



WAKE COUNTY
BOARD OF EDUCATION
CARY, NORTH CAROLINA

Annual Comprehensive **FINANCIAL REPORT**

for the fiscal year ended **June 30, 2025**

PREPARED BY THE FINANCE DEPARTMENT

**WAKE COUNTY BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

Page No.

INTRODUCTORY SECTION

Letter of Transmittali
Certificates of Achievement.....x
Organizational Chart xii
Board of Education and Leadership Team..... xiii

FINANCIAL SECTION

Independent Auditor’s Report..... 1
Management’s Discussion and Analysis 4
Basic Financial Statements 13
 Government-Wide Financial Statements:
 Statement of Net Position (Deficit)..... 14
 Statement of Activities 15
 Fund Financial Statements:
 Balance Sheet – Governmental Funds..... 17
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Governmental Funds..... 18
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and
 Changes in Fund Balance with the Government-
 Wide Statement of Activities 19
 Statement of Revenues, Expenditures, and Changes
 in Fund Balances - Budget and Actual – General Fund
 and Annually Budgeted Major Special Revenue Funds ... 20
 Statement of Net Position (Deficit) – Enterprise Funds 23
 Statement of Revenues, Expenses, and Changes
 in Fund Net Position (Deficit) - Enterprise Funds 24

**WAKE COUNTY BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

Statement of Cash Flows - Enterprise Funds	25
Notes to the Basic Financial Statements	27
Required Supplementary Information:	
Required Supplemental Financial Data	63
Schedule of the Board’s Proportionate Share of the Net Pension Liability – Teachers’ and State Employees’ Retirement System.....	64
Schedule of Board Contributions – Teachers’ and State Employees’ Retirement System.....	65
Schedule of the Board’s Proportionate Share of the Net OPEB Liability – Retiree Health Benefit Fund	66
Schedule of Board Contributions – Retiree Health Benefit Fund	67
Schedule of the Board’s Proportionate Share of the Net OPEB Asset (Liability) – Disability Income Plan of North Carolina.....	68
Schedule of Board Contributions – Disability Income Plan of North Carolina	69
Combining and Individual Fund Statements and Schedules	70
Non-Major Funds	
Combining Balance Sheet – Non-Major Governmental Funds	71
Combining Statement of Revenues, Expenditures, And Changes in Fund Balances – Non-Major Governmental Funds	72
Schedules of Revenues, Expenditures, and Changes In Fund Balances – Budget and Actual:	
General Fund.....	73
State Public School Fund	76
Capital Outlay Fund.....	79

**WAKE COUNTY BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

Other Restricted Funds 81

State Administered Federal Grants Fund 84

Schedules of Revenues, Expenditures, and Changes
In Fund Balances: Individual School Funds..... 87

Schedules of Revenues, Expenditures, and Changes
In Fund Balances – Budget and Actual:

Enterprise Fund – Child Nutrition Program..... 92

Enterprise Fund – Tuition Programs..... 94

STATISTICAL SECTION

Statistical Section 95

Net Position (Deficit) by Component 96

Expenses, Program Revenues and Net (Expense)/Revenue 98

General Revenues and Total Change in Net Position (Deficit) 100

Fund Balances, Governmental Funds 102

General Governmental Revenues by Source..... 104

General Governmental Expenditures by Function 105

Other Financing Sources and Uses and Net Change
In Fund Balances - Governmental Funds 107

Enterprise Fund Expenses 108

Enterprise Fund Revenues and Transfers In
by Source 109

Outstanding Debt 111

Assessed Value of Taxable Property for Wake County 112

Property Tax Rates - All Overlapping Governments for
Wake County..... 113

Ten Principal Taxpayers for Wake County..... 115

**WAKE COUNTY BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

Property Tax Levies and Collections for Wake County	116
Ratios of Outstanding Debt by Type for Wake County.....	117
Ratio of General Bonded Debt Outstanding for Wake County	119
Direct and Overlapping Governmental Activities Debt	120
Legal Debt Margin Information for Wake County	121
Demographic and Economic Statistics for Wake County	123
Principal Employers for Wake County	124
Full Time Employees by Category	125
Operating Statistics	126
Teacher Base Salaries	127
Capital Asset Information	128

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 <i>Government Auditing Standards</i>	130
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the OMB Uniform Guidance and the State Single Audit Implementation Act.....	132
Independent Auditors' Report on Compliance for Each Major State Program and Report on Internal Control over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act.....	135
Schedule of Findings and Questioned Costs	138
Summary Schedule of Prior Year Audit Findings	140
Schedule of Expenditures of Federal and State Awards	141
Notes to Schedule of Expenditures of Federal and State Awards	144



Introduction



Dr. Robert P. Taylor, Superintendent

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December 16, 2025

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

We are pleased to submit the annual comprehensive financial report of the Wake County Board of Education (Board) for the year ended June 30, 2025, as mandated by both local ordinances and state statutes. An independent firm of certified public accountants annually audits the Board's financial position and activity for the fiscal year. Management is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. 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 understand the Board's activities have been included.

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

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

The Board is required to undergo an annual single audit in conformity with the provisions of the Title 2 US Code of Federal Regulations Part 200 Uniform Administrative 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, a report on compliance and internal control, reports on compliance with requirements applicable to each major federal and state program, and a schedule of findings and questioned costs are included in the single audit section of the annual comprehensive financial report.

The financial reporting entity includes all the funds of the Board. The members of the Board, elected by the public, collectively 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 2024-25 the school system was the largest in North Carolina and the 15th largest system in the nation. It served 160,952 students from kindergarten through 12th grade in 119 elementary schools, 38 middle schools, 31 high schools, 7 optional schools, and 3 academies. The school system has over 19,900 full-time employees and is the third largest employer in Wake County. The system has over 10,820 regular classroom teachers, not including media specialists, counselors, psychologists, etc.

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

A principal is responsible for administering the total school operations. The school staffing is based on pupil enrollment and consists of the appropriate instructional and support personnel to staff each school. The school principal and faculty work cooperatively with instructional specialists and central administrative staff in developing and implementing effective instructional programs.

Over 61 of the school system's 198 schools are magnet schools, providing distinctive educational alternatives. All students are eligible to apply, and the network features distinct programs under the following areas: Arts Plus, Gifted and Talented, International Baccalaureate, Language Immersion/Global Studies, and STEM. The Board established the magnet network to offer a choice in instructional opportunities, maximize the use of school facilities, and help balance schools. The program has proven to be highly successful and contributes to Wake County's stature as a leader in education.

Additionally, the school system offers the following innovative programs for students: two single-gender leadership academies, seven early college programs, two application schools, and one blended learning school. The recurring publicity of Wake County as one of the most desired places to live and work in the United States, as evidenced by various publications and polls, has continued to turn the spotlight on the quality of life enjoyed by Wake County citizens. While quality of life is an intangible asset, there are also many tangible attributes that we can point to in explaining the County's attractiveness.

Chartered in 1771, Wake County covers an area of 864 square miles and is the second most populous county in the state. Twelve municipalities reside in Wake County including Raleigh, the county seat and state capital. A unique mix of urban and rural areas with small towns distinguishes Wake County from other counties in the state and provides something for everyone in choosing a lifestyle. Located in the north-central section of the state on the Piedmont plateau, Wake County is approximately halfway between Washington, D. C., and Atlanta. As well as being a part of that major industrial corridor, Wake County is also convenient for 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 stabilizes the economy of the area, as well as offers 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 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 the medical and electronics 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 because of the various funding sources available. Budget managers apply these resources to accomplish the strategic plan of the school system while maximizing the 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 the continuation of these financial management practices, coupled with effective planning, provides fiscal accountability to the public and continued improvement of programs and outcomes for our students.

MAJOR INITIATIVES

Wake County Public School System Board Priorities and Goals

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

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

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

The core beliefs are:

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

The priorities and goals are:

- Priority 1: Student Knowledge and Skills
We will prioritize students' development in critical thinking, communication, collaboration, and creativity skills, commonly called 'The Four Cs'.
And, we'll focus on foundational literacies, knowledge, and skills in the core subjects of Reading/Language Arts, Mathematics, Science, Social Studies, Fine Arts, Digital Literacy, Financial Literacy, and other content areas.

Goal 1: Graduation

By 2028, WCPSS will annually graduate 98% of students prepared to reach their full potential and lead productive lives in a complex and changing world. By 2028, WCPSS will eliminate graduation rate disparities by race, ethnicity, gender, and socio-economic status.

Goal 2: Proficiency

By 2028, 90% of WCPSS students will meet or exceed grade-level proficiency. By 2028, WCPSS will eliminate proficiency disparities by race, ethnicity, gender, and socio-economic status.

Goal 3: Growth

By 2028, 90% of WCPSS schools will exceed the state-wide average for growth, and 100% of student subgroups will exceed the state-wide average growth.

- **Priority 2: Student Dispositions and Well-Being**
We will prioritize caring for students and staff as individuals and developing and maintaining positive social-emotional, behavioral, and mental health.

Goal 4: Attendance

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

Goal 5: Student Well-Being

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

- **Priority 3: Operational Effectiveness**

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

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

Goal 6: Parent and Family Experience

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

Goal 7: Employee Experience

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

Graduation Rates

The district's four-year graduation rate in 2025 was 90.7%. higher than both 2022 and 2023 rates. The five-year rate of 93.01% was the highest in district history.

Academic Proficiency

Academic proficiency is defined as students who score a 3 or higher on state standardized tests. For the 2023-24 school year, the district's overall proficiency rate is 64.4 percent, up 0.2 percentage points from the previous year.

Academic growth

In 2024-25, 30% of WCPSS schools exceeded the state's expected growth standards, and an additional 44% met expected growth standards.

National Board Certified Teachers

In December 2024, 128 Wake County Public School System teachers achieved National Board Certifications, and an additional 171 renewed their Board certifications by completing the Maintenance of Certification process. The district ranked fourth in the number of new National Board Certified teachers nationally for 2024. In total, more than 3,200 teachers have achieved this distinction while working in our district. Pursuing this certification is a rigorous process that requires a significant commitment of time beyond a teacher's regular classroom responsibilities. The school system provides support to candidates throughout the entire process, from initial application through renewal.

FINANCIAL INFORMATION

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

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

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

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

The North Carolina School Budget and Fiscal Control Act mandates 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 proprietary funds. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget and 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 funding application has been approved by the Board. A summary of such appropriations must be reported to the Board monthly.
3. The Superintendent may accept categorical program appropriations if the program has been approved by the Board. A summary of such appropriations must be reported to the Board monthly.
4. The Superintendent may accept other appropriations upon prior approval of the Board.

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

The school system continues to experience student growth in certain areas of the county, and this is expected to continue. Due to this growth, the Board has been engaged in an aggressive building and renovation program for many years. In November 2022, residents of Wake County approved a \$530 million bond referendum. This bond will provide five new schools, seven major renovations, and life cycle replacements, technology, security, and land acquisition for new schools. The school system's oldest building was built in 1924, and the most recent building was completed in 2025.

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

OTHER INFORMATION

Independent Audit

State statutes require an annual audit by independent certified public accountants. The Board selected the firm Forvis Mazars LLP. In addition to meeting the requirements outlined 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 individual fund statements and schedules is included in the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting, and the Association of School Business Officials (ASBO) awarded the Certificate of Excellence in Financial Reporting to the Board for its annual comprehensive financial report for the year ended June 30, 2024. This was the thirty-sixth consecutive year that the Board received these prestigious awards. To be awarded these Certificates, the Board published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

Acknowledgments

The preparation of this report was made possible through the efficient and dedicated efforts of the entire Finance Division staff. We extend our sincere appreciation to all members of the division for their assistance and contributions, as well as to the Board's independent certified public accountants, Forvis Mazars, LLP, for their valuable support. Their collective efforts are deeply appreciated and reflect the high standards we strive to uphold.

We also wish to thank the members of the Board of Education for their continued interest and support in ensuring the financial affairs of the school system are managed with responsibility and dedication.

Respectfully submitted,



Dr. Robert P. Taylor
Superintendent



David Neter
Chief Business Officer



Trisha Posey
Finance Officer



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Wake County Board of Education
for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Wake County Board of Education
North Carolina**

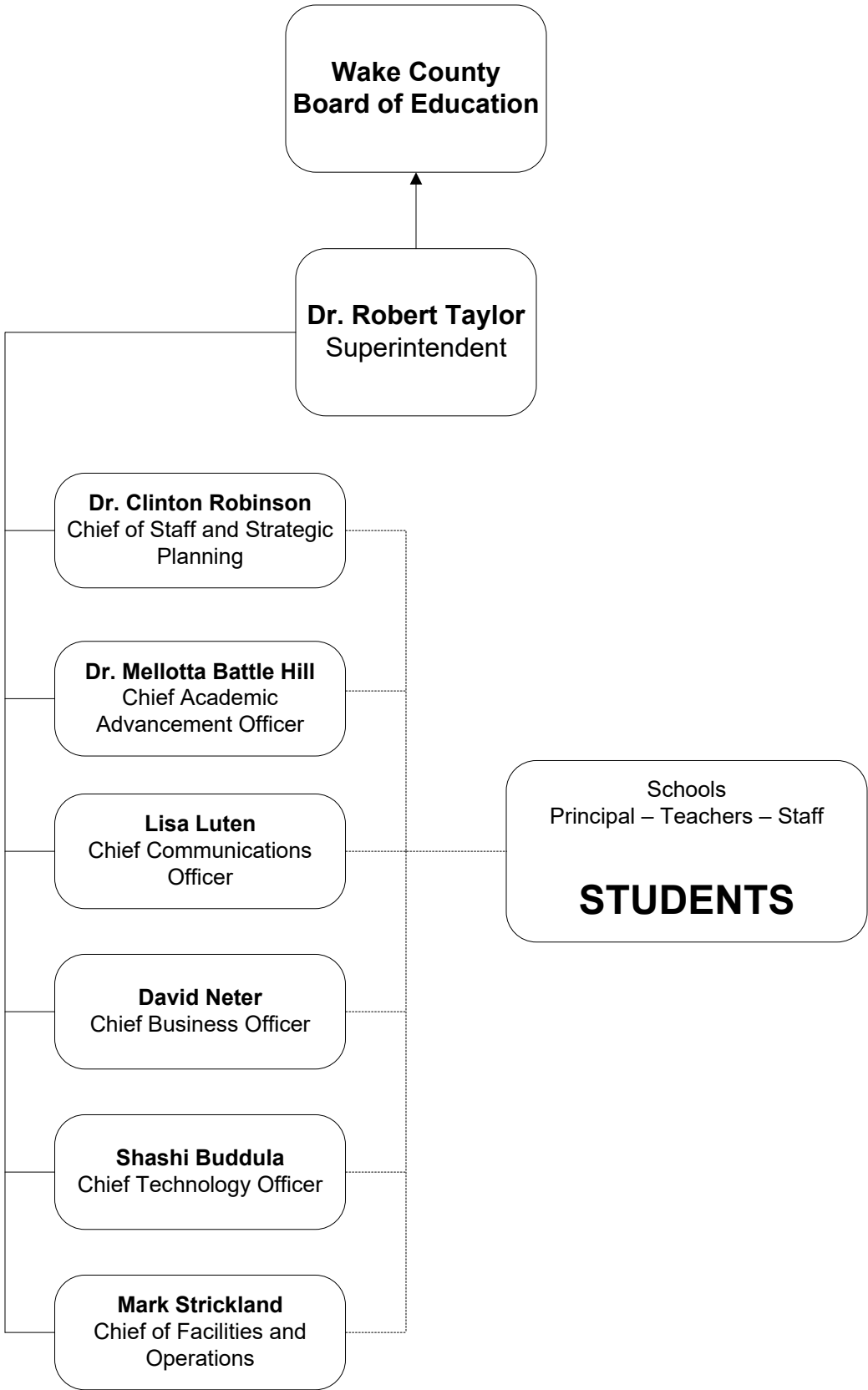
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

Organizational Chart



Board of Education and Leadership Team



Chris Heagarty
Chair, District 7



Tyler Swanson
Vice Chair, District 9



Cheryl Caulfield
District 1



Christina Gordon
District 2



Dr. Wing Ng
District 3



Toshiba Rice
District 4



Lynn Edmonds
District 5



Sam Hershey
District 6



Lindsay Mahaffey
District 8



Dr. Robert P. Taylor
Superintendent

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

Chief Officers

Dr. Clinton Robinson, Chief of Staff and Strategic Planning
Dr. Mellotta Battle Hill, Chief Academic Advancement Officer
David Neter, Chief Business Officer
Lisa Luten, Chief Communications Officer
Shashi Buddula, Chief Technology Officer
Mark Strickland, Chief of Facilities and Operations

Finance

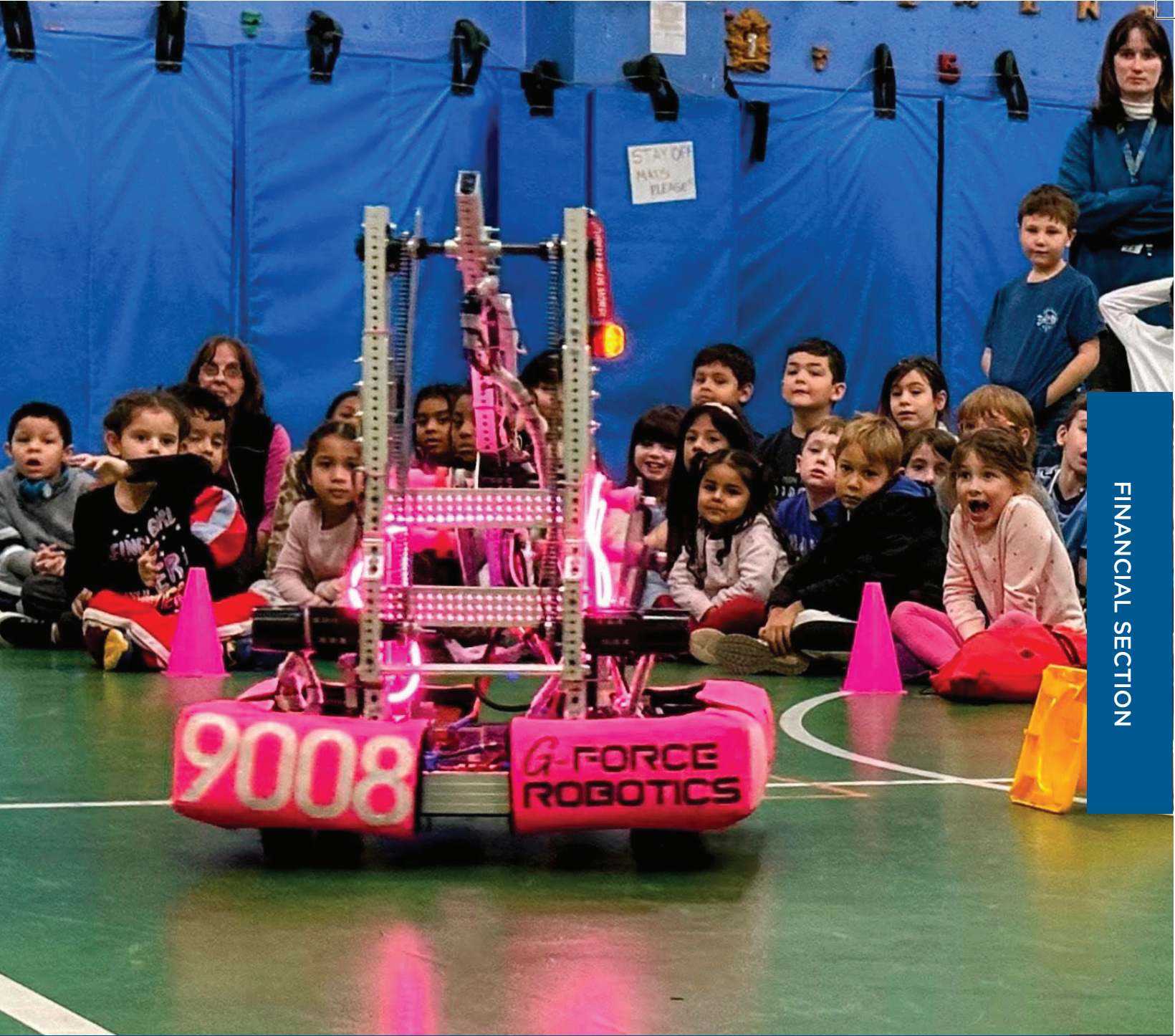
Trisha Posey, Finance Officer

Area Superintendents

Dr. Syreeta Smith - Eastern Wake County
Lacey Peckham - Central Wake County
Chris McCabe - Northern Wake County
Dr. Ve-Lecia Council - Northeastern Wake County
Dr. Ashlie Thompson - Southern Wake County
Dr. Will Chavis - Western Wake County
Jonathan Enns - Southwestern Wake County
James Overman - Southeastern Wake County
Seydric Williams - Northwestern Wake County

Assistant Superintendents

Drew Cook - Academics
Dr. AJ Muttillio - Human Resources
Lisa Allred - Special Education Services
Michele Woodson - Student Support Services
Dr. Bradley McMillen - Data, Research, and Accountability
Glenn Carrozza - School Choice, Planning, and Assignment
David Burnett - Facilities, Design and Construction
Dr. Kenneth J. Thompson - Technology Services



FINANCIAL SECTION

Financial Section

Independent Auditor's Report

Wake County Board of Education
Cary, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wake County Board of Education, North Carolina ("Board"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, State Public School Fund, Other Restricted, and Federal Grants funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 12 and the Teachers' and State Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Board Contributions, on pages 63 through 64, respectively, and the Retiree Health Benefit Fund's Schedules of Proportionate Share of the Net OPEB Liability and Board Contributions, on pages 65 through 66, respectively, and the Disability Income Plan of North Carolina's Schedules of the Proportionate Share of the Net OPEB Asset (Liability) and Board Contributions, on pages 67 through 68, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The individual fund statements and schedules, including the schedule of expenditures of federal and state awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual statements and schedules and the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2025, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Board's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Greensboro, North Carolina
December 16, 2025**

MANAGEMENT DISCUSSION AND ANALYSIS

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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, 2025. 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 \$2,589,823,099.
- The Board's total net position increased \$258,427,226 primarily due to an increase in capital outlays which exceeded depreciation expense.
- As of the close of the current fiscal year, the Board's General Fund reported a total fund balance of \$95,232,993 and the Board's governmental funds reported combined ending fund balances of \$112,969,140. Of this total, \$37,020,457 is available for spending at the government's discretion.
- The Board experienced an increase in enrollment of 1,125 students (or 0.7%) from the previous year.

Overview of the Financial Statements

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

- *Independent Auditor's Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required Supplemental Section*
- *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 and outflows 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 statements is required. The government-wide statements provide information about the Board

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

as an economic unit, while the fund financial statements provide information on the financial resources of the Board's major funds.

Government-wide Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

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

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

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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

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

Financial Analysis of the District as a Whole

Net position is an indicator of the fiscal health of the Board. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$2.6 billion as of June 30, 2025. The largest component of net investment is the net investment in capital assets of approximately \$4.7 billion.

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

**Condensed Statements of Net Position (Deficit)
June 30, 2025 and 2024**

	Governmental Activities		Business-type Activities		Total Primary Government	
	(Restated)		(Restated)		(Restated)	
	2025	2024	2025	2024	2025	2024
Current assets	\$ 265,368	\$ 301,529	\$ 43,456	\$ 45,060	\$ 308,824	\$ 346,589
Leases receivable	4,033	4,169	-	-	4,033	4,169
Capital assets	4,858,773	4,563,900	7,526	8,546	4,866,299	4,572,446
Total assets	<u>5,128,174</u>	<u>4,869,598</u>	<u>50,982</u>	<u>53,606</u>	<u>5,179,156</u>	<u>4,923,204</u>
Deferred outflows of resources	1,066,465	967,377	26,646	24,030	1,093,111	991,407
Current Liabilities	153,413	165,479	8,717	12,755	162,130	178,234
Long-term liabilities:	3,130,129	2,847,269	74,380	66,718	3,204,509	2,913,987
Total liabilities	<u>3,283,542</u>	<u>3,012,748</u>	<u>83,097</u>	<u>79,473</u>	<u>3,366,639</u>	<u>3,092,221</u>
Deferred inflows of resources	308,056	478,745	7,749	12,249	315,805	490,994
Net investment in capital assets	4,701,713	4,376,277	7,526	8,546	4,709,239	4,384,823
Restricted net position	19,308	24,411	-	-	19,308	24,411
Unrestricted net position	<u>(2,117,980)</u>	<u>(2,055,206)</u>	<u>(20,744)</u>	<u>(22,632)</u>	<u>(2,138,724)</u>	<u>(2,077,838)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ 2,603,041</u>	<u>\$ 2,345,482</u>	<u>\$ (13,218)</u>	<u>\$ (14,086)</u>	<u>\$ 2,589,823</u>	<u>\$ 2,331,396</u>

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Following is a summary of the Statement of Net Position

Note that net position for governmental activities increased by approximately \$258 million during the year, indicating an improvement in the financial condition of the Board. The increase of net position was mainly a result of continued capital construction which was in excess of depreciation in the current fiscal year. 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 Statement of Changes in Net Position (Deficit)
For the Years Ended June 30, 2025 and 2024**

	Governmental		Business-type		Total	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 1,787	\$ 1,815	\$ 34,351	\$ 34,554	\$ 36,138	\$ 36,369
Capital grants and contributions	-	-	70	1,485	70	1,485
Operating grants and contributions	1,354,107	1,366,030	48,426	38,715	1,402,533	1,404,745
General Revenues:						
Other revenues	1,130,740	1,082,720	1,447	1,743	1,132,187	1,084,463
Total revenues	<u>2,486,634</u>	<u>2,450,565</u>	<u>84,294</u>	<u>76,497</u>	<u>2,570,928</u>	<u>2,527,062</u>
Expenses:						
Governmental activities:						
Instructional services	1,676,854	1,557,473	-	-	1,676,854	1,557,473
System-wide support services	367,101	350,772	-	-	367,101	350,772
Ancillary services	402	456	-	-	402	456
Nonprogram charges	72,406	61,209	-	-	72,406	61,209
Interest on long-term debt	3,074	3,550	-	-	3,074	3,550
Depreciation/amortization	109,154	109,645	-	-	109,154	109,645
Business-type activities:						
Food services	-	-	70,657	69,047	70,657	69,047
Tuition programs	-	-	12,853	9,546	12,853	9,546
Total expenses	<u>2,228,991</u>	<u>2,083,105</u>	<u>83,510</u>	<u>78,593</u>	<u>2,312,501</u>	<u>2,161,698</u>
Excess (deficiency) before transfers	<u>257,643</u>	<u>367,460</u>	<u>784</u>	<u>(2,096)</u>	<u>258,427</u>	<u>365,364</u>
Transfers	(84)	(45)	84	45	-	-
Increase (decrease) in net position	257,559	367,415	868	(2,051)	258,427	365,364
Net position (deficit), beginning, (2024 restated)	<u>2,345,482</u>	<u>1,978,067</u>	<u>(14,086)</u>	<u>(12,035)</u>	<u>2,331,396</u>	<u>1,966,032</u>
Net position (deficit), ending	<u>\$ 2,603,041</u>	<u>\$ 2,345,482</u>	<u>\$ (13,218)</u>	<u>\$ (14,086)</u>	<u>\$ 2,589,823</u>	<u>\$ 2,331,396</u>

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Total governmental activities generated revenues of \$2.49 billion while expenses in this category totaled \$2.2 billion for the year ended June 30, 2025. Comparatively, revenues were \$2.45 billion, and expenses totaled \$2.1 billion for the year ended June 30, 2024. After transfers to the business-type activities, the increase in net position stands at \$258 million at June 30, 2025, compared to \$367 million in 2024. The increase in revenues is due to the recognition of revenue for funds received from the county. Instructional services expenses comprised 75.2% of total governmental-type expenses while system-wide support services made up 16.5% of those expenses for 2025. County funding comprised 44.8% of total governmental revenue for 2025. In 2024, county funding was 43.33%. Much of the remaining 55.2% of the total governmental revenue for 2025 consists of restricted state and federal money. This revenue represented 56.67% of total revenue in 2024. Business-type activities generated revenue of \$84 million and expenses of \$83.5 million. Net position increased in the business-type activities by \$868 thousand after transfers from the governmental activities of \$84 thousand. The decrease in net position in 2024 was \$2 million. The increase of net position was mainly a result of savings from the elimination of indirect cost payments for Child Nutrition and controlling the expenditures in the Tuition Program.

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 \$95,232,993, a decrease of \$22,972,102 over last year. One of the primary factors contributing to this decrease was a \$7.9 million reduction in federal funding as pandemic-related grants concluded. The unassigned fund balance in the general fund decreased to \$37,020,457. This level of unassigned fund balance equals 1.6 percent of the total operating budget (state, local funds, grant, enterprise, and other restricted funds \$2,281,241,958). The Board assigned \$21,400,000 from fund balance to support the 2025-26 budget.

The total fund balance in the capital outlay fund decreased by \$1,397,522, and the restricted fund balance for capital expenditures decreased to \$1,188,408. The total fund balance decrease was mainly due to vehicle purchases to replace depreciated assets.

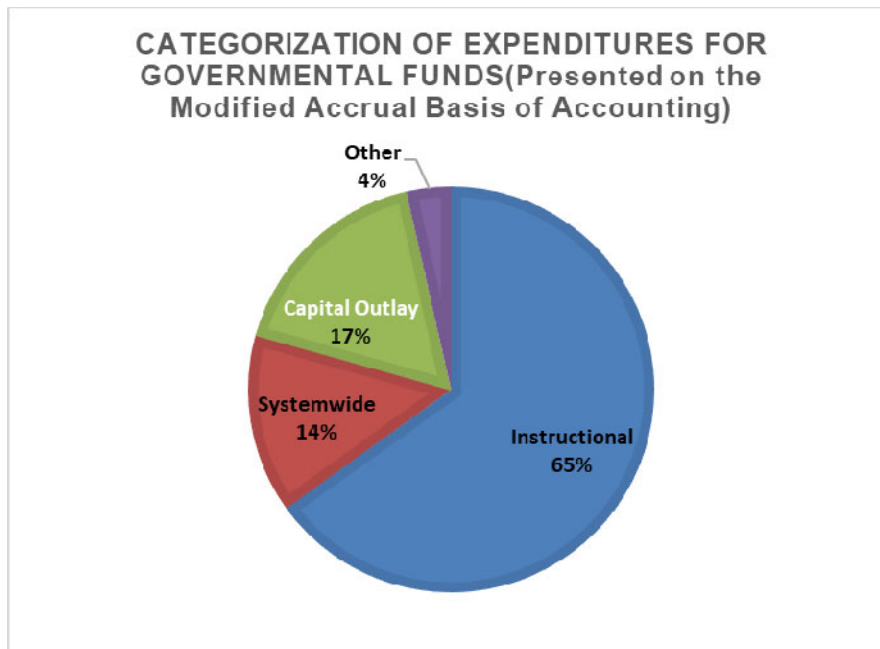
The fund balance in the Other Restricted Funds increased by \$274,774 to \$3,275,244. The increase was due to the return of school PPE inventory to the warehouse.

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

The Board's governmental funds reported a combined fund balance of \$112,969,140, a \$24,343,258 decrease over last year. The decrease was due to the decrease in federal funds, requiring the system to utilize other funding sources. County funding for operating and capital needs rose by \$52 million from the prior year, due to an increase in county appropriations. State funding increased approximately \$45 million as a result of salary increases, an increase in health insurance, and retirement matching benefits. Federal funding decreased by approximately \$54 million due to the end of pandemic relief funds.

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

The Board's business-type funds reflected a total increase in net position of approximately \$868 thousand. The Child Nutrition Program reflected an increase in net position over the last year of \$14 thousand and Tuition Programs reflected an increase in net position over last year of \$854 thousand. The increase in the Child Nutrition Program is primarily driven by the savings from the elimination of indirect cost payments. The increase in the tuition program resulted from revenues exceeding expenses over multiple years.



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 financing sources, as well as expenditures, by approximately \$2.2 million. This increase was primarily due to the appropriation of fund balance for special projects, including additional workers' compensation expenses and charges from the retirement system related to pension spiking. Total revenues increased slightly \$23,661 in the final budget due to June interest. Total expenditures for the general fund were \$25.4 million less than the final budget due to school and department savings from the mission-critical spending freeze. The other financing sources' final budget includes \$49.4 million of appropriated fund balance.

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Capital Assets

The Board's investment in capital assets for its governmental and business-type activities as of June 30, 2025, totals \$4.9 billion (net of accumulated depreciation/amortization). The following is a summary of the capital assets, net of depreciation/amortization at year-end (in thousands):

Summary of Capital Assets
June 30, 2025 and 2024

	Governmental		Business-type		Total	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Land	\$ 248,038	\$ 241,874	\$ -	\$ -	\$ 248,038	\$ 241,874
Land improvements	7,069	7,736	-	-	7,069	7,736
Buildings	3,678,030	3,207,711	-	-	3,678,030	3,207,711
Right-to-use leased buildings	66,445	74,743	-	-	66,445	74,743
Equipment	9,072	10,786	7,430	8,375	16,502	19,161
Right-to-use leased equipment	878	1,661	-	-	878	1,661
Right-to-use subscription assets	8,492	10,873	-	-	8,492	10,873
Vehicles	20,066	18,520	96	171	20,162	18,691
Construction in progress	820,683	989,996	-	-	820,683	989,996
Total	<u>\$ 4,858,773</u>	<u>\$ 4,563,900</u>	<u>\$ 7,526</u>	<u>\$ 8,546</u>	<u>\$ 4,866,299</u>	<u>\$ 4,572,446</u>

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

Debt Outstanding

During the year the Board's outstanding government-type obligations increased by \$282,859,833 and the business-type activities debt increased by \$7,661,984. The increase in the government-type and the business-type activities debt was due to the increase in net OPEB liability. More detailed information on the Board's outstanding debt is contained on page 59 of the notes to the financial statements. The county holds virtually all debt issued for school capital construction.

Economic Factors

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

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

- Wake County's unemployment rate was 3.4% at June 30, 2025. This is a decrease of 0.2% from the previous year.
- The population of Wake County continues to increase. At June 30, 2025, the population was 1,229,269.
- Total property tax collections for fiscal year ended June 30, 2025, was \$1.61 billion, a \$208 million increase from the prior fiscal year.

**WAKE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS

WAKE COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION (DEFICIT)
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 164,153,017	\$ 37,024,707	\$ 201,177,724
Accounts receivables	2,158,327	270,907	2,429,234
Leases receivable	135,519	-	135,519
Accrued interest receivable on leases	97,237	-	97,237
Due from other governments	89,784,290	2,488,171	92,272,461
Internal balances	(55,381)	55,381	-
Inventories	9,094,979	3,616,412	12,711,391
Total current assets	<u>265,367,988</u>	<u>43,455,578</u>	<u>308,823,566</u>
Noncurrent assets:			
Lease receivable, non-current	4,033,174	-	4,033,174
Capital assets			
Land and construction in progress	1,068,721,357	-	1,068,721,357
Capital assets, net of accumulated depreciation/ amortization	<u>3,790,051,170</u>	<u>7,526,319</u>	<u>3,797,577,489</u>
Total capital assets	<u>4,858,772,527</u>	<u>7,526,319</u>	<u>4,866,298,846</u>
Total non-current assets	<u>4,862,805,701</u>	<u>7,526,319</u>	<u>4,870,332,020</u>
TOTAL ASSETS	<u>5,128,173,689</u>	<u>50,981,897</u>	<u>5,179,155,586</u>
DEFERRED OUTFLOWS OF RESOURCES			
	<u>1,066,465,040</u>	<u>26,646,157</u>	<u>1,093,111,197</u>
LIABILITIES			
Current liabilities:			
Salaries and benefits payable	24,493,511	2,247,434	26,740,945
Accounts payable	110,372,056	2,076,603	112,448,659
Accrued interest payable	1,029,533	-	1,029,533
Unearned revenue	17,517,648	4,393,467	21,911,115
Long-term due within one year	82,381,241	600,000	82,981,241
Long-term liabilities:			
Net pension liability	974,437,248	21,859,885	996,297,133
Net OPEB liabilities	1,954,647,470	51,262,462	2,005,909,932
Due in more than one year	<u>118,662,740</u>	<u>657,192</u>	<u>119,319,932</u>
TOTAL LIABILITIES	<u>3,283,541,447</u>	<u>83,097,043</u>	<u>3,366,638,490</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>308,056,243</u>	<u>7,748,951</u>	<u>315,805,194</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	4,701,713,194	7,526,319	4,709,239,513
Restricted for:			
Individual school activities	11,396,941	-	11,396,941
Special programs	210,791	-	210,791
Stabilization by state statute	6,001,347	-	6,001,347
School capital outlay	1,188,408	-	1,188,408
Restricted contributions	510,818	-	510,818
Unrestricted	<u>(2,117,980,460)</u>	<u>(20,744,259)</u>	<u>(2,138,724,719)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ 2,603,041,039</u>	<u>\$ (13,217,940)</u>	<u>\$ 2,589,823,099</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, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:				
Instructional programs				
Regular	\$ 948,287,755	\$ 1,786,550	\$ 643,746,351	\$ -
Special populations	325,373,279	-	277,291,169	-
Alternative programs and services	103,303,698	-	80,398,442	-
School leadership	131,113,600	-	118,695,710	-
Co-curricular	43,528,096	-	106,399	-
School-based support services	125,246,614	-	85,769,444	-
Systemwide support services				
Support and development	19,283,238	-	10,285,218	-
Special populations support and development	10,109,412	-	2,125,690	-
Alternative programs and services support and development	6,879,746	-	2,626,227	-
Technology support	62,643,098	-	7,606,403	-
Operational support	202,911,009	-	109,082,781	-
Financial and human resource	35,246,376	-	7,794,535	-
Accountability	2,588,131	-	169,422	-
Systemwide pupil support	9,438,391	-	2,054,875	-
Policy, leadership and public relations	18,001,478	-	4,422,412	-
Ancillary services	402,477	-	317,267	-
Nonprogram charges	72,405,789	-	1,614,927	-
Interest on long-term debt	3,073,937	-	-	-
Depreciation/amortization - unallocated *	109,153,605	-	-	-
Total governmental activities	<u>2,228,989,729</u>	<u>1,786,550</u>	<u>1,354,107,272</u>	<u>-</u>
BUSINESS-TYPE ACTIVITIES:				
Food services	70,656,989	21,319,304	48,425,926	69,734
Tuition programs	12,852,674	13,031,347	-	-
Total business-type activities	<u>83,509,663</u>	<u>34,350,651</u>	<u>48,425,926</u>	<u>69,734</u>
Total school district	<u>\$ 2,312,499,392</u>	<u>\$ 36,137,201</u>	<u>\$ 1,402,533,198</u>	<u>\$ 69,734</u>

*Excludes direct depreciation expenses of the various programs

(Continued)

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

**WAKE COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES**

Functions/Programs	Net (Expenses) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:			
Instructional programs			
Regular	\$ (302,754,854)		\$ (302,754,854)
Special populations	(48,082,110)		(48,082,110)
Alternative programs and services	(22,905,256)		(22,905,256)
School leadership	(12,417,890)		(12,417,890)
Co-curricular	(43,421,697)		(43,421,697)
School-based support services	(39,477,170)		(39,477,170)
Systemwide support services			
Support and development	(8,998,020)		(8,998,020)
Special populations support and development	(7,983,722)		(7,983,722)
Alternative programs and services support and development	(4,253,519)		(4,253,519)
Technology support	(55,036,695)		(55,036,695)
Operational support	(93,828,228)		(93,828,228)
Financial and human resource	(27,451,841)		(27,451,841)
Accountability	(2,418,709)		(2,418,709)
Systemwide pupil support	(7,383,516)		(7,383,516)
Policy, leadership and public relations	(13,579,066)		(13,579,066)
Ancillary services	(85,210)		(85,210)
Nonprogram charges	(70,790,862)		(70,790,862)
Interest on long-term debt	(3,073,937)		(3,073,937)
Depreciation/amortization - unallocated *	(109,153,605)		(109,153,605)
Total governmental activities	<u>(873,095,907)</u>		<u>(873,095,907)</u>
BUSINESS-TYPE ACTIVITIES:			
Food services		\$ (842,025)	(842,025)
Tuition programs		178,673	178,673
Total business-type activities		<u>(663,352)</u>	<u>(663,352)</u>
Total school district	<u>(873,095,907)</u>	<u>(663,352)</u>	<u>(873,759,259)</u>
GENERAL REVENUES			
Unrestricted county appropriations - operating	702,607,316	-	702,607,316
Unrestricted county appropriations - capital	411,281,076	-	411,281,076
Unrestricted state appropriations - capital	3,170,917	-	3,170,917
Investment earnings, unrestricted	6,460,273	1,431,786	7,892,059
Non-capital OPEB plan contribution	595,147	15,711	610,858
Miscellaneous, unrestricted	6,624,259	-	6,624,259
Subtotal, general revenues	1,130,738,988	1,447,497	1,132,186,485
TRANSFER	<u>(84,000)</u>	<u>84,000</u>	<u>-</u>
Subtotal, general revenues and transfers	<u>1,130,654,988</u>	<u>1,531,497</u>	<u>1,132,186,485</u>
Changes in net position (deficit)	257,559,081	868,145	258,427,226
Net position (deficit) - beginning, as previously presented	2,324,152,783	(14,373,300)	2,309,779,483
Retatements	21,329,175	287,215	21,616,390
Net position (deficit) - beginning, as restated	2,345,481,958	(14,086,085)	2,331,395,873
Net position (deficit) - ending	<u>\$ 2,603,041,039</u>	<u>\$ (13,217,940)</u>	<u>\$ 2,589,823,099</u>

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

**WAKE COUNTY BOARD OF EDUCATION
BALANCE SHEET
JUNE 30, 2025**

	Major Funds					Total Governmental Funds
	General Fund	State Public School Fund	Capital Outlay Fund	Other Restricted Funds	Non-Major Funds	
ASSETS						
Cash and cash equivalents	\$ 117,598,057	\$ 11,336,697	\$ 2,852,262	\$ 19,403,514	\$ 12,962,487	\$ 164,153,017
Due from other governments	1,454,846	15,170,403	71,195,023	326,998	1,637,020	89,784,290
Accounts receivable	1,817,411	-	-	340,916	-	2,158,327
Due from other funds	232,159	-	345	89,348	1,580	323,432
Lease receivable	-	-	4,168,693	-	-	4,168,693
Inventories	6,030,526	-	-	3,064,453	-	9,094,979
Total assets	<u>\$ 127,132,999</u>	<u>\$ 26,507,100</u>	<u>\$ 78,216,323</u>	<u>\$ 23,225,229</u>	<u>\$ 14,601,087</u>	<u>\$ 269,682,738</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Salaries and benefits payable	\$ 8,294,338	\$ 15,169,071	\$ -	\$ 130,365	\$ 899,737	\$ 24,493,511
Accounts payable	23,600,505	11,338,029	71,200,791	2,071,103	2,161,628	110,372,056
Due to other funds	5,163	-	-	230,869	142,781	378,813
Unearned revenue	-	-	-	17,517,648	-	17,517,648
Total liabilities	<u>31,900,006</u>	<u>26,507,100</u>	<u>71,200,791</u>	<u>19,949,985</u>	<u>3,204,146</u>	<u>152,762,028</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>3,951,570</u>	<u>-</u>	<u>-</u>	<u>3,951,570</u>
Fund balances						
Nonspendable						
Inventories	6,030,526	-	-	3,064,453	-	9,094,979
Restricted						
Stabilization by state statute	5,581,263	-	420,084	-	-	6,001,347
Capital expenditures	-	-	1,188,408	-	-	1,188,408
Individual schools	-	-	-	-	11,396,941	11,396,941
Special programs	-	-	-	210,791	-	210,791
Restricted contributions for capital expenditures	-	-	510,818	-	-	510,818
Assigned						
Special projects	6,297,547	-	944,652	-	-	7,242,199
Insurance	15,208,442	-	-	-	-	15,208,442
Potential unfunded pension liability	2,694,758	-	-	-	-	2,694,758
Flexible Benefits	1,000,000	-	-	-	-	1,000,000
Subsequent years expenditures	21,400,000	-	-	-	-	21,400,000
Unassigned	37,020,457	-	-	-	-	37,020,457
Total fund balances	<u>95,232,993</u>	<u>-</u>	<u>3,063,962</u>	<u>3,275,244</u>	<u>11,396,941</u>	<u>112,969,140</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 127,132,999</u>	<u>\$ 26,507,100</u>	<u>\$ 78,216,323</u>	<u>\$ 23,225,229</u>	<u>\$ 14,601,087</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds	4,858,772,527
Deferred outflows of resources related to pensions	448,446,386
Deferred outflows of resources related to OPEB	618,018,653
Deferred inflows of resources related to pensions	(13,787,998)
Deferred inflows of resources related to OPEB	(290,316,674)
Accrued interest receivable	97,237
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	(10,357,513)
Compensated absences	(99,760,491)
Net pension liability	(974,437,248)
Net OPEB liability	(1,954,647,470)
Accrued interest liability	(1,029,533)
Lease liability	(76,340,541)
Subscription liability	(4,611,208)
Installment purchase	(9,974,228)
Total net position - governmental activities	<u>\$ 2,603,041,039</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, 2025

	Major Funds					Total Governmental Funds
	General Fund	State Public School Fund	Capital Outlay Fund	Other Restricted Funds	Non-Major Funds	
REVENUES:						
County	\$ 701,653,022	\$ -	\$ 411,281,076	\$ 954,294	\$ -	\$ 1,113,888,392
State	-	1,207,935,702	3,170,917	45,297	-	1,211,151,916
Federal	-	-	-	12,565,407	98,010,495	110,575,902
Other local	11,651,487	-	515,691	18,994,475	18,132,519	49,294,172
Total revenues	<u>713,304,509</u>	<u>1,207,935,702</u>	<u>414,967,684</u>	<u>32,559,473</u>	<u>116,143,014</u>	<u>2,484,910,382</u>
EXPENDITURES:						
Current operations:						
Instructional services						
Regular instruction	279,118,836	628,575,070	-	7,478,224	8,068,992	923,241,122
Special populations	44,925,301	231,459,626	-	5,615,752	39,258,553	321,259,232
Alternative programs and services	23,124,095	43,993,112	-	3,147,792	32,382,995	102,647,994
School leadership	27,979,645	99,766,221	-	328,436	702,695	128,776,997
Co-curricular	25,637,975	56,655	-	35,353	17,302,076	43,032,059
School-based support	36,629,297	76,183,572	-	957,339	8,403,193	122,173,401
Systemwide support services						
Support and development	8,898,305	1,047,723	-	5,689,022	3,321,257	18,956,307
Special populations support and development	7,874,289	794,019	-	328,203	977,960	9,974,471
Alternative programs and services support and development	4,211,153	572,686	-	641,512	1,372,073	6,797,424
Technology support	21,846,808	7,388,674	-	-	212,265	29,447,747
Operational support	122,131,309	104,128,808	-	6,059,035	65,429	232,384,581
Financial and human resource	26,599,236	7,252,611	-	179,355	461,544	34,492,746
Accountability	2,386,175	168,889	-	416	-	2,555,480
Systemwide pupil support	7,070,793	619,284	-	1,171,857	256,571	9,118,505
Policy, leadership, and public relations	13,296,508	4,420,681	-	1,096	-	17,718,285
Ancillary services	11,599	-	-	317,267	-	328,866
Non-program charges	74,469,483	-	-	314,973	2,524,893	77,309,349
Debt service:						
Principal	8,440,128	1,252,843	3,231,426	711,938	158,271	13,794,606
Interest	2,920,470	210,228	15,668	354,326	9,062	3,509,754
Capital outlay:						
Land, buildings, and other	-	-	411,786,319	-	-	411,786,319
Equipment	-	-	6,048,372	-	-	6,048,372
Total expenditures	<u>737,571,405</u>	<u>1,207,890,702</u>	<u>421,081,785</u>	<u>33,331,896</u>	<u>115,477,829</u>	<u>2,515,353,617</u>
Excess (deficiency) of revenues over expenditures	<u>(24,266,896)</u>	<u>45,000</u>	<u>(6,114,101)</u>	<u>(772,423)</u>	<u>665,185</u>	<u>(30,443,235)</u>
OTHER FINANCING SOURCES (USES):						
Installment purchase obligations issued	-	-	4,453,417	-	-	4,453,417
Lease/subscription liability issued	285,292	-	-	-	-	285,292
Sale of school property	-	-	263,162	-	-	263,162
Transfers in	-	-	-	913,593	-	913,593
Transfers out	(39,000)	(45,000)	-	-	(913,593)	(997,593)
Total other financing sources (uses)	<u>246,292</u>	<u>(45,000)</u>	<u>4,716,579</u>	<u>913,593</u>	<u>(913,593)</u>	<u>4,917,871</u>
Net change in fund balance	<u>(24,020,604)</u>	<u>-</u>	<u>(1,397,522)</u>	<u>141,170</u>	<u>(248,408)</u>	<u>(25,525,364)</u>
Fund balances, beginning of year	118,205,095	-	4,461,484	3,000,470	11,645,349	137,312,398
Increase in reserve for inventories	1,048,502	-	-	133,604	-	1,182,106
Fund balances, end of year	<u>\$ 95,232,993</u>	<u>\$ -</u>	<u>\$ 3,063,962</u>	<u>\$ 3,275,244</u>	<u>\$ 11,396,941</u>	<u>\$ 112,969,140</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 GOVERNMENTAL-WIDE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2025

Total net change in fund balances - governmental funds.	\$ (25,525,364)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as a depreciation expense. This is the amount by which capital outlays exceeded depreciation/amortization in the current period.	294,884,269
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	199,660,695
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities.	84,668,499
The issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Direct placement installment purchase	(836,238)
Lease	7,132,682
Subscription liability	4,189,576
Increase in accrued interest payable	347,177
Proceeds from disposal of capital assets are recorded as revenues on the fund statements but not shown in the statement of activities	(263,162)
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	(257,787,557)
Compensated absences	(3,172,758)
Gain on disposal of assets	250,991
Some revenues reported in the statement of activities do not provide current resources are not recorded as revenues in the fund statements.	
Net OPEB Benefit	(47,876,184)
Non-capital OPEB plan contribution	595,147
Decrease in interest revenue on lease receivable	(2,132)
The estimated reserve for workers' compensation self-insurance is recorded as a long-term obligation in the government-wide statements.	111,334
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements.	<u>1,182,106</u>
Change in net position of governmental activities.	<u>\$ 257,559,081</u>

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

WAKE COUNTY BOARD OF EDUCATION

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2025**

	General Fund			
	Original Budget	Final Budget	Actual	Variance
REVENUES:				
County	\$ 701,653,022	\$ 701,653,022	\$ 701,653,022	\$ -
State	-	-	-	-
Federal	-	-	-	-
Other local	<u>12,711,198</u>	<u>11,627,826</u>	<u>11,651,487</u>	<u>23,661</u>
Total revenues	<u>714,364,220</u>	<u>713,280,848</u>	<u>713,304,509</u>	<u>23,661</u>
EXPENDITURES:				
Current operations				
Instructional services				
Regular instruction	292,820,066	287,400,801	279,118,836	8,281,965
Special populations	47,094,392	46,628,779	44,925,301	1,703,478
Alternative programs and services	26,899,489	23,994,569	23,124,095	870,474
School leadership	28,308,816	29,363,365	27,979,645	1,383,720
Co-curricular	26,292,655	25,977,685	25,637,975	339,710
School-based support services	42,269,507	38,294,495	36,629,297	1,665,198
Systemwide support services				
Support and development	8,309,372	9,477,567	8,898,305	579,262
Special populations support and development	8,091,849	8,140,010	7,874,289	265,721
Alternative programs and services support and development	4,301,383	4,311,949	4,211,153	100,796
Technology support	23,788,887	22,972,297	21,846,808	1,125,489
Operational support	128,810,971	124,157,750	122,131,309	2,026,441
Financial and human resource	27,875,243	29,045,946	26,599,236	2,446,710
Accountability	2,503,178	2,521,998	2,386,175	135,823
Systemwide pupil support	7,551,313	7,415,928	7,070,793	345,135
Policy, leadership and public relations	10,967,159	13,965,684	13,296,508	669,176
Ancillary services	44,709	35,726	11,599	24,127
Non-program charges	72,929,481	74,489,619	74,469,483	20,136
Unbudgeted funds	1,242,549	3,371,746	-	3,371,746
Debt service	<u>642,497</u>	<u>11,361,448</u>	<u>11,360,598</u>	<u>850,000</u>
Total expenditures	<u>760,743,516</u>	<u>762,927,362</u>	<u>737,571,405</u>	<u>25,355,957</u>
Deficiency of revenues over expenditures	<u>(46,379,296)</u>	<u>(49,646,514)</u>	<u>(24,266,896)</u>	<u>25,379,618</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	46,379,296	49,400,222	-	(49,400,222)
Lease/subscription liability issued	-	285,292	285,292	-
Transfers in	-	-	-	-
Transfers out	-	(39,000)	(39,000)	-
Total other financing sources (uses)	<u>46,379,296</u>	<u>49,646,514</u>	<u>246,292</u>	<u>(49,400,222)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(24,020,604)</u>	<u>\$ (24,020,604)</u>
Fund balances, beginning of year			118,205,095	
Increase in reserve for inventories			<u>1,048,502</u>	
Fund balances, end of year			<u>\$ 95,232,993</u>	

(Continued)

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

WAKE COUNTY BOARD OF EDUCATION

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2025**

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance
REVENUES:				
County	\$ -	\$ -	\$ -	\$ -
State	1,184,196,507	1,218,147,347	1,207,935,702	(10,211,645)
Federal	-	-	-	-
Other local	-	-	-	-
Total revenues	<u>1,184,196,507</u>	<u>1,218,147,347</u>	<u>1,207,935,702</u>	<u>(10,211,645)</u>
EXPENDITURES:				
Current operations				
Instructional services				
Regular instruction	621,030,843	632,650,519	628,575,070	4,075,449
Special populations	228,506,140	234,584,121	231,459,626	3,124,495
Alternative programs and services	41,174,458	44,068,936	43,993,112	75,824
School leadership	100,120,291	100,969,962	99,766,221	1,203,741
Co-curricular	48,430	56,655	56,655	-
School-based support services	71,009,348	76,357,637	76,183,572	174,065
Systemwide support services				
Support and development	1,538,157	1,110,958	1,047,723	63,235
Special populations support and development	725,477	799,627	794,019	5,608
Alternative programs and services support and development	577,718	573,433	572,686	747
Technology support	4,063,702	8,432,829	7,388,674	1,044,155
Operational support	103,056,358	104,522,886	104,128,808	394,078
Financial and human resource	6,438,838	7,266,536	7,252,611	13,925
Accountability	112,737	168,889	168,889	-
Systemwide pupil support	634,850	620,447	619,284	1,163
Policy, leadership and public relations	5,159,160	4,455,841	4,420,681	35,160
Ancillary services	-	-	-	-
Non-program charges	-	-	-	-
Unbudgeted funds	-	-	-	-
Debt service	-	1,463,071	1,463,071	-
Total expenditures	<u>1,184,196,507</u>	<u>1,218,102,347</u>	<u>1,207,890,702</u>	<u>10,211,645</u>
Deficiency of revenues over expenditures	<u>-</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	-	-	-	-
Lease/subscription liability issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(45,000)	(45,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(45,000)</u>	<u>(45,000)</u>	<u>-</u>
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>	

(Continued)

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

WAKE COUNTY BOARD OF EDUCATION

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2025**

	Other Restricted Funds			
	Original Budget	Final Budget	Actual	Variance
REVENUES:				
County	\$ 954,294	\$ 954,294	\$ 954,294	\$ -
State	135,807	138,972	45,297	(93,675)
Federal	38,028,829	26,303,997	12,565,407	(13,738,590)
Other local	13,151,650	37,349,482	18,994,475	(18,355,007)
Total revenues	<u>52,270,580</u>	<u>64,746,745</u>	<u>32,559,473</u>	<u>(32,187,272)</u>
EXPENDITURES:				
Current operations				
Instructional services				
Regular instruction	9,322,525	12,970,049	7,478,224	5,491,825
Special populations	11,490,283	16,783,549	5,615,752	11,167,797
Alternative programs and services	4,022,279	4,201,599	3,147,792	1,053,807
School leadership	155,316	330,323	328,436	1,887
Co-curricular	7,593	73,561	35,353	38,208
School-based support services	1,519,677	3,116,486	957,339	2,159,147
Systemwide support services				
Support and development	6,239,804	9,583,526	5,689,022	3,894,504
Special populations support and development	576,181	640,225	328,203	312,022
Alternative programs and services support and development	710,953	1,188,323	641,512	546,811
Technology support	301,118	-	-	-
Operational support	8,064,170	6,617,335	6,059,035	558,300
Financial and human resource	391,750	470,271	179,355	290,916
Accountability	1,500	1,500	-	1,500
Systemwide pupil support	1,267,426	1,604,914	1,171,857	433,057
Policy, leadership and public relations	14,500	17,000	1,096	15,904
Ancillary services	239,660	320,792	317,267	3,525
Non-program charges	318,035	535,893	314,973	220,920
Unbudgeted funds	7,627,810	6,138,728	-	6,138,728
Debt service	-	1,066,264	1,066,264	-
Total expenditures	<u>52,270,580</u>	<u>65,660,338</u>	<u>33,331,480</u>	<u>32,328,858</u>
Deficiency of revenues over expenditures	<u>-</u>	<u>(913,593)</u>	<u>(772,007)</u>	<u>141,586</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	-	-	-	-
Lease/subscription liability issued	-	-	-	-
Transfers in	-	913,593	913,593	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>913,593</u>	<u>913,593</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	141,586	<u>\$ -</u>
Fund balances, beginning of year			3,000,470	
Increase in reserve for inventories			133,604	
Fund balances, end of year			<u>\$ 3,275,660</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, 2025

	Major Fund Child Nutrition Program	Major Fund Tuition Programs	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 18,529,982	\$ 18,494,725	\$ 37,024,707
Due from other governments	2,401,304	86,867	2,488,171
Accounts receivable	270,907	-	270,907
Due from other funds	6,217	65,860	72,077
Inventory	3,616,412	-	3,616,412
Total current assets	24,824,822	18,647,452	43,472,274
Noncurrent assets:			
Capital assets, net of accumulated depreciation/amortization	6,917,508	608,811	7,526,319
Total assets	31,742,330	19,256,263	50,998,593
DEFERRED OUTFLOWS OF RESOURCES	<u>21,610,123</u>	<u>5,036,034</u>	<u>26,646,157</u>
LIABILITIES			
Current liabilities:			
Salaries and benefits payable	2,216,316	31,118	2,247,434
Accounts payable	944,096	1,132,507	2,076,603
Due to other funds	767	15,929	16,696
Unearned revenue	3,503,681	889,786	4,393,467
Current portion of long-term obligations	522,000	78,000	600,000
Total current liabilities	7,186,860	2,147,340	9,334,200
Noncurrent liabilities:			
Net pension liability	17,413,919	4,445,966	21,859,885
Net OPEB liability	39,686,011	11,576,451	51,262,462
Compensated absences	571,618	85,574	657,192
Total noncurrent liabilities	57,671,548	16,107,991	73,779,539
Total liabilities	64,858,408	18,255,331	83,113,739
DEFERRED INFLOWS OF RESOURCES	<u>5,224,160</u>	<u>2,524,791</u>	<u>7,748,951</u>
NET POSITION (DEFICIT)			
Investment in capital assets	6,917,508	608,811	7,526,319
Unrestricted	(23,647,623)	2,903,364	(20,744,259)
Total net position (deficit)	<u>\$ (16,730,115)</u>	<u>\$ 3,512,175</u>	<u>\$ (13,217,940)</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 FUND
YEAR ENDED JUNE 30, 2025

	Major Fund Child Nutrition Program	Major Fund Tuition Programs	Total
OPERATING REVENUES			
Food sales	\$ 21,319,304	\$ -	\$ 21,319,304
Participant fees	-	13,031,347	13,031,347
Total operating revenues	21,319,304	13,031,347	34,350,651
OPERATING EXPENSES:			
Salaries	25,921,958	6,695,129	32,617,087
Food	21,932,012	-	21,932,012
Supplies	2,021,510	1,276,445	3,297,955
Purchased services	681,096	1,631,811	2,312,907
Employee benefits	14,384,293	2,190,209	16,574,502
Donated commodities	4,491,174	-	4,491,174
Indirect costs	-	1,003,213	1,003,213
Depreciation/Amortization	1,224,946	55,867	1,280,813
TOTAL OPERATING EXPENSES	70,656,989	12,852,674	83,509,663
Operating income (loss)	(49,337,685)	178,673	(49,159,012)
NON-OPERATING REVENUES (EXPENSES):			
Federal regular USDA grants	43,048,724	-	43,048,724
USDA grants - summer feeding program	499,640	-	499,640
USDA grants - fresh fruit & vegetable program	192,586	-	192,586
Federal commodities	4,491,174	-	4,491,174
NCDPI reduced-price breakfast	110,883	-	110,883
Interest	759,477	672,309	1,431,786
Non-capital OPEB plan contribution	12,651	3,060	15,711
Loss on sale of capital assets	(203,345)	-	(203,345)
Total non-operating revenues	48,911,790	675,369	49,587,159
Income (loss) before contributions and transfers	(425,895)	854,042	428,147
Local donations and grants	355,998	-	355,998
Transfers from other funds	84,000	-	84,000
	439,998	-	439,998
Change in net position (deficit)	14,103	854,042	868,145
Net position(deficit), beginning as previously presented	(17,008,008)	2,634,708	(14,373,300)
Restatement	263,790	23,425	287,215
Net position (deficit), beginning as restated	(16,744,218)	2,658,133	(14,086,085)
Total net position (deficit), ending	\$ (16,730,115)	\$ 3,512,175	(13,217,940)

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, 2025

	Major Fund Child Nutrition Program	Major Fund Tuition Programs	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 18,305,580	\$ 13,292,810	\$ 31,598,390
Cash paid for goods and services	(24,139,886)	(3,017,663)	(27,157,549)
Cash paid to employees for services	(40,916,269)	(8,721,403)	(49,637,672)
Other cash payments	(684)	(978,127)	(978,811)
Net cash provided (used) by operating activities	<u>(46,751,259)</u>	<u>575,617</u>	<u>(46,175,642)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Federal regular USDA grants	42,368,747	-	42,368,747
USDA grants - summer feeding program	499,640	-	499,640
USDA grants - fresh fruit & vegetable program	192,586	-	192,586
NCDPI grant	110,883	-	110,883
Local donations and grants	286,264	-	286,264
Net cash provided by non-capital financing activities	<u>43,458,120</u>	<u>-</u>	<u>43,458,120</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of equipment	(177,525)	(217,884)	(395,409)
Proceeds from sale of equipment	621	-	621
Net cash used for capital and related financing activities	<u>(176,904)</u>	<u>(217,884)</u>	<u>(394,788)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	759,477	672,309	1,431,786
Net increase (decrease) in cash and cash equivalents	(2,710,566)	1,030,042	(1,680,524)
Cash and cash equivalents, beginning of year	21,240,548	17,464,683	38,705,231
Cash and cash equivalents, end of year	<u>\$ 18,529,982</u>	<u>\$ 18,494,725</u>	<u>\$ 37,024,707</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	<u>\$ (49,337,685)</u>	<u>\$ 178,673</u>	<u>\$ (49,159,012)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation/amortization	1,224,946	55,867	1,280,813
Donated commodities	4,491,174	-	4,491,174
Salaries paid by special revenue funds	45,000	-	45,000
Food costs paid by local fund	39,000	-	39,000
Non-capital OPEB plan contribution	12,651	3,060	15,711
Increase in accounts receivable	113,999	6,779	120,778
(Increase) decrease in due from other funds	(1,353)	9,163	7,810
Increase in due from other governments	-	(34,122)	(34,122)
Decrease in inventories	492,430	-	492,430
Decrease in net pension liability	(2,684,884)	(649,506)	(3,334,390)

(Continued)

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

WAKE COUNTY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2025

	Major Fund Child Nutrition Program	Major Fund Tuition Programs	Total
Increase in net OPEB liability	\$ 8,855,379	\$ 2,142,224	\$ 10,997,603
Increase in deferred outflows	(2,106,291)	(509,537)	(2,615,828)
Decrease in deferred inflows	(3,623,353)	(876,533)	(4,499,886)
Decrease in accounts payable and accrued liabilities	(1,092,338)	(106,832)	(1,199,170)
Increase in due to other funds	669	15,923	16,592
Increase (decrease) in unearned revenue	(3,127,724)	288,807	(2,838,917)
Increase (decrease) in compensated absence liabilities	(316,669)	28,226	(288,443)
Restatement	263,790	23,425	287,215
Total adjustments	<u>2,586,426</u>	<u>396,944</u>	<u>2,983,370</u>
Net cash provided (used) by operating activities	<u>\$ (46,751,259)</u>	<u>\$ 575,617</u>	<u>\$ (46,175,642)</u>

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of \$4,491,174 during the fiscal year.

During the fiscal year, capital assets of \$69,734 were contributed to the School Food Service Fund.

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

The State Public School Fund paid salaries and benefits of \$45,000 to personnel of the School Food Service Fund during the year. The payment is reflected by a transfer in and an operating expense on the Statement of Revenue, Expenses and Changes in Fund Net Position (Deficit) - Enterprise Funds.

The Local Fund paid food costs of \$39,000 to suppliers of the School Food Service Fund during the year. The payment is reflected by a transfer in and an operating expense on the Statement of Revenue, Expenses and Changes in Fund Net Position (Deficit) - Enterprise Funds.

During the fiscal year, the State Health Plan transferred assets to the Retiree Health Benefit Fund as a result of cost savings to the State Health Plan. In accordance with GASB 75, the School Food Service Fund recorded \$12,651 and the Tuition Fund recorded \$3,060 as a nonoperating revenue on the Statement of Revenue, Expenses and Changes in Fund Net Position (Deficit) - Enterprise Funds as a result of this transfer.

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

NOTES TO THE FINANCIAL STATEMENTS

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

B. Basis of Presentation

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

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

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

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

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

The Board reports the following major governmental funds:

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

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

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

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

The Board reports the following major enterprise funds:

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

**WAKE COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2025**

D. Budgetary Data

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

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

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

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

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

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

During the fiscal year, there were budget amendments totaling \$62,169,577 approved by the Board as follows:

General fund	\$	2,222,846
State public school fund		33,950,840
Other restricted funds		13,389,759
State administered federal grant fund		(1,062,350)
Capital outlay fund		12,553,453
Enterprise fund		1,115,029
		\$ 62,169,577

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

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

1. Deposits and Investments

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

State law [G.S. 115C-443] authorizes the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high-quality issues of commercial paper and bankers' acceptances. The North Carolina Capital Management Trust (NCCMT) government portfolio is a SEC-registered money market mutual fund that is certified by the Local Government Commission under the provisions of G.S. 159-30(c)(8) and the North Carolina Administrative Code. The government portfolio is a 2a-7 fund that invests in treasuries, government agencies, and repurchase agreements collateralized by treasuries. It is rated Aam b S&P and AAAmf by Moody's investor Services and reported at fair value.

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

The Board's investments are reported at amortized cost or at fair value as determined by either quoted market prices or a matrix pricing model. Bank deposits and the NCCMT are measured at amortized cost, which is the NCCMT's share price. Ownership interest of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are measured at fair value by the custodian using Level 2 inputs. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2025 of 2.1 years. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

2. Cash and Cash Equivalents

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

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

3. Lease Receivable

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

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

4. Inventories

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

5. Capital Assets

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

It is the policy of the Board to capitalize all capital assets costing more than \$5,000 with an estimated useful life of two or more years and all intangibles costing more than \$50,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Wake County holds title to certain properties which are reflected as capital assets in the financial statements of the Board. The properties have been deeded to the County to permit installment-purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board provide the schools full use of the facilities, full responsibility for maintenance of the facilities, and also provides that the County will convey title of the property back to the Board once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met.

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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

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

Land and construction in progress are not depreciated. Right to use lease and subscription assets are amortized on a straight-line basis over the shorter of the lease/subscription term and the useful life of the underlying asset.

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

6. Deferred Outflows and Inflows of Resources

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

7. Long-term Obligations

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

8. Compensated Absences

The Board follows the State’s policy for vacation and sick leave. Employees may accumulate up to 30 days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board’s liability for accumulated earned vacation and the salary-related payments as of June 30, 2025, are recorded in the government-wide and proprietary fund financial statements on a LIFO basis. An estimate of the current portion of compensated absences has been made based on prior years’ records.

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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. Any unused sick leave accumulated for employees that leave before retirement is forfeited. A liability for the estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences, measured on a LIFO basis.

9. Net Position/Fund Balances

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

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

The governmental fund types classify fund balance as follows:

Nonspendable fund balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Inventories – the portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories which are not spendable resources.

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

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

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

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

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

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

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

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, 2024, the Board does not have any committed fund balances.

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

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

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

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

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

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

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

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

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

10. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between total fund balance of the governmental funds and net position of the governmental activities as reported in the government-wide statement of net position (deficit). The net adjustment of \$2,490,071,899 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	\$ 6,656,977,196
Less accumulated depreciation/amotization	<u>(1,798,204,669)</u>
Net capital assets	<u>4,858,772,527</u>
Accrued interest receivable	97,237
Pension-related deferred outflows of resources	448,446,386
OPEB related deferred outflows of resources	618,018,653
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	(10,357,513)
Compensated absences	(99,760,491)
Installment purchase	(9,974,228)
Net pension liability	(974,437,248)
Net OPEB liability	(1,954,647,470)
Leases	(76,340,541)
Subscription liability	(4,611,208)
Accrued interest	(1,029,533)
Deferred inflows of resources related to pension	(13,787,998)
Deferred inflows of resources related to OPEB	<u>(290,316,674)</u>
Total adjustments	<u>\$ 2,490,071,899</u>

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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 \$283,084,445 consists of the following elements:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 418,509,719
Depreciation/amortization expense (the allocation of those assets over their useful lives) that is recorded on the statement of activities, but not in the fund statements.	(123,625,450)
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	(4,738,709)
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.	15,224,729
Increase in accrued interest payable for debt owed	347,177
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	199,660,695
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities.	84,668,499
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	(257,787,557)
Loss on disposal of assets	250,991
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(3,172,758)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements.	1,182,106
OPEB benefit	(47,876,184)
Proceeds from disposal of capital assets	(263,162)
Non-capital OPEB plan contribution	595,147
Interest revenue	(2,132)
Estimated reserve for workers' compensation self-insurance recorded as a long-term obligation in the government-wide statements.	111,334
Total adjustments	<u>\$ 283,084,445</u>

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

11. Defined Benefit Pension Plan and OPEB Plans

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

II. Detail Notes on All Funds

A. Assets

1. Deposits

All of the Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Board's agents in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Board, these deposits are considered to be held by the agent in the entity's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Board or with the escrow agent. Due to the inability to measure the exact amount of collateral pledged for the Board under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Board has no policy regarding custodial credit risk for deposits.

At June 30, 2025, the Board's deposits with banks had a carrying amount of \$48,199,915 and with the State Treasurer of \$12,232,669. The bank balances with financial institutions and the State Treasurer were \$54,167,706 and \$14,069,907, respectively. Of these balances, \$281,873 was covered by federal depository insurance and \$67,955,740 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, 2025**

2. Investments

At June 30, 2025, the Board had \$140,219,180 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 \$525,960 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 2.1 years at June 30, 2025. 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 2.1 years as of June 30, 2025.

Credit Risk. The Board’s investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard and Poor’s and AAAMf by Moody’s Investor Service as of June 30, 2025. The STIF is unrated and is authorized under NC General Statute 147-69.1. The State Treasurer’s STIF is invested in highly-liquid fixed income securities consisting primarily of short-to-intermediate treasuries and agencies and money market instruments. The Board has no policy on credit risk.

Concentration of Credit Risk. The Board places no limit on the amount the Board may invest in any one issuer. More than five percent of the Board’s investments are in the State Treasurer’s STIF (.4% of total investments) and NC Capital Management Trust (99.6% of total investments).

3. Accounts Receivable

Receivables at the government-wide level at June 30, 2025, were as follows:

	Due from other funds (internal balances)	Due from other governments	Lease	Other	Total
Governmental activities:					
General Fund	\$ 226,996	\$ 1,454,846	\$ -	\$1,817,411	\$ 3,499,253
Other governmental activities	(282,377)	88,329,444	232,756	340,916	88,620,739
Total	<u>\$ (55,381)</u>	<u>\$ 89,784,290</u>	<u>\$ 232,756</u>	<u>\$2,158,327</u>	<u>\$ 92,119,992</u>
Business-type activities					
Child Nutrition Program	\$ 5,450	\$ 2,401,304	\$ -	\$ 270,907	\$ 2,677,661
Tuition Programs	49,931	86,867	-	-	136,798
Total	<u>\$ 55,381</u>	<u>\$ 2,488,171</u>	<u>\$ -</u>	<u>\$ 270,907</u>	<u>\$ 2,814,459</u>

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

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Due from other governments consists of the following:

Governmental activities:

General Fund	\$ 1,364,358	Sales tax refund from state
	<u>90,488</u>	Miscellaneous revenue from municipalities
	<u>1,454,846</u>	
State Public School Fund	<u>15,170,403</u>	Operating funds from DPI
Capital Outlay Fund	71,157,279	County funds from county appropriations
	34,802	Surplus sales from state
	<u>2,942</u>	Sales tax refund from state
	<u>71,195,023</u>	
State Administered Federal Grants Fund	<u>1,527,416</u>	Federal grant funds
Individual Schools Fund	<u>109,604</u>	Sales tax refund from state
Other restricted fund	271,060	Federal grant funds
	<u>55,938</u>	Sales tax refund from state
	<u>326,998</u>	
	<u>\$ 89,784,290</u>	

Business-type activities:

Child Nutrition Program	\$ <u>2,401,304</u>	USDA Reimbursement from state
Tuition Programs	59,743	Sales tax refund from state
	<u>27,124</u>	Miscellaneous revenue from municipalities
	<u>86,867</u>	
	<u>\$ 2,488,171</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, 2025**

4. Capital Assets

Capital asset activity for the year ended June 30, 2025 was:

	Beginning Balances	Increases	Transfers	Retirements	Ending Balances
Capital assets not being depreciated/amortized:					
Land	\$ 241,874,180	\$ 6,163,950	\$ -	\$ -	\$ 248,038,130
Construction in progress	989,995,958	404,987,448	(574,300,179)	-	820,683,227
Total capital assets not being depreciated/amortized	<u>1,231,870,138</u>	<u>411,151,398</u>	<u>(574,300,179)</u>	<u>-</u>	<u>1,068,721,357</u>
Capital assets being depreciated/amortized:					
Land improvements	14,609,491	-	-	-	14,609,491
Buildings	4,661,247,903	-	574,300,179	-	5,235,548,082
Right-to-use leased buildings	99,328,422	-	-	-	99,328,422
Equipment	105,356,986	931,991	-	(5,667)	106,283,310
Right-to-use leased equipment	4,574,796	285,292	-	(976,940)	3,883,148
Right-to-use subscription assets	18,149,330	-	-	-	18,149,330
Vehicles and motor equipment	106,888,194	6,141,038	-	(2,575,176)	110,454,056
Total capital assets being depreciated/amortized	<u>5,010,155,122</u>	<u>7,358,321</u>	<u>574,300,179</u>	<u>(3,557,783)</u>	<u>5,588,255,839</u>
Less accumulated depreciation/amortization for:					
Land improvements	6,873,129	667,483	-	-	7,540,612
Buildings	1,453,537,142	103,980,730	-	-	1,557,517,872
Right-to-use leased buildings	24,585,702	8,297,833	-	-	32,883,535
Equipment	94,570,979	2,645,820	-	(5,667)	97,211,132
Right-to-use leased equipment	2,914,168	1,068,032	-	(976,940)	3,005,260
Right-to-use subscription assets	7,276,381	2,381,241	-	-	9,657,622
Vehicles and motor equipment	88,367,330	4,584,311	-	(2,563,005)	90,388,636
Total accumulated depreciation/amortization	<u>1,678,124,831</u>	<u>\$ 123,625,450</u>	<u>\$ -</u>	<u>\$ (3,545,612)</u>	<u>1,798,204,669</u>
Total capital assets being depreciated/amortized, net	<u>3,332,030,291</u>				<u>3,790,051,170</u>
Governmental activity capital assets, net	<u>\$ 4,563,900,429</u>				<u>\$ 4,858,772,527</u>

Depreciation/amortization was charged to governmental functions as follows:

Unallocated depreciation/amortization	\$ 109,153,605
Operational support services	<u>14,471,845</u>
Total	<u>\$ 123,625,450</u>

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Business-type Activities:	Beginning Balances	Increases	Retirements	Ending Balances
Child nutrition program activities				
Capital assets being depreciated/ amortized:				
Equipment	\$ 30,905,805	\$ 247,259	\$ (321,323)	\$ 30,831,741
Vehicles	1,196,285	-	-	1,196,285
Total capital assets being depreciated/ amortized	<u>32,102,090</u>	<u>247,259</u>	<u>(321,323)</u>	<u>32,028,026</u>
Less accumulated depreciation/amortization for:				
Equipment	22,977,884	1,149,952	(117,357)	24,010,479
Vehicles	1,025,045	74,994	-	1,100,039
Total accumulated depreciation/ amortization	<u>24,002,929</u>	<u>1,224,946</u>	<u>(117,357)</u>	<u>25,110,518</u>
Child nutrition program capital assets, net	<u>8,099,161</u>			<u>6,917,508</u>
Tuition program activities:				
Capital assets being depreciated:				
Equipment	1,045,216	217,884	-	1,263,100
Vehicles	81,812	-	-	81,812
Total capital assets being depreciated	<u>1,127,028</u>	<u>217,884</u>	<u>-</u>	<u>1,344,912</u>
Less accumulated depreciation for:				
Equipment	598,422	55,867	-	654,289
Vehicles	81,812	-	-	81,812
Total accumulated depreciation	<u>680,234</u>	<u>\$ 55,867</u>	<u>\$ -</u>	<u>736,101</u>
Tuition program capital assets, net	<u>446,794</u>			<u>608,811</u>
Business-type activities capital assets, net	<u>\$ 8,545,955</u>			<u>\$ 7,526,319</u>

5. Construction Commitments

The Board has active construction projects as of June 30, 2025. At year-end, the Board's commitments with contractors for school construction totaled approximately \$240,644,059. These commitments will be funded by future revenues from Wake County.

6. Leases Receivable

The Board has recorded a lease receivable for several leases for Cell Tower and Billboard space. The agreements have effective dates ranging from December 1996 to January 2022 and range in term from three to forty years. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 3.5%, which is the Board's estimated incremental borrowing rate at the date the leases were measured. There are no variable payment components of these leases. Lease revenue totaling \$126,142 and interest revenue totaling \$148,736 have been recognized for the year ended June 30, 2025.

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Future minimum lease receipts as of June 30, 2025, were as follows:

Year ending June 30	Lease Receipts	Interest Receipts	Total
2026	\$ 135,519	\$ 145,790	\$ 281,309
2027	94,788	142,556	237,344
2028	103,611	139,142	242,753
2029	112,913	135,412	248,325
2030	122,714	131,349	254,063
2031-2035	779,759	582,849	1,362,608
2036-2040	1,057,157	420,027	1,477,184
2041-2045	1,225,226	222,768	1,447,994
2046-2047	537,006	23,809	560,815
Total	<u>\$ 4,168,693</u>	<u>\$ 1,943,702</u>	<u>\$ 6,112,395</u>

B. Liabilities

1. Pension Plan Obligations and Other Post-employment Obligations

a. Teachers' and State Employees' Retirement System

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

Benefits Provided. TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82 percent of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. General employee plan members are 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

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service, regardless of age, or have completed five years of service and have reached age 60 (10 years for members joining on or after August 1, 2011). Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6 percent of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually-required contribution rate was 16.79 percent of covered payroll from July 1, 2024 to June 30, 2025. These actuarially determined contribution rates were determined as an amount that, when combined with employee contributions, are expected to finance the costs of benefits earned during the year. Contributions to the pension plan from the Board were \$204,931,533 for the year ended June 30, 2025.

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, 2025, the Board reported a liability of \$996,297,133 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024, 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, 2025, and at June 30, 2024, the Board's proportion was 6.7242% and 6.7535%, respectively.

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

For the year ended June 30, 2025, the Board recognized pension expense of \$264,592,883. At June 30, 2025, 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	\$ 89,783,676	\$ 2,945,182
Net difference between projected and actual earnings on pension plan investments	164,284,677	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	11,033,622
Board contributions subsequent to the measurement date	204,931,533	-
Total	\$ 458,999,886	\$ 13,978,804

A total of \$204,931,533 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, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2026	\$ 68,183,994
2027	193,739,777
2028	(4,248,728)
2029	(17,585,494)
	\$ 240,089,549

Actuarial Assumptions. The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

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

**WAKE COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2025**

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

The assumptions used in the December 31, 2023, actuarial valuation are based on the experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33%	2.4%
Global Equity	38%	6.9%
Real Estate	8%	6.0%
Alternatives	8%	8.6%
Opportunistic Fixed Income	7%	5.6%
Inflation Sensitive	6%	4.3%
Total	100.0%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2021 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 2.38 percent. All rates of return and inflation are annualized.

**WAKE COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2025**

Discount rate. The discount rate used to measure the total pension liability was 6.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily-required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Board's proportionate share of the net pension liability	1,827,596,630	996,297,135	310,768,888

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

b. Other Post-employment Benefits

1. Healthcare Benefits

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

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

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

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

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

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

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

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

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

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 6.99% of covered payroll which amounted to \$85,316,940. During the year ended June 30, 2025, the North Carolina State Health Plan (“SHP”) contributed \$10.3 million to the RHBF. In accordance with GASB 75, the Board recognized revenue of \$610,858 as a result of this non-employer contribution.

At June 30, 2025, Board reported a liability of \$2,007,836,740 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Update procedures were used to roll forward the total pension liability to the measurement date. 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, 2025, and at June 30, 2024, the Board’s proportion was 5.9032% and 5.9171%, respectively.

\$85,316,940 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, 2026. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2026	\$ 14,123,036
2027	(39,998,063)
2028	(131,449,996)
2029	(92,953,350)
	<u>\$ (250,278,373)</u>

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

Inflation	2.50%
Salary increases based on service	3.25 to 7.30 percent, including inflation and productivity factor
Investment rate of Return	6.50%
<u>Healthcare cost trend rates:</u>	
Medical	5.00 - 6.50%
Prescription drug	5.00 - 10.00%
Administrative costs	3.00%
Post-Retirement Mortality Rates	Pub-2010 Health Annuitant Mortality Table for males and females, adjusted for classification for some Participants, further adjusted with scaling factors varying by participant group, and projected for mortality improvement using Scale MP-2019

Discount Rate: The discount rate used to measure the total OPEB liability for the RHBF was 3.93% at June 30, 2024 and 3.65% at June 30, 2023, respectively. 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 those assumptions, the plan’s fiduciary net position was not projected to be available to make all

**WAKE COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2025**

projected future benefit payments to the current plan members. As a result, a municipal bond rate of 3.93% was used as the discount rate used to measure the total OPEB liability. This rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2024.

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 (2.93 percent) or 1-percentage point higher (4.93 percent) than the current discount rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Net OPEB Liability	\$ 2,388,806,084	\$ 2,007,836,740	\$ 1,701,951,653

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% Rx, 3.0% Administrative)	1% Increase in Trend Rates
Net OPEB Liability	\$ 1,657,325,069	\$ 2,007,836,740	\$ 2,461,681,073

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

2. Disability Benefits

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

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

**WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

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

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

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

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

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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, 2024, employers made a statutory contribution of 0.13% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$1,586,724 for the year ended June 30, 2025.

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, 2025, Board reported an asset of \$1,926,808 for its proportionate share of the net OPEB asset. This amount is shown net of the Net OPEB liability on the accompanying Statement of Net Position. The net OPEB asset was measured as of June 30, 2024, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2023. The total OPEB asset was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB asset/liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2025 and at June 30, 2024, the Board's proportion was 5.8519% and 5.9044%, respectively.

\$1,586,724 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, 2026. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2026	\$ (815,231)
2027	(555,818)
2028	237,417
2029	114,811
2030	73,275
Thereafter	-
	<u>\$ (945,546)</u>

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

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

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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

	1% Decrease (2.0%)	Discount Rate (3.0%)	1% Increase (4.0%)
Net OPEB Liability	\$ 1,718,071	\$ 1,926,810	\$ 2,146,199

Common actuarial assumptions for both OPEB plans. The net OPEB asset was determined by an actuarial valuation performed as of June 30, 2024 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The net OPEB asset was determined by an actuarial valuation performed as of December 31, 2023 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability/asset was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. 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 used in the December 31, 2023 valuations were generally based on the results of an actuarial experience study prepared as of December 31, 2019, as amended for updates to certain assumptions (such as medical claims and medical trend rate assumptions) implemented based on annual reviews that have occurred since that experience study.

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2024. The long-term expected rate of return was determined based on the combination of expected future real rates of return and expected inflation. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2024 is 3%.

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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

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

	Retiree Health Benefit Fund	Disability Income Plan of NC	Total
OPEB expense (benefit)	\$ (48,199,542)	\$ 940,527	\$ (47,259,015)
OPEB liability (asset)	2,007,836,742	(1,926,810)	2,005,909,932
Proportionate share of the OPEB liability/asset	5.9032%	5.8519%	
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 16,365,041	\$ 776,786	\$ 17,141,827
Changes of assumptions	483,569,069	28,732	483,597,801
Net difference between projected and actual earnings on plan investments	8,603,909	1,512,669	10,116,578
Changes in proportion and differences between Board contributions and proportionate share of contributions	36,347,153	4,288	36,351,441
Board contributions subsequent to the measurement date	<u>85,316,940</u>	<u>1,586,724</u>	<u>86,903,664</u>
Total Deferred Outflows of Resources	<u>\$ 630,202,112</u>	<u>\$ 3,909,199</u>	<u>\$ 634,111,311</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ -	\$ 2,216,247	\$ 2,216,247
Changes of assumptions	261,780,915	897,688	262,678,603
Changes in proportion and differences between Board contributions and proportionate share of contributions	<u>32,825,884</u>	<u>154,086</u>	<u>32,979,970</u>
Total Deferred Inflows of Resources	<u>\$ 294,606,799</u>	<u>\$ 3,268,021</u>	<u>\$ 297,874,820</u>

2. Accounts Payable

Accounts payables as of June 30, 2025, are as follows:

	<u>Vendors</u>	<u>Salaries and benefits</u>
Governmental Activities		
General	\$ 23,600,505	\$ 8,294,338
Other Governmental	<u>86,771,551</u>	<u>16,199,173</u>
Total Governmental activities	<u>\$ 110,372,056</u>	<u>\$ 24,493,511</u>
Business-type Activities		
Child Nutrition Program	\$ 944,096	\$ 2,216,316
Tuition Programs	<u>1,132,507</u>	<u>31,118</u>
Total Business-type activities	<u>\$ 2,076,603</u>	<u>\$ 2,247,434</u>

**WAKE COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2025**

3. Unearned Revenues

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

Governmental activities: Grants not yet earned (Other Restricted Funds)	\$17,517,648
Business-type activities:	
Grant not yet earned (Child Nutrition Program)	\$ 415,728
Prepayments of meals (Child Nutrition Program)	<u>3,087,953</u>
	\$ 3,503,681
Prepayments of community use fees (Tuition Programs)	<u>889,786</u>
	<u>\$ 4,393,467</u>

4. Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in proportion and difference between employer contributions and proportionate share of contributions	\$ 36,351,441	\$ 44,013,592
Changes in assumptions	483,597,801	262,678,603
Board contributions subsequent to the measurement date	291,835,197	-
Difference between projected and actual earnings on plan investments	174,401,255	-
Difference between expected and actual experience	106,925,503	5,161,429
Leases (Capital Outlay Fund)	<u>-</u>	<u>3,951,570</u>
Totals	<u>\$ 1,093,111,197</u>	<u>\$ 315,805,194</u>

5. Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Through private insurance industry, the Board maintains general liability and errors and omissions coverage of \$1 million per each wrongful act. The Board has an annual aggregate limit for general liability of \$3,000,000. In addition, the Board carries commercial umbrella for an additional \$4,000,000 of liability coverage. Effective August 1, 2002, the Board was approved as a qualified self-insurer for workers' compensation coverage up to statutory limits for employees to the extent they are paid from federal, local, and enterprise funds with a self-insured specific retention of \$850,000; an aggregate limit of \$2,000,000; and an employer's liability limit of \$1,000,000. The State of North Carolina provides workers' compensation for employees to the extent they are paid from State Public School Funds. The Board also purchases commercial property insurance, insuring tangible property assets of the Board. The property insurer provides coverage for a total of \$350,000,000 in catastrophic limits, with a total insured value of 6.6 billion.

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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 Aetna. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits. 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 and assistant 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 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Estimated claims payable, beginning of year	\$ 10,468,847	\$ 12,048,603
Current year claims and changes in estimates	3,166,688	3,955,541
Claim payments	<u>(3,278,022)</u>	<u>(5,535,297)</u>
Estimated claims payable, end of year	<u>\$ 10,357,513</u>	<u>\$ 10,468,847</u>

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

6. Contingent Liabilities

At June 30, 2025, the Board was a defendant to various lawsuits. In the opinion of the Board’s management and the Board’s attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Board’s financial position.

7. Long-Term Obligations

a. Leases

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

The agreements to lease copy equipment and postage meters have effective dates ranging from October 2018 to March 2025. The agreements range in term from two to five years and there are no variable payment components of the leases.

The agreements to lease buildings have effective dates ranging from March 2007 to August 2023. The agreements range in term from two to twenty-one years and there are no variable payment components of the leases. The lease liability for the agreements to lease buildings is measured at a discount rate of 5.6%, which is the Board’s estimated incremental borrowing rate at the date the leases were measured. Certain lease agreements for buildings have options to extend the lease. The Board has assessed these options and determined that they are not reasonably certain that the options will be exercised and, as such, have excluded them from the lease term.

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025, were as follows.

Year ending June 30	Principal Payments	Interest Payments	Total
2026	\$ 6,086,871	\$ 2,656,164	\$ 8,743,035
2027	6,791,667	2,416,412	9,208,079
2028	7,201,616	2,158,510	9,360,126
2029	7,369,158	1,894,416	9,263,574
2030	7,762,900	1,627,016	9,389,916
2031-2035	34,774,093	3,843,501	38,617,594
2036-2040	3,354,981	863,565	4,218,546
2041-2044	<u>2,999,255</u>	<u>273,955</u>	<u>3,273,210</u>
Total	<u>\$ 76,340,541</u>	<u>\$ 15,733,539</u>	<u>\$ 92,074,080</u>

b. Subscription-Based Information Technology Arrangements

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

The arrangements have effective dates ranging from January 2016 to January 2024. The arrangements range in term from two to five years and there are no variable payment components of the arrangements.

The future minimum subscription-based information technology arrangements obligations and the net present value of these minimum subscription payments as of June 30, 2025, were as follows.

Year ending	Principal	Interest	Total
2026	\$ 2,736,707	\$ 249,013	\$ 2,985,720
2027	<u>1,874,501</u>	<u>95,458</u>	<u>1,969,959</u>
Total	<u>\$ 4,611,208</u>	<u>\$ 344,471</u>	<u>\$ 4,955,679</u>

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

c. Installment Purchase

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

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, Section 7.25, authorizes the State Board of Education to allot monies for the payments for financing contracts entered into pursuant to G.S. 115C-528. In fiscal year 2022, the Board entered into a direct placement installment purchase contract to finance the purchase of 20 buses through a special third-party financing arrangement offered by Banc of America Public Capital Corp. The buses are pledged as collateral for the debt while the debt is outstanding. The financing contract only required principal payment of \$1,026,800 for the year ending June 30, 2023 and payments of \$513,400 for the years ending June 30, 2024 and 2025. In fiscal year 2023, the Board entered into a direct placement installment purchase contract to finance the purchase of 9 buses through a special third-party financing arrangement offered by Banc of America Public Capital Corp. The buses are pledged as collateral for the debt while the debt is outstanding. The financing contract only required principal payment of \$436,488 for the year ending June 30, 2023 and payments of \$218,247 for the years ending June 30, 2024 and 2025. In fiscal year 2024, the Board entered into direct placement installment purchase contracts to finance the purchase of 36 buses through a special third-party financing arrangement offered by Banc of America Public Capital Corp. The buses are pledged as collateral for the debt while the debt is outstanding. The financing contract only required principal payment of \$1,959,388 for the year ending June 30, 2024, payments of \$1,205,356 for the years ending June 30, 2025 and 2026, and payments of \$484,088 for the year ending June 30, 2027.

In fiscal year 2024, the Board entered into direct placement installment purchase contracts to finance the purchase of 29 buses through a special third-party financing arrangement offered by Banc of America Public Capital Corp. The buses are pledged as collateral for the debt while the debt is outstanding. The financing contract only required principal payments of \$1,225,725 for the year ending June 30, 2025, \$1,613,846 for the year ending June 30, 2026, \$1,113,354 for the years ending June 30, 2027 and \$500,492 for the year ending June 30, 2028.

The future minimum payments of the installment purchases as of June 30, 2025, including \$1,027,049 of interest are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2026	3,259,700	179,564
2027	2,052,800	163,803
2028	975,305	147,516
2029	490,690	130,684
2030	507,101	113,289
2031-2035	2,688,632	292,193
	<u>\$ 9,974,228</u>	<u>\$ 1,027,049</u>

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

d. Long-Term Obligation Activity

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2025:

	Beginning Balance, Restated	Increases	Decreases	Ending Balance	Due within One Year
Governmental activities:					
Worker's compensation	\$ 10,468,847	\$ 3,166,688	\$ 3,278,022	\$ 10,357,513	\$ 6,499,224
Direct placement installment purchase	9,137,990	4,453,417	3,617,179	9,974,228	2,058,439
Lease liability	83,473,223	285,292	7,417,974	76,340,541	6,086,871
Subscription liability	8,800,784	-	4,189,576	4,611,208	2,736,707
Net pension liability	1,100,744,761	-	126,307,513	974,437,248	-
Net OPEB liability	1,538,055,528	416,591,942	-	1,954,647,470	-
Compensated absences	96,587,733	733,854,144	730,681,386	99,760,491	65,000,000
Total	\$ 2,847,268,866	\$ 1,158,351,483	\$ 875,491,650	\$ 3,130,128,699	\$ 82,381,241
Business-type activities:					
Net pension liability	\$ 25,194,275	\$ -	\$ 3,334,390	\$ 21,859,885	\$ -
Net OPEB liability	40,264,859	10,997,603	-	51,262,462	-
Compensated absences	1,258,421	9,245,928	9,247,157	1,257,192	600,000
Total	\$ 66,717,555	\$ 20,243,531	\$ 12,581,547	\$ 74,379,539	\$ 600,000

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

WAKE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

C. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2025, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Individual Schools Fund	3,026
General Fund	Other Restricted Funds	226,741
General Fund	Child Nutrition Program	767
General Fund	Tuition Program	1,625
Capital Outlay Fund	Tuition Program	345
Individual Schools Fund	General Fund	1,580
Other Restricted Funds	Individual Schools Fund	75,389
Other Restricted Funds	Tuition Program	13,959
Child Nutrition Program	General Fund	1,543
Child Nutrition Program	Individual Schools Fund	546
Child Nutrition Program	Other Restricted Funds	4,128
Tuition Program	General Fund	2,040
Tuition Program	Individual Schools Fund	63,820
		<u>\$ 395,509</u>

Most interfund balances are due to allocation of utility costs, printing costs or mailroom costs. The Individual Schools Fund owes \$63,820 to the Tuition Program for tuition payments and \$75,389 to the Other Restricted Fund for parking payments that are initially deposited into the Individual Schools Fund at the school level and then moved monthly to the appropriate fund.

The following is a summary of Transfers for the year ended June 30, 2025:

<u>Transfers From:</u>	<u>Transfers To:</u>	
	<u>Other Restricted Funds</u>	<u>Child Nutrition Fund</u>
State Public School Fund	\$ -	\$ 45,000
General Fund	-	39,000
Individual Schools Fund	913,593	-
	<u>\$ 913,593</u>	<u>\$ 84,000</u>

During the year, as required by the state, the General Fund transferred \$45,000 to the Child Nutrition Program for salaries. The General Fund transferred \$39,000 to the Child Nutrition Program for food costs. The Individual School Fund transferred \$913,593 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, 2025**

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	\$ 95,232,993
Less:	
Inventories	6,030,526
Stabilization by State Statute	5,581,263
Special projects	
Targeted enrollment	2,000,000
JUUL Settlement	2,738,927
Other special projects	1,558,620
Insurance	15,208,442
Flexible benefit plan	1,000,000
Potential underfunded pension liability	2,694,758
Appropriated fund balance in 2024 budget	<u>21,400,000</u>
Remaining fund balance	<u><u>\$ 37,020,457</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	\$ 2,076,847
Capital Outlay Fund	420,084

III. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The Board has received proceeds from several federal and state grants. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

Subsequent Events

The Board has evaluated subsequent events through December 16, 2025, in connection with the preparation of these financial statements. This is the date the financial statements were available to be issued.

**WAKE COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2025**

IV. Adoption of New Accounting Standard

For the year ended June 30, 2025, the Board adopted Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. The new accounting guidance updates the recognition and measurement guidance for compensated absences under a unified model.

Specifically, the new standard clarifies that a liability should be recorded for compensated absences that are more likely than not to be paid or otherwise settled. Additionally, it amends certain existing disclosure requirements. As a result of GASB 101, in addition to the value of unused vacation time owed to employees upon separation of employment, the Board now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences, measured on a LIFO basis. Further, GASB 101 clarified that salary-related payments to defined benefit pensions or defined benefit OPEB should not be included in the measurement of liabilities for compensated absences. The effects of the change in accounting principle are summarized below in the “Restatement - GASB 101 Implementation” column in the table below.

	Net Position Balance 6-30-24 as Previously Reported	Restatement - GASB 101 Implementation	Net Position Balance 6-30-24 as Restated
Government-wide			
Governmental activities	\$ 2,324,152,783	\$ 21,329,175	\$ 2,345,481,958
Business-Type Activities			
Child Nutrition Program	\$ (17,008,008)	\$ 263,790	\$ (16,744,218)
Tuition Programs	<u>2,634,708</u>	<u>23,425</u>	<u>2,658,133</u>
Total Business-Type Activities	\$ (14,373,300)	\$ 287,215	\$ (14,086,085)

REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles

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

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

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
2025	6.7242%	\$ 996,297,133	\$ 1,178,817,424	85%	85.35%
2024	6.7535%	1,125,939,036	1,110,479,181	101%	82.97%
2023	6.6334%	984,542,045	1,054,201,389	93%	84.14%
2022	6.6707%	312,359,922	984,477,723	32%	94.86%
2021	6.7022%	809,760,809	985,571,902	82%	92.01%
2020	6.6654%	691,000,187	956,695,716	72%	91.89%
2019	6.6364%	660,723,896	908,398,166	73%	89.51%
2018	6.5650%	520,899,223	874,819,518	60%	87.32%
2017	6.4350%	591,446,650	839,696,815	70%	94.64%
2016	6.1602%	227,014,746	800,662,003	28%	98.24%

**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
2025	\$ 204,931,533	\$ 204,931,533	\$ -	\$ 1,220,557,084	16.79%
2024	207,943,394	207,943,394	-	1,178,817,424	17.64%
2023	193,001,282	193,001,282	-	1,110,479,181	17.38%
2022	173,715,838	173,715,838	-	1,054,201,389	16.48%
2021	145,505,808	145,505,808	-	984,477,723	14.78%
2020	127,828,676	127,828,676	-	985,571,902	12.97%
2019	117,577,904	117,577,904	-	956,695,716	12.29%
2018	97,925,324	97,925,324	-	908,398,166	10.78%
2017	87,306,988	87,306,988	-	874,819,518	9.98%
2016	76,832,259	76,832,259	-	839,696,815	9.15%

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

Years	Board's portion of the net OPEB liability	Board's proportionate share of the net OPEB liability	Board's covered payroll	Board's proportionate share of the net OPEB liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2025	5.9032%	\$ 2,007,836,740	\$ 1,178,817,424	170%	9.79%
2024	5.9171%	1,576,750,053	1,110,479,181	142%	10.73%
2023	5.7179%	1,357,818,450	1,054,201,389	129%	10.58%
2022	5.8509%	1,808,842,283	984,477,723	184%	7.72%
2021	5.8837%	1,632,187,418	985,571,902	166%	4.40%
2020	5.8655%	1,855,820,546	956,695,716	194%	3.52%
2019	5.9287%	1,688,971,690	908,398,166	186%	3.52%
2018	6.0130%	1,971,459,509	874,819,518	225%	2.41%
2017	5.6205%	2,445,108,788	839,696,815	291%	2.41%

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

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

**WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF THE BOARD'S 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
2025	\$ 85,316,940	\$ 85,316,940	\$ -	\$ 1,220,557,084	6.99%
2024	84,167,564	84,167,564	-	1,178,817,424	7.14%
2023	76,512,016	76,512,016	-	1,110,479,181	6.89%
2022	66,042,659	66,042,659	-	1,054,201,389	6.26%
2021	65,763,112	65,763,112	-	984,477,723	6.68%
2020	63,766,502	63,766,502	-	985,571,902	6.47%
2019	59,984,821	59,984,821	-	956,695,716	6.27%
2018	54,958,089	54,958,089	-	908,398,166	6.05%
2017	50,856,815	50,856,815	-	874,819,518	5.81%
2016	47,023,022	47,023,022	-	839,696,815	5.60%

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

Years	Board's portion of the net OPEB asset (liability)	Board's proportionate share of the net OPEB asset (liability)	Board's covered payroll	Board's proportionate share of the net OPEB asset (liability) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB asset (liability)
2025	5.85194%	\$ (1,926,808)	\$ 1,178,817,424	-0.1635%	114.99%
2024	5.90440%	(1,570,334)	1,110,479,181	-0.1414%	90.61%
2023	5.83060%	(1,734,487)	1,054,201,389	-0.1645%	90.34%
2022	5.92238%	967,363	984,477,723	0.0983%	105.18%
2021	5.90352%	2,904,179	985,571,902	0.2947%	116.47%
2020	5.92210%	2,555,383	956,695,716	0.2671%	116.37%
2019	5.92019%	1,798,317	908,398,166	0.1980%	116.23%
2018	5.84695%	3,573,656	874,819,518	0.4085%	116.06%
2017	5.79204%	3,596,857	839,696,815	0.4284%	117.06%

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

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

**WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF THE BOARD'S 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
2025	\$ 1,586,724	\$ 1,586,724	\$ -	\$ 1,220,557,084	0.13%
2024	1,296,688	1,296,699	-	1,178,817,424	0.11%
2023	1,110,479	1,110,479	-	1,110,479,181	0.10%
2022	948,781	948,781	-	1,054,201,389	0.09%
2021	886,030	886,030	-	984,477,723	0.09%
2020	985,572	985,572	-	985,571,902	0.10%
2019	1,339,374	1,339,374	-	956,695,716	0.14%
2018	1,271,757	1,271,757	-	908,398,166	0.14%
2017	3,324,314	3,324,314	-	874,819,518	0.38%
2016	3,442,757	3,442,757	-	839,696,815	0.41%

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Major Governmental Funds

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

Non-Major Governmental Funds

State Administered Federal Grants Fund

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

Individual School Fund

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

Major Enterprise Funds

Child Nutrition Fund
Tuition Programs Fund

WAKE COUNTY BOARD OF EDUCATION
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	State Administered Federal Grants	Individual School Fund	Total
ASSETS			
Cash	\$ 895,972	\$ 12,066,515	\$ 12,962,487
Due from other governments	1,527,416	109,604	1,637,020
Due from other funds	<u>-</u>	<u>1,580</u>	<u>1,580</u>
 Total assets	 <u>\$ 2,423,388</u>	 <u>\$ 12,177,699</u>	 <u>\$ 14,601,087</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Salaries and benefits payable	\$ 899,737	\$ -	\$ 899,737
Accounts payable	1,523,651	637,977	2,161,628
Due to other funds	<u>-</u>	<u>142,781</u>	<u>142,781</u>
 Total liabilities	 <u>2,423,388</u>	 <u>780,758</u>	 <u>3,204,146</u>
Fund balances	<u>-</u>	<u>11,396,941</u>	<u>11,396,941</u>
 Total liabilities and fund balances	 <u>\$ 2,423,388</u>	 <u>\$ 12,177,699</u>	 <u>\$ 14,601,087</u>

WAKE COUNTY BOARD OF EDUCATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	State Administered Federal Grants	Individual School Fund	Total
REVENUES:			
Federal	\$ 98,010,495	\$ -	\$ 98,010,495
Other	-	18,132,519	18,132,519
Total revenues	<u>98,010,495</u>	<u>18,132,519</u>	<u>116,143,014</u>
EXPENDITURES:			
Instructional services			
Regular instructional	8,068,992	-	8,068,992
Special populations	39,258,553	-	39,258,553
Alternative programs	32,382,995	-	32,382,995
School leadership	702,695	-	702,695
Co-curricular	-	17,302,076	17,302,076
School-based support	8,403,193	-	8,403,193
Systemwide support services			
Support and development	3,321,257	-	3,321,257
Special populations support and development	977,960	-	977,960
Alternative programs and services support and development	1,372,073	-	1,372,073
Technology support	212,265	-	212,265
Operational support	65,429	-	65,429
Financial and human resources	461,544	-	461,544
Systemwide pupil support	256,571	-	256,571
Non-program charges	2,524,893	-	2,524,893
Debt service			
Principal	1,859	156,412	158,271
Interest	216	8,846	9,062
Total expenditures	<u>98,010,495</u>	<u>17,467,334</u>	<u>115,477,829</u>
Excess (deficiency) of revenues over expenditures before other financing sources	<u>-</u>	<u>665,185</u>	<u>665,185</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	-	(913,593)	(913,593)
Total other financing sources (uses)	<u>-</u>	<u>(913,593)</u>	<u>(913,593)</u>
Net change in fund balance	-	(248,408)	(248,408)
Fund balances, beginning of year	<u>-</u>	<u>11,645,349</u>	<u>11,645,349</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 11,396,941</u>	<u>\$ 11,396,941</u>

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)

	2025		2024	
	Budget	Actual	Variance	Actual
REVENUES:				
Wake County:				
County appropriation	\$ 701,653,022	\$ 701,653,022	\$ -	\$ 643,317,101
Other:				
Fines and forfeitures	5,510,355	5,510,355	-	5,594,187
Interest	6,084,882	6,084,882	-	7,658,310
Tuition and fees	32,589	30,680	(1,909)	23,586
Other local	-	25,570	25,570	5,495
Total	11,627,826	11,651,487	23,661	13,281,578
Total revenues	713,280,848	713,304,509	23,661	656,598,679
EXPENDITURES:				
Regular instructional services				
Regular curricular		229,471,321		206,284,350
CTE curricular		11,538,409		11,035,700
Program enhancement teachers		38,109,106		33,996,410
	287,400,801	279,118,836	8,281,965	251,316,460
Special populations services				
Children with disabilities curricular		28,838,414		28,384,982
Special population CTE curricular		465,000		436,074
Pre-K children with disabilities curricular		3,013,059		3,143,433
Speech and language pathology		4,627,117		3,895,570
Audiology		451,326		464,418
Academically/intellectually gifted curricular		2,836,473		2,823,563
Limited english proficiency		4,693,912		4,314,740
	46,628,779	44,925,301	1,703,478	43,462,780
Alternative programs and services				
Alternative instructional K-12		2,901,039		2,546,647
Attendance and social work		7,092,657		5,862,031
Remedial and supplemental K-12		10,202,370		10,063,288
Pre-K readiness/remedial and supplemental		2,909,426		2,671,905
Extended day/year instructional		18,603		759
	23,994,569	23,124,095	870,474	21,144,630
School leadership services				
School leadership		9,967,482		9,865,910
School principal		6,277,620		5,714,191
School assistant principal		11,734,543		10,298,856
	29,363,365	27,979,645	1,383,720	25,878,957

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)

	2025		2024	
	Budget	Actual	Variance	Actual
Co-Curricular	\$ 25,977,685	\$ 25,637,975	\$ 339,710	\$ 24,538,216
School-based support services				
Educational media		8,673,540		8,890,514
Student accounting		1,270,189		2,229,155
Guidance		17,986,095		16,170,794
Health		1,422,575		1,616,686
Safety and security		6,028,521		5,038,021
Instructional technology		815,288		852,018
Staff development unallocated		318,107		401,497
Parent involvement		114,982		117,277
	<u>38,294,495</u>	<u>36,629,297</u>	<u>1,665,198</u>	<u>35,315,962</u>
Support and development services				
Regular curricular support and development		8,332,295		7,044,545
CTE curricular support and development		566,010		553,447
	<u>9,477,567</u>	<u>8,898,305</u>	<u>579,262</u>	<u>7,597,992</u>
Special population support and development services	<u>8,140,010</u>	<u>7,874,289</u>	<u>265,721</u>	<u>6,938,437</u>
Alternative programs and services support and development services	<u>4,311,949</u>	<u>4,211,153</u>	<u>100,796</u>	<u>3,667,388</u>
Technology support services	<u>22,972,297</u>	<u>21,846,808</u>	<u>1,125,489</u>	<u>22,483,094</u>
Operational support services				
Communication		997,387		355,951
Printing and copying		107,337		138,729
Public utility and energy		37,667,937		31,443,004
Custodial/housekeeping		19,977,540		18,683,495
Transportation		22,516,086		16,864,797
Warehouse and delivery		1,081,824		482,309
Facilities planning, acquisition and construction		949,707		722,660
Maintenance		38,833,491		35,221,713
	<u>124,157,750</u>	<u>122,131,309</u>	<u>2,026,441</u>	<u>103,912,658</u>
Financial and human resource services				
Financial		16,661,949		13,829,006
Human resource		9,937,287		9,816,308
	<u>29,045,946</u>	<u>26,599,236</u>	<u>2,446,710</u>	<u>23,645,314</u>
Accountability services				
Student testing		1,153,434		1,182,754
Planning, research development and program evaluation		1,232,741		1,011,095
	<u>2,521,998</u>	<u>2,386,175</u>	<u>135,823</u>	<u>2,193,849</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)

	2025			2024
	Budget	Actual	Variance	Actual
Systemwide pupil support services				
Educational media support	\$ -	\$ 789,968	\$ -	\$ 971,762
Student accounting support		3,275,664		3,144,948
Guidance support		757,357		584,288
Health support		277,933		371,539
Safety and security support		1,693,268		1,590,884
Instructional technology support		276,603		369,921
	<u>7,415,928</u>	<u>7,070,793</u>	<u>345,135</u>	<u>7,033,342</u>
Policy, leadership and public relations services				
Board of education		529,186		507,614
Legal		1,833,030		1,417,480
Audit		636,274		554,590
Leadership		7,706,136		5,830,903
Public relations and marketing		2,591,882		3,024,168
	<u>13,965,684</u>	<u>13,296,508</u>	<u>669,176</u>	<u>11,334,755</u>
Ancillary services				
Community		-		429
Aftercare		-		554
Nutrition		11,599		4,274
	<u>35,726</u>	<u>11,599</u>	<u>24,127</u>	<u>5,257</u>
Non-program charges				
Payments to charter schools	<u>74,489,619</u>	<u>74,469,483</u>	<u>20,136</u>	<u>64,447,034</u>
Unbudgeted funds	<u>3,371,746</u>	<u>-</u>	<u>3,371,746</u>	<u>-</u>
Debt service				
Principal		8,440,128		8,476,997
Interest		2,920,470		3,141,738
	<u>11,361,448</u>	<u>11,360,598</u>	<u>850</u>	<u>11,618,735</u>
Total expenditures	<u>762,927,362</u>	<u>737,571,405</u>	<u>25,355,957</u>	<u>666,534,860</u>
Deficiency) of revenues over expenditures before other financing sources (uses)	<u>(49,646,514)</u>	<u>(24,266,896)</u>	<u>25,379,618</u>	<u>(9,936,181)</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	49,400,222	-	(49,400,222)	-
Lease/subscription-based information technology arrangement issued	285,292	285,292	-	1,616,046
Transfers out	(39,000)	(39,000)	-	-
Total other financing sources (uses)	<u>49,646,514</u>	<u>246,292</u>	<u>(49,400,222)</u>	<u>1,616,046</u>
Net change in fund balance	<u>\$ -</u>	<u>(24,020,604)</u>	<u>\$ (24,020,604)</u>	<u>(8,320,135)</u>
Fund balance, beginning of year		118,205,095		126,383,223
Increase in reserve for inventories		1,048,502		142,007
Fund balance, end of year		<u>\$ 95,232,993</u>		<u>\$ 118,205,095</u>

WAKE COUNTY BOARD OF EDUCATION

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

YEAR ENDED JUNE 30, 2025

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)

	2025			2024
	Budget	Actual	Variance	Actual
REVENUES:				
State: other	\$ 1,218,147,347	\$ 1,207,935,702	\$ (10,211,645)	\$ 1,162,052,972
Total revenues	1,218,147,347	1,207,935,702	(10,211,645)	1,162,052,972
EXPENDITURES:				
Regular instructional services				
Regular curricular		474,529,063		467,211,940
CTE curricular		60,939,423		59,513,477
Program enhancement		93,106,584		93,213,445
	632,650,519	628,575,070	4,075,449	619,938,862
Special populations services				
Children with disabilities curricular		158,813,813		151,429,326
Special population CTE curricular		2,262,309		2,282,404
Pre-K children with disabilities curricular		17,740,673		21,429,645
Speech and language pathology		17,680,797		16,396,812
Audiology		1,403,311		1,382,764
Academically/intellectually gifted curricular		13,039,938		11,803,917
Limited english proficiency		20,518,785		18,251,900
	234,584,121	231,459,626	3,124,495	222,976,768
Alternative programs and services				
Alternative instructional K-12		8,167,367		8,300,699
Attendance and social work		6,741,006		5,836,240
Remedial and supplemental K-12		28,708,849		22,121,993
Pre-K readiness/remedial and supplemental		116		5,247
Extended day/year instructional		375,774		285,970
	44,068,936	43,993,112	75,824	36,550,149
School leadership services				
School leadership		27,598,221		27,059,552
School principal		27,353,519		26,892,227
School assistant principal		44,814,481		44,594,920
	100,969,962	99,766,221	1,203,741	98,546,699
Co-Curricular	56,655	56,655	-	56,541

(Continued)

WAKE COUNTY BOARD OF EDUCATION

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

YEAR ENDED JUNE 30, 2025

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)

	2025			2024
	Budget	Actual	Variance	Actual
School-based support services				
Educational media	\$ -	\$ 14,403,226	\$ -	\$ 13,285,634
Student accounting		13,723,581		12,063,794
Guidance		37,226,938		31,056,728
Health		9,079,260		8,783,170
Safety and security		585,526		111,140
Instructional technology		1,088,086		1,086,955
Parent involvement		76,955		63,490
	<u>76,357,637</u>	<u>76,183,572</u>	<u>174,065</u>	<u>66,450,911</u>
Support and development services				
Regular curricular support and development		814,600		920,899
CTE curricular support and development		233,123		182,854
	<u>1,110,958</u>	<u>1,047,723</u>	<u>63,235</u>	<u>1,103,753</u>
Special population support and development services	<u>799,627</u>	<u>794,019</u>	<u>5,608</u>	<u>1,168,470</u>
Alternative programs and services support and development services	<u>573,433</u>	<u>572,686</u>	<u>747</u>	<u>425,515</u>
Technology support services	<u>8,432,829</u>	<u>7,388,674</u>	<u>1,044,155</u>	<u>3,880,208</u>
Operational support services				
Custodial/housekeeping		25,577,225		25,107,910
Transportation		77,852,487		74,841,383
Warehouse and delivery		120,260		118,961
Maintenance		578,836		568,966
	<u>104,522,886</u>	<u>104,128,808</u>	<u>394,078</u>	<u>100,637,220</u>
Financial and human resource services				
Financial		4,611,724		4,051,491
Human resource		2,640,887		2,018,471
	<u>7,266,536</u>	<u>7,252,611</u>	<u>13,925</u>	<u>6,069,962</u>
Accountability services				
Student testing		93,295		181,421
Planning, research development and program evaluation		75,594		258,143
	<u>168,889</u>	<u>168,889</u>	<u>-</u>	<u>439,564</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION

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

YEAR ENDED JUNE 30, 2025

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)

	2025			2024
	Budget	Actual	Variance	Actual
Systemwide pupil support services				
Student accounting support	\$ -	\$ 399,280	\$ -	\$ 378,542
Guidance support		130,083		156,739
Safety and security support		89,921		56,402
	<u>620,447</u>	<u>619,284</u>	<u>1,163</u>	<u>591,683</u>
Policy, leadership and public relations services				
Leadership		4,022,418		4,113,149
Public relations and marketing		398,263		194,110
	<u>4,455,841</u>	<u>4,420,681</u>	<u>35,160</u>	<u>4,307,259</u>
Debt service:				
Principal		1,252,843	-	882,680
Principal		210,228		118,466
Debt service	<u>1,463,071</u>	<u>1,463,071</u>	<u>-</u>	<u>1,001,146</u>
Total expenditures	<u>1,218,102,347</u>	<u>1,207,890,702</u>	<u>10,211,645</u>	<u>1,164,144,710</u>
Deficiency of revenues over expenditures before other financing sources (uses)	<u>45,000</u>	<u>45,000</u>	<u>-</u>	<u>(2,091,738)</u>
OTHER FINANCING SOURCES (USES):				
Lease/subscription-based information technology arrangement issued	-	-	-	2,136,738
Transfers out	<u>(45,000)</u>	<u>(45,000)</u>	<u>-</u>	<u>(45,000)</u>
Total other financing sources (uses)	<u>(45,000)</u>	<u>(45,000)</u>	<u>-</u>	<u>2,091,738</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WAKE COUNTY BOARD OF EDUCATION

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

YEAR ENDED JUNE 30, 2025

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)

	2025			2024
	Budget	Actual	Variance	Actual
REVENUES:				
Wake County:				
Capital improvements fund	\$ 1,065,826,551	\$ 411,281,076	\$ (654,545,475)	\$ 417,540,186
	<u>1,065,826,551</u>	<u>411,281,076</u>	<u>(654,545,475)</u>	<u>417,540,186</u>
State				
LEA financed purchase of school buses	3,170,917	3,170,917	-	3,602,081
	<u>3,170,917</u>	<u>3,170,917</u>	<u>-</u>	<u>3,602,081</u>
Other:				
Interest	65,762	64,272	(1,490)	146,561
Other local	298,962	451,419	152,457	987,384
	<u>364,724</u>	<u>515,691</u>	<u>150,967</u>	<u>1,133,945</u>
Total revenues	<u>1,069,362,192</u>	<u>414,967,684</u>	<u>(654,394,508)</u>	<u>422,276,212</u>
EXPENDITURES:				
Land and buildings:				
Land: Purchase of new sites	29,753,661	6,227,968	23,525,693	6,216,064
Buildings:				
General contracts		8,554,903		18,857,557
Heating contracts		13,727,584		12,744,882
Electrical contracts		2,759,198		2,762,368
Architect fees		19,846,173		11,261,124
Construction management contracts		282,681,681		302,838,010
Equipment contracts		50,892,197		40,836,506
Improvements to new sites		-		2,092,768
Improvements to existing sites		403,304		239,446
Miscellaneous contracts		25,676,940		18,744,930
	<u>1,026,514,580</u>	<u>404,541,980</u>	<u>621,972,600</u>	<u>410,377,591</u>
Other:				
Library books	5,813,631	1,016,371	4,797,260	229,624
	<u>1,062,081,872</u>	<u>411,786,319</u>	<u>650,295,553</u>	<u>416,823,279</u>
Equipment:	<u>178,868</u>	<u>101,326</u>	<u>77,542</u>	<u>228,766</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION

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

YEAR ENDED JUNE 30, 2025

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)

	2025			2024
	Budget	Actual	Variance	Actual
Vehicles:				
Administration	\$ -	\$ 744,319	\$ -	\$ 1,916,623
Transportation		<u>5,202,727</u>		<u>4,908,642</u>
	<u>9,903,800</u>	<u>5,947,046</u>	<u>3,956,754</u>	<u>6,825,265</u>
Debt service:				
Principal		3,231,426		3,658,030
Interest		<u>15,668</u>		<u>18,808</u>
	<u>3,247,094</u>	<u>3,247,094</u>	<u>-</u>	<u>3,676,838</u>
Total expenditures	<u>1,075,411,634</u>	<u>421,081,785</u>	<u>654,329,849</u>	<u>427,554,148</u>
Deficiency of revenues over expenditures before other financing sources	<u>(6,049,442)</u>	<u>(6,114,101)</u>	<u>(64,659)</u>	<u>(5,277,936)</u>
OTHER FINANCING SOURCES:				
Installment purchase obligations issued	4,453,417	4,453,417	-	4,854,186
Appropriated fund balance	1,363,898	-	(1,363,898)	-
Sale of school property	<u>232,127</u>	<u>263,162</u>	<u>31,035</u>	<u>217,533</u>
Total other financing sources	<u>6,049,442</u>	<u>4,716,579</u>	<u>(1,363,898)</u>	<u>5,071,719</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,397,522)</u>	<u>\$ (1,428,557)</u>	<u>(206,217)</u>
Fund balance, beginning of year		<u>4,461,484</u>		<u>4,667,701</u>
Fund balance, end of year		<u>\$ 3,063,962</u>		<u>\$ 4,461,484</u>

WAKE COUNTY BOARD OF EDUCATION

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

OTHER RESTRICTED FUNDS

YEAR ENDED JUNE 30, 2025

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)

	2025			2024
	Budget	Actual	Variance	Actual
REVENUES:				
State: Other	\$ 138,972	\$ 45,297	\$ (93,675)	\$ 5,613
Wake County:				
County appropriation	954,294	954,294	-	945,215
Federal:				
ROTC	601,750	601,750	-	551,145
Magnet Schools Project Elevate	5,784,480	2,706,591	(3,077,889)	1,112,808
Project Nexus	4,359,878	2,604,219	(1,755,659)	2,526,467
Magnet Schools Project Nexus	5,960,737	2,906,922	(3,053,815)	2,963,214
Other federal	9,597,152	3,745,925	(5,851,227)	1,211,622
Total	26,303,997	12,565,407	(13,738,590)	8,365,256
Other local:				
Medicaid	23,500,217	8,937,780	(14,562,437)	9,715,436
Indirect cost	3,843,079	3,843,079	-	7,680,387
E-Rate	-	-	-	3,259,495
Other restricted local	9,714,386	5,902,497	(3,811,889)	5,839,316
Interest	291,800	311,119	19,319	279,631
Total	37,349,482	18,994,475	(18,355,007)	26,774,265
Total revenues	64,746,745	32,559,473	(32,187,272)	36,090,349
EXPENDITURES:				
Regular instructional services				
Regular curricular		6,212,749		5,194,104
CTE curricular		96,962		55,870
Program enhancement teachers		1,168,513		1,136,669
	12,970,049	7,478,224	5,491,825	6,386,643
Special populations services				
Children with disabilities curricular		4,380,810		4,399,264
Pre-K children with disabilities curricular		724,927		1,253,251
Speech and language pathology		273,157		223,927
Audiology		190,229		105,353
Academically/intellectually gifted curricular		46,750		14
Limited english proficiency		(121)		519
	16,783,549	5,615,752	11,167,797	5,982,328

(Continued)

WAKE COUNTY BOARD OF EDUCATION

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

OTHER RESTRICTED FUNDS

YEAR ENDED JUNE 30, 2025

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)

	2025			2024
	Budget	Actual	Variance	Actual
Alternative programs and services				
Alternative instructional K-12	\$ -	\$ 487	\$ -	\$ 19,800
Attendance and social work		306,533		131,771
Remedial and supplemental K-12		364,758		329,640
Pre-K readiness/remedial and supplemental		2,451,959		2,395,881
Extended day/year instructional		24,055		18,790
	<u>4,201,599</u>	<u>3,147,792</u>	<u>1,053,807</u>	<u>2,895,882</u>
School leadership services				
School leadership		101,014		14,284
School assistant principal		227,422		250,773
	<u>330,323</u>	<u>328,436</u>	<u>1,887</u>	<u>265,057</u>
Co-Curricular services	<u>73,561</u>	<u>35,353</u>	<u>38,208</u>	<u>46,485</u>
School-based support services				
Educational media		246,223		461,253
Student accounting		-		(2,247)
Guidance		182,669		1,310,481
Health		339,440		570,173
Safety and security		43,670		46,289
Instructional technology		65,210		-
Staff development unallocated		63,363		40,642
Parent involvement		16,764		61,207
	<u>3,116,486</u>	<u>957,339</u>	<u>2,159,147</u>	<u>2,487,798</u>
Support and development services				
Regular curricular support and development	<u>9,583,526</u>	<u>5,689,022</u>	<u>3,894,504</u>	<u>2,586,665</u>
Special population support and development services	<u>640,225</u>	<u>328,203</u>	<u>312,022</u>	<u>391,580</u>
Alternative programs and services support and development services	<u>1,188,323</u>	<u>641,512</u>	<u>546,811</u>	<u>484,521</u>
Technology support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,376,045</u>
Operational support services				
Communication		-		883,449
Public utility and energy		5,845,630		9,770,649
Transportation		198,826		188,060
Facilities planning, acquisition and construction		-		427,183
Maintenance		14,579		-
	<u>6,617,335</u>	<u>6,059,035</u>	<u>558,300</u>	<u>11,269,341</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION

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

OTHER RESTRICTED FUNDS

YEAR ENDED JUNE 30, 2025

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)

	2025			2024
	Budget	Actual	Variance	Actual
Human resource	\$ 470,271	\$ 179,355	\$ 290,916	\$ 191,738
Accountability services				
Planning, research development and program evaluation	1,500	416	1,084	-
Systemwide pupil support services				
Student accounting support		121,857		-
Guidance support		628,200		267,668
Health support		421,800		224,359
	1,604,914	1,171,857	433,057	492,027
Policy, leadership and public relations services				
Leadership	17,000	1,096	15,904	-
Ancillary services				
Community		22,083		23,132
Nutrition		295,184		404,835
	320,792	317,267	3,525	427,967
Nonprogram charges				
Indirect cost	535,893	314,973	220,920	180,008
Unbudgeted funds	6,138,728	-	6,138,728	-
Debt service				
Principal		711,938		304,284
Interest		354,326		344,122
	1,066,264	1,066,264	-	648,406
Total expenditures	65,660,338	33,331,896	32,328,442	37,112,491
Deficiency of revenues over expenditures before other financing sources	(913,593)	(772,423)	141,170	(1,022,142)
OTHER FINANCING SOURCES:				
Lease/subscription-based information technology arrangement issued	-	-	-	238,362
Transfers in	913,593	913,593	-	720,737
Transfers out	-	-	-	-
Total other financing sources	913,593	913,593	-	959,099
Net change in fund balance	\$ -	141,170	\$ 141,170	(63,043)
Fund balance, beginning of year		3,000,470		2,537,799
Decrease in reserve for inventories		133,604		525,714
Fund balance, end of year		\$ 3,275,244		\$ 3,000,470

WAKE COUNTY BOARD OF EDUCATION

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

STATE ADMINISTERED FEDERAL GRANTS FUND

YEAR ENDED JUNE 30, 2025

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)

	2025			2024
	Budget	Actual	Variance	Actual
REVENUES:				
Federal:				
Special education	\$ 67,319,847	\$ 48,481,415	\$ (18,838,432)	\$ 37,045,783
Elementary and secondary school emergency relief fund	10,164,361	9,413,014	(751,347)	77,693,243
Title I	33,934,668	29,477,458	(4,457,210)	29,521,676
Career technical education	2,066,904	1,641,584	(425,320)	2,103,083
Improving teacher quality	6,369,166	4,267,318	(2,101,848)	5,639,003
English language acquisition	3,082,886	2,422,484	(660,402)	2,017,732
Student support and academic enrichment	3,763,541	2,246,449	(1,517,092)	2,044,454
Other federal	967,257	60,773	(906,484)	89,995
Total revenues	<u>127,668,630</u>	<u>98,010,495</u>	<u>(29,658,135)</u>	<u>156,154,969</u>
EXPENDITURES:				
Regular instructional services				
Regular curricular		4,755,782		15,924,014
CTE curricular		2,886,402		3,543,368
Program enhancement teachers		426,808		1,069,279
	<u>8,909,878</u>	<u>8,068,992</u>	<u>840,886</u>	<u>20,536,661</u>
Special populations services				
Children with disabilities curricular		28,285,139		28,339,907
Special population CTE curricular		1,530		60
Pre-K children with disabilities curricular		7,782,603		1,432,242
Speech and language pathology		1,297,916		627,921
Audiology		8,605		874
Limited english proficiency		1,882,760		1,913,316
	<u>46,381,193</u>	<u>39,258,553</u>	<u>7,122,640</u>	<u>32,314,320</u>
Alternative programs and services				
Alternative instructional K-12		784,570		890,474
Attendance and social work		1,189,306		3,369,203
Remedial and supplemental K-12		21,064,057		45,725,808
Pre-K readiness/remedial and supplemental		8,790,019		8,618,772
Extended day/year instructional		555,043		2,872,600
	<u>35,846,752</u>	<u>32,382,995</u>	<u>3,463,757</u>	<u>61,476,857</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION

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

STATE ADMINISTERED FEDERAL GRANTS FUND

YEAR ENDED JUNE 30, 2025

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)

	2025			2024
	Budget	Actual	Variance	Actual
School leadership services				
School leadership	\$ -	\$ 702,695	\$ -	\$ 71,969
School principal		-		64,002
School assistant principal		-		14,222
	<u>1,064,625</u>	<u>702,695</u>	<u>361,930</u>	<u>150,193</u>
School-based support services				
Educational media		11,160		7,139
Student accounting		57,210		322,440
Guidance		2,466,613		7,279,843
Health		3,358,024		831,624
Safety and security		284,920		260,000
Instructional technology		862,102		3,242,532
Staff development unallocated		547,607		1,106,426
Parent involvement		815,557		798,399
	<u>12,607,811</u>	<u>8,403,193</u>	<u>4,204,618</u>	<u>13,848,403</u>
Support and development services				
Regular curricular support and development		3,321,257		2,846,621
Regular curricular support and development	<u>3,325,734</u>	<u>3,321,257</u>	<u>4,477</u>	<u>2,846,621</u>
Special population support and development services	<u>1,323,635</u>	<u>977,960</u>	<u>345,675</u>	<u>839,109</u>
Alternative programs and services support and development services	<u>1,460,420</u>	<u>1,372,073</u>	<u>88,347</u>	<u>1,790,906</u>
Technology support services	<u>212,265</u>	<u>212,265</u>	<u>-</u>	<u>16,602,982</u>
Operational support services				
Custodial/housekeeping		-		40,420
Transportation		65,429		635,123
Maintenance		-		940,122
	<u>124,598</u>	<u>65,429</u>	<u>59,169</u>	<u>1,615,665</u>
Financial and human resource services				
Financial		-		81,920
Human resource		461,544		444,556
	<u>696,025</u>	<u>461,544</u>	<u>234,481</u>	<u>526,476</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION

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

STATE ADMINISTERED FEDERAL GRANTS FUND

YEAR ENDED JUNE 30, 2025

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)

	2025			2024
	Budget	Actual	Variance	Actual
Systemwide pupil support services				
Educational media support	\$ -	\$ -	\$ -	\$ (613)
Guidance support		195,325		861,889
Health support		61,246		245,195
	<u>276,997</u>	<u>256,571</u>	<u>20,426</u>	<u>1,106,471</u>
Ancillary services				
Nutrition		-		10,161
	<u>12,500</u>	<u>-</u>	<u>12,500</u>	<u>10,161</u>
Non-program charges:				
Non-program charges: Indirect cost	<u>2,773,860</u>	<u>2,524,893</u>	<u>248,967</u>	<u>3,767,864</u>
Unbudgeted funds	<u>12,650,262</u>	<u>-</u>	<u>12,650,262</u>	<u>-</u>
Debt service				
Principal		1,859		1,202,742
Interest		216		36,558
	<u>2,075</u>	<u>2,075</u>	<u>-</u>	<u>1,239,300</u>
Total expenditures	<u>127,668,630</u>	<u>98,010,495</u>	<u>29,658,135</u>	<u>158,671,989</u>
Deficiency of revenues over expenditures before other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,517,020)</u>
OTHER FINANCING SOURCES:				
Lease/subscription-based information technology arrangement issued	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,517,020</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
YEAR ENDED JUNE 30, 2025

	Fund Balance 6/30/2024	Revenues	Expenditures and Transfers	Fund Balance 6/30/2025
HIGH SCHOOLS:				
Apex	\$ 441,233	\$ 368,566	\$ 450,692	\$ 359,107
Apex Friendship	401,888	554,739	589,287	367,340
Athens Drive	282,689	274,712	267,933	289,468
Broughton	183,689	345,525	367,657	161,557
Cary	252,493	215,634	255,813	212,314
East Wake	185,052	182,512	158,125	209,439
Enloe	223,135	466,171	491,411	197,895
Fuquay-Varina	173,816	220,170	262,641	131,345
Garner	157,971	273,005	239,395	191,581
Green Hope	206,412	501,801	485,566	222,647
Green Level	93,333	400,467	414,292	79,508
Heritage	198,009	295,110	254,422	238,697
Holly Springs	292,494	316,706	391,480	217,720
Knightdale	130,922	176,437	217,436	89,923
Leesville Road	345,343	345,143	425,013	265,473
Middle Creek	328,274	242,317	303,204	267,387
Millbrook	448,685	318,001	307,418	459,268
North Wake College and Career	40,777	31,590	29,243	43,124
Panther Creek	179,195	641,109	637,954	182,350
Rolesville	274,013	328,213	273,776	328,450
Sanderson	200,655	277,598	270,033	208,220
South Garner	70,530	163,773	187,814	46,489
Southeast Raleigh	35,855	177,906	157,441	56,320
Vernon Malone College and Career	32,087	41,586	41,808	31,865
Wake STEM Early College	20,603	35,333	5,428	50,508
Wake Early College of Health and Sciences	54,650	51,129	47,953	57,826
Wake Early College of Information and Biotechnologies	3,475	15,124	8,348	10,251
Wake Forest	251,162	340,390	337,555	253,997
Wakefield	195,588	363,050	305,757	252,881
Willow Spring	90,294	301,713	225,649	166,358
	<u>5,794,322</u>	<u>8,265,530</u>	<u>8,410,544</u>	<u>5,649,308</u>
MIDDLE SCHOOLS:				
Alston Ridge	26,782	262,616	246,489	42,909
Apex	58,471	171,395	167,855	62,011
Apex Friendship	67,923	420,884	404,497	84,310
Carnage	44,914	114,957	102,411	57,460
Carroll	27,668	29,905	27,982	29,591
Centennial Campus	25,173	1,871	2,926	24,118
Oberlin	79,279	181,769	165,978	95,070
Davis Drive	52,727	272,564	243,183	82,108
Dillard Drive	39,691	132,058	122,589	49,160
Durant Road	42,532	35,605	28,038	50,099

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
YEAR ENDED JUNE 30, 2025

	Fund Balance 6/30/2024	Revenues	Expenditures and Transfers	Fund Balance 6/30/2025
East Cary	\$ 58,828	\$ 102,087	\$ 97,229	\$ 63,686
East Garner	104,312	42,107	118,228	28,191
East Millbrook	34,693	28,785	29,311	34,167
Neuse River	19,314	82,670	73,871	28,113
Fuquay-Varina	152,917	105,537	129,365	129,089
Herbert Akins Road	40,597	134,218	123,686	51,129
Heritage	67,495	81,816	67,187	82,124
Holly Grove	142,216	286,699	288,750	140,165
Holly Ridge	85,794	133,524	139,493	79,825
Leesville Road	69,627	127,371	140,321	56,677
Ligon	99,397	95,736	80,372	114,761
Lufkin Road	57,434	128,417	113,664	72,187
Martin	80,940	152,217	142,403	90,754
Mills Park	64,927	296,848	264,132	97,643
Moore Square	20,935	154,502	152,586	22,851
North Garner	37,749	30,553	27,591	40,711
Pine Hollow	105,097	145,572	151,504	99,165
Reedy Creek	67,012	49,736	73,434	43,314
River Bend	38,636	62,013	74,207	26,442
Rolesville	47,989	166,536	156,827	57,698
Salem	61,059	131,596	130,142	62,513
Wake Forest	70,808	62,471	58,412	74,867
Wakefield	58,888	92,231	84,662	66,457
Wendell	62,185	163,724	155,730	70,179
West Cary	45,857	126,100	122,298	49,659
West Lake	64,038	112,088	109,459	66,667
West Millbrook	63,262	138,577	118,756	83,083
Zebulon	29,575	52,987	49,588	32,974
	<u>2,316,741</u>	<u>4,910,342</u>	<u>4,785,156</u>	<u>2,441,927</u>
ELEMENTARY SCHOOLS:				
Abbotts Creek	25,026	44,393	48,953	20,466
Adams	17,567	32,944	34,414	16,097
Alston Ridge	29,614	41,566	54,587	16,593
Apex	28,396	43,330	45,942	25,784
Apex Friendship	9,561	50,713	48,378	11,896
Aversboro	31,883	14,651	13,254	33,280
Baileywick Road	20,967	11,602	13,367	19,202
Ballentine	23,989	38,154	33,924	28,219
Banks Road	4,209	31,121	28,437	6,893
Barton Pond	12,653	57,691	50,838	19,506
Barwell Road	5,850	20,492	22,793	3,549
Baucom	62,594	33,993	33,213	63,374

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
YEAR ENDED JUNE 30, 2025

	Fund Balance 6/30/2024	Revenues	Expenditures and Transfers	Fund Balance 6/30/2025
Beaverdam	\$ 12,167	\$ 12,011	\$ 14,004	\$ 10,174
Brassfield	34,910	44,575	23,618	55,867
Brentwood	16,163	10,239	8,741	17,661
Briarcliff	13,906	35,404	42,466	6,844
Brier Creek	9,840	36,821	35,431	11,230
Brooks	128,902	71,945	71,768	129,079
Bryan Road	15,157	49,935	47,892	17,200
Buckhorn Creek	13,115	33,485	28,635	17,965
Bugg	10,288	10,517	9,128	11,677
Carpenter	13,345	18,691	16,047	15,989
Carver	12,872	16,305	17,525	11,652
Cary	30,231	20,470	17,533	33,168
Cedar Fork	17,164	46,660	45,615	18,209
Combs	29,901	79,283	68,342	40,842
Conn	8,996	53,294	55,964	6,326
Creech Road	12,620	20,950	17,389	16,181
Davis Drive	13,737	65,770	63,622	15,885
Dillard Drive	17,972	19,023	18,416	18,579
Douglas	21,560	41,957	43,632	19,885
Durant Road	16,559	53,249	53,972	15,836
East Garner	52,176	16,803	18,759	50,220
Farmington Woods	20,568	36,889	34,710	22,747
Forest Pines Drive	14,471	29,336	27,311	16,496
Forestville Road	10,000	17,676	19,632	8,044
Fox Road	14,194	12,850	13,380	13,664
Fuller	15,815	15,828	12,227	19,416
Fuquay-Varina	9,191	28,036	25,681	11,546
Green	24,039	16,239	14,956	25,322
Green Hope	11,842	45,348	41,284	15,906
Harris Creek	28,558	33,368	38,097	23,829
Herbert Akins Road	115,472	44,772	63,055	97,189
Heritage	7,274	17,597	13,082	11,789
Highcroft Drive	7,439	56,972	50,453	13,958
Hodge Road	9,722	14,899	20,623	3,998
Holly Grove	41,825	80,155	81,747	40,233
Holly Ridge	50,410	42,815	47,448	45,777
Holly Springs	15,903	38,303	43,058	11,148
Hortons Creek	16,991	56,475	55,046	18,420
Hunter	157,607	84,168	133,527	108,248
Jeffreys Grove	24,888	43,464	40,605	27,747
Jones Dairy	14,357	16,171	17,186	13,342
Joyner	80,544	99,775	81,231	99,088
Kingswood	34,608	27,224	24,913	36,919
Knightdale	17,301	17,266	16,081	18,486
Lacy	383,826	395,978	374,101	405,703
Lake Myra	12,562	26,908	26,935	12,535

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
YEAR ENDED JUNE 30, 2025

	Fund Balance 6/30/2024	Revenues	Expenditures and Transfers	Fund Balance 6/30/2025
Laurel Park	\$ 16,552	\$ 46,948	\$ 49,808	\$ 13,692
Lead Mine	25,447	38,799	24,239	40,007
Leesville Road	10,703	78,855	74,792	14,766
Lincoln Heights	33,447	27,961	46,587	14,821
Lockhart	5,642	24,346	24,559	5,429
Lynn Road	5,450	20,642	12,795	13,297
Middle Creek	14,096	16,852	15,234	15,714
Millbrook	20,005	32,735	22,712	30,028
Mills Park	3,224	59,801	53,903	9,122
Morrisville	20,891	24,167	25,079	19,979
North Forest Pines	26,856	25,987	19,226	33,617
North Ridge	8,501	66,914	67,845	7,570
Northwoods	11,315	36,903	26,522	21,696
Oak Grove	18,399	52,409	49,937	20,871
Oakview	27,646	115,262	86,373	56,535
Olds	20,084	27,825	24,054	23,855
Olive Chapel	43,836	134,584	152,566	25,854
Partnership	12,429	26,426	24,640	14,215
Parkside	12,352	19,995	19,843	12,504
Penny Road	15,364	37,454	35,361	17,457
Pleasant Grove	18,785	10,916	9,098	20,603
Pleasant Union	22,979	95,814	102,845	15,948
Poe	10,313	30,129	24,472	15,970
Powell	1,570	17,787	14,484	4,873
Rand Road	12,013	53,717	53,628	12,102
Reedy Creek	14,184	15,875	21,866	8,193
Richland Creek	15,833	22,111	12,380	25,564
River Bend	27,726	11,037	31,964	6,799
Rogers Lane	21,821	19,393	26,578	14,636
Rolesville	9,670	25,992	26,530	9,132
Root	284,682	119,560	374,021	30,221
Salem	43,546	42,013	49,378	36,181
Sanford Creek	73,141	27,340	45,577	54,904
Scotts Ridge	54,674	71,778	73,680	52,772
Smith	11,110	12,747	9,920	13,937
South Lakes	10,879	24,807	21,222	14,464
Southeast Raleigh	12,032	9,766	14,360	7,438
Stough	15,102	41,683	45,155	11,630
Swift Creek	9,807	3,088	3,785	9,110
Sycamore Creek	79,061	86,458	83,005	82,514
Timber Drive	11,728	26,627	26,591	11,764
Turner Creek	9,611	48,751	53,031	5,331
Underwood	34,011	32,021	26,955	39,077
Vance	20,619	16,962	16,446	21,135
Vandora Springs	5,206	30,033	24,562	10,677
Wake Forest	29,632	11,151	12,403	28,380

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
YEAR ENDED JUNE 30, 2025

	Fund Balance 6/30/2024	Revenues	Expenditures and Transfers	Fund Balance 6/30/2025
Wakefield	\$ 13,810	\$ 26,564	\$ 25,964	\$ 14,410
Wakelon	25,063	35,784	30,914	29,933
Walnut Creek	10,394	19,074	21,741	7,727
Washington	27,070	25,703	29,502	23,271
Weatherstone	12,660	60,418	61,092	11,986
Wendell	30,831	15,939	28,039	18,731
West Lake	11,436	40,886	47,349	4,973
White Oak	23,765	56,721	55,291	25,195
Wilburn	24,022	23,924	37,730	10,216
Wildwood Forest	10,531	8,839	11,317	8,053
Wiley	33,996	29,464	21,697	41,763
Willow Springs	11,390	30,055	30,835	10,610
Woods Creek	-	20,846	15,391	5,455
Yates Mill	5,481	20,396	19,816	6,061
York	11,273	18,374	14,553	15,094
Zebulon	21,937	13,533	12,865	22,605
	<u>3,398,930</u>	<u>4,745,490</u>	<u>4,987,075</u>	<u>3,157,345</u>
ACADEMIES:				
Hilburn	20,142	54,028	56,475	17,695
Wake Young Men's Leadership	16,183	46,816	47,447	15,552
Wake Young Women's Leadership	39,184	83,211	74,736	47,659
	<u>75,509</u>	<u>184,055</u>	<u>178,658</u>	<u>80,906</u>
OTHER:				
Connections Academy	1,955	34	-	1,989
Crossroads Flex	15,711	10,327	8,064	17,974
Longview School	8,717	6,456	59	15,114
Mount Vernon	21,691	5,212	7,949	18,954
Phillips High School	5,181	4,020	3,058	6,143
River Oaks	6,592	1,053	364	7,281
	<u>59,847</u>	<u>27,102</u>	<u>19,494</u>	<u>67,455</u>
Total	<u>\$ 11,645,349</u>	<u>\$ 18,132,519</u>	<u>\$ 18,380,927</u>	<u>\$ 11,396,941</u>

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (Non-GAAP)
ENTERPRISE FUND - CHILD NUTRITION PROGRAM
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)

	2025			2024
	Budget	Actual	Variance	Actual
REVENUES:				
Federal:				
Regular USDA grants	\$ 49,041,663	\$ 43,048,724	\$ (5,992,939)	\$ 33,996,856
USDA grants - fresh fruit & vegetable program	170,000	192,586	22,586	152,446
USDA grants - summer feeding program	700,000	499,640	(200,360)	451,995
USDA grants - commodities used	-	4,491,174	4,491,174	4,802,778
	<u>49,911,663</u>	<u>48,232,124</u>	<u>(1,679,539)</u>	<u>39,404,075</u>
State	<u>106,804</u>	<u>110,883</u>	<u>4,079</u>	<u>223,685</u>
Other:				
Food sales	26,616,662	21,319,304	(5,297,358)	21,813,937
Interest	721,826	759,477	37,651	998,677
Local donations or grants	<u>308,320</u>	<u>355,998</u>	<u>47,678</u>	<u>848,479</u>
	<u>27,646,808</u>	<u>22,434,779</u>	<u>(5,212,029)</u>	<u>23,661,093</u>
Total revenues	<u>77,665,275</u>	<u>70,777,786</u>	<u>(6,887,489)</u>	<u>63,288,853</u>
EXPENDITURES:				
Salaries		25,971,075		25,023,193
Employee benefits		13,947,205		13,631,901
Food		21,932,012		19,850,564
Supplies		2,021,510		1,929,966
Purchased services		681,096		803,174
Donated commodities		4,491,174		4,802,778
Indirect cost		-		2,905,016
Equipment purchases		<u>177,525</u>		<u>406,575</u>
Total expenditures	<u>77,749,275</u>	<u>69,221,597</u>	<u>8,527,678</u>	<u>69,353,167</u>
Deficiency of revenues over expenditures	<u>(84,000)</u>	<u>1,556,189</u>	<u>1,640,189</u>	<u>(6,064,314)</u>
OTHER FINANCING SOURCES:				
Transfer in	<u>84,000</u>	<u>84,000</u>	<u>-</u>	<u>45,000</u>
Deficiency of revenues and other financing sources over expenditures - budgetary (non-GAAP) basis	<u>\$ -</u>	<u>\$ 1,640,189</u>	<u>\$ 1,640,189</u>	<u>\$ (6,019,314)</u>

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (Non-GAAP)
ENTERPRISE FUND - CHILD NUTRITION PROGRAM
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)

	2025			2024
	Budget	Actual	Variance	Actual
Reconciliation from budgetary (non-GAAP) basis to GAAP:				
Equipment purchases, net of contributions		177,525		406,575
Depreciation/amortization		(1,224,946)		(1,444,817)
Gain (loss) on sale of capital assets		(203,345)		(53,059)
Non-capital OPEB plan contribution		12,651		43,437
Net pension liability		2,684,884		(2,965,095)
Net OPEB liability		(8,855,379)		(4,587,553)
Deferred outflows		2,106,291		3,698,615
Deferred inflows		3,623,353		4,969,770
Restatement		(263,790)		-
Increase in compensated absence liability		316,670		(33,092)
Change in net deficit		<u>\$ 14,103</u>		<u>\$ (5,984,533)</u>

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

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (Non-GAAP)
ENTERPRISE FUND - TUITION PROGRAMS
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)

	2025		2024	
	Budget	Actual	Variance	Actual
REVENUES:				
Other:				
Participant fees	\$ 28,334,307	\$ 13,031,347	\$ (15,302,960)	\$ 12,516,720
Interest	715,699	672,309	(43,390)	692,841
Total revenues	<u>29,050,006</u>	<u>13,703,656</u>	<u>(15,346,350)</u>	<u>13,209,561</u>
EXPENDITURES:				
Salaries		6,647,149		5,083,769
Employee benefits		2,079,892		1,661,600
Supplies		1,276,445		968,066
Purchased services		1,631,811		1,178,098
Indirect costs paid		1,003,213		827,499
Equipment purchases		217,884		72,408
Total expenditures	<u>29,050,006</u>	<u>12,856,394</u>	<u>16,193,612</u>	<u>9,791,440</u>
Excess of revenues over expenditures - budgetary (non-GAAP) basis	<u>\$ -</u>	847,262	<u>\$ 847,262</u>	3,418,121
Reconciliation from budgetary (non-GAAP) basis to GAAP				
Equipment purchases, net of contributions		217,884		72,408
Depreciation		(55,867)		(46,211)
Non-capital OPEB plan contribution		3,060		8,203
Net pension liability		649,506		(559,933)
Net OPEB liability		(2,142,224)		(866,319)
Deferred outflows		509,537		698,451
Deferred inflows		876,533		938,497
Restatement		(23,425)		-
Increase in compensated absence liability		(28,224)		(14,165)
Change in net deficit		<u>\$ 854,042</u>		<u>\$ 3,649,052</u>



Statistical Section

Statistical Section

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

Contents:

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	Fiscal Year				
	2025	2024	2023	2022	2021
Governmental activities:					
Net investment in capital assets	\$ 4,701,713,194	\$ 4,376,276,525	\$ 4,159,626,374	\$ 4,067,090,797	\$ 3,892,210,778
Restricted	19,308,305	24,411,001	20,624,893	20,785,371	21,662,737
Unrestricted	<u>(2,117,980,460)</u>	<u>(2,076,534,743)</u>	<u>(2,202,184,077)</u>	<u>(2,432,792,510)</u>	<u>(2,635,779,762)</u>
Total net position	<u>2,603,041,039</u>	<u>2,324,152,783</u>	<u>1,978,067,190</u>	<u>1,655,083,658</u>	<u>1,278,093,753</u>
Business-type activities:					
Net investment in capital assets	7,526,319	8,545,955	8,975,462	7,445,092	6,153,140
Restricted	-	-	-	106,483	128,695
Unrestricted	<u>(20,744,259)</u>	<u>(22,919,255)</u>	<u>(21,010,281)</u>	<u>(25,169,016)</u>	<u>(47,124,379)</u>
Total net position	<u>(13,217,940)</u>	<u>(14,373,300)</u>	<u>(12,034,819)</u>	<u>(17,617,441)</u>	<u>(40,842,544)</u>
Government-wide:					
Net investment in capital assets	4,709,239,513	4,384,822,480	4,168,601,836	4,074,535,889	3,898,363,918
Restricted	19,308,305	24,411,001	20,624,893	20,891,854	21,791,432
Unrestricted	<u>(2,138,724,719)</u>	<u>(2,099,453,998)</u>	<u>(2,223,194,358)</u>	<u>(2,457,961,526)</u>	<u>(2,682,904,141)</u>
Total net position	<u>\$ 2,589,823,099</u>	<u>\$ 2,309,779,483</u>	<u>\$ 1,966,032,371</u>	<u>\$ 1,637,466,217</u>	<u>\$ 1,237,251,209</u>

(Continued)

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				
	2020	2019	2018	2017	2016
Governmental activities:					
Net investment in capital assets	\$ 3,733,190,940	\$ 3,549,276,038	\$ 3,329,761,944	\$ 3,115,825,897	\$ 2,931,684,587
Restricted	22,443,897	24,179,548	21,429,835	14,821,717	14,602,314
Unrestricted	<u>(2,712,327,735)</u>	<u>(2,687,838,303)</u>	<u>(2,720,230,222)</u>	<u>(258,293,051)</u>	<u>(226,145,732)</u>
Total net position	<u>1,043,307,102</u>	<u>885,617,283</u>	<u>630,961,557</u>	<u>2,872,354,563</u>	<u>2,720,141,169</u>
Business-type activities:					
Net investment in capital assets	6,772,791	6,621,851	5,267,553	6,412,914	6,087,244
Restricted	167,034	209,593	166,611	-	-
Unrestricted	<u>(45,988,466)</u>	<u>(40,232,436)</u>	<u>(38,281,827)</u>	<u>26,507,774</u>	<u>27,187,091</u>
Total net position	<u>(39,048,641)</u>	<u>(33,400,992)</u>	<u>(32,847,663)</u>	<u>32,920,688</u>	<u>33,274,335</u>
Government-wide:					
Net investment in capital assets	3,739,963,731	3,555,897,889	3,335,029,497	3,122,238,811	2,937,771,831
Restricted	22,610,931	24,389,141	21,596,446	14,821,717	14,602,314
Unrestricted	<u>(2,758,316,201)</u>	<u>(2,728,070,739)</u>	<u>(2,758,512,049)</u>	<u>(231,785,277)</u>	<u>(198,958,641)</u>
Total net position	<u>\$ 1,004,258,461</u>	<u>\$ 852,216,291</u>	<u>\$ 598,113,894</u>	<u>\$ 2,905,275,251</u>	<u>\$ 2,753,415,504</u>

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

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

	Fiscal Year				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Expenses					
Governmental activities:					
Instructional programs					
Regular	\$ 948,287,755	\$ 882,309,168	\$ 751,664,187	\$ 755,888,171	\$ 745,163,752
Special populations	325,373,279	297,314,010	254,287,799	249,957,184	242,809,587
Alternative programs and services	103,303,698	119,235,826	99,559,290	133,890,588	97,272,637
School leadership	131,113,600	122,459,932	104,527,906	101,682,419	98,228,064
Co-curricular	43,528,096	40,260,316	34,243,562	27,266,813	24,341,345
School-based support services	125,246,614	114,699,103	99,012,169	105,919,583	104,529,800
Systemwide support services					
Support and development	19,283,238	13,497,373	10,474,696	9,291,875	8,545,457
Special populations support and development	10,109,412	8,769,292	8,291,746	8,287,946	7,370,943
Alternative programs and services support and development	6,879,746	6,242,300	5,306,469	4,795,986	4,202,968
Technology support	62,643,098	76,255,184	56,871,033	56,325,755	53,857,612
Operational support	202,911,009	189,949,420	158,465,455	180,829,104	155,973,871
Financial and human resource	35,246,376	30,964,701	24,719,589	21,852,273	22,087,993
Accountability	2,588,131	2,550,765	2,084,224	1,942,251	1,993,596
Systemwide pupil support	9,438,391	9,492,852	6,944,974	5,896,814	5,339,159
Policy, leadership and public relations	18,001,478	15,573,560	12,287,817	11,490,403	12,076,314
Ancillary Services	402,477	456,423	1,289,862	4,128,656	8,037,759
Nonprogram charges	72,405,789	61,209,068	56,564,321	45,002,063	44,638,864
Interest on long-term debt	3,073,937	3,549,569	3,800,422	3,381,001	
Depreciation/amortization - unallocated	109,153,605	109,645,499	121,007,361	97,437,981	97,818,810
Total governmental activities expenses	<u>2,228,989,729</u>	<u>2,104,434,361</u>	<u>1,811,402,882</u>	<u>1,825,266,866</u>	<u>1,734,288,531</u>
Business-type activities:					
Food service	70,656,989	69,311,764	63,563,367	59,394,839	27,627,454
Tuition programs	12,852,674	9,568,712	7,707,712	6,278,482	5,926,451
Total business-type activities	<u>83,509,663</u>	<u>78,880,476</u>	<u>71,271,079</u>	<u>65,673,321</u>	<u>33,553,905</u>
Total school district expenses	<u>2,312,499,392</u>	<u>2,183,314,837</u>	<u>1,882,673,961</u>	<u>1,890,940,187</u>	<u>1,767,842,436</u>
Program revenues					
Governmental activities:					
Charges for services-regular instructional	1,786,550	1,814,789	1,859,232	1,686,639	13,947
Charges for services-ancillary services	-	-	-	-	-
Operating grants and contributions	1,354,107,272	1,366,030,438	1,306,168,394	1,362,724,761	1,156,494,973
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	<u>1,355,893,822</u>	<u>1,367,845,227</u>	<u>1,308,027,626</u>	<u>1,364,411,400</u>	<u>1,156,508,920</u>
Business-type activities:					
Charges for services-food services	21,319,304	22,037,622	19,185,631	3,371,913	26,802
Charges for services-tuition programs	13,031,347	12,516,720	11,056,264	8,580,634	1,889,707
Operating grants and contributions	48,425,926	38,715,095	42,944,783	73,134,051	-
Capital grants and contributions - food services	69,734	1,484,400	2,429,389	2,564,748	25,599,831
Capital grants and contributions - tuition programs	-	-	1,000	-	-
Total business-type activities program revenues	<u>82,846,311</u>	<u>74,753,837</u>	<u>75,617,067</u>	<u>87,651,346</u>	<u>27,516,340</u>
Total school district program revenues	<u>1,438,740,133</u>	<u>1,442,599,064</u>	<u>1,383,644,693</u>	<u>1,452,062,746</u>	<u>1,184,025,260</u>
Net (expense)/revenue					
Governmental activities	(873,095,907)	(736,589,134)	(503,375,256)	(460,855,466)	(577,779,611)
Business-type activities	(663,352)	(4,126,639)	4,345,988	21,978,025	(6,037,565)
Total school district net expense	<u>\$ (873,759,259)</u>	<u>\$ (740,715,773)</u>	<u>\$ (499,029,268)</u>	<u>\$ (438,877,441)</u>	<u>\$ (583,817,176)</u>

(Continued)

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

	Fiscal Year				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenses					
Governmental activities:					
Instructional programs					
Regular	\$ 756,413,532	\$ 702,874,136	\$ 731,974,296	\$ 655,240,420	\$ 583,890,706
Special populations	246,494,723	233,027,523	243,000,627	221,579,226	196,300,020
Alternative programs and services	87,640,748	80,924,330	83,782,030	82,345,265	78,254,955
School leadership	99,993,182	90,152,056	90,665,395	80,203,279	71,562,962
Co-curricular	35,689,594	33,478,902	29,884,642	27,654,770	24,699,448
School-based support services	97,856,120	90,949,064	90,602,486	81,922,365	72,328,355
Systemwide support services					
Support and development	8,497,991	8,426,648	14,976,789	13,158,583	11,835,596
Special populations support and development	6,941,524	6,141,058	6,414,994	5,830,879	4,918,030
Alternative programs and services support and development	4,106,244	3,502,850	3,185,133	3,028,276	3,373,273
Technology support	63,510,929	30,844,405	34,493,632	42,430,480	28,037,064
Operational support	172,671,446	184,310,605	172,750,747	147,592,022	156,926,276
Financial and human resource	22,399,593	21,035,774	20,835,125	20,400,114	18,222,357
Accountability	2,163,932	1,993,192	2,766,782	2,852,691	3,433,611
Systemwide pupil support	6,101,720	4,392,791	5,923,268	5,693,573	5,515,556
Policy, leadership and public relations	12,312,374	11,199,607	11,098,595	10,642,828	8,642,718
Ancillary Services	3,997,339	342,910	140,697	91,242	112,906
Nonprogram charges	37,139,670	32,440,098	25,807,938	23,963,483	21,134,354
Interest on long-term debt					
Depreciation/amortization - unallocated	93,793,766	93,204,421	89,277,817	129,457,253	79,120,543
Total governmental activities expenses	<u>1,757,724,427</u>	<u>1,629,240,370</u>	<u>1,657,580,993</u>	<u>1,554,086,749</u>	<u>1,368,308,730</u>
Business-type activities:					
Food service	49,473,155	54,185,940	58,151,824	55,387,857	53,618,487
Tuition programs	11,455,983	13,791,003	14,381,100	13,162,916	11,750,436
Total business-type activities	<u>60,929,138</u>	<u>67,976,943</u>	<u>72,532,924</u>	<u>68,550,773</u>	<u>65,368,923</u>
Total school district expenses	<u>1,818,653,565</u>	<u>1,697,217,313</u>	<u>1,730,113,917</u>	<u>1,622,637,522</u>	<u>1,433,677,653</u>
Program revenues					
Governmental activities:					
Charges for services-regular instructional	1,100,760	1,629,450	1,371,417	1,321,281	1,269,473
Charges for services-ancillary services	-	32,480	28,777	24,085	34,136
Operating grants and contributions	1,120,724,055	1,075,480,070	1,001,491,868	970,584,143	934,462,654
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	<u>1,121,824,815</u>	<u>1,077,142,000</u>	<u>1,002,892,062</u>	<u>971,929,509</u>	<u>935,766,263</u>
Business-type activities:					
Charges for services-food services	12,417,023	17,424,575	17,271,145	18,083,111	17,315,970
Charges for services-tuition programs	10,299,433	14,189,922	13,971,475	13,372,693	13,531,484
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions - food services	29,681,976	35,254,178	34,048,329	36,407,837	35,165,199
Capital grants and contributions - tuition programs	-	-	-	-	-
Total business-type activities program revenues	<u>52,398,432</u>	<u>66,868,675</u>	<u>65,290,949</u>	<u>67,863,641</u>	<u>66,012,653</u>
Total school district program revenues	<u>1,174,223,247</u>	<u>1,144,010,675</u>	<u>1,068,183,011</u>	<u>1,039,793,150</u>	<u>1,001,778,916</u>
Net (expense)/revenue					
Governmental activities	(635,899,612)	(552,098,370)	(654,688,931)	(582,157,240)	(432,542,467)
Business-type activities	(8,530,706)	(1,108,268)	(7,241,975)	(687,132)	643,730
Total school district net expense	<u>\$ (644,430,318)</u>	<u>\$ (553,206,638)</u>	<u>\$ (661,930,906)</u>	<u>\$ (582,844,372)</u>	<u>\$ (431,898,737)</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				
	2025	2024	2023	2022	2021
Net (expense)/revenue					
Governmental activities	\$ (873,095,907)	\$ (736,589,134)	\$ (737,125,908)	\$ (460,855,466)	\$ (577,779,611)
Business-type activities	(663,352)	(4,126,639)	(391,464)	21,978,025	(6,037,565)
Total school district net expense	<u>(873,759,259)</u>	<u>(740,715,773)</u>	<u>(737,517,372)</u>	<u>(438,877,441)</u>	<u>(583,817,176)</u>
General revenues and other changes in net position					
Governmental activities:					
Unrestricted county appropriations - operating	702,607,316	644,262,316	594,253,045	544,205,101	526,003,342
Unrestricted county appropriations - capital	411,281,076	417,540,186	211,503,151	278,419,093	255,970,316
Unrestricted state appropriation - capital	3,170,917	3,602,081	3,041,024	2,341,016	2,201,044
Investment earnings, unrestricted	6,460,273	8,084,502	3,954,624	282,701	528,408
Non-Capital OPEB Plan					
Contribution	595,147	2,019,736	10,055,489	10,689,656	27,584,669
Miscellaneous, unrestricted	6,624,259	7,210,906	3,596,455	2,850,745	4,069,139
Transfer	(84,000)	(45,000)	(45,000)	(942,941)	(3,790,656)
Total governmental activities	<u>1,130,654,988</u>	<u>1,082,674,727</u>	<u>826,358,788</u>	<u>837,845,371</u>	<u>812,566,262</u>
Business-type activities:					
Investment earnings, unrestricted	1,431,786	1,691,518	925,967	52,599	78,351
Non-Capital OPEB Plan					
Contribution	15,711	51,640	265,667	251,538	374,655
Transfer	84,000	45,000	45,000	942,941	3,790,656
Total business-type activities	<u>1,531,497</u>	<u>1,788,158</u>	<u>1,236,634</u>	<u>1,247,078</u>	<u>4,243,662</u>
Total school district	<u>1,132,186,485</u>	<u>1,084,462,885</u>	<u>827,595,422</u>	<u>839,092,449</u>	<u>816,809,924</u>
Change in net position					
Governmental activities	257,559,081	346,085,593	89,232,880	376,989,905	234,786,651
Business-type activities	868,145	(2,338,481)	845,170	23,225,103	(1,793,903)
Total school district	<u>\$ 258,427,226</u>	<u>\$ 343,747,112</u>	<u>\$ 90,078,050</u>	<u>\$ 400,215,008</u>	<u>\$ 232,992,748</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				
	2020	2019	2018	2017	2016
Net (expense)/revenue					
Governmental activities	\$ (552,098,370)	\$ (552,098,370)	\$ (654,688,931)	\$ (582,157,240)	\$ (432,542,467)
Business-type activities	(1,108,268)	(1,108,268)	(7,241,975)	(687,132)	643,730
Total school district net expense	<u>(553,206,638)</u>	<u>(553,206,638)</u>	<u>(661,930,906)</u>	<u>(582,844,372)</u>	<u>(431,898,737)</u>
General revenues and other changes in net position					
Governmental activities:					
Unrestricted county appropriations - operating	514,023,140	475,847,283	429,719,331	408,760,031	384,849,031
Unrestricted county appropriations - capital	274,820,533	321,238,447	305,195,784	319,326,301	280,060,809
Unrestricted state appropriation - capital	1,359,984	693,296	387,942	428,778	816,720
Investment earnings, unrestricted	1,301,417	1,284,091	761,942	706,920	475,650
Non-Capital OPEB Plan Contribution	-	-	-	-	-
Miscellaneous, unrestricted	4,533,113	7,759,709	5,663,606	5,203,959	7,966,262
Transfer	(2,448,756)	(68,730)	(45,012)	(55,355)	(45,187)
Total governmental activities	<u>793,589,431</u>	<u>806,754,096</u>	<u>741,683,593</u>	<u>734,370,634</u>	<u>674,123,285</u>
Business-type activities:					
Investment earnings, unrestricted	434,301	486,209	374,257	278,130	199,082
Non-Capital OPEB Plan Contribution	-	-	-	-	-
Transfer	2,448,756	68,730	45,012	55,355	45,187
Total business-type activities	<u>2,883,057</u>	<u>554,939</u>	<u>419,269</u>	<u>333,485</u>	<u>244,269</u>
Total school district	<u>796,472,488</u>	<u>807,309,035</u>	<u>742,102,862</u>	<u>734,704,119</u>	<u>674,367,554</u>
Change in net position					
Governmental activities	241,491,061	254,655,726	86,994,662	152,213,394	241,580,818
Business-type activities	1,774,789	(553,329)	(6,822,706)	(353,647)	887,999
Total school district	<u>\$ 243,265,850</u>	<u>\$ 254,102,397</u>	<u>\$ 80,171,956</u>	<u>\$ 151,859,747</u>	<u>\$ 242,468,817</u>

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

	Fiscal Year				
	2025	2024	2023	2022	2021
General fund					
Nonspendable					
Inventories	\$ 6,030,526	\$ 4,982,024	\$ 4,840,017	\$ 4,815,908	\$ 4,238,945
Prepaid	-	-	-	-	-
Restricted					
Stabilization by state statute	5,581,263	9,284,010	5,820,934	5,736,628	5,038,800
Energy savings obligations	-	-	-	-	38,680
Assigned					
Special projects	6,297,547	11,307,101	12,885,694	14,169,986	38,458,921
Insurance	15,208,442	15,583,039	20,454,340	15,316,319	13,878,448
Potential unfunded pension liability	2,694,758	4,318,571	3,622,809	-	-
Flexible benefit plan	1,000,000	1,000,000	1,000,000	2,540,613	2,061,172
Subsequent year expenditures	21,400,000	32,396,095	25,200,000	27,926,893	20,135,556
Unassigned	37,020,457	39,334,255	52,559,429	46,547,827	44,697,733
Total general fund	<u>\$ 95,232,993</u>	<u>\$ 118,205,095</u>	<u>\$ 126,383,223</u>	<u>\$ 117,054,174</u>	<u>\$ 128,548,255</u>
All other governmental funds					
Nonspendable					
Inventories	\$ 3,064,453	\$ 2,930,849	\$ 2,405,135	\$ 3,068,319	\$ 3,088,640
Restricted					
Stabilization by State Statute	420,084	441,238	361,908	327,123	2,015,382
Capital expenditures	1,188,408	2,491,255	3,037,162	2,605,325	1,400,218
Individual schools	11,396,941	11,645,349	11,069,749	10,843,932	10,063,049
Special Programs	210,791	69,621	132,664	51,110	51,110
Restricted contributions for capital expenditures	510,818	479,528	202,476	54,576	53,916
Assigned					
Special projects	944,652	1,049,463	1,066,155	1,098,531	934,777
Total all other governmental funds	<u>\$ 17,736,147</u>	<u>\$ 19,107,303</u>	<u>\$ 18,275,249</u>	<u>\$ 18,048,916</u>	<u>\$ 17,607,092</u>

(Continued)

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

	Fiscal Year				
	2020	2019	2018	2017	2016
General fund					
Nonspendable					
Inventories	\$ 5,905,099	\$ 4,559,114	\$ 4,438,637	\$ 3,919,935	\$ 3,435,317
Prepaid	-	-	105,263	49,622	88,607
Restricted					
Stabilization by state statute	5,005,418	5,057,968	5,261,993	4,797,511	4,116,427
Energy savings obligations	1,170,115	6,488,539	-	-	-
Assigned					
Special projects	19,296,846	13,899,683	9,838,302	14,420,578	14,270,811
Insurance	13,851,590	11,735,920	10,643,848	10,732,144	10,310,534
Potential unfunded pension liability	-	-	-	-	-
Flexible benefit plan	1,693,169	1,609,584	1,557,774	1,354,093	1,229,780
Subsequent year expenditures	8,695,601	8,107,000	4,900,000	12,840,355	10,400,000
Unassigned	35,271,113	11,391,203	12,135,493	9,899,217	13,880,710
Total general fund	<u>\$ 90,888,951</u>	<u>\$ 62,849,011</u>	<u>\$ 48,881,310</u>	<u>\$ 58,013,455</u>	<u>\$ 57,732,186</u>
All other governmental funds					
Nonspendable					
Inventories	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted					
Stabilization by State Statute	2,080,942	168,929	111,038	239,002	738,296
Capital expenditures	1,375,364	1,205,318	1,079,897	779,049	741,489
Individual schools	9,943,987	9,000,578	8,733,707	8,920,713	8,978,294
Special Programs	51,110	51,110	-	-	-
Restricted contributions for capital expenditures	48,896	27,832	27,832	85,442	27,808
Assigned					
Special projects	912,654	943,953	723,723	1,773,212	115,802
Total all other governmental funds	<u>\$ 14,412,953</u>	<u>\$ 11,397,720</u>	<u>\$ 10,676,197</u>	<u>\$ 11,797,418</u>	<u>\$ 10,601,689</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
2025	\$ 1,211,151,916	\$ 702,607,316	\$ 411,281,076	\$ 5,510,355	\$ 110,575,902	\$ 6,460,273	\$ 37,323,544	\$ 2,484,910,382
2024	1,165,660,666	644,262,316	417,540,186	5,594,187	164,520,225	8,084,502	44,852,692	2,450,514,774
2023	1,106,572,796	594,253,045	211,503,151	3,495,281	172,417,699	3,954,624	40,050,940	2,132,247,536
2022	1,057,448,544	544,205,101	278,419,093	2,624,170	284,670,939	282,701	34,800,932	2,202,451,480
2021	1,022,964,619	527,904,101	254,069,557	3,742,330	117,169,853	528,408	17,813,090	1,944,191,958
2020	1,002,665,787	515,955,101	272,888,572	3,481,015	89,524,020	4,069,139	33,409,472	1,921,993,106
2019	970,618,049	475,919,244	321,166,486	4,495,103	70,426,105	1,284,091	36,054,513	1,879,963,591
2018	908,160,414	430,911,000	304,004,115	4,087,338	70,339,551	761,942	32,285,650	1,750,550,010
2017	880,309,550	409,911,000	318,175,332	3,427,124	66,295,538	706,920	33,076,928	1,711,902,392
2016	839,894,769	386,000,000	278,909,840	5,176,776	70,453,401	475,650	33,017,341	1,613,927,777

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
2025	160,952	10,196 \$ 1,641,130,805	2,246 \$ 361,445,546	2 \$ 328,866	480 \$ 77,309,349
2024	159,827	9,631 \$ 1,608,466,235	2,193 \$ 350,550,609	3 \$ 443,385	428 \$ 68,394,906
2023	158,357	9,748 1,525,152,526	1,948 308,451,051	8 1,259,675	390 61,775,797
2022	158,654	8,330 1,546,486,140	1,987 315,172,022	27 4,311,156	346 54,939,793
2021	158,546	7,897 1,320,694,514	1,687 267,432,238	48 7,668,257	290 45,998,092
2020	161,835	7,772 1,278,049,260	1,786 289,034,698	24 3,815,741	256 41,425,520
2019	160,339	7,266 1,246,123,929	1,657 265,636,328	2,000 291,722	235 37,676,820
2018	160,095	7,019 1,163,219,125	1,619 259,114,420	- 25,777	197 31,486,467
2017	159,213	6,845 1,117,493,674	1,540 245,113,368	- 45,559	169 26,848,688
2016	156,644	1,072,274,881	1,563 244,878,979	- 61,198	156 24,407,069

(Continued)

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

Fiscal Year Ended June 30,	Debt Service	Total Operating	Capital Outlay	Total
2025	108 \$ 17,304,360	13,032 \$ 2,097,518,926	2,596 \$ 417,834,691	15,628 \$ 2,515,353,617
2024	115 \$ 18,331,009	12,803 \$ 2,046,186,144	2,652 \$ 423,877,310	15,455 \$ 2,470,063,454
2023	127 20,135,886	12,104 1,916,774,935	1,344 212,784,090	13,448 2,129,559,025
2022	83 13,196,332	12,191 1,934,105,443	1,778 282,130,503	13,969 2,216,235,946
2021	18 2,845,942	10,373 1,644,639,043	1,640 259,975,487	12,013 1,904,614,530
2020	8 1,359,984	9,971 1,613,685,203	1,708 276,350,723	11,679 1,890,035,926
2019	4 693,296	9,670 1,550,422,095	2,024 324,532,117	11,694 1,874,954,212
2018	2 387,942	9,084 1,454,233,731	1,918 307,043,335	11,001 1,761,277,066
2017	3 428,778	8,730 1,389,930,067	2,016 320,924,590	10,746 1,710,854,657
2016	5 816,720	8,570 1,342,438,847	1,811 283,720,859	10,381 1,626,159,706

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

Fiscal Year Ended June 30,	Excess of Revenues over (under) Expenditures	Transfers In	Transfers out	Installment Purchase, Capitalized Leases and Subscriptions Issued	Energy Savings Obligations Issued	Sale of School Property	Total Other Financing Sources (Uses)	Net Change In Fund Balance	Debt Service As A Percentage of Noncapital Expenditures
2025	\$ (30,443,235)	\$ 913,593	\$ (997,593)	\$ 4,738,709	\$ -	\$ 263,162	\$ 4,917,871	\$ (25,525,364)	0.8253%
2024	(19,548,680)	720,737	(765,737)	11,362,352	-	217,533	11,534,885	(8,013,795)	0.8986%
2023	2,688,511	718,976	(763,976)	7,310,444	-	240,503	7,505,947	10,194,458	1.0523%
2022	(13,784,466)	593,388	(1,536,329)	3,118,507	-	-	2,175,566	(11,608,900)	0.6806%
2021	39,577,428	429,776	(4,220,432)	3,644,185	-	-	(146,471)	39,430,957	0.1731%
2020	29,189,458	518,455	(2,967,211)	2,666,753	301,733	-	519,730	29,709,188	0.1747%
2019	5,009,379	492,774	(561,504)	2,773,184	6,854,914	-	9,559,368	14,568,747	0.0869%
2018	(10,727,056)	551,032	(596,044)	-	-	-	(45,012)	(10,772,068)	0.0442%
2017	1,047,735	2,415,913	(2,471,268)	-	-	-	(55,355)	992,380	0.0269%
2016	(12,231,929)	2,370,430	(2,415,617)	1,551,768	-	-	1,506,581	(10,725,348)	0.0300%

**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
2025	\$ 32,617,087	\$ 16,574,502	\$ 21,932,012	\$ 4,491,174	\$ 1,003,213	\$ 6,891,675	\$ 83,509,663
2024	30,138,439	13,982,848	19,850,564	4,802,778	3,732,515	6,373,332	78,880,476
2023	29,262,237	9,119,740	17,639,268	4,438,900	3,585,833	7,225,101	71,271,079
2022	25,591,125	7,713,176	17,900,231	4,913,849	3,037,765	6,517,175	65,673,321
2021	13,674,705	6,890,350	5,515,714	3,221,193	235,743	4,015,764	33,553,469
2020	22,873,936	11,406,627	11,798,865	3,482,054	2,905,783	8,461,873	60,929,138
2019	24,817,246	10,353,852	16,592,150	3,314,323	3,574,777	9,324,595	67,976,943
2018	23,495,607	12,724,047	18,456,777	3,720,564	3,827,629	10,308,300	72,532,924
2017	22,981,173	10,215,786	18,606,124	3,574,688	3,583,215	9,589,787	68,550,773
2016	22,164,409	7,917,753	19,530,729	3,507,389	3,534,612	8,714,031	65,368,923

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
2025	\$ 21,319,304	25.26%	\$ 13,031,347	15.44%	\$ 43,740,950	51.84%	\$ 4,491,174	5.32%
2024	21,813,937	28.87	12,516,720	16.40	34,601,297	45.05	4,802,778	6.29
2023	19,185,631	24.96	11,056,264	14.39	38,348,228	49.90	4,438,900	5.78
2022	3,371,913	3.79	8,580,634	9.65	67,951,257	76.44	4,913,849	5.53
2021	26,802	0.08	1,889,707	5.95	21,278,470	67.00	3,221,193	10.14
2020	12,417,023	22.46	10,299,433	18.63	24,924,911	45.09	3,482,054	6.30
2019	17,424,575	25.84	14,189,922	21.05	29,001,728	43.01	3,314,323	4.92
2018	17,271,145	26.28	13,971,475	21.26	29,942,507	45.57	3,720,564	5.66
2017	18,083,111	26.52	13,372,693	19.61	31,014,513	45.48	3,574,688	5.24
2016	17,315,970	26.14	13,531,484	20.42	31,671,137	47.80	3,507,389	5.29

(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
2025	\$ 84,000	0.10%	\$ 1,711,033	2.03%	\$ 84,377,808	100%
2024	45,000	0.06	2,762,263	3.33	76,541,995	100.00
2023	45,000	0.06	3,779,678	4.91	76,853,701	100
2022	942,941	1.06	3,137,830	3.53	88,898,424	100
2021	3,790,656	11.94	1,552,738	4.89	31,759,566	100
2020	2,448,756	4.43	1,709,312	3.09	55,281,489	100
2019	68,730	0.10	3,424,336	5.08	67,423,614	100
2018	45,012	0.07	759,515	1.16	65,710,218	100
2017	55,355	0.08	2,096,766	3.07	68,197,126	100
2016	45,187	0.07	185,755	0.28	66,256,922	100

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

Fiscal Year Ended June 30,	Energy Savings	Installment Purchase	Leases	Subscription-Based Information Technology Arrangements	Total	Per Student
2025	\$ 5,065,282	\$ 4,908,946	\$ 76,340,541	\$ 4,611,208	\$ 90,925,977	\$564.93
2024	5,511,545	3,626,445	83,473,223	8,800,784	101,411,997	634.51
2023	5,943,350	2,374,340	89,216,577	6,993,757	104,528,024	658.84
2022	6,361,167	4,542,382	94,293,039	-	105,196,588	663.06
2021	6,765,452	4,829,798	-	-	11,595,250	73.13
2020	7,156,647	3,386,657	-	-	10,543,304	65.15
2019	6,854,914	2,079,888	-	-	8,934,802	55.72
2018	-	-	-	-	-	-
2017	-	387,942	-	-	387,942	2.44
2016	-	816,719	-	-	816,719	5.21

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)
2025	\$ 274,601,662,160	\$ 28,784,783,804	\$ 4,306,352,977	\$ 307,692,798,941	0.5135	0.108	0.6210
2024	178,533,044,678	29,015,473,730	4,023,270,413	211,571,788,821	0.6570	0.103	0.7597
2023	172,306,847,506	26,971,314,139	3,874,946,548	203,153,108,193	0.6195	0.103	0.7222
2022	167,914,600,900	24,887,995,618	3,731,411,649	196,534,008,167	0.6000	0.103	0.7027
2021	164,833,716,084	23,985,614,652	3,612,462,959	192,431,793,695	0.6000	0.091	0.6910
2020	130,415,759,631	21,684,607,511	3,572,974,390	155,673,341,532	0.7207	0.096	0.8167
2019	126,482,475,772	18,690,880,426	3,454,215,945	148,627,572,143	0.6544	0.096	0.7504
2018	122,874,155,245	17,897,487,797	3,447,570,780	144,219,213,822	0.6150	0.096	0.7110
2017 (2)	120,471,086,726	17,470,741,388	3,469,182,180	141,411,010,294	0.6005	0.096	0.6965
2016	112,361,475,069	16,275,947,271	3,313,577,575	131,950,999,915	0.615	0.080	0.695

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 2025.

(3) Per \$100 of value.

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2025.

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

Fiscal Year Ended June 30,	Taxes Levied by Wake County			Direct and Overlapping Taxes Levied by Municipalities						
	County- Wide Rate	Various Special Tax Districts	Average County Rate	Town of Angier	Town of Apex	Town of Cary	Town of Clayton	Town of Fuquay- Varina	Town of Garner	Town of Holly Springs
2025	.5135	.1075	.6210	.49	.34	.325	.65	.3580	.5200	.3435
2024	.6570	.1027	.7597	.49	.44	.345	.600	.4550	.6270	.4216
2023	.6195	.1027	.7222	.49	.41	.345	.600	.4250	.5521	.4216
2022	.6000	.1027	.7027	.53	.39	.345	.580	.3950	.5121	.4216
2021	.6000	.091	.6910	.53	.38	.35	.580	.3950	.4971	.4216
2020	.7207	.096	.8167	.53	.4150	.35	.580	.4325	.5600	.4825
2019	.6544	.096	.7504	.53	.4150	.35	.580	.4325	.5325	.4325
2018	.6150	.096	.7110	.53	.3800	.35	.550	.4325	.5325	.4325
2017 (2)	.6005	.096	.6965	.53	.3800	.35	.550	.4330	.5180	.4330
2016	.6145	.080	.6945	.53	.3900	.37	.550	.3850	.5180	.4350

(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 2025.

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2025.

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
2025	.44	.35	.3550	.40	.42	.42	.577
2024	.45	.39	.4330	.46	.505	.47	.575
2023	.45	.39	.3930	.46	.495	.47	.575
2022	.42	.36	.3730	.46	.495	.47	.55
2021	.42	.36	.3552	.46	.495	.47	.55
2020	.43	.390	.4382	.48	.52	.49	.592
2019	.43	.390	.4382	.48	.52	.49	.592
2018	.43	.390	.4253	.48	.52	.49	.575
2017 (2)	.43	.390	.4180	.48	.52	.49	.575
2016	.43	.410	.4210	.44	.52	.49	.525

- 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 2025.

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2025.

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

Taxpayer	Fiscal Year 2025			Fiscal Year 2016		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy Progress, Inc	\$2,704,272,935	1	0.98%	\$1,685,700,978	1	1.28%
Highwoods Realty LP	825,492,897	2	0.30%	561,299,659	3	0.43%
Seqirus Inc	789,263,679	3	0.29%	-	-	-
SAS Institute Inc	731,313,259	4	0.27%	601,994,888	2	0.46%
Fujifilm Diosynth Biotechnologies	674,183,423	5	0.25%	-	-	-
WMCi Raleigh LLC	599,860,385	6	0.22%	237,030,069	10	0.18%
First Citizens Bank	510,773,490	7	0.19%	-	-	-
Cisco Systems Inc	448,594,201	8	0.16%	480,112,016	4	0.36%
Truist Bank	419,940,080	9	0.15%	-	-	-
Mid America Apartments LP	407,875,589	10	0.15%	-	-	-
NC Eastern Municipal Power Agency	-	-	-	342,038,002	5	0.26%
CVM Holdings LLC	-	-	-	334,549,760	6	0.25%
Network Appliance Inc	-	-	-	316,669,282	7	0.24%
Duke Realty LP	-	-	-	299,962,858	8	0.23%
Public Service Company of NC	-	-	-	244,936,518	9	0.19%
	<u>\$8,111,569,938</u>		<u>2.95%</u>	<u>\$5,104,294,030</u>		<u>3.87%</u>

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2025.

**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
2025	\$ 1,644,003,075	\$ (24,108,958)	\$ 1,619,894,117	\$ 1,617,705,846	99.86%	\$ -	\$ 1,617,705,846	99.86%
2024	1,412,538,274	(2,441,127)	1,410,097,147	1,409,264,815	99.94%	(4,654,706)	1,409,264,815	99.61%
2023	1,275,203,166	(2,294,018)	1,272,909,148	1,271,982,229	99.93%	(3,240,745)	1,268,741,484	99.67%
2022	1,197,770,657	(3,686,211)	1,194,084,446	1,193,146,562	99.92%	221,752	1,193,368,314	99.93%
2021	1,173,469,163	(10,534,301)	1,162,934,862	1,161,494,700	99.88%	544,625	1,162,039,325	99.92%
2020	1,130,623,568	(1,373,567)	1,129,250,001	1,126,999,613	99.80%	1,619,921	1,128,619,534	99.94%
2019	999,314,645	(1,372,951)	997,941,694	996,947,099	99.90%	611,468	997,558,567	99.96%
2018	914,686,233	(1,989,030)	912,697,203	911,681,836	99.89%	830,564	912,512,400	99.98%
2017	877,544,091	(7,317,373)	870,226,718	869,108,487	99.87%	954,560	870,063,047	99.98%
2016	833,221,749	(835,817)	832,385,932	831,114,362	99.85%	1,104,226	832,218,588	99.98%

Notes:

Taxes for the fiscal year ended June 30, 2025 at the collection rate of 99.86% are a composite of the following collections by category:

Vehicle taxes	99.59%
Real and personal property taxes	99.98%

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

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2025.

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
2025	\$ 1,877,150,855	\$ 80,408,805	\$ -	\$ 1,293,442,333	\$ -	\$ -
2024	1,770,764,327	19,508,236	99,146,737	1,068,023,172	-	-
2023	1,934,768,668	36,253,724	22,763,012	979,409,322	-	-
2022	1,806,519,670	107,773,717	21,456,798	903,631,077	2,278,115	-
2021	1,724,981,737	78,352,012	-	961,205,881	3,002,115	-
2020	1,763,962,578	36,078,529	239,242,066	620,426,297	3,719,115	-
2019	1,913,368,260	-	-	646,146,796	4,427,115	-
2018	1,937,469,050	50,197,448	3,485,580	424,746,261	5,306,359	-
2017	1,901,610,244	100,229,537	3,928,079	264,041,694	5,115,000	-
2016	1,969,481,706	1,301,000	-	279,088,791	4,007,860	163,467

(Continued)

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2025.

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income	Per Capita
	Leases	Suscription Based Information Technology Agreements	Total Governmental Activities	Leases	Total Primary Government		
2025	\$ 38,270,975	\$ 9,850,825	\$ 3,299,123,793	\$ -	\$ 3,299,123,793	3.41%	2,684
2024	41,322,744	4,815,327	3,003,580,543	-	3,003,580,543	3.60%	2,523
2023	43,819,021		3,017,013,747	-	3,017,013,747	3.60%	2,568
2022	46,343,985		2,888,003,362	-	2,888,003,362	3.84%	2,511
2021	26,380		2,767,568,125	-	2,767,568,125	3.93%	2,450
2020	32,305		2,663,460,890	-	\$ 2,663,460,890	4.01%	2,396
2019	34,883		2,563,977,054	-	2,563,977,054	4.18%	2,347
2018	34,333		2,421,239,031	-	2,421,239,031	4.28%	2,258
2017	37,553		2,274,962,107	-	2,274,962,107	4.29%	2,173
2016	390,611		2,254,433,435	-	2,254,433,435	4.25%	2,201

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2025.

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		
2025	\$ 1,877,150,855	\$ 80,408,805	\$ 1,957,559,660	0.64%	\$ 1,592.46
2024	1,770,764,327	19,508,236	1,790,272,563	0.85%	1,504.08
2023	1,934,768,668	36,253,724	1,971,022,392	0.97%	1,677.44
2022	1,806,519,670	107,773,717	1,914,293,387	0.97%	1,664.31
2021	1,724,981,737	78,352,012	1,803,333,749	0.93%	1,596.70
2020	1,763,962,578	-	1,763,962,578	1.16%	1,751.68
2019	1,913,368,260	-	1,913,368,260	1.29%	1,751.68
2018	1,937,469,050	50,197,448	1,987,666,498	1.38%	1,853.82
2017	1,901,610,244	100,229,537	2,001,839,781	1.42%	1,912.36
2016	1,969,481,706	1,301,000	1,970,782,706	1.49%	1,924.22

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2025.

WAKE COUNTY BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2025

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Municipality:			
Apex	\$ 90,828,723	100%	\$ 90,828,723
Cary	181,853,603	100%	181,853,603
Fuquay-Varina	67,235,000	100%	67,235,000
Garner	84,331,847	100%	84,331,847
Holly Springs	154,554,420	100%	154,554,420
Knightdale	28,795,957	100%	28,795,957
Morrisville	55,816,796	100%	55,816,796
Raleigh	701,614,760	100%	701,614,760
Rolesville	6,490,000	100%	6,490,000
Wake Forest	58,067,408	100%	58,067,408
Wendell	18,093,592	100%	18,093,592
Zebulon	1,750,651	100%	1,750,651
Wake County	<u>3,289,272,968</u>	100%	<u>3,289,272,968</u>
Overlapping debt	4,738,705,725		4,738,705,725
Direct debt	<u>90,925,977</u>		<u>90,925,977</u>
Total direct and overlapping debt	<u>\$ 4,829,631,702</u>		<u>\$ 4,829,631,702</u>

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2025.

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

	Fiscal Year				
	2025	2024	2023	2022	2021
Assessed value of property	\$ 307,692,798,941	\$ 211,571,788,821	\$ 203,153,108,193	\$ 196,534,008,167	\$ 192,431,793,695
Debt limit, 8% of assessed value (Statutory Limitation)	<u>24,615,423,915</u>	<u>16,925,743,106</u>	<u>16,252,248,655</u>	<u>15,722,720,653</u>	<u>15,394,543,496</u>
Amount of debt applicable to limit					
General obligation bonds	1,671,460,000	1,558,035,000	1,704,400,000	1,595,065,000	1,525,740,000
GO bond anticipation notes	80,408,805	19,508,236	36,253,724	107,773,716	78,352,012
Other Long Term Debt	1,171,246,799	1,051,224,807	889,862,033	824,368,897	805,198,495
Bonds Authorized not Issued	<u>943,360,000</u>	<u>1,117,995,000</u>	<u>1,183,815,000</u>	<u>602,240,000</u>	<u>849,830,000</u>
Total net debt applicable to limit	<u>3,866,475,604</u>	<u>3,746,763,043</u>	<u>3,814,330,757</u>	<u>3,129,447,613</u>	<u>3,259,120,507</u>
Legal debt margin	<u>\$ 20,748,948,311</u>	<u>\$ 13,178,980,063</u>	<u>\$ 12,437,917,898</u>	<u>\$ 12,593,273,040</u>	<u>\$ 12,005,112,989</u>
Total net debt applicable to limit as a percentage of debt limit	<u>15.71%</u>	<u>22.14%</u>	<u>23.47%</u>	<u>19.90%</u>	<u>21.17%</u>

(Continued)

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

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2025.

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

	Fiscal Year				
	2020	2019	2018	2017	2016
Assessed value of property	\$ 155,673,341,532	\$ 148,627,572,143	\$ 144,219,213,822	\$ 141,411,010,294	\$ 131,950,999,915
Debt limit, 8% of assessed value (Statutory Limitation)	12,453,867,323	11,890,205,771	11,537,537,106	11,312,880,824	10,556,079,993
Amount of debt applicable to limit					
General obligation bonds	1,580,690,000	1,727,510,000	1,762,270,000	1,727,865,000	1,812,535,000
GO bond anticipation notes	36,078,529	-	50,197,448	100,229,537	1,301,000
Other Long Term Debt	772,873,485	554,346,998	374,041,272	231,140,632	238,761,938
Bonds Authorized not Issued	980,140,000	1,017,000,000	147,152,552	294,865,463	509,909,000
Total net debt applicable to limit	3,369,782,014	3,298,856,998	2,333,661,272	2,354,100,632	2,562,506,938
Legal debt margin	\$ 9,084,085,309	\$ 8,591,348,773	\$ 9,203,875,834	\$ 8,958,780,192	\$ 7,993,573,055
Total net debt applicable to limit as a percentage of debt limit	27.06%	27.74%	20.23%	20.81%	24.28%

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

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2025.

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
2025	1,229,269	*	*	160,952	3.4%
2024	1,190,275	*	*	159,827	3.6%
2023	1,175,021	\$ 96,795,590	\$ 81,322	158,357	3.1%
2022	1,150,204	90,351,452	77,172	158,654	3.4%
2021	1,129,410	85,563,104	74,254	158,546	4.1%
2020	1,111,761	74,489,625	65,892	161,835	7.1%
2019	1,092,305	69,016,602	61,948	160,339	3.9%
2018	1,072,203	65,358,983	59,777	160,095	3.6%
2017	1,046,791	59,909,444	55,808	159,213	3.9%
2016	1,024,198	57,023,200	54,317	156,644	4.2%

* Information not yet available

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2025.

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

Employer	2025			2016		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
State of North Carolina	24,083	1	3.84%	24,083	1	5.01%
Wake County Public School System	17,000	2	2.71%	18,554	2	3.86%
Wal-Mart	16,800	3	2.68%	-	-	-
WakeMed Health & Hospitals	10,307	4	1.65%	8,422	4	1.64%
Food Lion	9,037	5	1.44%	-	-	-
North Carolina State University	9,019	6	1.44%	7,876	5	1.75%
Target	8,400	7	1.34%	-	-	-
UNC Rex Healthcare	7,700	8	1.23%	5,300	7	1.10%
Harris Teeter	5,300	9	0.85%	-	-	-
Lenovo	5,100	10	0.81%	-	-	-
SAS Institute Inc	-	-	-	5,232	8	1.09%
IBM	-	-	-	10,000	3	2.08%
GlaxoSmithKline Inc	-	-	-	4,950	9	1.03%
Cisco Systems	-	-	-	5,500	6	1.15%
NC DHHS	-	-	-	3,800	10	1.03%
	<u>112,746</u>		<u>17.99%</u>	<u>93,717</u>		<u>19.74%</u>

Source: Wake County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2025.

Data from 2025 unavailable, date from 2024 used

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
School and school based support										
Principals	194	196	195	190	190	190	183	181	172	173
Assistant principals, nonteaching	451	446	422	426	394	387	363	337	336	324
Elementary teachers	4,136	4,066	3,986	4,065	4,012	4,119	4,212	4,446	4,501	4,517
Secondary teachers	4,295	4,223	4,184	4,265	4,224	4,290	4,407	4,356	4,144	4,103
Other teachers	2,389	2,507	2,504	2,667	2,437	2,330	2,028	1,814	1,820	1,737
Guidance	520	510	481	484	464	413	400	472	476	457
Psychological	116	123	117	123	110	110	106	107	103	100
Librarian, audiovisual	221	222	218	211	213	215	210	222	213	208
Consultant, supervisor	143	133	118	114	99	98	99	100	95	97
Teacher assistants	<u>2,636</u>	<u>2,579</u>	<u>2,465</u>	<u>2,376</u>	<u>2,450</u>	<u>2,476</u>	<u>2,478</u>	<u>2,437</u>	<u>2,395</u>	<u>2,419</u>
Total school and school based support	<u>15,101</u>	<u>15,005</u>	<u>14,690</u>	<u>14,921</u>	<u>14,593</u>	<u>14,628</u>	<u>14,486</u>	<u>14,472</u>	<u>14,255</u>	<u>14,135</u>
Central services										
Administrators, managers	25	25	24	23	25	25	21	23	21	20
Technicians	151	152	142	130	116	117	410	360	353	354
Clerical, secretarial	803	789	786	789	796	796	724	983	986	986
Service workers	1,433	1,419	1,477	1,612	1,783	1,888	1,850	1,636	1,638	1,633
Skilled crafts	290	291	284	276	278	288	278	300	298	306
Other professionals	<u>2,160</u>	<u>2,077</u>	<u>1,975</u>	<u>1,963</u>	<u>1,953</u>	<u>1,818</u>	<u>1,209</u>	<u>934</u>	<u>872</u>	<u>852</u>
Total central services	<u>4,862</u>	<u>4,753</u>	<u>4,688</u>	<u>4,793</u>	<u>4,951</u>	<u>4,932</u>	<u>4,492</u>	<u>4,236</u>	<u>4,168</u>	<u>4,151</u>
Total full time employees	<u>19,963</u>	<u>19,758</u>	<u>19,378</u>	<u>19,714</u>	<u>19,544</u>	<u>19,560</u>	<u>18,978</u>	<u>18,708</u>	<u>18,423</u>	<u>18,286</u>

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
2025	160,952	0.70%	\$ 2,097,518,926	\$ 13,032	1.76%	199	13,116
2024	159,827	0.93%	2,046,906,948	12,807	5.81%	198	12,667
2023	158,357	-0.19%	1,916,774,935	12,104	-0.71%	198	12,180
2022	158,654	0.07%	1,934,105,443	12,191	17.53%	195	11,656
2021	158,546	-2.03%	1,644,639,043	10,373	4.03%	194	12,027
2020	161,835	0.93%	1,613,685,203	9,971	3.11%	191	11,960
2019	160,339	0.15%	1,550,422,095	9,670	6.45%	187	11,592
2018	160,095	0.55%	1,454,233,731	9,084	4.05%	183	11,125
2017	159,213	1.64%	1,389,930,067	8,730	1.87%	177	10,819
2016	156,644	1.06%	1,342,438,847	8,570	4.17%	171	10,502

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>
2025	\$ 48,339.90	\$ 109,352.16	\$ 62,708.49
2024	46,057.60	102,001.32	60,818.77
2023	43,689.70	99,781.92	58,331.96
2022	41,892.40	99,607.08	55,278.05
2021	41,274.60	98,133.96	56,515.89
2020	41,274.60	91,936.30	56,032.39
2019	41,212.50	97,946.16	56,934.80
2018	41,037.50	96,545.52	55,399.27
2017	41,037.50	93,128.88	54,459.90
2016	41,037.50	94,170.00	50,802.93

Source: Wake County Public Schools Human Resources Department

WAKE COUNTY BOARD OF EDUCATION
CAPITAL ASSETS INFORMATION
LAST TEN YEARS

	2025	2024	2023	2022	2021
Schools					
Elementary					
Buildings	218	214	214	215	212
Square feet	10,968,436	10,573,400	10,573,400	10,525,289	10,293,202
Capacity	74,965	74,070	73,406	73,414	73,406
Membership	69,553	68,721	67,791	68,262	68,535
Mobile classrooms	537	529	579	579	579
Middle					
Buildings	129	129	127	127	125
Square feet	6,650,577	6,650,577	6,407,922	6,407,922	6,025,480
Capacity	43,888	43,170	42,380	42,380	42,380
Membership	37,047	35,558	37,583	36,601	37,396
Mobile classrooms	163	157	165	165	165
High					
Buildings	230	224	224	224	224
Square feet	7,946,730	7,549,632	7,549,632	7,549,632	7,549,632
Capacity	57,060	56,871	54,251	55,371	54,251
Membership	52,816	53,479	50,321	51,931	50,039
Mobile classrooms	258	252	247	247	247
Other (includes academies)					
Buildings	12	11	10	10	10
Square feet	285,324	276,942	251,212	251,212	251,212
Capacity	2,770	2,770	2,740	2,740	2,740
Membership	1,536	2,069	2,662	1,860	2,576
Mobile classrooms	14	14	14	14	14
Administrative					
Buildings	19	19	19	19	19
Square Feet	508,081	508,081	508,081	508,081	508,081
Transportation					
Buses	557	538	577	632	693

(Continued)

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

WAKE COUNTY BOARD OF EDUCATION
CAPITAL ASSETS INFORMATION
LAST TEN YEARS

	2020	2019	2018	2017	2016
Schools					
Elementary					
Buildings	211	207	209	210	206
Square feet	10,174,118	9,873,283	9,600,466	9,284,509	8,769,259
Capacity	71,177	70,498	77,232	76,596	74,521
Membership	72,245	71,857	73,098	73,717	72,811
Mobile classrooms	552	565	527	560	581
Middle					
Buildings	125	122	121	120	115
Square feet	6,025,480	5,810,972	5,577,309	5,374,984	5,327,777
Capacity	41,553	40,669	40,141	38,737	38,109
Membership	37,551	36,980	35,895	35,234	34,925
Mobile classrooms	192	180	142	167	176
High					
Buildings	223	223	213	229	226
Square feet	7,178,907	7,178,907	6,919,426	6,978,461	6,956,509
Capacity	52,614	50,656	50,526	48,921	48,476
Membership	49,872	49,716	49,253	47,969	46,990
Mobile classrooms	245	261	286	310	336
Other (includes academies)					
Buildings	9	9	11	9	9
Square feet	221,196	221,196	298,405	271,580	276,564
Capacity	2,684	2,531	2,728	2,681	2,095
Membership	2,167	1,786	1,849	2,293	1,918
Mobile classrooms	10	13	13	19	19
Administrative					
Buildings	19	17	17	17	17
Square Feet	508,081	339,668	340,160	340,160	340,160
Transportation					
Buses	764	762	751	760	814

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



Single Audit Section

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

Independent Auditor's Report

Wake County Board of Education
Cary, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wake County Board of Education, North Carolina ("Board") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated December 16, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Forvis Mazars, LLP

**Greensboro, North Carolina
December 16, 2025**

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

Independent Auditor's Report

Wake County Board of Education
Cary, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Wake County Board of Education, North Carolina ("Board") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Board's major federal programs for the year ended June 30, 2025. The Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Board's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the Board's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Forvis Mazars, LLP

**Greensboro, North Carolina
December 16, 2025**

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

Independent Auditor's Report

Wake County Board of Education
Cary, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Wake County Board of Education, North Carolina ("Board") compliance with the types of compliance requirements 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 Board's major state programs for the year ended June 30, 2025. The Board's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2025.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the 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) as described in the *Audit Manual for Governmental Auditors in North Carolina* and the State Single Audit Implementation Act. Our responsibilities under those standards and the applicable sections of Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the applicable sections of Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Board's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the Board's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Forvis Mazars, LLP

**Greensboro, North Carolina
December 16, 2025**

**Wake County Board of Education
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2025**

1. Summary of Auditors' Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None reported

Noncompliance material to financial statements noted

Yes No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified Yes None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance 2 CFR 200.516(a)?

Yes No

Identification of major federal programs:

<u>Assistance Listing</u>	<u>Names of Federal Program or Cluster</u>
87.027, 84.173	Special Education Cluster
84.165A	Magnet School Assistance Cluster
84.374A	Project Leaders
84.367	Supporting Effective Instruction

The dollar threshold used to distinguish between Type A and Type B Programs

\$ 3,000,000

Auditee qualified as a low-risk auditee?

Yes No

**Wake County Board of Education
Summary Schedule of Prior Year's Audit Finding
Fiscal Year Ended June 30, 2025**

There were no findings or questioned costs related to the audit of federal and state awards for the fiscal year ended June 30, 2024.

**WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR YEAR ENDED JUNE 30, 2025**

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass- Through Grantor's Number	Expenditures
<u>FEDERAL GRANTS:</u>			
<u>U.S. Department of Agriculture</u>			
School Nutrition Program (Note 3)			
<u>Child Nutrition Cluster:</u>			
Non-Cash Assistance (Commodities)			
Passed through the N.C. Department of Agriculture:			
National School Lunch Program	10.555	35	\$ 4,491,174
Non-Cash Assistance			4,491,174
Cash Assistance:			
Passed through the N.C. Department of Public Instruction:			
National School Lunch Program	10.555	35	43,048,724
Summer School Food Program for Children	10.559	35	499,640
Passed through the N.C. Department of Health and Human Services:			
Fresh Fruit and Vegetable Program	10.582	35	192,586
Total Cash Assistance			43,740,950
Total Child Nutrition Cluster			48,232,124
Passed through the N.C. Department of Agriculture and Consumer Services:			
Local Food for Schools Cooperative Agreement Program	10.185	353	182,948
Total U.S. Department of Agriculture			48,415,072
<u>U.S. Department of Education</u>			
Cash Assistance:			
Direct Programs			
Magnet Schools Assistance Synergy 2022	84.165A	396	2,906,922
Magnet Schools Project Elevate	84.165A	398	2,706,591
Magnet Schools Project Nexus	84.165A	395	2,604,219
Total Magnet School Assistance			8,217,732
Teacher and School Leader Incentive Program (Project Leaders)	84.374A	397	3,381,334
Indian Education Formula Grants to Local Education Agencies	84.060A	310	52,667
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	28,906,498
Targeted Support Improvement - TSI	84.010A	115	209,643
School Improvements	84.010A	105	361,317
Total Title I Grants to Local Education Agencies (Title I)			29,477,458

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass- Through Grantor's Number	Expenditures
<u>Special Education Cluster:</u>			
Special Education - Grants to States (IDEA, Part B) -			
Education of the Handicapped	84.027	60	\$ 41,540,010
Coordinated Early Intervening Services	84.027	70	6,228,547
Special Needs Targeted Assistance	84.027	118	27,807
Special Education - Preschool Grants (IDEA Preschool) -			
Preschool Handicapped	84.173	49	665,419
Preschool Targeted Assistance	84.173	119	<u>19,632</u>
Total Special Education Cluster			48,481,415
Career and Technical Education - Capacity Building Grant	84.048	17	1,641,584
English Language Acquisition Grants	84.365	104, 111	2,422,484
Supporting Effective Instruction	84.367	103	4,267,318
Student Support and Academic Enrichment	84.424A	108	2,246,449
COVID-19 Education Stabilization Fund	84.425		
ARP - ESSER III - K-12 Emergency Relief Fund	84.425U	181	5,803,576
ARP-ESSER III-Summer Career Accelerator Programs	84.425U	188	1,606,148
ARP-ESSER III-Math Enrichment Programs	84.425U	189	1,918,941
ARP-ESSER III-Grants for Identification & Location of Missing Students	84.425U	191	29,760
ARP-ESSER III-Dist. & Regional Supp Sch Improvement/ Leadership Grants	84.425U	195	(1,444)
ARP ACT-NBPTS Certification Fee Reimbursement Program	84.425U	198	48,712
ARP-ESSER III-Educ & Competitive After-School Robotics Grant	84.425U	201	(99)
ARP-ESSER III-School Psychologists Grant Program	84.425U	204	2,187
ARP - ESSER III - Homeless II	84.425W	184	53,946
Passed through TeachNC			
CRRSA-GEER Scholarship Funds	84.425R	375	<u>\$ 5,745</u>
Total COVID-19 Education Stabilization Fund			<u>9,467,472</u>
State Personnel Development Grant - NC State Improvement	84.323A	82	<u>12,060</u>
Total U.S. Department of Education			<u>109,667,973</u>
<u>U.S. Department of Defense</u>			
Direct Program			
Direct Program - ROTC	None	301	601,750

(Continued)

WAKE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass- Through Grantor's Number	Expenditures
<u>U.S. Department of Treasury</u>			
Passed-through Wake County - Coronavirus Relief Fund			
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	374	123,231
Total U.S. Department of Treasury			<u>123,231</u>
Total Federal Assistance			<u>158,808,026</u>
<u>STATE GRANTS:</u>			
Cash Assistance			
<u>N.C. Department of Public Instruction</u>			
State Public School Fund		xxxx	1,140,246,908
Drivers Training - SPSF		12	3,669,308
Technology Fund - SPSF		15	2,897,676
Career & Technical Education:			
State Months of Employment		13	58,212,593
Program Support Funds		14	2,909,217
Reduced-price breakfast			110,883
Professional leave funding		509	6,097
<u>N. C. Agricultural Education</u>			
CTE Grants for Agriculture		433	39,200
Non-Cash Assistance			
<u>N.C. Department of Public Instruction</u>			
Financed Purchase of School Buses		120	3,170,917
Total State Assistance			<u>1,211,262,799</u>
TOTAL FINANCIAL ASSISTANCE			<u>\$ 1,370,070,825</u>

WAKE COUNTY BOARD OF EDUCATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2025

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, 2025. The information in this (SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Wake County Board of Education, it is not intended to and does not present the financial positions, changes in net position, or cash flows of Wake County Board of Education.

Note 2: Summary of Significant Accounting Policies

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

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

Note 3: Cluster of Programs

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

Note 4: Non-cash Assistance

Included in the amounts reported on the SEFSA, the Board received non-cash assistance in the form of food commodities and school buses. Non-cash items with a fair value of \$7,662,091 were received during the year ended June 30, 2025. These non-cash items received were included in the determination of federal and state awards expended for the year ended June 30, 2025.