390,527	6,621,851
OPEB Plan	165,852	43,741	209,593
Unrestricted	<u>(37,578,271)</u>	<u>(2,654,165)</u>	<u>(40,232,436)</u>
Total net deficit	<u>\$ (31,181,095)</u>	<u>\$ (2,219,897)</u>	<u>\$ (33,400,992)</u>

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

WAKE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION (DEFICIT)
ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2019

	Major Fund Child Nutrition Program	Major Fund Tuition Programs	Total
OPERATING REVENUES			
Food sales	\$ 17,424,575	\$ -	\$ 17,424,575
Participant fees	-	14,189,922	14,189,922
Total operating revenues	<u>17,424,575</u>	<u>14,189,922</u>	<u>31,614,497</u>
OPERATING EXPENSES:			
Salaries	18,676,307	6,140,939	24,817,246
Food	16,592,150	-	16,592,150
Supplies	1,729,043	3,182,744	4,911,787
Purchased services	1,071,217	1,825,365	2,896,582
Employee benefits	8,878,422	1,475,430	10,353,852
Donated commodities	3,314,323	-	3,314,323
Indirect costs	2,455,123	1,119,654	3,574,777
Depreciation	<u>1,469,355</u>	<u>46,871</u>	<u>1,516,226</u>
TOTAL OPERATING EXPENSES	<u>54,185,940</u>	<u>13,791,003</u>	<u>67,976,943</u>
Operating income (loss)	<u>(36,761,365)</u>	<u>398,919</u>	<u>(36,362,446)</u>
NON-OPERATING REVENUES (EXPENSES):			
Federal regular USDA grants	28,468,585	-	28,468,585
USDA grants - summer feeding program	456,698	-	456,698
USDA grants - fresh fruit & vegetable program	76,445	-	76,445
Federal commodities	3,314,323	-	3,314,323
Interest	267,233	218,976	486,209
NCDPI kindergarten breakfast	111,301	-	111,301
Local donations and grants	2,815,603	20,000	2,835,603
Gain (loss) on sale of capital assets	<u>1,401</u>	<u>(10,178)</u>	<u>(8,777)</u>
Total non-operating revenues	<u>35,511,589</u>	<u>228,798</u>	<u>35,740,387</u>
Income before contributions and transfers	(1,249,776)	627,717	(622,059)
Transfers from other funds	<u>68,730</u>	<u>-</u>	<u>68,730</u>
Change in net deficit	(1,181,046)	627,717	(553,329)
Total net deficit, beginning	<u>(30,000,049)</u>	<u>(2,847,614)</u>	<u>(32,847,663)</u>
Total net deficit, ending	<u>\$ (31,181,095)</u>	<u>\$ (2,219,897)</u>	<u>\$ (33,400,992)</u>

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

**WAKE COUNTY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2019**

	Major Fund Child Nutrition Program	Major Fund Tuition Programs	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 17,634,295	\$ 14,262,674	\$ 31,896,969
Cash paid for goods and services	(19,911,710)	(4,965,339)	(24,877,049)
Cash paid to employees for services	(27,766,488)	(7,777,885)	(35,544,373)
Other operating revenues	(2,458,708)	(1,281,493)	(3,740,201)
Net cash provided (used) by operating activities	<u>(32,502,611)</u>	<u>237,957</u>	<u>(32,264,654)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Federal regular USDA grants	28,364,712	-	28,364,712
USDA grants - summer feeding program	456,698	-	456,698
USDA grants - fresh fruit & vegetable program	76,445	-	76,445
NCDPI kindergarten breakfast	111,301	-	111,301
Local donations and grants	221,001	20,000	241,001
Net cash provided by non-capital financing activities	<u>29,230,157</u>	<u>20,000</u>	<u>29,250,157</u>
CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of equipment	(106,123)	(187,214)	(293,337)
Proceeds from sale of equipment	8,637	-	8,637
Net cash provided (used) for capital and related financing activities	<u>(97,486)</u>	<u>(187,214)</u>	<u>(284,700)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	267,233	218,976	486,209
Net increase (decrease) in cash and cash equivalents	(3,102,707)	289,719	(2,812,988)
Cash and cash equivalents, beginning of year	18,077,756	12,720,941	30,798,697
Cash and cash equivalents, end of year	<u>\$ 14,975,049</u>	<u>\$ 13,010,660</u>	<u>\$ 27,985,709</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (36,761,365)	\$ 398,919	\$ (36,362,446)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	1,469,355	46,871	1,516,226
Donated commodities	3,314,323	-	3,314,323
Salaries paid by special revenue fund	68,730	-	68,730
(Increase) decrease in accounts receivable	(13,992)	103,699	89,707
(Increase) decrease in due from other funds	(4,563)	27,857	23,294
Decrease in net OPEB assets	33,676	10,322	43,998
Increase in due from other governments	-	(100,272)	(100,272)
Increase in inventories	(381,712)	-	(381,712)
Increase in net pension liability	2,652,334	812,940	3,465,274
Decrease in net OPEB liability	(5,358,511)	(1,642,384)	(7,000,895)
Increase in deferred outflows	(1,467,835)	(449,891)	(1,917,726)
Increase in deferred inflows	3,606,258	1,105,318	4,711,576
Increase in accounts payable and accrued liabilities	136,109	42,011	178,120
Increase (decrease) in due to other funds	978	(189,696)	(188,718)
Increase in unearned revenue	223,712	69,325	293,037
Increase (decrease) in long-term liabilities	(20,108)	2,938	(17,170)
Total adjustments	<u>4,258,754</u>	<u>(160,962)</u>	<u>4,097,792</u>
Net cash provided (used) by operating activities	<u>\$ (32,502,611)</u>	<u>\$ 237,957</u>	<u>\$ (32,264,654)</u>

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of \$3,314,323 during the fiscal year. During the fiscal year, capital assets of \$2,594,602 were contributed to the School Food Service Fund and \$20,000 were contributed to the Tuition Programs. 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 notes to the basic financial statements are an integral part of this statement.

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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, 2019

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.

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.

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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

D. Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds (except for the individual schools special revenue funds) as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. Budgets are adopted on a basis consistent with GAAP except for revenues and expenditures of the debt service fund. These are included in the budget of the capital outlay fund and the enterprise fund which is budgeted on the modified accrual basis.

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

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

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

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

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

**WAKE COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019**

During the fiscal year, there were budget amendments totaling \$170,303,057 approved by the Board as follows:

General fund	\$ 10,931,644
State public school fund	15,694,605
Grants and other restricted funds	9,639,686
Capital outlay fund	133,500,039
Enterprise funds	<u>537,083</u>
	<u>\$ 170,303,057</u>

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

1. Deposits and Investments

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

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

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

The Board's investments are reported at amortized cost or at fair value as determined by either quoted market prices or a matrix pricing model. Bank deposits and the NCCMT are measured at amortized cost, which is the NCCMT's share price. Ownership interest of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. Valuation of the underlying assets is performed by the custodian. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to external participants of the fund. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

2. Cash and Cash Equivalents

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

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

3. Inventories and Prepaid Expenses

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 consist of expendable materials and supplies, which are recorded as expenditures when purchased. The General 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.

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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

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

Land and construction in progress are not depreciated.

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

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, 2019, are recorded in the government-wide and proprietary fund financial statements on a LIFO basis. An estimate has been made based on prior years’ records of the current portion of compensated absences.

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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.

8. Net Position/Fund Balances

Net position in the government-wide and proprietary fund financial statements is classified as net invested 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 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, 2019**

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, 2019, 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, 2019**

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 \$811,370,552 consists of the following elements:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are, therefore, not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 4,684,668,204
Less accumulated depreciation	<u>(1,126,457,364)</u>
Net capital assets	<u>3,558,210,840</u>
Net OPEB Asset	1,754,078
Pension-related deferred outflows of resources	357,319,855
OPEB related deferred outflows of resources	171,694,297
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	(7,506,244)
Compensated absences	(95,808,433)
Installment purchase	(8,934,802)
Net pension liability	(647,171,575)
Net OPEB liability	(1,647,295,279)
Deferred inflows of resources related to pension	(9,632,415)
Deferred inflows of resources related to OPEB	<u>(861,259,770)</u>
Total adjustments	<u>\$ 811,370,552</u>

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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 \$240,086,979 consists of the following elements:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 325,647,293
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.	(96,808,260)
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	(9,628,098)
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.	693,296
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	114,663,972
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities.	59,804,398
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	(149,486,753)
Loss on disposal of assets	(158,141)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(5,872,542)
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.	120,477
OPEB benefit	2,475,865
Proceeds from disposal of capital assets	(231,996)
Estimated reserve for workers' compensation self-insurance recorded as a long-term obligation in the government-wide statements.	<u>(1,132,532)</u>
Total adjustments	<u>\$ 240,086,979</u>

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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, 2019, the Board's deposits with banks had a carrying amount of \$70,734,886 and with the State Treasurer of \$7,972,178. The bank balances with financial institutions and the State Treasurer were \$88,825,082 and \$17,310,717, respectively. Of these balances, \$275,981 was covered by federal depository insurance and \$105,859,818 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

2. Investments

At June 30, 2019, the Board had \$36,943,491 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 \$32,641,530 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, 2019. 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, 2019.

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 as of June 30, 2019. 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 North Carolina Capital Management Trust's Government Portfolio. This investment is 53.09 percent of the Board's total investments.

3. Accounts Receivable

Receivables at the government-wide level at June 30, 2019, were as follows:

	Due from other funds (internal balances)	Due from other governments	Other	Total
Governmental activities:				
General Fund	\$ 45,508	\$ 1,383,986	\$ 1,999,692	\$ 3,429,186
Other governmental activities	<u>207,665</u>	<u>54,795,488</u>	<u>207,364</u>	<u>55,210,517</u>
Total	<u>\$ 253,173</u>	<u>\$ 56,179,474</u>	<u>\$ 2,207,056</u>	<u>\$ 58,639,703</u>
Business-type activities				
Child Nutrition Program	\$ 9,823	\$ 1,457,363	\$ 54,541	\$ 1,521,727
Tuition Programs	<u>278,826</u>	<u>658,553</u>	<u>15,380</u>	<u>952,759</u>
Total	<u>\$ 288,649</u>	<u>\$ 2,115,916</u>	<u>\$ 69,921</u>	<u>\$ 2,474,486</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.

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Due from other governments consists of the following:

Governmental activities:

General Fund	\$ 1,033,299	Sales tax refund from state
	7,443	Miscellaneous revenue from state
	343,244	Miscellaneous revenue from municipalities
State Public School Fund	11,737,343	Operating funds from DPI
Capital Outlay Fund	41,217,989	County funds from county appropriations
State Administered Federal Grants Fund	1,299,565	Federal grant funds
Individual Schools Fund	95,548	Sales tax refund from state
Other restricted fund	380,369	Federal grant funds
	<u>64,674</u>	Sales tax refund from state
	<u>\$56,179,474</u>	

Business-type activities:

Child Nutrition Program	\$ 1,457,363	USDA Reimbursement from state
Tuition Programs	103,938	Sales tax refund from state
	<u>554,615</u>	Miscellaneous revenue from municipalities
	<u>658,553</u>	
	<u>\$ 2,115,916</u>	

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

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

4. Capital Assets

Capital asset activity for the year ended June 30, 2019 was:

	Beginning Balances	Increases	Transfers	Retirements	Ending Balances
Capital assets not being depreciated:					
Land	\$ 176,193,747	\$ 13,286,976	\$ -	\$ -	\$ 189,480,723
Construction in progress	<u>269,624,649</u>	<u>303,871,590</u>	<u>(28,694,086)</u>	<u>-</u>	<u>544,802,153</u>
Total capital assets not being depreciated	<u>445,818,396</u>	<u>317,158,566</u>	<u>(28,694,086)</u>	<u>-</u>	<u>734,282,876</u>
Capital assets being depreciated					
Land improvements	12,094,702	1,051,184	-	(2,086,544)	11,059,342
Buildings	3,727,714,671	-	28,694,086	(123,790)	3,756,284,967
Equipment	98,384,417	4,028,441	-	(4,593,680)	97,819,178
Vehicles and motor equipment	<u>83,266,488</u>	<u>3,409,102</u>	<u>-</u>	<u>(1,453,749)</u>	<u>85,221,841</u>
Total capital assets being depreciated	<u>3,921,460,278</u>	<u>8,488,727</u>	<u>28,694,086</u>	<u>(8,257,763)</u>	<u>3,950,385,328</u>
Less accumulated depreciation for					
Land improvements	5,906,371	508,945	-	(2,079,660)	4,335,656
Buildings	898,387,527	82,263,806	-	(24,758)	980,626,575
Equipment	63,004,005	9,539,518	-	(4,462,846)	68,080,677
Vehicles and motor equipment	<u>70,218,827</u>	<u>4,495,991</u>	<u>-</u>	<u>(1,300,362)</u>	<u>73,414,456</u>
Total accumulated depreciation	<u>1,037,516,730</u>	<u>\$ 96,808,260</u>	<u>-</u>	<u>\$(7,867,626)</u>	<u>1,126,457,364</u>
Total capital assets being depreciated, net	<u>2,883,943,548</u>				<u>2,823,927,964</u>
Governmental activity capital assets, net	<u>\$ 3,329,761,944</u>				<u>\$3,558,210,840</u>

Depreciation was charged to governmental functions as follows:

Unallocated depreciation	\$ 93,204,421
Operational support services	<u>3,603,839</u>
Total	<u>\$ 96,808,260</u>

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Business-type Activities:	Beginning Balances	Increases	Retirements	Ending Balances
Child nutrition program activities				
Capital assets being depreciated:				
Equipment	\$ 21,001,456	\$ 2,700,725	\$ (69,038)	\$ 23,633,143
Vehicles	971,571	-	-	971,571
Total capital assets being depreciated	21,973,027	2,700,725	(69,038)	24,604,714
Less accumulated depreciation for:				
Equipment	16,124,841	1,410,593	(61,802)	17,473,632
Vehicles	840,996	58,762	-	899,758
Total accumulated depreciation	16,965,837	1,469,355	(61,802)	18,373,390
Child nutrition program capital assets, net	5,007,190			6,231,324
Tuition program activities:				
Capital assets being depreciated:				
Equipment	605,187	187,214	(16,847)	775,554
Vehicles	81,812	-	-	81,812
Total capital assets being depreciated	686,999	187,214	(16,847)	857,366
Less accumulated depreciation for:				
Equipment	367,908	37,894	(6,668)	399,134
Vehicles	58,728	8,977	-	67,705
Total accumulated depreciation	426,636	\$ 46,871	\$ (6,668)	466,839
Tuition program capital assets, net	260,363			390,527
Business-type activities capital assets, net	\$ 5,267,553			\$ 6,621,851

5. Construction Commitments

The Board has active construction projects as of June 30, 2019. At year-end, the Board's commitments with contractors for school construction totaled approximately \$226,246,396. These commitments will be funded by future revenues from Wake County.

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B. Liabilities

1. Pension Plan Obligations and Other Post-employment Obligations

a. Teachers' and State Employees' Retirement System

Plan Description. The Board is a participating employer in the statewide Teachers' and State Employees' Retirement System (TSERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. TSERS membership is comprised of employees of the State (state agencies and institutions), universities, community colleges, and certain proprietary component units, along with the employees of Local Education Agencies and charter schools. Article 1 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the TSERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Teachers' and State Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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.

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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, 2019, was 12.29 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 \$117,577,904 for the year ended June 30, 2019.

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, 2019, the Board reported a liability of \$660,723,896 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018, 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, 2018, and at June 30, 2017, the Board's proportion was 6.565% and 6.435%, respectively.

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For the year ended June 30, 2019, the Board recognized pension expense of \$153,285,630. At June 30, 2019, 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	\$ 48,220,069	\$ 6,630,805
Changes of assumptions	132,590,292	-
Net difference between projected and actual earnings on pension plan investments	62,967,102	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	3,122,016	3,110,290
Board contributions subsequent to the measurement date	117,577,904	-
Total	<u>\$ 364,477,383</u>	<u>\$ 9,741,095</u>

A total of \$117,577,904 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ 140,850,225
2021	87,377,796
2022	10,086,621
2023	(1,156,258)
Thereafter	-
	<u>\$ 237,158,384</u>

Actuarial Assumptions. The total pension liability in the December 31, 2017, 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

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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 actuarial assumptions used in the December 31, 2017, valuation were based on the results of an actuarial experience study for the period January 1, 2010, through December 31, 2014.

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, 2017, 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 2017 asset liability and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05 percent. All rates of return and inflation are annualized.

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Discount rate. The discount rate used to measure the total pension liability was 7.2 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 7.2 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 (6.2 percent) or one percentage point higher (8.2 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	(6.2%)	(7.2%)	(8.2%)
Board's proportionate share of the net pension liability	1,260,112,450	660,723,896	157,777,545

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately-issued Comprehensive Annual Financial Report (CAFR) 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 135-7, 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 CAFR, 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 2017-57 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.

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Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees’ health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the current fiscal year, the Board contributed 6.27% of covered payroll which amounted to \$59,984,821.

At June 30, 2019, Board reported a liability of \$1,688,971,690 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. The total OPEB liability was then rolled forward to the measurement date of June 30, 2018 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, 2018, the Board’s proportion was 6.013%.

\$59,984,821 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, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:		
2020	\$	(176,127,605)
2021		(176,127,605)
2022		(176,127,605)
2023		(175,947,003)
2024		(68,603,532)
Thereafter		-
	\$	<u>(772,933,350)</u>

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

Inflation	3.00%
Salary increases	3.5-8.10%, include 3.5% inflation and productivity factor
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate - medical	5.00-6.50%
Healthcare cost trend rate - prescription drug	5.00-7.25%
Healthcare cost trend rate - medicare advantage	5.00%
Healthcare cost trend rate - administrative	3.00%

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Discount rate. The discount rate used to measure the total OPEB liability for the RHBF was 3.58%. 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 3.87% was used as the discount rate used to measure the total OPEB liability. The 3.87% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2018.

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage point higher (4.58 percent) than the current discount rate:

	1% Decrease (2.58%)	Discount Rate (3.87%)	1% Increase (4.58%)
Net OPEB Liability	\$ 1,995,537,094	\$ 1,688,971,690	\$ 1,443,226,629

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, 3.00 Admin Expenses)	1% Increase in Trend Rates
Net OPEB Liability	\$ 1,393,357,675	\$ 1,688,971,690	\$ 2,077,054,982

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CAFR 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.

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

The financial statements and other required disclosures for the plan are presented in the State of North Carolina's CAFR, 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.

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, 2019, employers made a statutory contribution of 0.14% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$1,339,374 for the year ended June 30, 2019.

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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, 2019, Board reported an asset of \$1,798,317 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2018, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017. The total OPEB asset was then rolled forward to the measurement date of June 30, 2018 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, 2018, the Board's proportion was 5.84695%.

\$1,339,374 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, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$ 1,095,486
2021	1,095,310
2022	843,163
2023	645,132
2024	443,609
Thereafter	443,432
	<u>\$ 4,566,132</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

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	\$ 1,377,924	\$ 1,798,317	\$ 2,201,600

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Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2017 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. 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>	

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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
OPEB Expense (Benefit)	\$ (2,547,172)	\$ 8,303
Proportionate share of the net OPEB liability (asset)	1,688,971,688	(1,798,317)
Deferred Outflows of Resources		
Differences between expected and actual experience	-	3,136,990
Changes in assumptions		339,582
Net difference between projected and actual earnings on plan investments	181,640	1,400,539
Changes in proportion and differences between Board contributions and proportionate share of contributions	109,656,184	-
Board contributions subsequent to the measurement date	59,984,821	1,339,374
Deferred Inflows of Resources		
Differences between expected and actual experience	115,499,332	-
Changes of assumptions	731,701,527	-
Net difference between projected and actual earnings on plan investments	-	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	35,570,315	310,979

2. Accounts Payable

Accounts payables as of June 30, 2019, are as follows:

	<u>Vendors</u>	<u>Salaries and benefits</u>	<u>Due to other funds (internal balances)</u>
Governmental Activities			
General	\$ 31,188,164	\$ 6,733,134	\$ 206,078
Other Governmental	51,793,704	12,418,978	319,285
Total Governmental activities	<u>\$ 82,981,868</u>	<u>\$ 19,152,112</u>	<u>\$ 525,363</u>
Business-type Activities			
Child Nutrition Program	\$ 593,757	\$ 1,902,603	\$ 15,493
Tuition Programs	786,643	25,827	966
Total Business-type activities	<u>\$ 1,380,400</u>	<u>\$ 1,928,430</u>	<u>\$ 16,459</u>

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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)	\$ 1,753,749
Prepayments of community use fees (Tuition Programs)	<u>505,326</u>
	<u>\$ 2,259,075</u>

4. Deferred Outflows and Inflows of Resources

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in proportion and difference between employer contributions and proportionate share of contributions	\$ 112,778,200	\$ 38,991,584
Changes in assumptions	132,929,874	731,701,527
Board contributions subsequent to the measurement date	178,902,099	-
Difference between projected and actual earnings on plan investments	64,549,281	-
Difference between expected and actual experience	51,357,059	122,130,137
Grants not yet earned (Other Restricted Funds)	<u>-</u>	<u>6,599,119</u>
Totals	<u>\$ 540,516,513</u>	<u>\$ 899,422,367</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 \$750,000; 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 \$300,000,000 in catastrophic limits, with a total insured value of 4.6 billion.

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Estimated claims payable, beginning of year	\$ 6,373,712	\$ 6,523,123
Current year claims and changes in estimates	3,628,036	1,941,657
Claim payments	<u>(2,495,504)</u>	<u>(2,091,068)</u>
Estimated claims payable, end of year	<u>\$ 7,506,244</u>	<u>\$ 6,373,712</u>

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

6. Contingent Liabilities

At June 30, 2019, 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 \$6,155,636 for the year ended June 30, 2019. The future minimum lease payments for these leases are as follows:

<u>Year ending June 29</u>	<u>Amount</u>
2020	\$ 4,107,861
2021	7,117,229
2022	7,232,025
2023	7,396,303
2024	7,564,654
2025-2029	39,576,266
2030-2034	<u>42,853,489</u>
Total	<u>\$ 115,847,827</u>

**WAKE COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019**

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 such a contract to reduce the energy costs associated with several schools. 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 an 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 financing contract only required principal payments of \$693,296 for the years ending June 30, 2019, 2020, 2021, and 2022.

The future minimum payments of the installment purchases as of June 30, 2019, including \$2,453,899 of interest are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 391,563	\$ 301,733
2021	1,084,491	253,703
2022	1,097,581	239,835
2023	417,817	225,503
2024	431,805	210,692
2025-2029	2,315,812	816,951
2030-2034	2,622,119	385,147
2035	573,614	20,335
	<u>\$ 8,934,802</u>	<u>\$ 2,453,899</u>

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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, 2019:

	Beginning Balance	Increases	Decreases	Ending Balance	Due within One Year
Governmental activities:					
Worker's compensation	\$ 6,373,712	\$ 3,628,036	\$ 2,495,504	\$ 7,506,244	\$ 3,794,083
Installment purchase	-	9,628,098	693,296	8,934,802	391,563
Net pension liability	510,812,176	136,359,399	-	647,171,575	-
Net OPEB liability	1,922,782,203	-	275,486,924	1,647,295,279	-
Compensated absences	<u>89,935,891</u>	<u>68,678,208</u>	<u>62,805,666</u>	<u>95,808,433</u>	<u>60,000,000</u>
Total	<u>\$ 2,529,903,982</u>	<u>\$ 218,293,741</u>	<u>\$ 341,481,390</u>	<u>\$ 2,406,716,333</u>	<u>\$ 64,185,646</u>
Business-type activities:					
Net pension liability	\$ 10,087,047	\$ 3,465,274	\$ -	\$ 13,552,321	\$ -
Net OPEB liability	48,677,306	-	7,000,895	41,676,411	-
Compensated absences	<u>1,215,762</u>	<u>771,399</u>	<u>788,569</u>	<u>1,198,592</u>	<u>700,000</u>
Total	<u>\$ 59,980,115</u>	<u>\$ 4,236,673</u>	<u>\$ 7,789,464</u>	<u>\$ 56,427,324</u>	<u>\$ 700,000</u>

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

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

C. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2019, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Outlay Fund	\$ 2,430
General Fund	State Administered Federal Grants	1,939
General Fund	Individual Schools Fund	17,198
General Fund	Other Restricted Funds	7,482
General Fund	Child Nutrition Program	15,493
General Fund	Tuition Program	966
State Administered Federal Grants	General Fund	377
Individual Schools Fund	General Fund	389
Individual Schools Fund	Other Restricted Funds	3,000
Other Restricted Funds	General Fund	203,899
Child Nutrition Program	General Fund	383
Child Nutrition Program	Capital Outlay Fund	8,638
Child Nutrition Program	Individual Schools Fund	802
Tuition Program	General Fund	1,030
Tuition Program	Individual Schools Fund	277,796
		<u>\$ 541,822</u>

Most interfund balances are due to allocation of printing costs, catering fees, or mailroom costs. The Individual Schools Fund owes \$277,796 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 \$203,899 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, 2019:

<u>Transfers From:</u>	<u>Transfers To:</u>	
	<u>Other Restricted Funds</u>	<u>Child Nutrition Fund</u>
State Public School Fund	\$ -	\$ 68,730
Individual Schools Fund	492,774	-
	<u>\$ 492,774</u>	<u>\$ 68,730</u>

During the year, the State Public School Fund transferred \$68,730 to the Child Nutrition Program for administrative costs. The Individual School Fund transferred \$492,774 to the Other Restricted Funds to fund the costs of additional positions in the schools.

**WAKE COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019**

D. Fund Balance

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

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

Total fund balance - General Fund	\$ 62,849,011
Less:	
Inventories	4,559,114
Stabilization by State Statute	5,057,968
Energy savings obligations	6,488,539
Special projects	
K-3 class size phase-in	1,000,000
Non-Certified salary increase & competitive teacher pay	4,110,000
Maintenance and operations	1,500,000
Deferred needs removed from budget request	1,970,000
Operational and academic support needs	3,951,590
TSERS potential underfunded pension liability	1,161,497
Other special projects	206,596
Insurance	11,735,920
Flexible benefit plan	1,609,584
Appropriated fund balance in 2020 budget	<u>8,107,000</u>
Remaining fund balance	<u><u>\$ 11,391,203</u></u>

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

General Fund	\$ 1,628,781
Capital Outlay Fund	168,929

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, 2019**

Subsequent Events

The Board has evaluated subsequent events through November 6, 2019, in connection with the preparation of these financial statements. This is the date the financial statements were available to be issued.

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 SIX FISCAL YEARS

Year	Board's portion of the net pension liability	Board's proportionate share of the net pension liability	Board's covered payroll	Board's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2019	6.6364%	\$ 660,723,896	\$ 908,398,166	73%	91.63%
2018	6.5650%	520,899,223	874,819,518	60%	89.51%
2017	6.4350%	591,446,650	839,696,815	70%	87.32%
2016	6.1602%	227,014,746	800,662,003	28%	94.64%
2015	5.9756%	70,058,926	750,539,861	9%	98.24%
2014	5.8869%	357,394,818	740,564,917	48%	90.60%

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

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

Year	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Board's covered payroll	Contributions as a percentage of covered payroll
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%
2011	37,074,917	37,074,917	-	730,801,744	5.07%
2010	27,088,269	27,088,269	-	728,963,117	3.72%

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
RETIREE HEALTH BENEFIT FUND
LAST THREE 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
2019	5.9287%	\$ 1,688,971,690	\$ 908,398,166	186%	4.40%
2018	6.0130%	1,971,459,509	874,819,518	225%	3.52%
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

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
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%
2011	35,809,285	35,809,285	-	730,801,744	4.90%
2010	32,803,340	32,803,340	-	728,963,117	4.50%

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB ASSET
DISABILITY INCOME PLAN OF NORTH CAROLINA
LAST THREE 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
2019	5.92019%	\$ 1,798,317	\$ 908,398,166	0.1980%	108.47%
2018	5.84695%	3,573,656	874,819,518	0.4085%	116.23%
2017	5.79204%	3,596,857	839,696,815	0.4284%	116.06%

* 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
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%
2011	3,800,169	3,800,169	-	730,801,744	0.52%
2010	3,790,608	3,790,608	-	728,963,117	0.52%

NON-MAJOR FUNDS

Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues, other than major capital projects, that are legally restricted to expenditure for particular purposes. The non-major special revenue funds include:

State Administered Federal Grants Fund – The State Administered Federal Grants Fund is used to account for federal grant monies administered through the State Department of Public Instruction.

Individual School Fund – The Individual School 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.

Other Restricted Funds – Other Restricted Funds is used to account for revenues from reimbursements and grant monies received directly from the grantors. Grant monies received directly from the grantors was previously reported in the direct grants fund. This fund was combined into the other restricted fund this year.

**WAKE COUNTY BOARD OF EDUCATION
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	State Administered Federal Grants	Individual School Fund	Other Restricted Funds	Total
ASSETS				
Cash	\$ 459,999	\$ 9,490,953	\$ 7,445,515	\$ 17,396,467
Due from other governments	1,299,566	95,547	445,043	1,840,156
Accounts receivable	-	46,654	160,710	207,364
Due from other funds	<u>377</u>	<u>3,389</u>	<u>203,899</u>	<u>207,665</u>
 Total assets	 <u>\$ 1,759,942</u>	 <u>\$ 9,636,543</u>	 <u>\$ 8,255,167</u>	 <u>\$ 19,651,652</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Salaries and benefits payable	\$ 627,865	\$ -	\$ 54,113	\$ 681,978
Accounts payable	1,130,138	340,169	1,540,343	3,010,650
Due to other funds	<u>1,939</u>	<u>295,796</u>	<u>10,482</u>	<u>308,217</u>
 Total liabilities	 <u>1,759,942</u>	 <u>635,965</u>	 <u>1,604,938</u>	 <u>4,000,845</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>6,599,119</u>	<u>6,599,119</u>
Fund balances	<u>-</u>	<u>9,000,578</u>	<u>51,110</u>	<u>9,051,688</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 1,759,942</u>	 <u>\$ 9,636,543</u>	 <u>\$ 8,255,167</u>	 <u>\$ 19,651,652</u>

WAKE COUNTY BOARD OF EDUCATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	State Administered Federal Grants	Individual School Fund	Other Restricted Funds	Total
REVENUES:				
County	\$ -	\$ -	\$ 909,362	\$ 909,362
Federal	65,775,966	-	4,650,139	70,426,105
State	-	-	3,764	3,764
Other	-	17,511,698	17,530,603	35,042,301
Total revenues	<u>65,775,966</u>	<u>17,511,698</u>	<u>23,093,868</u>	<u>106,381,532</u>
EXPENDITURES:				
Instructional services:				
Regular instructional	1,804,763	-	4,417,546	6,222,309
Special populations	24,782,649	-	3,079,823	27,862,472
Alternative programs	30,286,215	-	2,016,187	32,302,402
School leadership	-	-	12,359	12,359
Co-curricular	-	16,752,053	2,561	16,754,614
School-based support	3,240,626	-	1,051,186	4,291,812
Systemwide support services				
Support and development	1,507,206	-	1,012,494	2,519,700
Special populations support and development	416,817	-	247,769	664,586
Alternative programs and services support and development	780,490	-	489,041	1,269,531
Technology support	-	-	1,647,907	1,647,907
Operational support	1,197,778	-	9,047,480	10,245,258
Financial and human resource	227,791	-	264,317	492,108
Accountability services	-	-	-	-
Systemwide pupil support	-	-	47,707	47,707
Policy, leadership and public relations	-	-	4,500	4,500
Ancillary services	-	-	63,766	63,766
Non-program charges	1,531,631	-	130,889	1,662,520
Total expenditures	<u>65,775,966</u>	<u>16,752,053</u>	<u>23,535,532</u>	<u>106,063,551</u>
Excess (deficiency) of revenues over expenditures before other financing sources	<u>-</u>	<u>759,645</u>	<u>(441,664)</u>	<u>317,981</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	492,774	492,774
Transfers out	-	(492,774)	-	(492,774)
Total other financing sources (uses)	<u>-</u>	<u>(492,774)</u>	<u>492,774</u>	<u>-</u>
Net change in fund balance	-	266,871	51,110	317,981
Fund balances, beginning of year	-	8,733,707	-	8,733,707
Fund balances, end of year	<u>\$ -</u>	<u>\$ 9,000,578</u>	<u>\$ 51,110</u>	<u>\$ 9,051,688</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, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019		Variance- Positive (Negative)	2018
	Budget	Actual		Actual
REVENUES:				
State: other	\$ -	\$ -	\$ -	\$ 4,685
Wake County:				
County appropriation	474,937,921	474,937,921	-	428,820,317
Federal:				
ROTC	-	-	-	502,486
Other:				
Fines and forfeitures	4,635,000	4,495,103	(139,897)	4,087,338
Interest	700,000	1,234,404	534,404	733,288
Tuition and fees	35,000	32,480	(2,520)	1,400,193
Other local	455,266	105,391	(349,875)	691,867
Total	5,825,266	5,867,378	42,112	6,912,686
Total revenues	480,763,187	480,805,299	42,112	436,240,174
EXPENDITURES:				
Regular instructional services				
Regular curricular		137,800,551		123,065,313
CTE curricular		7,023,933		6,768,880
Program enhancement teachers		26,042,946		1,207
	173,194,174	170,867,430	2,326,744	129,835,400
Special populations services				
Children with disabilities curricular		25,086,580		46,519,935
Special population CTE curricular		336,294		329,546
Pre-K children with disabilities curricular		2,698,810		5,814,624
Speech and language pathology		3,239,000		4,533,180
Audiology		428,096		522,788
Academically/intellectually gifted curricular		2,346,996		2,261,508
Limited english proficiency		2,702,335		5,377,331
	38,664,463	36,838,111	1,826,352	65,358,912
Alternative programs and services				
Alternative instructional K-12		1,836,890		2,022,664
Attendance and social work		3,670,548		3,114,806
Remedial and supplemental K-12		6,177,800		6,724,195
Pre-K readiness/remedial and supplemental		1,828,603		1,951,246
Extended day/year instructional		1,425,900		1,652,912
	15,231,641	14,939,741	291,900	15,465,823

(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, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019		Variance- Positive (Negative)	2018
	Budget	Actual		Actual
School leadership services				
School leadership	\$ -	\$ 2,107,993	\$ -	\$ 1,222,584
School principal		7,368,458		7,122,836
School assistant principal		6,546,473		10,603,714
	<u>16,302,615</u>	<u>16,022,924</u>	<u>279,691</u>	<u>18,949,134</u>
Co-Curricular	<u>17,034,594</u>	<u>16,985,245</u>	<u>49,349</u>	<u>13,228,018</u>
School-based support services				
Educational media		9,415,940		7,755,348
Student accounting		565,255		55,703
Guidance		18,499,146		15,521,488
Health		911,821		2,134,572
Safety and security		1,689,290		160,746
Instructional technology		920,844		1,187,696
Staff development unallocated		581,767		402,643
Parent involvement		217,156		197,126
	<u>34,270,342</u>	<u>32,801,219</u>	<u>1,469,123</u>	<u>27,415,322</u>
Support and development services				
Regular curricular support and development		5,467,299		8,605,593
CTE curricular support and development		366,492		376,432
	<u>5,999,874</u>	<u>5,833,791</u>	<u>166,083</u>	<u>8,982,025</u>
Special population support and development services	<u>4,852,754</u>	<u>4,654,085</u>	<u>198,669</u>	<u>4,416,745</u>
Alternative programs and services support and development services	<u>1,861,225</u>	<u>1,832,166</u>	<u>29,059</u>	<u>1,216,156</u>
Technology support services	<u>15,225,804</u>	<u>14,912,727</u>	<u>313,077</u>	<u>14,580,686</u>
Operational support services				
Communication		30,873		574,890
Printing and copying		38,831		59,283
Public utility and energy		25,866,743		25,677,767
Custodial/housekeeping		12,088,002		10,357,044
Transportation		20,237,339		17,872,665
Warehouse and delivery		744,473		770,308
Facilities planning, acquisition and construction		5,563,728		4,522,715
Maintenance		26,744,635		26,824,847
	<u>100,209,349</u>	<u>91,314,624</u>	<u>8,894,725</u>	<u>86,659,519</u>
Financial and human resource services				
Financial		10,360,962		8,209,908
Human resource		6,091,960		6,262,998
	<u>17,089,072</u>	<u>16,452,922</u>	<u>636,150</u>	<u>14,472,906</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, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019		Variance-	2018
	Budget	Actual	Positive (Negative)	Actual
Accountability services				
Student testing	\$ -	\$ 1,099,180	\$ -	\$ 1,639,624
Planning, research development and program evaluation		912,664		862,340
	<u>2,031,032</u>	<u>2,011,844</u>	<u>19,188</u>	<u>2,501,964</u>
Systemwide pupil support services				
Educational media support		102,141		150,388
Student accounting support		1,806,174		1,766,450
Guidance support		438,287		464,540
Health support		188,545		176,030
Safety and security support		978,277		2,326,668
Instructional technology support		243,464		-
	<u>3,867,323</u>	<u>3,756,888</u>	<u>110,435</u>	<u>4,884,076</u>
Policy, leadership and public relations services				
Board of education		344,610		444,634
Legal		1,297,438		1,216,431
Audit		591,100		530,250
Leadership		4,339,769		3,910,308
Public relations and marketing		1,992,803		2,186,845
	<u>9,122,669</u>	<u>8,565,720</u>	<u>556,949</u>	<u>8,288,468</u>
Ancillary services				
Aftercare		3,998		-
Nutrition		5,254		300
	<u>9,252</u>	<u>9,252</u>	<u>-</u>	<u>300</u>
Non-program charges:				
Payments to charter schools	<u>37,994,616</u>	<u>36,014,300</u>	<u>1,980,316</u>	<u>29,635,567</u>
Unbudgeted funds	<u>4,998,369</u>	<u>-</u>	<u>4,998,369</u>	<u>-</u>
Total expenditures	<u>497,959,168</u>	<u>473,812,989</u>	<u>24,146,179</u>	<u>445,891,021</u>
Excess (deficiency) of revenues over expenditures before other financing sources	<u>(17,195,981)</u>	<u>6,992,310</u>	<u>24,188,291</u>	<u>(9,650,847)</u>
OTHER FINANCING SOURCES:				
Appropriated fund balance	17,195,981	-	(17,195,981)	-
Energy savings obligations issued	-	6,854,914	6,854,914	-
Total other financing sources	<u>17,195,981</u>	<u>6,854,914</u>	<u>(10,341,067)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>13,847,224</u>	<u>\$ 13,847,224</u>	<u>(9,650,847)</u>
Fund balance, beginning of year		48,881,310		58,013,455
Increase in reserve for inventories		120,477		518,702
Fund balance, end of year		<u>\$ 62,849,011</u>		<u>\$ 48,881,310</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, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019		Variance- Positive (Negative)	2018
	Budget	Actual		Actual
REVENUES:				
State: other	<u>\$ 981,891,531</u>	<u>\$ 969,920,989</u>	<u>\$ (11,970,542)</u>	<u>\$ 907,767,787</u>
Total revenues	<u>981,891,531</u>	<u>969,920,989</u>	<u>(11,970,542)</u>	<u>907,767,787</u>
EXPENDITURES:				
Regular instructional services				
Regular curricular		412,775,369		495,017,819
CTE curricular		43,876,443		41,169,401
Program enhancement		78,940,787		-
	<u>539,764,429</u>	<u>535,592,599</u>	<u>4,171,830</u>	<u>536,187,220</u>
Special populations services				
Children with disabilities curricular		117,387,385		84,400,266
Special population CTE curricular		1,798,378		1,702,426
Pre-K children with disabilities curricular		15,182,815		10,410,856
Speech and language pathology		13,197,531		10,957,005
Audiology		1,064,191		898,988
Academically/intellectually gifted curricular		10,317,351		9,700,486
Limited english proficiency		13,115,410		8,979,376
	<u>172,636,321</u>	<u>172,063,061</u>	<u>573,260</u>	<u>127,049,403</u>
Alternative programs and services				
Alternative instructional K-12		7,528,873		7,685,665
Attendance and social work		4,742,205		4,942,948
Remedial and supplemental K-12		19,613,708		16,665,429
Extended day/year instructional		2,947,571		2,039,222
	<u>37,046,623</u>	<u>34,832,357</u>	<u>2,214,266</u>	<u>31,333,264</u>
School leadership services				
School Leadership		23,918,956		23,197,526
School Principal		19,344,021		18,114,827
School Assistant Principal		31,224,338		22,637,581
	<u>75,353,313</u>	<u>74,487,315</u>	<u>865,998</u>	<u>63,949,934</u>
Co-Curricular	<u>26,745</u>	<u>26,745</u>	<u>-</u>	<u>10,201</u>
School-based support services				
Educational media		9,515,862		9,937,523
Student accounting		9,908,884		9,316,515
Guidance		24,239,086		23,868,681
Health		7,282,460		4,638,152
Safety and security		1,051,522		1,038,332
Instructional technology		1,083,088		1,372,141
Staff development unallocated		140,312		113,747
	<u>54,184,475</u>	<u>53,221,214</u>	<u>963,261</u>	<u>50,285,091</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, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019		Variance- Positive (Negative)	2018
	Budget	Actual		Actual
Support and development services				
Regular curricular support and development	\$ -	\$ 657,143	\$ -	\$ 902,717
CTE curricular support and development		<u>167,978</u>		<u>264,841</u>
	<u>829,304</u>	<u>825,121</u>	<u>4,183</u>	<u>1,167,558</u>
Special population support and development services	<u>912,999</u>	<u>912,999</u>	<u>-</u>	<u>746,075</u>
Alternative programs and services support and development services	<u>395,807</u>	<u>393,110</u>	<u>2,697</u>	<u>501,775</u>
Technology support services	<u>7,908,092</u>	<u>5,843,566</u>	<u>2,064,526</u>	<u>7,301,434</u>
Operational support services				
Custodial/housekeeping		19,899,673		19,277,102
Transportation		63,389,276		61,885,445
Facilities planning, acquisition and construction		-		32,719
Maintenance		<u>590,797</u>		<u>535,649</u>
	<u>84,901,219</u>	<u>83,879,746</u>	<u>1,021,473</u>	<u>81,730,915</u>
Financial and human resource services				
Financial		2,839,979		3,214,092
Human resource		<u>1,584,475</u>		<u>1,364,398</u>
	<u>4,430,633</u>	<u>4,424,454</u>	<u>6,179</u>	<u>4,578,490</u>
Accountability services				
Student testing	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,002</u>
Systemwide pupil support services				
Student accounting support		281,365		361,778
Guidance support		144,634		139,731
Safety and security support		<u>143,667</u>		<u>138,840</u>
	<u>569,666</u>	<u>569,666</u>	<u>-</u>	<u>640,349</u>
Policy, leadership and public relations services				
Audit		-		103,405
Leadership		2,439,040		1,961,508
Public relations and marketing		<u>122,562</u>		<u>115,151</u>
	<u>2,561,602</u>	<u>2,561,602</u>	<u>-</u>	<u>2,180,064</u>
Ancillary services : nutrition	<u>301,573</u>	<u>218,704</u>	<u>82,869</u>	<u>-</u>
Total expenditures	<u>981,822,801</u>	<u>969,852,259</u>	<u>11,970,542</u>	<u>907,722,775</u>
Excess of revenues over expenditures before other financing sources	<u>68,730</u>	<u>68,730</u>	<u>-</u>	<u>45,012</u>
OTHER FINANCING USES:				
Transfers out	<u>(68,730)</u>	<u>(68,730)</u>	<u>-</u>	<u>(45,012)</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, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019		Variance- Positive (Negative)	2018
	Budget	Actual		Actual
REVENUES:				
Wake County:				
Appropriation	\$ 71,961	\$ 71,961	\$ -	\$ 1,191,669
Capital improvements fund	<u>760,313,930</u>	<u>321,166,486</u>	<u>(439,147,444)</u>	<u>304,004,115</u>
	<u>760,385,891</u>	<u>321,238,447</u>	<u>(439,147,444)</u>	<u>305,195,784</u>
State				
LEA financed purchase of school buses	<u>693,296</u>	<u>693,296</u>	<u>-</u>	<u>387,942</u>
Other:				
Sale of school property	255,922	231,996	(23,926)	161,184
Interest	-	25	25	16
Other local	<u>621,446</u>	<u>692,007</u>	<u>70,561</u>	<u>752,136</u>
	<u>877,368</u>	<u>924,028</u>	<u>46,660</u>	<u>913,336</u>
Total revenues	<u>761,956,555</u>	<u>322,855,771</u>	<u>(439,100,784)</u>	<u>306,497,062</u>
EXPENDITURES:				
Land and buildings:				
Land: Purchase of new sites	36,969,580	13,198,446	23,771,134	3,051,084
Buildings:				
General contracts		9,488,060		11,430,690
Heating contracts		6,199,420		9,824,796
Electrical contracts		2,713,493		919,056
Architect fees		10,236,484		10,758,246
Construction management contracts		214,626,058		204,126,249
Equipment contracts		29,916,262		29,503,366
Improvements to new sites		761,804		7,339,034
Improvements to existing sites		164,886		1,438,849
Miscellaneous contracts		<u>32,596,407</u>		<u>23,980,725</u>
	<u>716,712,715</u>	<u>306,702,874</u>	<u>410,009,841</u>	<u>299,321,011</u>
Other:				
Library books	<u>6,182,439</u>	<u>1,420,407</u>	<u>4,762,032</u>	<u>2,544,586</u>
	<u>759,864,734</u>	<u>321,321,727</u>	<u>438,543,007</u>	<u>304,916,681</u>
Equipment:	<u>206,957</u>	<u>202,347</u>	<u>4,610</u>	<u>162,402</u>
Vehicles:				
Administration		298,844		639,320
Transportation		<u>2,709,199</u>		<u>1,324,932</u>
	<u>4,075,790</u>	<u>3,008,043</u>	<u>1,067,747</u>	<u>1,964,252</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, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019		Variance- Positive (Negative)	2018
	Budget	Actual		Actual
Debt service:				
Principal	\$ 693,296	\$ 693,296	\$ -	\$ 387,942
Total expenditures	764,840,777	325,225,413	439,615,364	307,431,277
Deficiency of revenues over expenditures before other financing sources	(2,884,222)	(2,369,642)	514,580	(934,215)
OTHER FINANCING SOURCES:				
Installment purchase obligations issued	2,773,184	2,773,184	-	-
Appropriated fund balance	111,038	-	(111,038)	-
Total other financing sources	2,884,222	2,773,184	(111,038)	-
Net change in fund balance	\$ -	403,542	\$ 403,542	(934,215)
Fund balance, beginning of year		1,942,490		2,876,705
Fund balance, end of year		\$ 2,346,032		\$ 1,942,490

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, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019		Variance- Positive (Negative)	2018
	Budget	Actual		Actual
REVENUES:				
Federal:				
Special education	\$ 32,664,645	\$ 28,274,164	\$ (4,390,481)	\$ 32,643,579
Title I	39,627,693	30,759,308	(8,868,385)	26,496,595
Career technical education	1,705,926	1,593,917	(112,009)	1,617,393
Improving teacher quality	4,469,529	2,765,948	(1,703,581)	2,242,655
English language acquisition	2,719,924	1,893,363	(826,561)	1,962,757
Other federal	3,778,438	489,266	(3,289,172)	241,895
Total revenues	<u>84,966,155</u>	<u>65,775,966</u>	<u>(19,190,189)</u>	<u>65,204,874</u>
EXPENDITURES:				
Regular instructional services				
CTE curricular		1,555,686		1,575,395
Program enhancement teachers		249,077		-
	<u>3,453,415</u>	<u>1,804,763</u>	<u>1,648,652</u>	<u>1,575,395</u>
Special populations services				
Children with disabilities curricular		22,761,664		25,177,917
Special population CTE curricular		1,000		-
Pre-K children with disabilities curricular		497,411		975,209
Speech and language pathology		185,084		180,126
Audiology		8,078		149
Limited english proficiency		1,329,412		1,224,580
	<u>27,440,210</u>	<u>24,782,649</u>	<u>2,657,561</u>	<u>27,557,981</u>
Alternative programs and services				
Attendance and social work		882,724		1,348,817
Remedial and supplemental K-12		22,213,878		21,673,848
Pre-K readiness/remedial and supplemental		6,018,465		5,062,831
Extended day/year instructional		1,171,148		1,156,864
	<u>35,405,767</u>	<u>30,286,215</u>	<u>5,119,552</u>	<u>29,242,360</u>
School-based support services				
Guidance		1,178,884		652,429
Health		47,823		456,574
Instructional technology		295,690		140,336
Staff development unallocated		864,982		153,672
Parent involvement		853,247		555,878
	<u>5,896,533</u>	<u>3,240,626</u>	<u>2,655,907</u>	<u>1,958,889</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, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019		Variance- Positive (Negative)	2018
	Budget	Actual		Actual
Support and development services				
Regular curricular support and development	\$ 1,591,573	\$ 1,507,206	\$ 84,367	\$ 1,612,391
Special population support and development services	796,967	416,817	380,150	548,545
Alternative programs and services support and development services	885,833	780,490	105,343	651,831
Operational support services				
Transportation	1,634,921	1,197,778	437,143	70,664
Financial and human resource services				
Human resource	307,431	227,791	79,640	287,372
Non-program charges:				
Indirect cost	1,811,313	1,531,631	279,682	1,699,446
Unbudgeted funds	5,742,192	-	5,742,192	-
Total expenditures	84,966,155	65,775,966	19,190,189	65,204,874
Excess of revenues over expenditures	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
FOR YEAR ENDED JUNE 30, 2019

	Fund Balance 6/30/2018	Revenues	Expenditures and Transfers	Fund Balance 6/30/2019
HIGH SCHOOLS:				
Apex	\$ 359,702	\$ 310,172	\$ 305,247	\$ 364,627
Apex Friendship	75,481	450,464	357,277	168,668
Athens	184,500	261,564	284,345	161,719
Broughton	207,645	254,213	322,729	139,129
Cary	85,595	228,628	222,484	91,739
East Wake	51,061	148,346	133,830	65,577
Enloe	258,125	318,132	350,058	226,199
Fuquay-Varina	206,812	251,256	221,650	236,418
Garner	148,647	286,020	325,535	109,132
Green Hope	147,566	384,315	400,173	131,708
Heritage	157,613	351,084	312,958	195,739
Holly Springs	229,817	270,686	294,164	206,339
Knightdale	47,944	167,679	148,867	66,756
Leesville Road	175,646	346,625	393,354	128,917
Middle Creek	388,007	276,536	261,025	403,518
Millbrook	170,009	325,486	339,806	155,689
Panther Creek	134,359	553,792	532,069	156,082
Rolesville	83,888	212,720	176,435	120,173
Sanderson	163,713	291,829	217,183	238,359
South Garner	-	51,271	38,202	13,069
Southeast Raleigh	68,507	112,791	112,644	68,654
Vernon Malone	12,096	27,520	20,436	19,180
Wake NCSU STEM Early College	7,851	21,637	8,742	20,746
Wake Early College	28,233	31,477	24,422	35,288
Wake Forest	178,207	362,614	379,279	161,542
Wakefield	156,268	308,921	302,414	162,775
	<u>3,727,292</u>	<u>6,605,778</u>	<u>6,485,328</u>	<u>3,847,742</u>
MIDDLE SCHOOLS:				
Apex	159,760	145,237	185,922	119,075
Apex Friendship	-	168,162	140,760	27,402
Carnage	44,513	42,490	48,003	39,000
Carroll	32,385	80,532	62,845	50,072
Centennial	14,518	22,806	16,987	20,337
Daniels	67,695	221,700	243,510	45,885
Davis Drive	59,406	237,739	245,843	51,302
Dillard Drive	6,963	159,098	144,026	22,035
Durant Road	20,330	66,246	52,191	34,385
East Cary	37,969	51,999	54,072	35,896
East Garner	108,872	100,830	105,359	104,343
East Millbrook	21,769	91,536	87,606	25,699
East Wake	24,366	39,727	44,060	20,033
Fuquay-Varina	65,812	179,731	70,812	174,731
Heritage	82,293	223,634	232,948	72,979
Holly Grove	125,083	401,074	406,639	119,518
Holly Ridge	112,316	168,441	178,583	102,174

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
FOR YEAR ENDED JUNE 30, 2019

	Fund Balance 6/30/2018	Revenues	Expenditures and Transfers	Fund Balance 6/30/2019
Leesville Road	\$ 96,091	\$ 89,741	\$ 94,296	\$ 91,536
Ligon	90,238	160,397	170,892	79,743
Lufkin Road	27,949	83,031	76,014	34,966
Martin	40,878	93,671	96,944	37,605
Mills Park	105,953	254,028	277,452	82,529
Moore Square	8,002	123,281	120,583	10,700
North Garner	37,006	46,210	45,283	37,933
Pine Hollow	39,207	175,608	154,286	60,529
Reedy Creek	47,727	42,767	39,438	51,056
River Bend	11,425	58,452	51,732	18,145
Rolesville	68,099	176,980	184,767	60,312
Salem	62,806	132,683	139,497	55,992
Wake Forest	70,085	69,921	69,868	70,138
Wakefield	47,142	64,968	69,232	42,878
Wendell	30,003	72,215	75,022	27,196
West Cary	29,300	165,603	163,633	31,270
West Lake	44,747	88,968	97,261	36,454
West Millbrook	50,212	71,490	75,442	46,260
Zebulon	27,229	47,000	54,107	20,122
	<u>1,918,149</u>	<u>4,417,996</u>	<u>4,375,915</u>	<u>1,960,230</u>
ELEMENTARY SCHOOLS:				
Abbotts Creek	16,360	59,198	49,601	25,957
Adams	13,049	44,583	44,497	13,135
Alston Ridge	6,035	63,377	62,774	6,638
Apex	39,865	58,843	63,960	34,748
Aversboro	27,821	23,494	29,842	21,473
Baileywick	18,999	14,311	7,297	26,013
Ballentine	20,999	51,098	59,012	13,085
Banks Road	5,325	44,006	39,984	9,347
Barwell Road	11,349	45,895	44,623	12,621
Baucom	52,282	65,829	64,776	53,335
Beaverdam	3,234	21,430	18,352	6,312
Brassfield	34,220	61,257	55,562	39,915
Brentwood	8,693	23,187	22,165	9,715
Briarcliff	32,409	40,155	40,055	32,509
Brier Creek	18,913	118,927	119,336	18,504
Brooks	152,331	156,066	143,613	164,784
Bryan Road	-	29,438	19,886	9,552
Buckhorn	-	31,069	13,670	17,399
Bugg	13,039	12,869	10,722	15,186
Carpenter	20,368	48,203	49,676	18,895
Carver	22,291	49,172	49,592	21,871
Cary	8,158	41,021	36,139	13,040
Cedar Fork	15,620	71,831	69,231	18,220
Combs	116,882	130,587	221,541	25,928
Conn	9,039	52,315	53,218	8,136

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
FOR YEAR ENDED JUNE 30, 2019

	Fund Balance 6/30/2018	Revenues	Expenditures and Transfers	Fund Balance 6/30/2019
Creech Road	\$ 9,677	\$ 17,493	\$ 15,529	\$ 11,641
Davis Drive	35,635	141,946	141,137	36,444
Dillard Drive	20,748	20,558	16,581	24,725
Douglas	30,783	93,724	103,374	21,133
Douglas Discretionary Funds	2,648	-	2,648	-
Durant Road	57,919	91,204	107,077	42,046
East Garner	6,799	30,579	33,061	4,317
Farmington Woods	11,109	44,424	38,684	16,849
Forest Pines	13,198	44,022	39,354	17,866
Forestville	13,557	26,665	26,967	13,255
Fox Road	17,220	18,367	19,602	15,985
Fuller	20,243	23,630	32,497	11,376
Fuquay-Varina	17,350	68,488	53,148	32,690
Green	21,234	17,346	12,490	26,090
Green Hope	26,224	52,197	54,684	23,737
Harris Creek	11,962	81,512	68,849	24,625
Herbert Akins	19,503	44,495	46,608	17,390
Heritage	42,038	35,113	37,203	39,948
Highcroft	15,627	132,586	142,637	5,576
Hodge Road	7,630	12,645	11,813	8,462
Holly Grove	70,625	99,373	106,508	63,490
Holly Ridge	22,585	73,282	67,058	28,809
Holly Springs	73,459	54,752	70,476	57,735
Hortons Creek	11,628	127,378	129,258	9,748
Hunter	51,250	57,108	62,429	45,929
Jeffreys Grove	42,353	65,522	69,878	37,997
Jones Dairy	6,135	40,689	38,239	8,585
Joyner	26,638	134,305	138,978	21,965
Kingswood	19,118	37,710	34,787	22,041
Knightdale	9,915	21,336	17,292	13,959
Lacy	120,485	183,692	209,046	95,131
Lake Myra	10,994	13,315	9,626	14,683
Laurel Park	32,392	67,021	73,124	26,289
Lead Mine	23,004	52,371	58,462	16,913
Leesville Road	16,272	75,593	77,001	14,864
Lincoln Heights	17,210	19,428	19,159	17,479
Lockhart	14,153	37,123	34,237	17,039
Lynn Road	16,169	19,947	23,684	12,432
Middle Creek	9,442	41,606	37,471	13,577
Millbrook	12,561	24,157	24,613	12,105
Mills Park	13,178	93,426	93,110	13,494
Morrisville	33,620	66,513	66,986	33,147
North Forest Pines	37,140	78,624	67,921	47,843
North Ridge	75,309	61,673	87,719	49,263
Northwoods	44,930	17,477	23,463	38,944
Oak Grove	17,369	60,782	64,225	13,926

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
FOR YEAR ENDED JUNE 30, 2019

	Fund Balance 6/30/2018	Revenues	Expenditures and Transfers	Fund Balance 6/30/2019
Oakview	\$ 21,212	\$ 60,824	\$ 54,042	\$ 27,994
Olds	22,011	28,681	30,773	19,919
Olive Chapel	93,211	120,441	121,475	92,177
Partnership Primary	10,492	62,433	50,055	22,870
Penny Road	31,947	46,812	46,853	31,906
Pleasant Grove	6,954	60,487	52,274	15,167
Pleasant Union	15,013	83,778	78,803	19,988
Poe	10,979	13,995	13,139	11,835
Powell	15,969	16,003	21,067	10,905
Rand Road	20,050	50,907	51,318	19,639
Reedy Creek	16,594	48,945	36,162	29,377
Richland Creek	11,840	27,593	21,613	17,820
River Bend	36,659	17,690	17,438	36,911
Rogers Lane	4,856	27,663	19,157	13,362
Rolesville	19,727	61,483	60,196	21,014
Root	25,528	334,280	193,514	166,294
Salem	44,240	32,860	26,045	51,055
Sanford Creek	83,210	49,851	49,272	83,789
Scotts Ridge	30,389	82,486	63,002	49,873
Smith	26,865	13,606	12,969	27,502
Stough	9,375	38,435	40,646	7,164
Swift Creek	9,122	29,255	27,166	11,211
Sycamore Creek	54,996	136,852	130,625	61,223
Timber Drive	17,722	22,234	24,083	15,873
Turner Creek	20,524	74,099	75,555	19,068
Underwood	97,512	35,294	111,021	21,785
Vance	13,115	29,208	28,758	13,565
Vandora Springs	32,691	41,845	44,289	30,247
Wake Forest	32,705	15,425	17,271	30,859
Wakefield	8,505	36,411	35,178	9,738
Wakelon	4,549	26,113	18,601	12,061
Walnut Creek	7,463	18,646	11,409	14,700
Washington	26,816	53,880	45,831	34,865
Weatherstone	6,225	105,464	77,332	34,357
Wendell	33,640	39,895	43,407	30,128
West Lake	34,686	55,808	62,899	27,595
White Oak	12,841	54,265	50,966	16,140
Wilburn	21,962	38,702	39,610	21,054
Wildwood Forest	11,433	19,901	23,150	8,184
Wiley	12,323	39,630	36,288	15,665
Willow Springs	29,234	42,965	45,311	26,888
Yates Mill	26,633	39,750	41,452	24,931
York	9,208	30,271	31,760	7,719
Zebulon	11,526	35,753	32,472	14,807
	<u>2,988,871</u>	<u>6,280,277</u>	<u>6,212,064</u>	<u>3,057,084</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
FOR YEAR ENDED JUNE 30, 2019

	Fund Balance 6/30/2018	Revenues	Expenditures and Transfers	Fund Balance 6/30/2019
ACADEMIES:				
Hilburn	\$ 26,230	\$ 79,751	\$ 78,838	\$ 27,143
North Wake College and Career	1,295	11,255	6,170	6,380
Wake Young Men's	6,143	17,574	13,488	10,229
Wake Young Women's	28,097	56,774	50,188	34,683
	<u>61,765</u>	<u>165,354</u>	<u>148,684</u>	<u>78,435</u>
OTHER:				
Crossroads Flex	1,882	14,438	7,177	9,143
Longview School	10,960	5,688	626	16,022
Mt. Vernon	19,286	8,614	11,343	16,557
Phillips High School	2,597	8,558	2,628	8,527
River Oaks	2,905	4,995	1,062	6,838
	<u>37,630</u>	<u>42,293</u>	<u>22,836</u>	<u>57,087</u>
TOTAL	<u>\$ 8,733,707</u>	<u>\$ 17,511,698</u>	<u>\$ 17,244,827</u>	<u>\$ 9,000,578</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, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019		Variance- Positive (Negative)	2018
	Budget	Actual		Actual
REVENUES:				
State: other	\$ 4,700	\$ 3,764	\$ (936)	\$ -
Wake County:				
County appropriation	909,362	909,362	-	899,014
Federal:				
ROTC	450,000	480,622	30,622	-
MSAP Cornerstone 2017	6,071,651	3,742,728	(2,328,923)	-
Magnet	406,787	349,168	(57,619)	2,871,840
Other Federal	175,868	77,621	(98,247)	1,760,351
Total	<u>7,104,306</u>	<u>4,650,139</u>	<u>(2,454,167)</u>	<u>4,632,191</u>
Other local:				
Medicaid	9,281,439	4,038,057	(5,243,382)	4,424,964
Indirect Cost	5,236,722	5,236,722	-	5,678,530
E-Rate	2,861,023	2,861,023	-	942,306
Other restricted local	7,875,137	5,345,139	(2,529,998)	2,477,166
Interest	49,662	49,662	-	28,637
Total	<u>25,303,983</u>	<u>17,530,603</u>	<u>(7,773,380)</u>	<u>13,551,603</u>
Total revenues	<u>33,322,351</u>	<u>23,093,868</u>	<u>(10,228,483)</u>	<u>19,082,808</u>
EXPENDITURES:				
Regular instructional services				
Regular curricular		4,108,474		2,942,163
CTE curricular		149,267		122,843
Program enhancement teachers		159,805		-
	<u>5,719,149</u>	<u>4,417,546</u>	<u>1,301,603</u>	<u>3,065,006</u>
Special populations services				
Children with disabilities curricular		2,553,408		2,577,182
Pre-K children with disabilities curricular		449,541		420,790
Speech and language pathology		5,573		-
Audiology		32,786		16,104
Academically/intellectually gifted curricular		38,513		225,068
Limited english proficiency		2		1,999
	<u>6,321,348</u>	<u>3,079,823</u>	<u>3,241,525</u>	<u>3,241,143</u>
Alternative programs and services				
Alternative instructional K-12		360,131		22,781
Remedial and supplemental K-12		243,648		189,615
Pre-K readiness/remedial and supplemental		1,317,446		810,388
Extended day/year instructional		94,962		190,783
	<u>2,796,993</u>	<u>2,016,187</u>	<u>780,806</u>	<u>1,213,567</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, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019		Variance- Positive (Negative)	2018
	Budget	Actual		Actual
School leadership services	\$ 12,359	\$ 12,359	\$ -	\$ 11,437
Co-Curricular services	7,709	2,561	5,148	2,813
School-based support services				
Educational media		299,641		156,335
Guidance		71,143		62,606
Health		405,668		515,047
Safety and security		51,150		44,069
Instructional technology		133,844		108,029
Staff development unallocated		74,818		1,790
Parent involvement		14,922		1,657
	<u>1,555,108</u>	<u>1,051,186</u>	<u>503,922</u>	<u>889,533</u>
Regular curricular support and development	<u>1,210,948</u>	<u>1,012,494</u>	<u>198,454</u>	<u>2,559,350</u>
Special population support and development services	<u>287,246</u>	<u>247,769</u>	<u>39,477</u>	<u>202,518</u>
Alternative programs and services support and development services	<u>567,422</u>	<u>489,041</u>	<u>78,381</u>	<u>533,902</u>
Technology support services	<u>1,647,907</u>	<u>1,647,907</u>	<u>-</u>	<u>110,975</u>
Operational support services				
Communication		1,213,116		831,332
Public utility and energy		6,923,573		5,681,690
Transportation		1,429		13,505
Facilities planning, acquisition and construction		909,362		899,013
	<u>9,077,640</u>	<u>9,047,480</u>	<u>30,160</u>	<u>7,425,540</u>
Human resource	<u>816,105</u>	<u>264,317</u>	<u>551,788</u>	<u>149,967</u>
Planning, research development and program evaluation	<u>14,644</u>	<u>-</u>	<u>14,644</u>	<u>3,808</u>
Systemwide pupil support services				
Guidance support		-		2,602
Health support		47,707		44,748
	<u>47,753</u>	<u>47,707</u>	<u>46</u>	<u>47,350</u>
Policy, leadership and public relations services	<u>9,000</u>	<u>4,500</u>	<u>4,500</u>	<u>-</u>
Ancillary services				
Community		20,398		25,477
Nutrition		43,368		-
	<u>85,428</u>	<u>63,766</u>	<u>21,662</u>	<u>25,477</u>
Nonprogram charges:				
Indirect Cost	<u>171,194</u>	<u>130,889</u>	<u>40,305</u>	<u>151,454</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, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019		Variance- Positive (Negative)	2018
	Budget	Actual		Actual
Unbudgeted funds	\$ 3,467,172	\$ -	\$ 3,467,172	\$ -
Total expenditures	33,815,125	23,535,532	10,279,593	19,633,840
Deficiency of revenues over expenditures before other financing sources	(492,774)	(441,664)	51,110	(551,032)
OTHER FINANCING SOURCES:				
Transfers in	492,774	492,774	-	551,032
Net change in fund balance	\$ -	51,110	\$ 51,110	-
Fund balance, beginning of year		-		-
Fund balance, end of year		\$ 51,110		\$ -

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, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019		Variance- Positive (Negative)	2018
	Budget	Actual		Actual
REVENUES:				
Federal:				
Regular USDA grants	\$ 35,500,545	\$ 28,468,585	\$ (7,031,960)	\$ 29,436,288
USDA grants - fresh fruit & vegetable program	20,631	76,445	55,814	67,691
USDA grants - summer feeding program	630,000	456,698	(173,302)	438,528
	<u>36,151,176</u>	<u>29,001,728</u>	<u>(7,149,448)</u>	<u>29,942,507</u>
Other:				
Food sales	18,577,498	17,424,575	(1,152,923)	17,271,145
Interest	95,000	267,233	172,233	222,137
NCDPI kindergarten breakfast	123,112	111,301	(11,811)	114,839
Local donations or grants	200,000	2,815,603	2,615,603	270,963
	<u>18,995,610</u>	<u>20,618,712</u>	<u>1,623,102</u>	<u>17,879,084</u>
Total revenues	<u>55,146,786</u>	<u>49,620,440</u>	<u>(5,526,346)</u>	<u>47,821,591</u>
EXPENDITURES:				
Salaries		18,704,341		17,614,891
Employee benefits		9,404,574		8,382,552
Food		16,592,150		18,456,777
Supplies		1,729,043		2,374,797
Purchased services		1,071,217		1,440,099
Indirect costs paid		2,455,123		2,590,344
Equipment purchases		106,123		182,099
Total expenditures	<u>55,215,516</u>	<u>50,062,571</u>	<u>5,152,945</u>	<u>51,041,559</u>
Deficiency of revenues over expenditures	<u>(68,730)</u>	<u>(442,131)</u>	<u>(10,679,291)</u>	<u>(3,219,968)</u>
OTHER FINANCING SOURCES:				
Operating transfer in	<u>68,730</u>	<u>68,730</u>	<u>-</u>	<u>45,012</u>
Deficiency of revenues and other financing sources over expenditures - budgetary (non-GAAP) basis	<u>\$ -</u>	<u>(373,401)</u>	<u>\$ (373,401)</u>	<u>(3,174,956)</u>
Reconciliation from budgetary (non-GAAP) basis to GAAP:				
Equipment purchases, net of contributions		106,123		182,099
Depreciation		(1,469,355)		(1,282,975)
Net OPEB asset		(33,676)		(63,540)
Net pension liability		(2,652,334)		1,339,131
Net OPEB liability		5,358,511		8,025,492
Deferred outflows		1,467,835		1,302,638
Deferred inflows		(3,606,258)		(12,808,244)
Increase in accrued vacation pay		20,108		(84,302)
Gain (Loss) on sale of capital assets		1,401		(544)
Change in net deficit		<u>\$ (1,181,046)</u>		<u>\$ (6,565,201)</u>

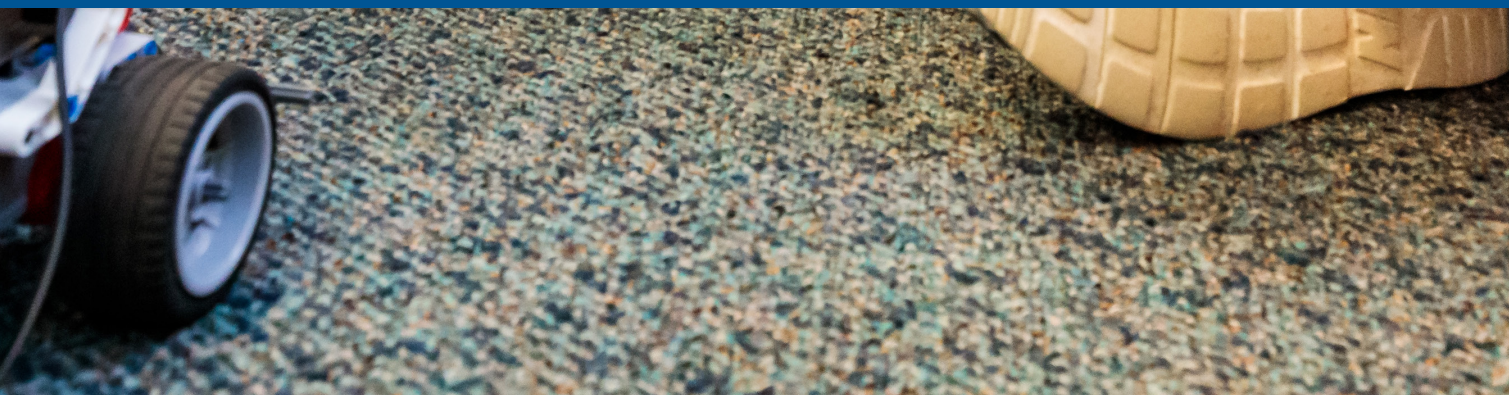
Note: Revenues and expenditures related to donated services and commodities are excluded from the above revenues and expenditures compared to budget.

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (Non-GAAP)
ENTERPRISE FUND - TUITION PROGRAMS
FOR YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019		Variance- Positive (Negative)	2018
	Budget	Actual		Actual
REVENUES:				
Other:				
Participant fees	\$ 25,007,239	\$ 14,189,922	\$ (10,817,317)	\$ 13,971,475
Local donations or grants	-	20,000	20,000	-
Interest	-	218,976	218,976	152,120
Total revenues	<u>25,007,239</u>	<u>14,428,898</u>	<u>(10,578,341)</u>	<u>14,123,595</u>
EXPENDITURES:				
Salaries		6,140,723		5,806,571
Employee benefits		1,636,403		1,451,438
Supplies		3,182,744		3,317,221
Purchased services		1,825,365		1,852,553
Indirect costs paid		1,119,654		1,237,285
Equipment purchases		187,214		6,133
Total expenditures	<u>25,007,239</u>	<u>14,092,103</u>	<u>10,915,136</u>	<u>13,671,201</u>
Excess of revenues over expenditures - budgetary (non-GAAP) basis	<u>\$ -</u>	336,795	<u>\$ 336,795</u>	452,394
Reconciliation from budgetary (non-GAAP) basis to GAAP				
Equipment purchases, net of contributions		187,214		6,133
Depreciation		(46,871)		(40,655)
Net OPEB asset		(10,322)		(19,110)
Net pension liability		(812,940)		402,755
Net OPEB liability		1,642,384		2,413,735
Deferred outflows		449,891		391,780
Deferred inflows		(1,105,318)		(3,852,190)
Increase in accrued vacation pay		(2,938)		(12,347)
Loss on sale of capital assets		(10,178)		-
Change in net position (deficit)		<u>\$ 627,717</u>		<u>\$ (257,505)</u>



Statistical Section



Statistical Section

This section of the Board's Comprehensive Annual 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 comprehensive annual 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				
	2019	2018	2017	2016	2015
Governmental activities:					
Net investment in capital assets	\$ 3,549,276,038	\$ 3,329,761,944	\$ 3,115,825,897	\$ 2,931,684,587	\$ 2,723,207,488
Restricted	24,179,548	21,429,835	14,821,717	14,602,314	17,025,811
Unrestricted	<u>(2,687,413,107)</u>	<u>(2,720,230,222)</u>	<u>(258,293,051)</u>	<u>(226,145,732)</u>	<u>(224,731,658)</u>
Total net position	<u>886,042,479</u>	<u>630,961,557</u>	<u>2,872,354,563</u>	<u>2,720,141,169</u>	<u>2,515,501,641</u>
Business-type activities					
Net investment in capital assets	6,621,851	5,267,553	6,412,914	6,087,244	7,356,663
Restricted	209,593	166,611	-	-	-
Unrestricted	<u>(40,232,436)</u>	<u>(38,281,827)</u>	<u>26,507,774</u>	<u>27,187,091</u>	<u>26,001,803</u>
Total net position	<u>(33,400,992)</u>	<u>(32,847,663)</u>	<u>32,920,688</u>	<u>33,274,335</u>	<u>33,358,466</u>
Government-wide					
Net investment in capital assets	3,555,897,889	3,335,029,497	3,122,238,811	2,937,771,831	2,730,564,151
Restricted	24,389,141	21,596,446	14,821,717	14,602,314	17,025,811
Unrestricted	<u>(2,727,645,543)</u>	<u>(2,758,512,049)</u>	<u>(231,785,277)</u>	<u>(198,958,641)</u>	<u>(198,729,855)</u>
Total net position	<u>\$ 852,641,487</u>	<u>\$ 598,113,894</u>	<u>\$ 2,905,275,251</u>	<u>\$ 2,753,415,504</u>	<u>\$ 2,548,860,107</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				
	2014	2013	2012	2011	2010
Governmental activities:					
Net investment in capital assets	\$ 2,648,922,011	\$ 2,631,483,747	\$ 2,638,196,366	\$ 2,581,406,320	\$ 2,516,805,009
Restricted	16,599,934	12,011,212	14,427,305	13,198,738	8,406,773
Unrestricted	<u>(1,250,869)</u>	<u>5,464,347</u>	<u>16,786,497</u>	<u>(3,058,002)</u>	<u>(13,718,304)</u>
Total net position	<u>2,664,271,076</u>	<u>2,648,959,306</u>	<u>2,669,410,168</u>	<u>2,591,547,056</u>	<u>2,511,493,478</u>
Business-type activities					
Net investment in capital assets	7,727,478	8,010,544	8,243,904	9,263,646	10,080,094
Restricted	-	-	-	-	-
Unrestricted	<u>32,693,479</u>	<u>33,965,521</u>	<u>30,806,811</u>	<u>26,115,857</u>	<u>21,286,773</u>
Total net position	<u>40,420,957</u>	<u>41,976,065</u>	<u>39,050,715</u>	<u>35,379,503</u>	<u>31,366,867</u>
Government-wide					
Net investment in capital assets	2,656,649,489	2,639,494,291	2,646,440,270	2,590,669,966	2,526,885,103
Restricted	16,599,934	12,011,212	14,427,305	13,198,738	8,406,773
Unrestricted	<u>31,442,610</u>	<u>39,429,868</u>	<u>47,593,308</u>	<u>23,057,855</u>	<u>7,568,469</u>
Total net position	<u>\$ 2,704,692,033</u>	<u>\$ 2,690,935,371</u>	<u>\$ 2,708,460,883</u>	<u>\$ 2,626,926,559</u>	<u>\$ 2,542,860,345</u>

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

	Fiscal Year				
	2019	2018	2017	2016	2015
Expenses					
Governmental activities:					
Instructional programs					
Regular	\$ 702,874,136	\$ 731,974,296	\$ 655,240,420	\$ 583,890,706	\$ 538,699,660
Special populations	233,027,523	243,000,627	221,579,226	196,300,020	181,153,903
Alternative programs and services	80,924,330	83,782,030	82,345,265	78,254,955	63,987,611
School leadership	90,152,056	90,665,395	80,203,279	71,562,962	67,145,678
Co-curricular	33,478,902	29,884,642	27,654,770	24,699,448	21,546,339
School-based support services	90,949,064	90,602,486	81,922,365	72,328,355	61,577,799
Systemwide support services					
Support and development	8,426,648	14,976,789	13,158,583	11,835,596	10,932,679
Special populations support and development	6,141,058	6,414,994	5,830,879	4,918,030	4,373,936
Alternative programs and services support and development	3,502,850	3,185,133	3,028,276	3,373,273	3,086,128
Technology support	30,844,405	34,493,632	42,430,480	28,037,064	23,361,372
Operational support	184,310,605	172,750,747	147,592,022	156,926,276	161,949,750
Financial and human resource	21,035,774	20,835,125	20,400,114	18,222,357	16,308,934
Accountability	1,993,192	2,766,782	2,852,691	3,433,611	3,804,913
Systemwide pupil support	4,392,791	5,923,268	5,693,573	5,515,556	5,062,216
Policy, leadership and public relations	11,199,607	11,098,595	10,642,828	8,642,718	8,209,071
Ancillary Services	342,910	140,697	91,242	112,906	166,997
Nonprogram charges	32,440,098	25,807,938	23,963,483	21,134,354	14,957,067
Depreciation - unallocated	93,204,421	89,277,817	129,457,253	79,120,543	75,594,568
Total governmental activities expenses	<u>1,629,240,370</u>	<u>1,657,580,993</u>	<u>1,554,086,749</u>	<u>1,368,308,730</u>	<u>1,261,918,621</u>
Business-type activities:					
Food service	54,185,940	58,151,824	55,387,857	53,618,487	53,254,152
Tuition programs	13,791,003	14,381,100	13,162,916	11,750,436	11,217,887
Total business-type activities	<u>67,976,943</u>	<u>72,532,924</u>	<u>68,550,773</u>	<u>65,368,923</u>	<u>64,472,039</u>
Total school district expenses	<u>1,697,217,313</u>	<u>1,730,113,917</u>	<u>1,622,637,522</u>	<u>1,433,677,653</u>	<u>1,326,390,660</u>
Program revenues					
Governmental activities:					
Charges for services-regular instructional	\$ 1,629,450	\$ 1,371,417	\$ 1,321,281	\$ 1,269,473	1,182,907
Charges for services-ancillary services	32,480	28,777	24,085	34,136	52,628
Operating grants and contributions	1,075,480,070	1,001,491,868	970,584,143	934,462,654	896,644,270
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	<u>1,077,142,000</u>	<u>1,002,892,062</u>	<u>971,929,509</u>	<u>935,766,263</u>	<u>897,879,805</u>
Business-type activities:					
Charges for services-food services	17,424,575	17,271,145	18,083,111	17,315,970	16,913,781
Charges for services-tuition programs	14,189,922	13,971,475	13,372,693	13,531,484	12,364,080
Operating grants and contributions	35,254,178	34,048,329	36,407,837	35,165,199	33,504,107
Total business-type activities program revenues	<u>66,868,675</u>	<u>65,290,949</u>	<u>67,863,641</u>	<u>66,012,653</u>	<u>62,781,968</u>
Total school district program revenues	<u>1,144,010,675</u>	<u>1,068,183,011</u>	<u>1,039,793,150</u>	<u>1,001,778,916</u>	<u>960,661,773</u>
Net (expense)/revenue					
Governmental activities	(552,098,370)	(654,688,931)	(582,157,240)	(432,542,467)	(364,038,816)
Business-type activities	(1,108,268)	(7,241,975)	(687,132)	643,730	(1,690,071)
Total school district net expense	<u>\$ (553,206,638)</u>	<u>\$ (661,930,906)</u>	<u>\$ (582,844,372)</u>	<u>\$ (431,898,737)</u>	<u>\$ (365,728,887)</u>

(Continued)

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

	Fiscal Year				
	2014	2013	2012	2011	2010
Expenses					
Governmental activities:					
Instructional programs					
Regular	\$ 548,740,312	\$ 541,574,616	\$ 519,493,395	\$ 504,048,718	\$ 488,546,948
Special populations	181,570,641	177,338,087	169,258,921	172,013,848	165,788,455
Alternative programs and services	67,406,274	64,409,245	64,474,589	66,020,928	58,426,846
School leadership	69,258,721	68,170,100	66,186,552	65,743,983	62,680,216
Co-curricular	23,226,828	21,733,809	20,697,012	20,795,975	18,982,397
School-based support services	61,233,044	60,149,751	61,734,726	62,943,658	64,506,361
Systemwide support services					
Support and development	10,115,956	9,919,952	9,914,905	9,936,030	10,612,453
Special populations support and development	4,651,561	4,299,423	4,115,631	3,938,268	5,287,193
Alternative programs and services support and development	2,739,756	2,469,867	3,138,741	2,487,540	1,533,361
Technology support	18,109,553	17,505,099	22,221,921	16,729,489	16,624,585
Operational support	167,828,385	183,977,661	144,351,091	152,934,837	151,786,145
Financial and human resource	16,209,892	16,587,230	16,134,413	15,495,361	15,472,245
Accountability	4,012,919	3,221,131	3,305,901	2,326,694	2,255,479
Systemwide pupil support	4,925,370	4,915,910	4,733,648	4,760,279	4,205,184
Policy, leadership and public relations	7,667,733	7,248,610	7,026,646	6,909,359	7,915,174
Ancillary Services	176,331	516,479	245,029	171,092	418,998
Nonprogram charges	10,589,182	9,879,925	9,081,210	8,432,140	10,169,808
Depreciation - unallocated	63,861,810	85,310,073	43,016,402	36,919,821	32,449,321
Total governmental activities expenses	<u>1,262,324,268</u>	<u>1,279,226,968</u>	<u>1,169,130,733</u>	<u>1,152,608,020</u>	<u>1,117,661,169</u>
Business-type activities:					
Food service	52,823,064	49,839,848	47,476,596	45,662,100	45,061,386
Tuition programs	12,931,220	10,222,509	10,595,711	9,621,336	8,212,561
Total business-type activities	<u>65,754,284</u>	<u>60,062,357</u>	<u>58,072,307</u>	<u>55,283,436</u>	<u>53,273,947</u>
Total school district expenses	<u>1,328,078,552</u>	<u>1,339,289,325</u>	<u>1,227,203,040</u>	<u>1,207,891,456</u>	<u>1,170,935,116</u>
Program revenues					
Governmental activities:					
Charges for services-regular instructional	1,157,302	1,136,084	1,135,858	1,133,966	1,107,459
Charges for services-ancillary services	34,070	30,271	34,001	27,719	34,609
Operating grants and contributions	855,019,388	830,318,727	823,164,394	803,822,002	772,481,123
Capital grants and contributions	53,432	371,846	621,850	786,581	2,146,595
Total governmental activities program revenues	<u>856,264,192</u>	<u>831,856,928</u>	<u>824,956,103</u>	<u>805,770,268</u>	<u>775,769,786</u>
Business-type activities:					
Charges for services-food services	18,540,817	20,004,234	20,920,103	21,206,179	21,716,235
Charges for services-tuition programs	12,050,049	10,736,600	10,676,628	10,014,453	8,881,458
Operating grants and contributions	33,048,188	31,578,527	29,914,761	27,741,442	24,726,305
Total business-type activities program revenues	<u>63,639,054</u>	<u>62,319,361</u>	<u>61,511,492</u>	<u>58,962,074</u>	<u>55,323,998</u>
Total school district program revenues	<u>919,903,246</u>	<u>894,176,289</u>	<u>886,467,595</u>	<u>864,732,342</u>	<u>831,093,784</u>
Net (expense)/revenue					
Governmental activities	(406,060,076)	(447,370,040)	(344,174,630)	(346,837,752)	(341,891,383)
Business-type activities	(2,115,230)	2,257,004	3,439,185	3,678,638	2,050,051
Total school district net expense	<u>\$ (408,175,306)</u>	<u>\$ (445,113,036)</u>	<u>\$ (340,735,445)</u>	<u>\$ (343,159,114)</u>	<u>\$ (339,841,332)</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				
	2019	2018	2017	2016	2015
Net (expense)/revenue					
Governmental activities	\$ (552,098,370)	\$ (654,688,931)	\$ (582,157,240)	\$ (432,542,467)	\$ (364,038,816)
Business-type activities	(1,108,268)	(7,241,975)	(687,132)	643,730	(1,690,071)
Total school district net expense	<u>(553,206,638)</u>	<u>(661,930,906)</u>	<u>(582,844,372)</u>	<u>(431,898,737)</u>	<u>(365,728,887)</u>
General revenues and other changes in net position					
Governmental activities:					
Unrestricted county appropriations- operating	475,847,283	429,719,331	408,760,031	384,849,031	340,138,653
Unrestricted county appropriations - capital	321,238,447	305,195,784	319,326,301	280,060,809	149,664,203
Unrestricted state appropriation - capital	693,296	387,942	428,778	816,720	4,947,219
Investment earnings, unrestricted	1,284,091	761,942	706,920	475,650	389,767
Miscellaneous, unrestricted	7,759,709	5,663,606	5,203,959	7,966,262	6,765,132
Transfer	(68,730)	(45,012)	(55,355)	(45,187)	(331,509)
Total governmental activities	<u>806,754,096</u>	<u>741,683,593</u>	<u>734,370,634</u>	<u>674,123,285</u>	<u>501,573,465</u>
Business-type activities:					
Investment earnings, unrestricted	486,209	374,257	278,130	199,082	139,011
Transfer	68,730	45,012	55,355	45,187	331,509
Total business-type activities	<u>554,939</u>	<u>419,269</u>	<u>333,485</u>	<u>244,269</u>	<u>470,520</u>
Total school district	<u>807,309,035</u>	<u>742,102,862</u>	<u>734,704,119</u>	<u>674,367,554</u>	<u>502,043,985</u>
Change in net position					
Governmental activities	254,655,726	86,994,662	152,213,394	241,580,818	137,534,649
Business-type activities	(553,329)	(6,822,706)	(353,647)	887,999	(1,219,551)
Total school district	<u>\$ 254,102,397</u>	<u>\$ 80,171,956</u>	<u>\$ 151,859,747</u>	<u>\$ 242,468,817</u>	<u>\$ 136,315,098</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				
	2014	2013	2012	2011	2010
Net (expense)/revenue					
Governmental activities	\$ (406,060,076)	\$ (447,370,040)	\$ (344,174,630)	\$ (346,837,752)	\$ (341,891,383)
Business-type activities	(2,115,230)	2,257,004	3,439,185	3,678,638	2,050,051
Total school district net expense	<u>(408,175,306)</u>	<u>(445,113,036)</u>	<u>(340,735,445)</u>	<u>(343,159,114)</u>	<u>(339,841,332)</u>
General revenues and other changes in net position					
Governmental activities:					
Unrestricted county appropriations- operating	323,966,127	317,181,372	311,759,998	312,059,879	311,373,607
Unrestricted county appropriations - capital	90,259,437	72,689,611	99,168,170	97,823,234	119,613,110
Unrestricted state appropriation - capital	5,154,525	32,522,268	-	-	-
Investment earnings, unrestricted	458,800	443,039	628,155	733,422	838,609
Miscellaneous, unrestricted	1,959,815	4,615,860	10,532,393	16,391,839	10,996,171
Transfer	<u>(426,858)</u>	<u>(532,972)</u>	<u>(50,974)</u>	<u>(117,044)</u>	<u>(3,259,191)</u>
Total governmental activities	<u>421,371,846</u>	<u>426,919,178</u>	<u>422,037,742</u>	<u>426,891,330</u>	<u>439,562,306</u>
Business-type activities:					
Investment earnings, unrestricted	133,264	135,374	181,053	216,954	283,588
Transfer	<u>426,858</u>	<u>532,972</u>	<u>50,974</u>	<u>117,044</u>	<u>3,259,191</u>
Total business-type activities	<u>560,122</u>	<u>668,346</u>	<u>232,027</u>	<u>333,998</u>	<u>3,542,779</u>
Total school district	<u>421,931,968</u>	<u>427,587,524</u>	<u>422,269,769</u>	<u>427,225,328</u>	<u>443,105,085</u>
Change in net position					
Governmental activities	15,311,770	(20,450,862)	77,863,112	80,053,578	97,670,923
Business-type activities	<u>(1,555,108)</u>	<u>2,925,350</u>	<u>3,671,212</u>	<u>4,012,636</u>	<u>5,592,830</u>
Total school district	<u>\$ 13,756,662</u>	<u>\$ (17,525,512)</u>	<u>\$ 81,534,324</u>	<u>\$ 84,066,214</u>	<u>\$ 103,263,753</u>

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

	Fiscal Year				
	2019	2018	2017	2016	2015
General fund					
Nonspendable					
Inventories	\$ 4,559,114	\$ 4,438,637	\$ 3,919,935	\$ 3,435,317	\$ 2,442,586
Prepaid	-	105,263	49,622	88,607	1,639,972
Restricted					
Stabilization by state statute	5,057,968	5,261,993	4,797,511	4,116,427	7,404,038
Energy savings obligations	6,488,539	-	-	-	-
Assigned					
Special projects	13,899,683	9,838,302	14,420,578	14,270,811	10,604,339
Insurance	11,735,920	10,643,848	10,732,144	10,310,534	10,212,545
Flexible benefit plan	1,609,584	1,557,774	1,354,093	1,229,780	1,139,379
Subsequent year expenditures	8,107,000	4,900,000	12,840,355	10,400,000	20,000,000
Unassigned	<u>11,391,203</u>	<u>12,135,493</u>	<u>9,899,217</u>	<u>13,880,710</u>	<u>14,894,753</u>
Total general fund	<u>\$ 62,849,011</u>	<u>\$ 48,881,310</u>	<u>\$ 58,013,455</u>	<u>\$ 57,732,186</u>	<u>\$ 68,337,612</u>
All other governmental funds					
Restricted					
Stabilization by State Statute	\$ 168,929	\$ 111,038	\$ 239,002	\$ 738,296	\$ 725,074
Capital expenditures	1,205,318	1,079,897	779,049	741,489	397,078
Individual schools	9,000,578	8,733,707	8,920,713	8,978,294	8,471,820
Special Programs	51,110	-	-	-	-
Restricted contributions for capital expenditures	27,832	27,832	85,442	27,808	27,801
Subsequent years expenditures	-	-	-	-	-
Assigned					
Special projects	<u>943,953</u>	<u>723,723</u>	<u>1,773,212</u>	<u>115,802</u>	<u>107,107</u>
Total all other governmental funds	<u>\$ 11,397,720</u>	<u>\$ 10,676,197</u>	<u>\$ 11,797,418</u>	<u>\$ 10,601,689</u>	<u>\$ 9,728,880</u>

(Continued)

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

	Fiscal Year				
	2014	2013	2012	2011	2010
General fund					
Nonspendable					
Inventories	\$ 2,966,259	\$ 3,122,198	\$ 3,000,164	\$ 3,503,879	\$ 3,470,497
Prepaid	4,543,602	1,537,187	11,591,489	-	-
Restricted					
Stabilization by state statute	5,542,274	3,163,132	4,399,049	3,661,166	2,876,748
Energy savings obligations	-	-	-	-	-
Assigned					
Special projects	19,427,037	6,008,131	3,819,829	366,342	990,699
Insurance	9,909,912	8,388,026	7,569,663	6,739,799	5,693,602
Flexible benefit plan	1,225,223	1,244,575	1,174,388	1,094,173	1,104,260
Subsequent year expenditures	26,075,734	28,400,000	28,385,581	16,203,025	6,062,845
Unassigned	<u>20,215,744</u>	<u>36,320,179</u>	<u>32,089,863</u>	<u>33,875,157</u>	<u>25,909,770</u>
Total general fund	<u>\$ 89,905,785</u>	<u>\$ 88,183,428</u>	<u>\$ 92,030,026</u>	<u>\$ 65,443,541</u>	<u>\$ 46,108,421</u>
All other governmental funds					
Restricted					
Stabilization by State Statute	\$ 2,311,510	\$ 177,432	\$ 439,360	\$ 503,603	\$ 222,184
Capital expenditures	368,912	253,610	1,273,248	685,615	1,004,297
Individual schools	8,377,238	8,417,038	8,059,392	8,110,769	8,406,773
Special Programs	-	-	-	-	-
Restricted contributions for					
capital expenditures	43,191	388,189	60,642	35,513	281,398
Subsequent years expenditures	-	273,248	195,614	202,072	91,135
Assigned					
Special projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 11,100,851</u>	<u>\$ 9,509,517</u>	<u>\$ 10,028,256</u>	<u>\$ 9,537,572</u>	<u>\$ 10,005,787</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
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
2011	677,983,052	313,503,224	96,379,890	6,097,760	117,608,962	733,422	27,031,775	1,239,338,085
2010	664,237,277	313,503,223	117,483,494	3,835,957	98,153,246	838,609	26,118,634	1,224,170,440

**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	Debt Service Principal
2019	160,339	\$ 1,246,123,929	\$ 265,636,328	\$ 291,722	\$ 37,676,820	\$ 693,296
		7,772	1,657	2	235	4
2018	160,095	1,163,219,125	259,114,420	25,777	31,486,467	387,942
		7,266	1,619	-	197	2
2017	159,213	1,117,493,674	245,113,368	45,559	26,848,688	428,778
		7,019	1,540	-	169	3
2016	156,644	1,072,274,881	244,878,979	61,198	24,407,069	816,720
		6,845	1,563	-	156	5
2015	155,000	1,008,882,076	241,445,418	212,275	19,655,778	4,947,219
		6,509	1,558	1	127	32
2014	153,039	945,690,541	229,297,218	233,721	15,153,538	5,154,525
		6,179	1,498	2	99	34
2013	149,508	923,736,970	223,162,370	565,028	13,496,176	13,060,081
		6,179	1,493	4	90	87
2012	146,687	895,801,620	210,554,870	299,770	12,919,217	3,617,971
		6,107	1,435	2	88	25
2011	143,289	886,626,928	211,607,971	280,991	14,783,394	7,866,703
		6,188	1,477	2	103	55
2010	139,599	856,329,738	214,130,476	401,826	15,643,117	2,537,987
		6,134	1,534	3	112	18

(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 Interest	Total Operating	Capital Outlay	Total
2019	\$ -	9,670 \$ 1,550,422,095	2,024 \$ 324,532,117	11,694 \$ 1,874,954,212
2018	-	9,084 1,454,233,731	1,918 307,043,335	11,001 1,761,277,066
2017	-	8,730 1,389,930,067	2,016 320,924,590	10,746 1,710,854,657
2016	-	8,570 1,342,438,847	1,811 283,720,859	10,381 1,626,159,706
2015	-	8,227 1,275,142,766	985 152,657,413	9,212 1,427,800,179
2014	-	7,812 1,195,529,543	581 88,990,466	8,393 1,284,520,009
2013	-	7,853 1,174,020,625	627 93,747,356	8,480 1,267,767,981
2012	-	7,657 1,123,193,448	683 100,396,136	8,341 1,223,589,584
2011	-	7,825 1,121,165,987	693 99,288,717	8,517 1,220,454,704
2010	- 1,206	7,801 1,089,044,350	872 121,769,895	8,673 1,210,814,245

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
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%
2011	18,883,381	256,957	(306,815)	-	-	(49,858)	18,833,523	0.7017%
2010	13,356,195	118,283	(171,512)	-	-	(53,229)	13,302,966	0.2330%

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
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
2011	18,618,839	6,860,415	15,977,831	2,894,971	3,200,615	7,730,765	55,283,436
2010	18,513,706	6,279,343	16,417,957	2,291,820	3,073,038	6,698,083	53,273,947

**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
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
2011	21,206,179	35.76	10,014,453	16.89	24,813,180	41.85	2,894,971	4.88
2010	21,716,235	36.89	8,881,458	15.09	22,421,567	38.09	2,291,820	3.89

(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
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
2011	117,044	0.20	250,245	0.42	59,296,072	100
2010	3,259,191	5.54	296,506	0.50	58,866,777	100

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Energy</u> <u>Savings</u>	<u>Installment</u> <u>Purchase</u>	<u>Total</u>	<u>Per Student</u>
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
2011	-	7,235,933	7,235,933	50.50
2010	-	1,786,673	1,786,673	12.80

**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)
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
2011	103,067,247,714	13,630,432,081	2,837,941,846	119,535,621,641	0.534	0.080	0.614
2010	103,093,250,199	13,015,000,000	3,050,000,000	119,158,250,199	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 2017.

(3) Per \$100 of value.

Source: Wake County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2019.

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,	<u>Taxes Levied by Wake County</u>			<u>Direct and Overlapping Taxes Levied by Municipalities</u>						
	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
2019	.6544	.096	.7504	.53	.4150	.35	.580	.4325	.5325	.4325
2018	.6150	.096	.7110	.53	.38	.35	.550	.4325	.5325	.4325
2017 ⁽²⁾	.6005	.096	.6965	.53	.38	.35	.550	.433	.518	.433
2016	.6145	.080	.6945	.53	.39	.37	.550	.385	.518	.435
2015	.578	.080	.658	.53	.39	.35	.525	.385	.50	.435
2014	.534	.080	.614	.53	.39	.35	.525	.385	.49	.435
2013	.534	.080	.614	.53	.39	.33	.525	.385	.49	.435
2012	.534	.080	.614	.53	.34	.33	.525	.385	.49	.415
2011	.534	.080	.614	.53	.34	.33	.54	.385	.49	.415
2010	.534	.080	.614	.53	.34	.33	.54	.385	.49	.415

(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 2017.

Source: Wake County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2019.

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
2019	.43	.390	.4382	.480	.52	.49	.592
2018	.43	.390	.4253	.480	.52	.49	.575
2017 ⁽²⁾	.43	.390	.418	.480	.52	.49	.575
2016	.43	.410	.421	.440	.52	.49	.525
2015	.43	.390	.404	.440	.52	.49	.525
2014	.43	.390	.383	.440	.51	.49	.525
2013	.41	.367	.383	.440	.51	.49	.513
2012	.41	.367	.374	.440	.51	.49	.50
2011	.41	.367	.374	.420	.51	.49	.50
2010	.40	.367	.374	.420	.51	.49	.50

- 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 2017.

Source: Wake County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2019.

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

Taxpayer	Fiscal Year 2018			Fiscal Year 2009		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Progress Energy Inc	\$2,118,251,980	1	1.43%	\$1,604,732,768	1	1.35%
SAS Institute Inc	661,429,325	2	0.45%	414,106,978	3	0.35%
Highwoods Realty LP	570,922,375	3	0.38%	-	-	-
Cisco Systems Inc	432,730,418	4	0.29%	512,891,145	2	0.43%
CVM Holdings LLC	390,207,026	5	0.26%	334,450,819	4	0.28%
WMCI Raleigh LLC	327,225,408	6	0.22%	-	-	-
GlaxoSmithKline	289,049,524	7	0.19%	-	-	-
Network Appliance Inc	274,186,861	8	0.18%	-	-	-
First Citizens Bank	257,129,892	9	0.17%	-	-	-
Mid America Apartments LP	246,835,021	10	0.17%	-	-	-
NC Eastern Municipal Power Agency	-	-	-	327,026,213	5	0.27%
Weeks Realty	-	-	-	290,359,176	6	0.24%
Bellsouth Telephone	-	-	-	280,368,968	7	0.24%
Time Warner Entertainment	-	-	-	275,160,904	8	0.23%
G&I V LTD Partnership	-	-	-	241,493,575	9	0.20%
Novartis Vaccines & Diagnostics	-	-	-	213,070,334	10	0.18%
	<u>\$5,567,967,830</u>		<u>3.74%</u>	<u>\$4,493,660,880</u>		<u>3.77%</u>

Source: Wake County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2019.

**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
2019	\$ 999,314,645	\$ (1,372,951)	\$997,941,694	\$ 996,947,099	99.90%	\$ -	\$ 996,947,099	99.90%
2018	914,686,233	(1,989,030)	912,697,203	911,681,836	99.89%	416,805	912,098,641	99.93%
2017	877,544,091	(7,317,373)	870,226,718	869,108,487	99.87%	780,215	869,888,702	99.96%
2016	833,221,749	(835,817)	832,385,932	831,114,362	99.85%	983,983	832,098,345	99.97%
2015	760,907,032	(664,952)	760,242,080	758,063,799	99.71%	1,962,311	760,026,110	99.97%
2014	702,953,904	(1,690,243)	701,263,661	697,580,105	99.47%	3,045,372	700,625,477	99.91%
2013	676,163,798	(2,306,621)	673,857,177	667,843,411	99.11%	5,220,257	673,063,668	99.88%
2012	665,819,212	(2,298,064)	663,521,148	657,541,978	99.10%	5,127,345	662,669,323	99.87%
2011	661,292,534	(4,849,315)	656,443,219	648,750,058	98.83%	6,816,105	655,566,163	99.87%
2010	657,175,469	(7,643,046)	649,532,423	640,993,333	98.69%	7,730,394	648,723,727	99.88%

Notes:

Taxes for the fiscal year ended June 30, 2019 at the collection rate of 99.90% are a composite of the following collections by category:

Vehicle taxes	99.46%
Real and personal property taxes	99.94%

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

Source: Wake County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2019.

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
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
2011	1,991,296,438	-	-	323,883,480	6,961,421	980,772
2010	1,956,072,526	-	-	324,671,699	8,181,909	1,144,233

(Continued)

Source: Wake County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2019.

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				
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
2011	173,449	-	2,323,295,560	-		2,323,295,560	5.78%	2,500
2010	157,095	299,767	2,290,527,229	-		2,290,527,229	6.10%	2,526

Source: Wake County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2019.

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		
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
2011	1,991,296,438	-	1,991,296,438	1.67%	2,142.72
2010	1,956,072,526	-	1,956,072,526	1.64%	2,156.86

Source: Wake County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2019.

WAKE COUNTY BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2017

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Municipality:			
Apex	\$ 64,370,000	100%	\$ 64,370,000
Cary	102,501,927	100%	102,501,927
Fuquay-Varina	25,370,000	100%	25,370,000
Garner	30,390,000	100%	30,390,000
Holly Springs	19,825,000	100%	19,825,000
Knightdale	2,598,000	100%	2,598,000
Morrisville	26,210,000	100%	26,210,000
Raleigh	297,350,000	100%	297,350,000
Rolesville	3,474,494	100%	3,474,494
Wake Forest	27,050,000	100%	27,050,000
Wendell	-	100%	-
Zebulon	2,125,000	100%	2,125,000
Wake County	<u>2,563,977,054</u>	100%	<u>2,563,977,054</u>
Overlapping debt	3,165,241,475		3,165,241,475
Direct debt	<u>387,942</u>		<u>387,942</u>
Total direct and overlapping debt	<u>\$ 3,165,629,417</u>		<u>\$ 3,165,629,417</u>

Source: Wake County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2019.

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

	Fiscal Year				
	2019	2018	2017	2016	2015
Assessed value of property	\$ 148,627,572,143	\$ 144,219,213,822	\$ 141,411,010,294	\$ 131,950,999,915	\$ 127,947,523,008
Debt limit, 8% of assessed value (Statutory Limitation)	11,890,205,771	11,537,537,106	11,312,880,824	10,556,079,993	10,235,801,841
Amount of debt applicable to limit					
General obligation bonds	1,727,510,000	1,762,270,000	1,727,865,000	1,812,535,000	1,967,590,000
GO bond anticipation notes	-	50,197,448	100,229,537	1,301,000	-
Other Long Term Debt	554,346,998	374,041,272	231,140,632	238,761,938	266,887,940
Bonds Authorized not Issued	1,017,000,000	147,152,552	294,865,463	509,909,000	511,210,000
Total net debt applicable to limit	3,298,856,998	2,333,661,272	2,354,100,632	2,562,506,938	2,745,687,940
Legal debt margin	\$ 8,591,348,773	\$ 9,203,875,834	\$ 8,958,780,192	\$ 7,993,573,055	\$ 7,490,113,901
Total net debt applicable to limit as a percentage of debt limit	27.74%	20.23%	20.81%	24.28%	26.82%

(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, Comprehensive Annual Financial Report for the year ended June 30, 2019.

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

	Fiscal Year				
	2014	2013	2012	2011	2010
Assessed value of property	\$ 127,426,491,226	\$ 122,450,151,129	\$ 120,555,400,651	\$ 119,535,621,641	\$ 119,158,250,199
Debt limit, 8% of assessed value (Statutory Limitation)	10,194,119,298	9,796,012,090	9,644,432,052	9,562,849,731	9,532,660,016
Amount of debt applicable to limit					
General obligation bonds	1,664,875,000	1,801,325,000	1,754,870,000	1,831,620,000	1,794,370,000
GO bond anticipation notes	-	-	-	-	-
Other Long Term Debt	278,885,802	291,217,436	303,938,059	311,595,642	313,263,004
Bonds Authorized not Issued	950,450,000	145,450,000	65,700,000	239,070,000	391,870,000
Total net debt applicable to limit	2,894,210,802	2,237,992,436	2,124,508,059	2,382,285,642	2,499,503,004
Legal debt margin	\$ 7,299,908,496	\$ 7,558,019,654	\$ 7,519,923,993	\$ 7,180,564,089	\$ 7,033,157,012
Total net debt applicable to limit as a percentage of debt limit	28.39%	22.85%	22.03%	24.91%	26.22%

Source: Wake County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2019.

**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
2019	1,092,305.00	*	*	160,339	3.9%
2018	1,072,203	*	*	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%
2011	900,933	43,320,456	46,615	143,289	7.9%
2010	883,624	41,432,611	45,683	139,599	8.3%

* Information not yet available

Source: Wake County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2019.

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

Employer	2019			2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Duke University & Health System	38,591	1	6.54%	-	-	-
State of North Carolina	24,083	2	4.08%	24,739	1	5.93%
Wake County Public Schools	19,845	3	3.36%	16,755	2	4.01%
Wal-Mart	16,135	4	2.74%	-	-	-
IBM Corporation	10,000	5	1.74%	10,800	3	2.59%
WakeMed Health & Hospitals	9,105	6	1.54%	7,100	5	1.70%
North Carolina State University	9,069	7	1.54%	7,500	4	1.80%
Target	8,000	8	1.36%	-	-	-
UNC Rex Healthcare	7,400	9	1.25%	4,400	7	1.05%
SAS Institute Inc	5,632	10	0.95%	4,149	8	0.99%
GlaxoSmithKline Inc	-	-	-	6,000	6	1.44%
Wake County Government	-	-	-	3,494	10	0.84%
Cisco Systems	-	-	-	4,000	9	0.96%
	<u>147,860</u>		<u>25.06%</u>	<u>88,937</u>		<u>21.31%</u>

As of the date of publication this information was not available for 2019 data from 2018 has been used.

Source: Wake County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2019

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
School and school based support										
Principals	183	181	172	173	166	170	169	164	163	159
Assistant principals, nonteaching	363	337	336	324	328	323	309	290	285	277
Elementary teachers	4,212	4,446	4,501	4,517	4,538	4,547	4,394	4,283	4,069	4,059
Secondary teachers	4,407	4,356	4,144	4,103	4,121	4,145	3,888	3,774	3,635	3,580
Other teachers	2,028	1,814	1,820	1,737	1,709	1,871	1,760	1,753	1,675	1,638
Guidance	400	472	476	457	436	436	409	397	420	411
Psychological	106	107	103	100	98	96	96	90	90	86
Librarian, audiovisual	210	222	213	208	204	208	209	205	323	359
Consultant, supervisor	99	100	95	97	88	89	82	73	87	92
Teacher assistants	<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>	<u>2,065</u>	<u>2,057</u>
Total school and school based support	<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>	<u>12,812</u>	<u>12,718</u>
Central services										
Administrators, managers	21	23	21	20	21	20	17	19	16	19
Technicians	410	360	353	354	338	317	303	294	319	311
Clerical, secretarial	724	983	986	986	973	955	910	910	905	943
Service workers	1,850	1,636	1,638	1,633	1,713	1,752	1,697	1,671	1,737	1,808
Skilled crafts	278	300	298	306	291	295	264	265	269	292
Other professionals	1,209	<u>934</u>	<u>872</u>	<u>852</u>	<u>747</u>	<u>596</u>	<u>592</u>	<u>589</u>	<u>629</u>	<u>625</u>
Total central services	<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>	<u>3,875</u>	<u>3,998</u>
Total full time employees	<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>	<u>16,687</u>	<u>16,716</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
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
2011	143,289	2.64%	1,121,165,987	7,825	0.31%	163	8,959
2010	139,599	1.37%	1,089,044,350	7,801	-5.10%	159	8,447

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>
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
2011	34,462.00	78,128.70	45,905.70
2010	34,462.00	78,128.70	46,488.40

Source: Wake County Public Schools Human Resources Department

WAKE COUNTY BOARD OF EDUCATION
CAPITAL ASSETS INFORMATION
LAST TEN YEARS

	2019	2018	2017	2016	2015
Schools					
Elementary					
Buildings	207	209	210	206	204
Square feet	9,873,283	9,600,466	9,284,509	8,769,259	8,642,082
Capacity	70,498	77,232	76,596	74,521	73,745
Membership	71,857	73,098	73,717	72,811	71,918
Mobile classrooms	565	527	560	581	597
Middle					
Buildings	122	121	120	115	114
Square feet	5,810,972	5,577,309	5,374,984	5,327,777	5,328,621
Capacity	40,669	40,141	38,737	38,109	38,187
Membership	36,980	35,895	35,234	34,925	35,532
Mobile classrooms	180	142	167	176	175
High					
Buildings	223	213	229	226	226
Square feet	7,178,907	6,919,426	6,978,461	6,956,509	6,640,769
Capacity	50,656	50,526	48,921	48,476	47,243
Membership	49,716	49,253	47,969	46,990	45,182
Mobile classrooms	261	286	310	336	361
Other (includes academies)					
Buildings	9	11	9	9	9
Square feet	221,196	298,405	271,580	276,564	276,564
Capacity	2,531	2,728	2,681	2,095	1,993
Membership	1,786	1,849	2,293	1,918	2,368
Mobile classrooms	13	13	19	19	19
Administrative					
Buildings	17	17	17	17	17
Square Feet	339,668	340,160	340,160	340,160	340,160
Transportation					
Buses	762	751	760	814	908

(Continued)

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

WAKE COUNTY BOARD OF EDUCATION
CAPITAL ASSETS INFORMATION
LAST TEN YEARS

	2014	2013	2012	2011	2010
Schools					
Elementary					
Buildings	203	215	220	220	217
Square feet	8,592,579	8,685,116	8,925,284	8,896,687	8,532,044
Capacity	73,177	73,728	76,351	76,851	75,438
Membership	72,075	70,612	70,526	69,277	67,748
Mobile classrooms	572	571	607	602	504
Middle					
Buildings	114	111	107	105	105
Square feet	5,329,020	5,266,057	5,570,506	5,176,364	5,156,547
Capacity	37,929	38,202	37,233	37,780	33,317
Membership	34,983	34,365	33,604	32,596	31,482
Mobile classrooms	181	183	189	190	127
High					
Buildings	211	211	210	210	210
Square feet	6,390,006	6,009,897	5,894,216	5,894,216	5,897,099
Capacity	45,381	44,021	43,619	43,780	43,056
Membership	44,448	43,285	42,143	41,014	39,994
Mobile classrooms	353	349	309	368	130
Other (includes academies)					
Buildings	9	9	7	7	7
Square feet	276,564	276,564	195,471	195,471	195,471
Capacity	1,656	1,235	384	384	366
Membership	1,533	1,246	414	412	375
Mobile classrooms	13	33	1	1	1
Administrative					
Buildings	18	24	23	23	23
Square Feet	383,811	625,877	523,725	523,725	523,725
Transportation					
Buses	928	920	928	920	905

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, 2019, 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 6, 2019.

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) to determine the 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 determination of financial statement amounts. 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, North Carolina
November 6, 2019**

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, 2019. 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, 2019.

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 the 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 significant deficiencies or material weaknesses. 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, North Carolina
November 6, 2019**

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, 2019. 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, 2019.

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 significant deficiencies or material weaknesses. 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, North Carolina
November 6, 2019**

**Wake County Board of Education
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2019**

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, 2019**

There were no findings or questioned costs related to the audit of federal and state awards for the fiscal year ended June 30, 2018.

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR YEAR ENDED JUNE 30, 2019

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	\$ 3,314,323
Cash Assistance:			
Passed through the N.C. Department of Public Instruction:			
National School Lunch Program	10.555	35	22,099,795
School Breakfast Program	10.553	35	6,361,195
After-School Snack Program	10.555	35	7,595
Summer School Food Program for Children	10.559	35	456,698
Total Cash Assistance			<u>28,925,283</u>
Total Child Nutrition Cluster			<u>32,239,606</u>
Fresh Fruit and Vegetable Program	10.582	35	76,445
Total U.S. Department of Agriculture			<u>32,316,051</u>
<u>U.S. Department of Education</u>			
Cash Assistance:			
Direct Programs			
Magnet Schools Assistance Mosaic	84.165A	317	349,168
Magnet Schools Assistance Cornerstone 2017	84.165A	394	3,742,728
Total Magnet School Assistance			<u>4,091,896</u>
Indian Education Formula Grants to Local Education Agencies	84.060A	310	65,997
Passed through the N.C. Department of Public Instruction:			
<u>Title I Cluster</u>			
Title I Grants to Local Education Agencies (Title I, Part A of ESEA)	84.010	50	30,727,016
Title I Grants to Local Education Agencies (Title I, Part A of ESEA) - School Improvements	84.010A	105	32,292
Total Title I Grants to Local Education Agencies (Title I)			<u>30,759,308</u>
<u>Special Education Cluster:</u>			
Special Education - Grants to States (IDEA, Part B) -			
Education of the Handicapped	84.027	60	23,431,506
Coordinated Early Intervening Services	84.027	70	3,708,790
Special Needs Targeted Assistance	84.027	118	587,096
Risk Pool	84.027	114	41,731
Special Education - Preschool Grants (IDEA Preschool) -			
Preschool Handicapped	84.173	49	451,019
Preschool Targeted Assistance	84.173	119	54,022
Total Special Education Cluster			<u>28,274,164</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR YEAR ENDED JUNE 30, 2019

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	1,593,917
Education for Homeless Children and Youth	84.196	26	85,056
English Language Acquisition Grants	84.365	104, 111	1,893,363
Supporting Effective Instruction	84.367	103	2,765,948
Student Support and Academic Enrichment	84.424A	108	398,596
State Personnel Development Grant - NC State Improvement	84.323A	82	<u>5,614</u>
Total U.S. Department of Education			69,933,859
<u>U.S. Department of Defense</u>			
Direct Program			
ROTC	None	301	480,622
<u>National Science Foundation</u>			
Passed through North Carolina State University			
Students Discover: Improving Middle School STEM			
Outcomes through Scaling Citizen Science Projects	47.076	372	<u>11,624</u>
Total Federal Assistance			<u>102,742,156</u>
<u>STATE GRANTS:</u>			
Cash Assistance			
<u>N.C. Department of Public Instruction</u>			
State Public School Fund		xxxx	911,919,079
Drivers Training - SPSF		12	3,056,052
Technology Fund - SPSF		15	3,101,215
Career & Technical Education:			
State Months of Employment		13	44,633,378
Program Support Funds		14	2,695,245
Professional Leave Funding		509	3,764
NCDPI Kindergarten Breakfast			111,301
Non-Cash Assistance			
<u>N.C. Department of Public Instruction</u>			
Financed Purchase of School Buses		120	693,296
State Textbooks and Digital Resources		130/131	<u>4,516,020</u>
Total State Assistance			<u>970,729,350</u>
TOTAL FINANCIAL ASSISTANCE			<u>\$ 1,073,471,506</u>

WAKE COUNTY BOARD OF EDUCATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2019

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, 2019. 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