



**2021**

For the fiscal year ended June 30, 2021

# Annual Comprehensive Financial Report

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**Union County Board of Education**  
Monroe, North Carolina  
**Annual Comprehensive**  
**Financial Report**  
**For the Year Ended June 30, 2021**

***Board Members***

Melissa Merrell, Chairperson  
Kathy Heintel, Vice-Chair

Todd Price	Joseph Morreale
Rev. John L. Kirkpatrick, IV	Rev. Jimmy H. Bention, Sr.
Sarah May	Gary Sides
Matt Helms	

***Principal Officers***

Andrew G. Houlihan, Ed.D.	Superintendent
Bashawn Harris, Ed.D.	Asst. Superintendent of Human Resources
VACANT	Asst. Superintendent of Administration & Operations
Tahira Stalberte	Asst. Superintendent of Communications & Community Relations
Jarrold McCraw	Asst. Superintendent of Student Support
Brad Breedlove, Ed.D.	Chief Academic Officer
James Parker	Chief Technology Officer
Shanna McLamb	Chief Finance Officer
Michele Morris, JD	General Counsel

Prepared by Shanna McLamb  
and the Finance Department

**UNION COUNTY BOARD OF EDUCATION**  
**TABLE OF CONTENTS**

---

**INTRODUCTORY SECTION**

Letter of Transmittal .....	i
Organizational Chart .....	v
Certificate of Achievement for Excellence in Financial Reporting – GFOA .....	vi

**FINANCIAL SECTION**

<b><u>Exhibit</u></b>	<b><u>Page No.</u></b>
Independent Auditors' Report .....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government – wide Financial Statements:	
1    Statement of Net Position .....	11
2    Statement of Activities.....	12
Fund Financial Statements:	
3    Balance Sheet – Governmental Funds .....	13
4    Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds.....	15
5    Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities .....	16
6    Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund and Annually Budgeted Major Special Revenue Funds .....	17
7    Statement of Net Position – Proprietary Fund Type .....	21
8    Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund Type .....	22
9    Statement of Cash Flows – Proprietary Fund Type.....	23
Notes to the Basic Financial Statements .....	25
Required Supplementary Information:	
Schedule of the Board's Proportionate Share of the Net Pension Liability – Teachers' and State Employees' Retirement System .....	51
Schedule of Board Contributions – Teachers' and State Employees' Retirement System .....	52
Schedule of the Board's Proportionate Share of the Net OPEB Liability – Retiree Health Benefit Fund .....	53
Schedule of Board Contributions – Retiree Health Benefit Fund .....	54
Schedule of the Board's Proportionate Share of the Net OPEB Asset – Disability Income Plan of North Carolina .....	55
Schedule of Board Contributions – Disability Income Plan of North Carolina .....	56

**UNION COUNTY BOARD OF EDUCATION**  
**TABLE OF CONTENTS (continued)**

---

Combining and Individual Fund Statements and Schedules:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund .....	57
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Capital Outlay Fund.....	59
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) School Food Service Fund.....	60
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) After School Program.....	62

**STATISTICAL SECTION**

<b><u>Table</u></b>		<b><u>Page No.</u></b>
	Statistical Section (Unaudited).....	63
1	Financial Perspective Governmental and Business-type Activities – Fiscal year ended June 30, 2021 .....	64
2	Net Position by Component.....	65
3	Changes in Net Position .....	67
4	Governmental Funds – Fund Balances .....	69
5	Governmental Funds – Changes in Fund Balances.....	70
6	Capital Project – Revenues by Source .....	72
7	Capital Project – Expenditures by Function.....	74
8	Proprietary Fund – Food Service Operations – Revenues by Source .....	76
9	Proprietary Fund – Food Service Operations – Expenses by Category.....	78
10	Operational Expenditures Per Pupil – Expenditures by Function.....	80
11	Final Average Daily Membership .....	82
12	Teachers’ Salaries .....	83
13	School Building Data .....	84
14	Ratios of Outstanding Debt by Type.....	86
Union County, North Carolina		
15	Governmental Funds Revenues by Source.....	87
16	Governmental Funds Expenditures by Function .....	88
17	Property Tax Levies and Current Collections.....	89
18	Demographic Statistics .....	90
19	Top Ten Principal Taxpayers.....	91
20	Property Tax Rates – All Overlapping Governments.....	92
21	Operating Indicators by Function/Program.....	93
22	Capital Asset Statistics by Function/Program.....	94
23	Principal Employers .....	95
24	Ratios of Outstanding Debt by Type.....	96

**UNION COUNTY BOARD OF EDUCATION**  
**TABLE OF CONTENTS (continued)**

---

<b><u>COMPLIANCE SECTION</u></b>	<b><u>Page No.</u></b>
Compliance 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 <i>Government Auditing Standards</i> .....	97
Report on compliance with requirements applicable to each major federal program and internal control over compliance; in accordance with OMB Uniform Guidance and the State Single Audit Implementation Act .....	99
Report on compliance with requirements applicable to each major state program and internal control over compliance; in accordance with OMB Uniform Guidance and the State Single Audit Implementation Act .....	101
Schedule of findings and questioned costs .....	103
Summary schedule of prior audit findings .....	106
Schedule of expenditures of federal and State awards .....	107

# **Introductory Section**

## **Finance Department**

### **Letter of Transmittal**

**December 28, 2021**

**To the members of the Union County Board of Education and the citizens of Union County, North Carolina.**

In compliance with the Public School Laws of North Carolina, The Comprehensive Annual Financial Report (CAFR) of the Union County Board of Education, operating as the “Union County Public Schools”, for the fiscal year ended June 30, 2021, is herewith submitted. Responsibility for the accuracy, completeness, and clarity of the report rests with the Superintendent and the Chief Finance Officer.

The accompanying financial report has been prepared in accordance with generally accepted accounting principles. We believe the data presented is accurate in all material respects and is presented in a manner designed to reflect fairly the financial position and results of operations of the Board. All disclosures necessary to enable the reader to gain maximum understanding of the Board’s financial activity have been included.

The report consists of three sections: Introductory, Financial and Statistical. The Introductory Section, of which the transmittal letter is a part, includes a list of Board members, principal officials and the organizational chart. The Financial Section includes the independent auditors’ report, notes to the financial statements, the combining and individual fund statements and schedules arranged by fund type. It also includes the Management’s Discussion and Analysis (MD&A) of the Board’s financial performance which is a narrative introduction overview and analysis to accompany the basic financial statements. The Statistical Section includes several tables of unaudited data providing financial history of the Board, as well as demographics and other informative reports

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Union County Board of Education for its comprehensive annual financial report for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement for Excellence in Financial Reporting program requirements and we are submitting it to the GFOA to determine its eligibility for a certificate for fiscal year ended June 30, 2021.

This letter of transmittal is designed to complement Management’s Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

### **REPORTING ENTITY**

The Union County Board of Education, elected by the citizens of Union County, is the level of government having oversight responsibility and control over activities related to public school education in Union County, North Carolina. N. C. General Statutes empower the Union County Board of Education with general control and supervision of all matters pertaining to the schools in the system. The Board has no tax levying or borrowing



authority and is required to maintain accounting records in a Uniform State format. The Board consists of nine members elected for staggered terms of four years. The Chair and Vice Chair are elected by a majority vote of the Board each year. The Superintendent serves as secretary to the Board.

For the 2020-2021 school year, the school system served students from pre-kindergarten to 12<sup>th</sup> grade in 1 pre-kindergarten school, 30 elementary schools, 9 middle schools, 10 high schools, 1 alternative school and 1 early college. Additionally, local funds were transferred to 31 area charter schools serving 3,980 county resident students and 2 virtual schools serving 145 county resident students. The school system receives local, state and federal government funding and must comply with the legal requirements of each funding source entity. While the Board does receive county funding, the County is not entitled to share in any surplus nor is it required to finance any deficits.

### **ECONOMIC CONDITIONS AND FUTURE OUTLOOK**

Union County's growth rate has remained steady for the past few years, making Union County the 8<sup>th</sup> largest county in the state and one of the ten fastest growing counties in the state at a rate of 22.66% since 2010. Union County continues to experience growth in population with the estimated population in FY 2019 at just over 237,000 and has grown to approximately 248,000 for 2021. Union County shares a mix of country charm and proximity to urban convenience. The County's diverse economic base and the interdependence of the Charlotte-Gastonia-Concord metropolitan statistical area are major factors that have contributed to the County's growth during the previous decade. For fiscal year 2020, 4,018 residential construction permits were issued county-wide compared to fiscal year 2019 of 3,348.

Union County Public Schools is the sixth largest public-school system in North Carolina. UCPS serves approximately 40,000 students at 53 schools and employs more than 5,000 staff members. UCPS has three schools recognized as National Blue Ribbon Schools of Excellence and two schools have maintained their designation as Leader in Me Lighthouse Schools.

With a four-year cohort graduation rate of 92.7 percent. This rate is the highest four-year cohort graduation rate among the largest 12 local education agencies in the State of North Carolina. UCPS continues to have the state's top high school graduation rankings. In 2020-2021, UCPS students outperformed the state average in all accountability indicators.

Although it is anticipated the county will experience minimal growth, maintenance of existing infrastructure and facilities will become an even greater challenge. State law provides for and funds the operating costs of a sound, basic education program which is supplemented by the county and federal governments. The building of public-school facilities has been a joint state and county effort. Local financial support is provided by the county for capital and operating expenses.

With diversity of ethnicity, comes a challenge for the schools to teach children who may have a limited background with English. About 13 percent of the population speak a language other than English in their home in Union County, mainly Spanish and Russian. Union County has a higher number of Russian speakers compared to most other counties.

UCPS offers a wide variety of coursework to its students, ranging from 20 dual language programs to STEM (science, technology, engineering and math) and sustainability/agriculture programs.

UCPS students have access to a variety of academic options, including the Benton Heights Elementary School of the Arts, the International Baccalaureate Program at Marvin Ridge High School, Union County Early College, Central

*In compliance with federal law, UCPS administers all educational programs, employment activities and admissions without discrimination against any person on the basis of gender, race, color, religion, national origin, age or disability.*



Academy of Technology and Arts, Health Sciences Academy at Monroe Middle and the AgTech Academy at East Union Middle School. Each high school offers a minimum of 11 AP courses.

Additionally, the districtwide Career Readiness department offers more than 44 career academy pathways in programs that include aerospace, welding and engineering, culinary arts, pharmacy tech and more.

With a long-term goal of ensuring all students are equipped to succeed in college, career and life, UCPS is committed and dedicated to offering quality instruction for all children in support of our mission of “Preparing All Students to Succeed.”

## **MAJOR INITIATIVES**

UCPS is committed to a strategic framework that provides each student with the opportunity to receive a high-quality education and a safe school environment. Union County Board of Education is committed to the forward movement and expansion in academic programming, college and career readiness, equity, human capital development and continuous organizational improvement.

Union County Public Schools maintains a 5-year Strategic Plan to address five main goals or areas of focus:

- Goal 1: Expand opportunities and support all levels for college and career readiness.
- Goal 2: Enhance academic programs to meet the needs of all students.
- Goal 3: Engage parents and community.
- Goal 4: Support and develop UCPS employees.
- Goal 5: Foster positive learning experiences for all students.

The strategic plan includes two long-term outcomes: reducing gaps in student achievement and ensuring all students are equipped to succeed in college, career and life. To reach those outcomes, UCPS will focus on college and career readiness, academic programs, positive learning experiences, parent and community engagement and developing UCPS employees. Our students deserve the best. We must continue to push forward and ensure that all students are equipped with the tools they need to be successful.

## **FINANCIAL SYSTEM AND BUDGETARY CONTROLS**

To meet the financial challenges facing public education, local boards of education must use a variety of funding sources including local, state, federal and private grants while complying with legal requirements of each funding source. In doing so, the Board is unable to summarize all governmental financial transactions and balances in one accounting entity. Instead, the accounting system is divided into separate entities; each referred to as a “Fund”.

Each individual fund accounting entity records their operations under a set of self-balancing accounts comprising of assets, liabilities, fund equity, revenues and expenditures or expenses as appropriated.

The Board’s funds are divided into governmental and proprietary. Each fund is considered a separate accounting entity, to record allocation of and account for governmental resources for which they are spent and controlled. The governmental fund types include the general fund, special revenue fund and capital fund. The enterprise funds are presented as proprietary fund types. All governmental fund types are accounted for and reported on the modified accrual basis of accounting in accordance with G.S. 115C-440(b). The enterprise funds are proprietary and are presented on a full accrual basis.

*In compliance with federal law, UCPS administers all educational programs, employment activities and admissions without discrimination against any person on the basis of gender, race, color, religion, national origin, age or disability.*



North Carolina General Statutes requires all governmental units in the state to adopt a balanced budget by July 1<sup>st</sup> of each year. The Board has the final approval over the budget and primary accountability for fiscal matters (including any deficits). The Board's annual Budget Resolution authorizes expenditures by purpose and on a modified accrual basis. For internal management purposes, the budget is detailed and compared to expenditures and encumbrances by line item within each function and project. The budget amounts reflected in the accompanying financial statements represent the final budgets as amended for the fiscal year. The Board also uses a purchase order encumbrance system that records and shows encumbrances outstanding against each line item of expenditures. Outstanding encumbrances at the end of the fiscal year related to normal operations are considered to be continuing contracts and are transferred at the end of the fiscal year to appropriations in future years.

Internal accounting controls are a primary consideration in developing and improving the Board's accounting system. Internal controls are designed to provide reliability of financial records for preparing financial statements and maintaining accountability for assets and are to provide reasonable assurance regarding the safeguarding of assets from unauthorized use or disposition. The concept of reasonable assurance recognizes that the cost and benefits require estimates and judgments by management.

We believe that the Board's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **INDEPENDENT AUDIT**

The State statutes require an annual audit by independent certified public accountants and the Board has selected the firm of Anderson Smith & Wike, PLLC to audit the financial records and transactions for the year ending June 30, 2021. In addition to meeting the requirements set forth in North Carolina State Statutes, the audit was designed to meet the requirements of the Federal Single Audit Act of 1984, as amended, the related audit requirements of Title II U.S. code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards (Uniform Guidance).

### **ACKNOWLEDGEMENTS**

The preparation of this report could not have been accomplished without the dedicated efforts of the finance staff and the Board's independent certified public accounting firm, Anderson Smith & Wike, PLLC. We would like to express our appreciation to all employees who assisted in the timely closing of the Union County Board of Education's fiscal records as well as the preparation of this report.

We would also like to express our appreciation to the members of The Board of Education for their continued support in planning and conducting the financial affairs of the school system in a professional and responsible manner and their continuous commitment of providing a quality education to all Union County Public School students.

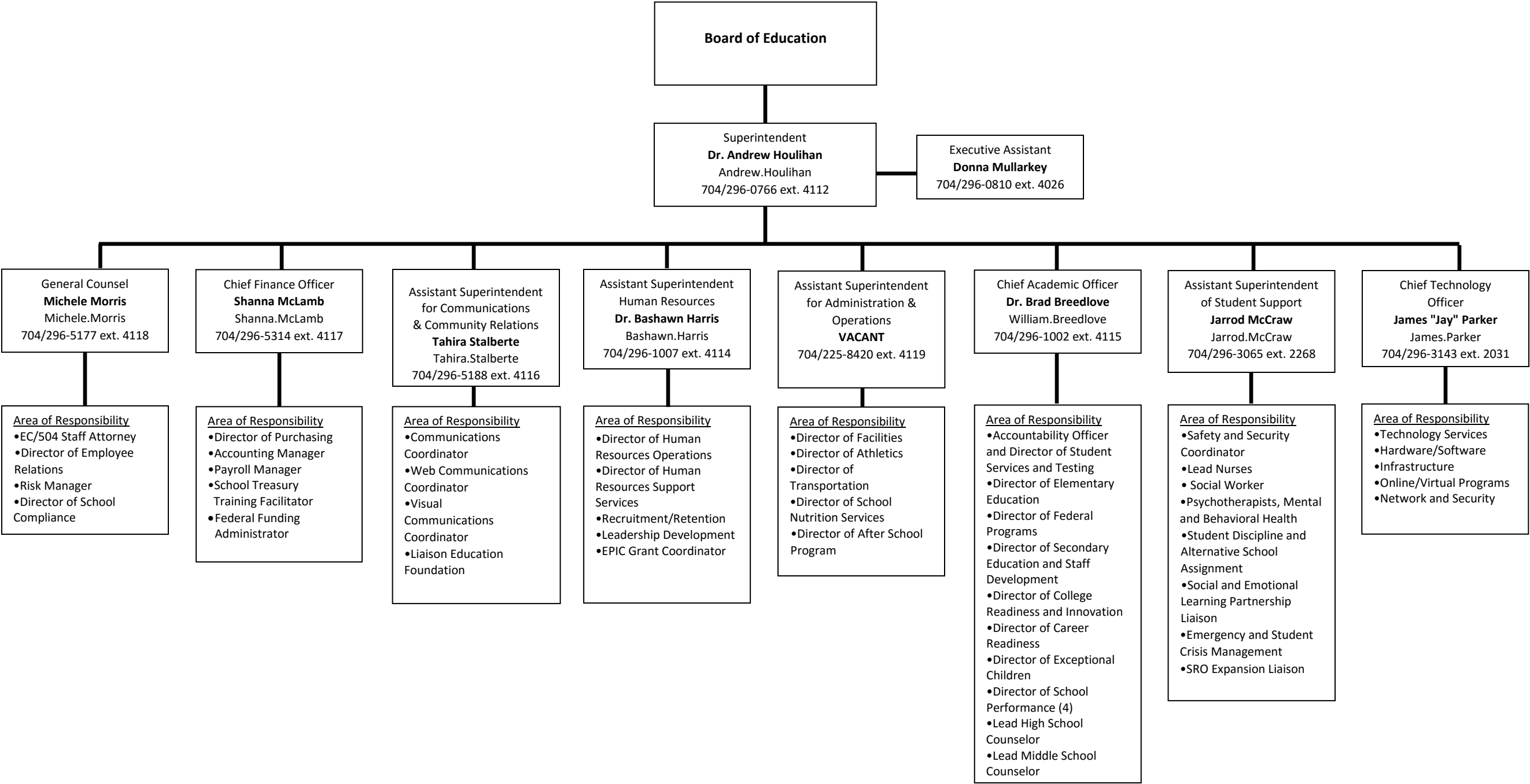
Respectfully submitted,

A blue ink signature of Dr. Andrew G. Houlihan, written in a cursive style.

Dr. Andrew G. Houlihan, Ed.D.  
Superintendent

A blue ink signature of Shanna McLamb, written in a cursive style.

Shanna McLamb  
Chief Financial Officer





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Union County Board of Education  
North Carolina**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

# Financial Section



# ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

## **INDEPENDENT AUDITORS' REPORT**

To the Union County Board of Education  
Monroe, North Carolina

### **Report on the Financial Statements**

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 through 10 and the Schedule of the Board's Proportionate Share of the Net Pension Liability, OPEB Liability and OPEB Asset and the Schedule of Board Contributions on pages 51 through 56, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Union County Board of Education's basic financial statements. The introductory section, individual fund budgetary schedules and the statistical tables, as well as the accompanying schedule of expenditures of federal and State awards as required by the *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary schedules and the accompanying schedule of expenditures of federal and State awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund budgetary schedules and the accompanying schedule of expenditures of federal and State awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2021 on our consideration of the Union County Board of Education'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 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 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 Union County Board of Education's internal control over financial reporting and compliance.

*Anderson Smith & Wike PLLC*

December 15, 2021  
West End, North Carolina  
(910) 603-0508

## **UNION COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS**

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This section of the Union County Board of Education's (the "Board") financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2021. This information should be read in conjunction with the audited financial statements included in this report.

### ***Impact of Coronavirus on District***

During the fiscal year, the State and nation continued to be affected by the spread of the coronavirus (COVID-19). Educational services were provided to students remotely, within the traditional classroom environment or a hybrid method incorporating on-site instruction and remote learning. The Board incurred additional expenses as a result of COVID-19 including: purchase of personal protective equipment and remote learning educational tools. In addition, the Board received grants from the federal government to assist with these additional expenses incurred due to COVID-19.

### ***Financial Highlights***

- For the fiscal year ended June 30, 2021, the Board's total district-wide net position increased by \$13.8 million. Governmental activities net position increased by \$14.3 million, and business-type activities net position decreased by \$462,000.
- The Board experienced a decrease in student enrollment of 1,667 students from 41,394 students to 39,727 students.
- The Board's General fund reported an increase in fund balance of \$10.9 million, to a balance of \$13.0 million as of June 30, 2021.

### ***Overview of the Financial Statements***

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

- *Independent Auditors' Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplemental section that presents the Schedules of the Board's Proportionate Share of Net Pension and OPEB Liabilities (assets) and the Schedules of Board Contributions.*
- *Supplemental section that presents budgetary schedules for governmental and enterprise funds.*

The *Basic Financial Statements* include two types of statements that present different views of the Board's finances. The first is the *Government-wide Statements*. The government-wide statements are presented on the full accrual basis of accounting and include the statement of net position and the statement of activities. The statement of net position includes all of the Board's assets, deferred outflows of resources, liabilities and deferred inflows of resources. Assets and liabilities are classified in the order of relative liquidity for assets and due date for liabilities. This statement provides a summary of the Board's investment in assets, deferred outflows of resources, 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 set of statements included in the basic financial statements is the *Fund Financial Statements*, which are presented for the Board's governmental funds and proprietary funds. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near term

## **UNION COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS**

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inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. The proprietary funds are presented on the full accrual basis of accounting. 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 as an economic unit while the fund financial statements provide information on each of the financial resources of each of the Board's major funds.

### **Government-wide Statements**

The government-wide statements report information about the unit as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Board's assets 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 is the difference between the Board's assets and liabilities. This is one way to measure the unit'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, you need to consider additional non-financial factors such as changes in the district's property tax base and the condition of its school buildings and other physical assets.

The unit'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. School food service and after school services are included here.

The government-wide statements are shown as Exhibits 1 and 2 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 unit 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 has 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 Federal Grants Fund.

Union 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 – 1) how cash and other assets that can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. As a result of this focus, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the coming year to finance the Board's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental fund statements, in the

**UNION COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

form of a reconciliation, explains the relationship (or differences) between them. The Board has several governmental funds: the General Fund, the State Public School Fund, the Individual Schools Fund, the Other Special Revenue fund, the Capital Outlay Fund and the Federal Grants Fund.

The governmental fund statements are shown as Exhibits 3, 4, 5 and 6 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. Union County Board of Education has two proprietary funds - both enterprise funds – the School Food Service Fund and the After School Program Fund.

The proprietary fund statements are shown as Exhibits 7, 8, and 9 of this report.

***Financial Analysis of the Board as a Whole***

Net position is an indicator of the fiscal health of the Board. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$7.7 million as of June 30, 2021 as compared to liabilities and deferred inflows exceeding assets and deferred outflows by \$21.5 million as of June 30, 2020, an increase of \$13.8 million. The largest component of net position is net investment in capital assets of \$637.5 million, while restricted and unrestricted net position have a combined balance of negative \$645.2 million.

Following is a summary of the Statement of Net Position as of June 30, 2021 and 2020:

**Table 1  
Condensed Statement of Net Position  
As of June 30, 2021 and 2020**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/21	6/30/20	6/30/21	6/30/20	6/30/21	6/30/20
Current assets	\$ 48,569,279	\$ 44,773,052	\$ 4,357,627	\$ 6,099,025	\$ 52,926,906	\$ 50,872,077
Capital assets	637,003,048	643,301,053	1,092,521	1,353,447	638,095,569	644,654,500
Total assets	<u>685,572,327</u>	<u>688,074,105</u>	<u>5,450,148</u>	<u>7,452,472</u>	<u>691,022,475</u>	<u>695,526,577</u>
Deferred outflows of resources	<u>110,714,864</u>	<u>111,822,583</u>	<u>2,647,117</u>	<u>2,839,140</u>	<u>113,361,981</u>	<u>114,661,723</u>
Current liabilities	31,711,415	36,011,137	914,076	1,170,398	32,625,491	37,181,535
Long-term liabilities	<u>572,653,109</u>	<u>597,563,271</u>	<u>13,507,970</u>	<u>14,992,105</u>	<u>586,161,079</u>	<u>612,555,376</u>
Total liabilities	<u>604,364,524</u>	<u>633,574,408</u>	<u>14,422,046</u>	<u>16,162,503</u>	<u>618,786,570</u>	<u>649,736,911</u>
Deferred inflows of resources	<u>188,785,240</u>	<u>177,472,277</u>	<u>4,513,725</u>	<u>4,505,963</u>	<u>193,298,965</u>	<u>181,978,240</u>
Net investment in capital assets	636,437,194	643,024,654	1,092,521	1,353,447	637,529,715	644,378,101
Restricted net position	13,137,634	17,194,566	28,590	39,911	13,166,224	17,234,477
Unrestricted net position (deficit)	<u>(646,437,401)</u>	<u>(671,369,217)</u>	<u>(11,959,617)</u>	<u>(11,770,212)</u>	<u>(658,397,018)</u>	<u>(683,139,429)</u>
Total net position (deficit)	<u>\$ 3,137,427</u>	<u>\$ (11,149,997)</u>	<u>\$ (10,838,506)</u>	<u>\$ (10,376,854)</u>	<u>\$ (7,701,079)</u>	<u>\$ (21,526,851)</u>

**UNION COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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The net position of the Board's governmental activities increased \$14.3 million during the year, from \$(11.1) million at June 30, 2020 to \$3.1 million at June 30, 2021 as a result of continued construction and a decreases in pension and OPEB expenses. Net investment in capital assets decreased by \$6.6 million as a result of depreciation expense exceeding capital additions for the year. The Board's restricted net position decreased by \$4.1 million due to timing of Capital Outlay receivables as well as a decrease in Capital Outlay fund balance which decreased as a result of significant laptop purchases. Unrestricted net position increased by \$24.9 million compared to the prior year, due to the increases in fund balance and decreases in pension and OPEB expenses of \$7.7 million. Deferred outflows and inflows of resources relate entirely to the pension and OPEB plans which the Board participates in. The Board is required to record its proportionate share of these items along with its proportionate share of the plan liabilities. See Note 2 of the financial statements for more details regarding these plans.

The net position of the Board's business-type activities decreased \$462,000 from \$(10.4) million at June 30, 2020 to \$(10.8) million at June 30, 2021. This decrease of \$462,000 is the net loss generated by our School Food Service fund offset by the income in the After School Program fund during the 2021 fiscal year. The following table shows the revenues and expenses for the Board for the current and prior fiscal years:

**UNION COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Table 2  
Condensed Statement of Activities  
For the Fiscal Years Ended June 30, 2021 and 2020**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/21	6/30/20	6/30/21	6/30/20	6/30/21	6/30/20
Revenues:						
Program revenues:						
Charges for services	\$ 5,453,089	\$ 10,653,228	\$ 1,600,923	\$ 7,981,863	\$ 7,054,012	\$ 18,635,091
Operating grants and contributions	284,002,564	275,242,644	8,828,533	7,718,905	292,831,097	282,961,549
Capital grants and contributions	565,854	449,980	-	7,425	565,854	457,405
General revenues:						
County appropriations	133,301,321	145,487,397	-	-	133,301,321	145,487,397
Other revenues	1,142,759	1,625,971	33,322	160,564	1,176,081	1,786,535
Total revenues	<u>424,465,587</u>	<u>433,459,220</u>	<u>10,462,778</u>	<u>15,868,757</u>	<u>434,928,365</u>	<u>449,327,977</u>
Expenses:						
Governmental activities:						
Instructional services	314,393,802	324,831,555	-	-	314,393,802	324,831,555
System-wide support services	82,778,542	77,365,356	-	-	82,778,542	77,365,356
Ancillary services	1,157,982	1,148,373	-	-	1,157,982	1,148,373
Payments to other governments	10,123,908	9,155,819	-	-	10,123,908	9,155,819
Interest on long-term debt	181,597	175,542	-	-	181,597	175,542
Unallocated depreciation	894,306	1,434,253	-	-	894,306	1,434,253
Business-type activities:						
School food service	-	-	11,396,561	14,765,642	11,396,561	14,765,642
Child care	-	-	175,895	3,910,634	175,895	3,910,634
Total expenses	<u>409,530,137</u>	<u>414,110,898</u>	<u>11,572,456</u>	<u>18,676,276</u>	<u>421,102,593</u>	<u>432,787,174</u>
Excess (deficiency) before transfers	14,935,450	19,348,322	(1,109,678)	(2,807,519)	13,825,772	16,540,803
Transfers in (out)	<u>(648,026)</u>	<u>(1,261,703)</u>	<u>648,026</u>	<u>1,261,703</u>	<u>-</u>	<u>-</u>
Change in net position	14,287,424	18,086,619	(461,652)	(1,545,816)	13,825,772	16,540,803
Beginning net position (deficit)	<u>(11,149,997)</u>	<u>(29,236,616)</u>	<u>(10,376,854)</u>	<u>(8,831,038)</u>	<u>(21,526,851)</u>	<u>(38,067,654)</u>
Ending net position (deficit)	<u>\$ 3,137,427</u>	<u>\$ (11,149,997)</u>	<u>\$ (10,838,506)</u>	<u>\$ (10,376,854)</u>	<u>\$ (7,701,079)</u>	<u>\$ (21,526,851)</u>

Total governmental activities generated revenues of \$424.5 million while expenses in this category totaled \$409.5 million for the year ended June 30, 2021, resulting in an increase in net position of \$14.3 million (including transfers out to business-type activities of \$648,000). Comparatively, revenues were \$433.5 million, expenses totaled \$414.1 million and transfers out were \$1.3 million for the year ended June 30, 2020, resulting in an increase in net position of \$18.1 million. In comparing the two years, revenues decreased by \$9.0 million as County funded construction decreased slightly from the previous year and expenses decreased by \$4.6 million. The overall decrease in revenues is attributable to a \$12.2 million decrease in County appropriations recognized in the Capital Outlay fund as construction slowed slightly during the current year as 2 major projects were completed. The decrease in County appropriations was offset by an \$8.8 million increase in Operating grants and contributions from State and

## **UNION COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Federal sources as a result of COVID-19 Education Stabilization funds and COVID-19 Coronavirus Relief funds received to help offset the cost of the coronavirus pandemic. The overall decrease in expenses is largely attributable to a \$7.7 million decrease in pension and OPEB related expenses offset by increased repairs and maintenance expenses recorded in the system-wide support services. See the footnotes for detailed information regarding pension and OPEB related amounts and disclosures.

The Board's primary sources of revenues were funding from the State of North Carolina, Union County, and the United States Government, which respectively comprised 59.3%, 31.2% and 7.1% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 76.8% of our total expenses during the most recent fiscal year. Of the remaining 23.2% of our total expenses, 20.2% was attributable to system-wide support services.

Our business-type activities generated revenues of \$10.5 million, while expenses in this category totaled \$11.6 million for the year ended June 30, 2021. For the year, net position decreased by \$462,000 (including transfers in of \$648,000). Comparatively, revenues were \$15.9 million, expenses were \$18.7 million and transfers in were \$1.3 million for the year ended June 30, 2020, resulting in a decrease in net position of \$1.5 million. In comparing the two years, revenues decreased by \$5.4 million as a result of the coronavirus pandemic which disrupted in person instruction for most of the year. Expenses also decreased by \$7.1 million, due to decreased food cost because of the decline in meals served. Salaries and benefits also decreased significantly compared to the previous year due to fewer labor hours, as well as a decrease in pension and OPEB expenses.

### ***Financial Analysis of the Board's Funds***

**Governmental Funds:** The focus of Union County Board of Education'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 Board's governmental funds reported a combined fund balance of \$29.2 million at June 30, 2021, an increase of \$7.9 million from the amount reported at June 30, 2020. Each of the Board's governmental funds reported an increase in fund balance. The Board's General, Other Special Revenue and Individual School Funds reported revenues over expenditures for the year ended June 30, 2021 of \$10.9 million, \$727,000 and \$48,000, respectively, while the Capital Outlay fund reported a decrease in fund balance of \$3.9 million. The increase in the General fund balance is the result of decreased expenditures due to savings recognized during school operations during the COVID-19 pandemic as well as an increase in the County appropriation.

Overall, total governmental fund revenues decreased by \$10.0 million while total expenditures decreased by \$16.5 million over the prior year. The decrease in revenues is attributable primarily to a decrease of \$12.2 million in County funding, notably within the Capital Outlay fund funding, as construction projects wrapped up and slowed within the current year. This decrease was offset by an increase in Operating Grants and Contributions due to COVID-19 Education Stabilization and COVID-19 Coronavirus relief funds were received and spent within the current year to help offset the cost of the coronavirus pandemic. The decrease in expenditures was primarily in capital outlay expenditures which decreased \$16.5 million, from the prior year as a result of the completion of several construction and renovation projects. The Capital Outlay Fund also recognized a decrease in fund balance because of an unspent installment purchase obligation related to a \$3.2 million installment purchase agreement entered into in the prior year to purchase Chromebooks in the current fiscal year. There was a \$3.0 million decrease in expenditures in the Other Special Revenue fund due to a decrease in the Teacher Incentive Fund federal program and a \$5.2 million decrease in expenditures in the General Fund as the Board experienced savings due to position vacancies. These decreases in expenditures were offset by an increase in the State Public School Fund and the Federal Grants Fund expenditures.

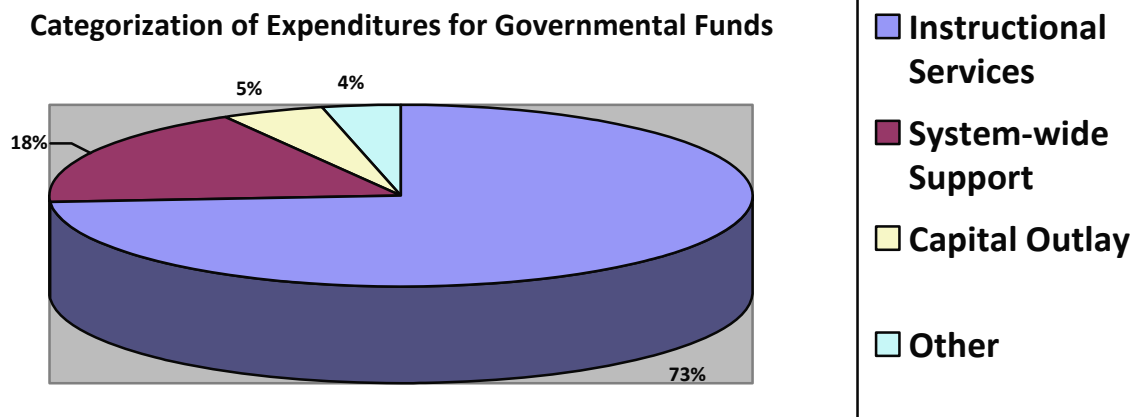
The State Public School Fund and Federal Grants Fund do not carry fund balance. All revenues in these funds are expended in the year received. In comparing the year ended June 30, 2021 to 2020, the State Public School Fund reported an increase in revenues (and expenditures) of \$9.8 million, or 4.0%, and the

## UNION COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

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Federal Grants Fund reported an increase of \$3.3 million, or 21.7% as a result of the COVID-19 funds received.

The following chart summarizes governmental fund expenditures:



Expenditures presented on modified accrual basis of accounting.

**Proprietary Fund:** The Board's business-type funds, the School Food Service Fund and the After School Program Fund, reported a combined decrease in net position of \$462,000 for the fiscal year ended June 30, 2021 compared to a decrease of \$1.5 million for the same 2020 period. Net loss in the School Food Service Fund (including transfers in) was \$1.5 million for the fiscal year ended June 30, 2021 compared to net loss of \$686,000 for 2020, a decline of \$862,000. This decline is due to a decrease in participation related to the coronavirus pandemic which decreased food sales and food costs but not a significant decrease in salaries and benefits expenses. The After School Program Fund reported a net income of \$1.1 million in 2021 compared to a net loss of \$860,000 in 2020, an improvement of \$1.9 million resulting from decreases in before and after school care fees collected and expenditures because the program was shut down most of the year in response to the coronavirus which halted in person teaching and closed school facilities. The majority of the profit generated in the After School Programs is the result of a \$600,000 transfer from the General fund to provide cash flow for salary expenses. The fund also recorded a decrease of \$1.6 million of pension and OPEB expenses.

### **General Fund Budgetary Highlights**

Over the course of the year, the Board revised the budget several times to account for changes in revenue expectations and program allocations. Since several revenue sources are either unknown or uncertain at the beginning of the fiscal year when the original budget is adopted, budget revisions are often necessary throughout the year to recognize these adjustments. The Board's General Fund reported an increase in fund balance for the year ended June 30, 2021 of \$10.9 million, compared to an increase of \$660,000 in 2020. Revenues increased by \$5.7 million due to an increase in appropriations from Union County. Total expenditures decreased by \$5.2 million from the prior year, due to decreases in Instructional services and System-wide support services as a result of savings and vacancies created by the COVID-19 pandemic, offset by a \$1.1 million increase in payments to Charter Schools. Through effective cost-containment and budget management practices, the Board was able to keep expenditures below budget and not use any of the \$302,000 of fund balance that had been appropriated.

### **Capital Assets**

Total primary government capital assets were \$638.1 million at June 30, 2021 compared to \$644.7 million at June 30, 2020, a decrease of 1.0%. The decrease is attributable to an excess of depreciation expense over capital additions for the year. More detailed information about the Board's capital assets is contained

**UNION COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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in Note 2 – Detail Notes to the basic financial statements.

The following is a summary of the Board's capital assets, net of depreciation, at June 30, 2021 and 2020:

**Table 3  
Summary of Capital Assets  
As of June 30, 2021 and 2020**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/21	6/30/20	6/30/21	6/30/20	6/30/21	6/30/20
Land	\$ 63,975,991	\$ 62,397,575	\$ -	\$ -	\$ 63,975,991	\$ 62,397,575
Construction in progress	6,718,194	53,125,190	-	-	6,718,194	53,125,190
Buildings and improvements	549,996,664	513,715,192	-	-	549,996,664	513,715,192
Equipment and furniture	2,781,988	2,947,813	1,092,521	1,353,447	3,874,509	4,301,260
Vehicles	13,530,211	11,115,283	-	-	13,530,211	11,115,283
Total	<u>\$ 637,003,048</u>	<u>\$ 643,301,053</u>	<u>\$ 1,092,521</u>	<u>\$ 1,353,447</u>	<u>\$ 638,095,569</u>	<u>\$ 644,654,500</u>

**Debt Outstanding**

During the year, the Board's long-term debt decreased from \$8.3 million at June 30, 2020 to \$6.3 million at June 30, 2021. The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. The County holds virtually all debt issued for school capital construction. More detailed information about the Board's outstanding debt is contained in Note 2- Detail Notes to the basic financial statements.

**Economic Factors**

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

- Union County's population estimation of approximately 248,000 is an increase of approximately 22.7% since 2010. Union County also has the 10<sup>th</sup> largest population growth since 2010 in the State. The future expected growth in the County will continue to increase the demands on funding sources for the Board.
- The unadjusted unemployment rate in Union County at June 30, 2021 was 4.0%, slightly below that of the State at 4.9%.

**Requests for Information**

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

Shanna McLamb, Chief Finance Officer  
Union County Board of Education  
400 N. Church Street  
Monroe, NC 28112

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## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**UNION COUNTY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**June 30, 2021**

**Exhibit 1**

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
<b>Assets</b>			
Cash and cash equivalents	\$ 17,550,849	\$ 2,786,274	\$ 20,337,123
Investments	15,445,718	1,095,584	16,541,302
Due from other governments	14,737,742	184,279	14,922,021
Receivables	168,726	26,417	195,143
Net OPEB asset	666,244	15,929	682,173
Inventories	-	249,144	249,144
Capital assets:			
Land, improvements, and construction			
Land and construction in progress	70,694,185	-	70,694,185
Other capital assets, net of depreciation	566,308,863	1,092,521	567,401,384
Total capital assets	637,003,048	1,092,521	638,095,569
Total assets	685,572,327	5,450,148	691,022,475
<b>Deferred Outflows of Resources</b>	110,714,864	2,647,117	113,361,981
<b>Liabilities</b>			
Accounts payable and accrued expenses	3,389,618	6,511	3,396,129
Accrued salaries and wages payable	15,084,301	150,107	15,234,408
Unearned revenue	232,164	462,436	694,600
Long-term liabilities:			
Due within one year	13,005,332	295,022	13,300,354
Due in more than one year	13,431,098	137,359	13,568,457
Net pension liability	187,219,102	4,476,279	191,695,381
Net OPEB liability	372,002,909	8,894,332	380,897,241
Total liabilities	604,364,524	14,422,046	618,786,570
<b>Deferred Inflows of Resources</b>	188,785,240	4,513,725	193,298,965
<b>Net position</b>			
Net investment in capital assets	636,437,194	1,092,521	637,529,715
Restricted for:			
Stabilization by State statute	995,825	-	995,825
School capital outlay	2,218,808	-	2,218,808
Instructional services	4,415,691	-	4,415,691
Individual schools activities	4,311,413	-	4,311,413
DIPNC OPEB plan	1,195,897	28,590	1,224,487
Unrestricted (deficit)	(646,437,401)	(11,959,617)	(658,397,018)
Total net position (deficit)	\$ 3,137,427	\$ (10,838,506)	\$ (7,701,079)

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

**UNION COUNTY BOARD OF EDUCATION**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2021**

**Exhibit 2**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
Instructional services:							
Regular instructional	\$ 198,804,255	\$ -	\$ 165,083,547	\$ -	\$ (33,720,708)	\$ -	\$ (33,720,708)
Special populations	41,256,013	-	38,908,706	-	(2,347,307)	-	(2,347,307)
Alternative programs	16,746,820	-	12,839,067	-	(3,907,753)	-	(3,907,753)
School leadership	22,064,592	-	10,834,142	-	(11,230,450)	-	(11,230,450)
Co-curricular	5,676,702	4,156,101	-	-	(1,520,601)	-	(1,520,601)
School-based support	29,845,420	-	22,099,542	-	(7,745,878)	-	(7,745,878)
System-wide support services:							
Support and development	2,612,388	-	193,124	-	(2,419,264)	-	(2,419,264)
Special population support and development	532,388	-	287,621	-	(244,767)	-	(244,767)
Alternative programs and services support and development	891,899	-	98,722	-	(793,177)	-	(793,177)
Technology support	7,240,728	-	1,876,934	-	(5,363,794)	-	(5,363,794)
Operational support	60,846,772	-	27,888,511	565,854	(32,392,407)	-	(32,392,407)
Financial and human resource services	5,588,890	1,296,988	2,230,191	-	(2,061,711)	-	(2,061,711)
Accountability	1,665,153	-	-	-	(1,665,153)	-	(1,665,153)
System-wide pupil support	508,248	-	-	-	(508,248)	-	(508,248)
Policy, leadership and public relations	2,892,076	-	490,850	-	(2,401,226)	-	(2,401,226)
Ancillary services	1,157,982	-	670,211	-	(487,771)	-	(487,771)
Non-programmed charges	10,123,908	-	501,396	-	(9,622,512)	-	(9,622,512)
Interest on long-term debt	181,597	-	-	-	(181,597)	-	(181,597)
Unallocated depreciation expense**	894,306	-	-	-	(894,306)	-	(894,306)
Total governmental activities	409,530,137	5,453,089	284,002,564	565,854	(119,508,630)	-	(119,508,630)
Business-type activities:							
School food service	11,396,561	939,030	8,828,533	-	-	(1,628,998)	(1,628,998)
Child care	175,895	661,893	-	-	-	485,998	485,998
Total business-type activities	11,572,456	1,600,923	8,828,533	-	-	(1,143,000)	(1,143,000)
Total primary government	\$ 421,102,593	\$ 7,054,012	\$ 292,831,097	\$ 565,854	(119,508,630)	(1,143,000)	(120,651,630)
General revenues:							
Unrestricted county appropriations - operating					109,187,700	-	109,187,700
Unrestricted county appropriations - capital					24,113,621	-	24,113,621
Investment earnings, unrestricted					9,113	102	9,215
Miscellaneous, unrestricted					1,133,646	33,220	1,166,866
Transfers					(648,026)	648,026	-
Total general revenues and transfers					133,796,054	681,348	134,477,402
Change in net position					14,287,424	(461,652)	13,825,772
Net position - beginning					(11,149,997)	(10,376,854)	(21,526,851)
Net position (deficit) - ending					\$ 3,137,427	\$ (10,838,506)	\$ (7,701,079)

\*\*This amount excludes the depreciation that is included in the direct expenses of the various programs.

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## **FUND FINANCIAL STATEMENTS**

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**UNION COUNTY BOARD OF EDUCATION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2021**

**Exhibit 3**

	Major Funds						Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	
<b>Assets</b>							
Cash and cash equivalents	\$ 9,389,996	\$ -	\$ -	\$ 3,742,650	\$ 106,790	\$ 4,311,413	\$ 17,550,849
Investments	7,433,438	-	-	6,095,976	1,916,304	-	15,445,718
Due from other governments	43,037	12,360,339	726,357	165,691	1,442,318	-	14,737,742
Accounts receivable	12,452	-	-	156,274	-	-	168,726
Total assets	<u>\$ 16,878,923</u>	<u>\$ 12,360,339</u>	<u>\$ 726,357</u>	<u>\$ 10,160,591</u>	<u>\$ 3,465,412</u>	<u>\$ 4,311,413</u>	<u>\$ 47,903,035</u>
<b>Liabilities and fund balances</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 2,129,550	\$ -	\$ -	\$ 13,464	\$ 1,246,604	\$ -	\$ 3,389,618
Accrued salaries and wages payable	1,768,588	12,360,339	726,357	229,017	-	-	15,084,301
Unearned revenue	-	-	-	232,164	-	-	232,164
Total liabilities	<u>3,898,138</u>	<u>12,360,339</u>	<u>726,357</u>	<u>474,645</u>	<u>1,246,604</u>	<u>-</u>	<u>18,706,083</u>
Fund balances:							
Restricted:							
Stabilization by State statute	673,860	-	-	321,965	-	-	995,825
School capital outlay	-	-	-	-	2,218,808	-	2,218,808
Special revenue programs	-	-	-	4,415,691	-	-	4,415,691
Individual schools	-	-	-	-	-	4,311,413	4,311,413
Assigned:							
Local Supplements	2,860,000	-	-	-	-	-	2,860,000
Special revenues	-	-	-	4,948,290	-	-	4,948,290
Unassigned	9,446,925	-	-	-	-	-	9,446,925
Total fund balances	<u>12,980,785</u>	<u>-</u>	<u>-</u>	<u>9,685,946</u>	<u>2,218,808</u>	<u>4,311,413</u>	<u>29,196,952</u>
Total liabilities and fund balances	<u>\$ 16,878,923</u>	<u>\$ 12,360,339</u>	<u>\$ 726,357</u>	<u>\$ 10,160,591</u>	<u>\$ 3,465,412</u>	<u>\$ 4,311,413</u>	<u>\$ 47,903,035</u>

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

**UNION COUNTY BOARD OF EDUCATION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2021**

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**Exhibit 3 (continued)**

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because of the following:

Total fund balance (All Governmental Funds)	29,196,952
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	637,003,048
Net OPEB asset	666,244
Deferred outflows of resources related to pensions	69,524,628
Deferred outflows of resources related to OPEB plans	41,190,236
Some liabilities, including those for compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(26,436,430)
Net pension liability	(187,219,102)
Net OPEB liability	(372,002,909)
Deferred inflows of resources related to pensions	(2,661,049)
Deferred inflows of resources related to OPEB plans	<u>(186,124,191)</u>
Net position (deficit) of governmental activities	<u>\$ 3,137,427</u>

**UNION COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2021**

**Exhibit 4**

	Major Funds						Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	
Revenues:							
State of North Carolina	\$ -	\$ 251,687,712	\$ -	\$ -	\$ 565,854	\$ -	\$ 252,253,566
Union County							
Local current expense	108,696,045	-	-	-	-	-	108,696,045
Other	-	-	-	-	24,113,621	-	24,113,621
U.S. Government	-	4,720,836	18,791,111	6,615,686	-	-	30,127,633
Other	744,901	-	-	5,001,933	2,482	4,156,101	9,905,417
Total revenues	<u>109,440,946</u>	<u>256,408,548</u>	<u>18,791,111</u>	<u>11,617,619</u>	<u>24,681,957</u>	<u>4,156,101</u>	<u>425,096,282</u>
Expenditures:							
Current:							
Instructional services:							
Regular instructional	22,760,759	157,345,729	859,927	3,932,085	4,479,336	-	189,377,836
Special populations	3,181,426	29,759,702	7,223,990	2,502,709	-	-	42,667,827
Alternative programs	3,123,695	4,455,334	8,383,733	1,120,638	-	-	17,083,400
School leadership	11,813,705	10,829,642	4,500	209,152	-	-	22,856,999
Co-curricular	1,599,214	-	-	-	-	4,107,761	5,706,975
School-based support	7,734,927	20,733,875	1,365,667	923,127	-	-	30,757,596
System-wide support services:							
Support and development	2,485,634	188,983	4,141	29,986	-	-	2,708,744
Special population support and development	264,277	117,874	169,747	151	-	-	552,049
Alternative programs and services support and development	155,854	-	98,722	653,266	-	-	907,842
Technology support	3,747,732	1,860,398	16,536	-	1,713,126	-	7,337,792
Operational support	23,593,946	27,694,720	145,765	72,361	-	-	51,506,792
Financial and human resource services	3,450,683	2,213,204	16,987	14,015	-	-	5,694,889
Accountability	410,563	-	-	1,256,564	-	-	1,667,127
System-wide pupil support	521,600	-	-	-	-	-	521,600
Policy, leadership and public relations	2,484,392	490,850	-	561	-	-	2,975,803
Ancillary services	435,794	670,211	-	51,977	-	-	1,157,982
Non-programmed charges	10,129,231	-	501,396	123,976	-	-	10,754,603
Debt service:							
Principal retirement	-	-	-	-	2,850,354	-	2,850,354
Interest and fees	-	-	-	-	181,597	-	181,597
Capital outlay	-	-	-	-	20,175,488	-	20,175,488
Total expenditures	<u>97,893,432</u>	<u>256,360,522</u>	<u>18,791,111</u>	<u>10,890,568</u>	<u>29,399,901</u>	<u>4,107,761</u>	<u>417,443,295</u>
Revenues over (under) expenditures	11,547,514	48,026	-	727,051	(4,717,944)	48,340	7,652,987
Other financing sources (uses):							
Transfers from (to) other funds	(600,000)	(48,026)	-	-	-	-	(648,026)
Installment purchase obligations issued	-	-	-	-	855,309	-	855,309
Total other financing sources (uses)	<u>(600,000)</u>	<u>(48,026)</u>	<u>-</u>	<u>-</u>	<u>855,309</u>	<u>-</u>	<u>207,283</u>
Net change in fund balance	10,947,514	-	-	727,051	(3,862,635)	48,340	7,860,270
Fund balances:							
Beginning of year	<u>2,033,271</u>	<u>-</u>	<u>-</u>	<u>8,958,895</u>	<u>6,081,443</u>	<u>4,263,073</u>	<u>21,336,682</u>
End of year	<u>\$ 12,980,785</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,685,946</u>	<u>\$ 2,218,808</u>	<u>\$ 4,311,413</u>	<u>\$ 29,196,952</u>

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

**UNION COUNTY BOARD OF EDUCATION**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2021**

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**Exhibit 5**

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

Net changes in fund balances - total governmental funds	\$ 7,860,270
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 depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(6,269,326)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	32,159,006
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	14,730,478
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	6,372,399
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. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,995,045
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) benefit	(52,485,369)
OPEB (expense) benefit	11,147,155
Compensated absences	(1,193,555)
Loss on disposal of capital assets	<u>(28,679)</u>
Total changes in net position of governmental activities	<u>\$ 14,287,424</u>

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

**UNION 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**  
**For the Fiscal Year Ended June 30, 2021**

**Exhibit 6**

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Union County	106,046,045	108,696,045	108,696,045	-
U.S. Government	-	-	-	-
Other	760,000	760,000	744,901	(15,099)
Total revenues	106,806,045	109,456,045	109,440,946	(15,099)
Expenditures:				
Current:				
Instructional services				
Regular instructional	25,401,782	26,954,548	22,760,759	4,193,789
Special populations	2,921,226	3,468,010	3,181,426	286,584
Alternative programs	3,654,128	3,734,965	3,123,695	611,270
School leadership	11,712,522	11,819,746	11,813,705	6,041
Co-curricular	1,750,805	1,750,805	1,599,214	151,591
School-based support	8,330,276	8,484,517	7,734,927	749,590
System-wide support services				
Support and development	2,435,676	2,485,831	2,485,634	197
Special populations	302,741	302,741	264,277	38,464
Alternative programs	237,693	187,538	155,854	31,684
Technology support	3,581,848	3,747,748	3,747,732	16
Operational support	27,777,710	26,720,009	23,593,946	3,126,063
Financial and human resource	5,869,198	5,269,198	3,450,683	1,818,515
Accountability	554,368	554,368	410,563	143,805
System-wide pupil support	594,099	594,099	521,600	72,499
Policy, leadership and public relations	2,682,159	2,516,259	2,484,392	31,867
Ancillary services				
Community	-	26,750	24,544	2,206
Nutrition	92,377	411,252	411,250	2
Nonprogrammed charges	9,209,007	10,129,232	10,129,231	1
Total expenditures	107,107,615	109,157,616	97,893,432	11,264,184
Revenues over (under) expenditures	(301,570)	298,429	11,547,514	11,249,085
Other financing uses:				
Transfers to other funds	-	(600,000)	(600,000)	-
Fund balance appropriated	301,570	301,571	-	(301,571)
Net change in fund balance	\$ -	\$ -	10,947,514	\$ 10,947,514
Fund balances:				
Beginning of year			2,033,271	
End of year			\$ 12,980,785	

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

**UNION 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**  
**For the Fiscal Year Ended June 30, 2021**

**Exhibit 6 (continued)**

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ 249,599,142	\$ 257,639,074	\$ 251,687,712	\$ (5,951,362)
Union County	-	-	-	-
U.S. Government	3,275,079	4,720,839	4,720,836	(3)
Other	-	-	-	-
Total revenues	<u>252,874,221</u>	<u>262,359,913</u>	<u>256,408,548</u>	<u>(5,951,365)</u>
Expenditures:				
Current:				
Instructional services				
Regular instructional	162,144,908	161,061,214	157,345,729	3,715,485
Special populations	29,449,408	29,843,297	29,759,702	83,595
Alternative programs	4,269,659	4,651,492	4,455,334	196,158
School leadership	9,800,872	10,911,828	10,829,642	82,186
Co-curricular	-	-	-	-
School-based support	19,182,068	20,734,986	20,733,875	1,111
System-wide support services				
Support and development	62,765	190,717	188,983	1,734
Special populations	154,603	154,603	117,874	36,729
Alternative programs	-	-	-	-
Technology support	1,007,961	3,618,721	1,860,398	1,758,323
Operational support	25,350,985	27,702,002	27,694,720	7,282
Financial and human resource	165,854	2,244,062	2,213,204	30,858
Accountability	-	-	-	-
System-wide pupil support	-	-	-	-
Policy, leadership and public relations	891,003	519,142	490,850	28,292
Ancillary services				
Community	-	-	-	-
Nutrition	303,927	670,211	670,211	-
Nonprogrammed charges	<u>32,570</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>252,816,583</u>	<u>262,302,275</u>	<u>256,360,522</u>	<u>5,941,753</u>
Revenues over (under) expenditures	57,638	57,638	48,026	(9,612)
Other financing uses:				
Transfers to other funds	(57,638)	(57,638)	(48,026)	9,612
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
End of year			<u>\$ -</u>	

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

**UNION 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**  
**For the Fiscal Year Ended June 30, 2021**

**Exhibit 6 (continued)**

	Federal Grants Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Union County	-	-	-	-
U.S. Government	5,303,417	83,306,039	18,791,111	(64,514,928)
Other	-	-	-	-
Total revenues	<u>5,303,417</u>	<u>83,306,039</u>	<u>18,791,111</u>	<u>(64,514,928)</u>
Expenditures:				
Current:				
Instructional services				
Regular instructional	1,036,431	6,935,839	859,927	6,075,912
Special populations	21,834	11,601,254	7,223,990	4,377,264
Alternative programs	67,426	51,027,282	8,383,733	42,643,549
School leadership	-	6,459	4,500	1,959
Co-curricular	-	-	-	-
School-based support	985,866	8,495,403	1,365,667	7,129,736
System-wide support services				
Support and development	-	204,496	4,141	200,355
Special populations	-	187,290	169,747	17,543
Alternative programs	30,000	104,444	98,722	5,722
Technology support	66,913	60,931	16,536	44,395
Operational support	2,999,824	1,591,330	145,765	1,445,565
Financial and human resource	-	133,994	16,987	117,007
Accountability	-	-	-	-
System-wide pupil support	-	-	-	-
Policy, leadership and public relations	-	-	-	-
Ancillary services				
Community	-	-	-	-
Nutrition	-	23,237	-	23,237
Nonprogrammed charges	<u>95,123</u>	<u>2,934,080</u>	<u>501,396</u>	<u>2,432,684</u>
Total expenditures	<u>5,303,417</u>	<u>83,306,039</u>	<u>18,791,111</u>	<u>64,514,928</u>
Revenues over (under) expenditures	-	-	-	-
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
End of year			<u>\$ -</u>	

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

**UNION 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**  
**For the Fiscal Year Ended June 30, 2021**

**Exhibit 6 (continued)**

	Other Special Revenue Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Union County	-	-	-	-
U.S. Government	6,466,838	8,309,094	6,615,686	(1,693,408)
Other	2,988,189	5,616,550	5,001,933	(614,617)
Total revenues	9,455,027	13,925,644	11,617,619	(2,308,025)
Expenditures:				
Current:				
Instructional services				
Regular instructional	4,139,190	5,289,554	3,932,085	1,357,469
Special populations	5,462,973	7,457,852	2,502,709	4,955,143
Alternative programs	1,538,608	1,543,607	1,120,638	422,969
School leadership	211,721	211,721	209,152	2,569
Co-curricular	-	-	-	-
School-based support	796,806	1,360,490	923,127	437,363
System-wide support services				
Support and development	69,978	69,638	29,986	39,652
Special populations	41,500	41,500	151	41,349
Alternative programs	337,956	837,956	653,266	184,690
Technology support	-	-	-	-
Operational support	166,769	168,315	72,361	95,954
Financial and human resource	27,205	27,205	14,015	13,190
Accountability	1,375,225	1,625,225	1,256,564	368,661
System-wide pupil support	-	-	-	-
Policy, leadership and public relations	-	-	561	(561)
Ancillary services				
Community	129,517	270,512	51,977	218,535
Nutrition	-	15,000	-	-
Nonprogrammed charges	526,584	387,189	123,976	263,213
Total expenditures	14,824,032	19,305,764	10,890,568	8,415,196
Revenues over (under) expenditures	(5,369,005)	(5,380,120)	727,051	6,107,171
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	5,369,005	5,380,120	-	(5,380,120)
Net change in fund balance	\$ -	\$ -	727,051	\$ 727,051
Fund balances:				
Beginning of year			8,958,895	
End of year			\$ 9,685,946	

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

**UNION COUNTY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND TYPES**  
**June 30, 2021**

**Exhibit 7**

	Enterprise		
	Major Funds		
	School Food Service	After School Program	Totals
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 2,752,429	\$ 33,845	\$ 2,786,274
Investments	1,095,584	-	1,095,584
Due from other governments	184,279	-	184,279
Receivables	23,993	2,424	26,417
Net OPEB asset	13,571	2,358	15,929
Inventories	249,144	-	249,144
Total current assets	<u>4,319,000</u>	<u>38,627</u>	<u>4,357,627</u>
Noncurrent assets:			
Capital assets:			
Furniture, equipment and vehicles, net	<u>1,092,521</u>	<u>-</u>	<u>1,092,521</u>
Total assets	<u>5,411,521</u>	<u>38,627</u>	<u>5,450,148</u>
<b>Deferred Outflows of Resources</b>	<u>2,255,224</u>	<u>391,893</u>	<u>2,647,117</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued liabilities	1,115	5,396	6,511
Accrued salaries and wages payable	150,107	-	150,107
Compensated absences	233,701	61,321	295,022
Unearned revenue	430,855	31,581	462,436
Total current liabilities	<u>815,778</u>	<u>98,298</u>	<u>914,076</u>
Noncurrent liabilities:			
Net pension liability	3,813,588	662,691	4,476,279
Net OPEB liability	7,577,570	1,316,762	8,894,332
Compensated absences	115,857	21,502	137,359
Total noncurrent liabilities	<u>11,507,015</u>	<u>2,000,955</u>	<u>13,507,970</u>
Total liabilities	<u>12,322,793</u>	<u>2,099,253</u>	<u>14,422,046</u>
<b>Deferred Inflows of Resources</b>	<u>3,845,490</u>	<u>668,235</u>	<u>4,513,725</u>
<b>Net position</b>			
Investment in capital assets	1,092,521	-	1,092,521
Restricted for DIPNC OPEB plan	24,359	4,231	28,590
Unrestricted (deficit)	<u>(9,618,418)</u>	<u>(2,341,199)</u>	<u>(11,959,617)</u>
Total net position (deficit)	<u>\$ (8,501,538)</u>	<u>\$ (2,336,968)</u>	<u>\$ (10,838,506)</u>

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

**UNION COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND TYPES**  
**For the Fiscal Year Ended June 30, 2021**

**Exhibit 8**

	Enterprise		
	Major Funds		
	School Food Service	After School Program	Totals
Operating revenues:			
Food sales	\$ 939,030	\$ -	\$ 939,030
Child care fees	-	661,893	661,893
Total operating revenues	<u>939,030</u>	<u>661,893</u>	<u>1,600,923</u>
Operating expenses:			
Food cost:			
Purchase of food	2,321,094	37,218	2,358,312
Donated commodities	1,195,136	-	1,195,136
Salaries and benefits	7,193,576	33,930	7,227,506
Materials and supplies	99,413	27,734	127,147
Repairs and maintenance	76,878	-	76,878
Depreciation	321,536	8,498	330,034
Non-capitalized equipment	30,484	2,960	33,444
Contracted services	43,624	2,182	45,806
Field trips	-	9,969	9,969
Bank service fees	-	21,487	21,487
Other	114,820	31,917	146,737
Total operating expenses	<u>11,396,561</u>	<u>175,895</u>	<u>11,572,456</u>
Operating income (loss)	<u>(10,457,531)</u>	<u>485,998</u>	<u>(9,971,533)</u>
Nonoperating revenues:			
Federal reimbursements	7,632,912	-	7,632,912
Federal commodities	1,195,136	-	1,195,136
State reimbursements	485	-	485
Gain on disposal of capital assets	4,384	-	4,384
Interest earned	-	102	102
Other	28,836	-	28,836
Total nonoperating revenues	<u>8,861,753</u>	<u>102</u>	<u>8,861,855</u>
Income (loss) before transfers and contributions	<u>(1,595,778)</u>	<u>486,100</u>	<u>(1,109,678)</u>
Transfers from other funds	<u>48,026</u>	<u>600,000</u>	<u>648,026</u>
Change in net position	<u>(1,547,752)</u>	<u>1,086,100</u>	<u>(461,652)</u>
Net position (deficit), beginning	<u>(6,953,786)</u>	<u>(3,423,068)</u>	<u>(10,376,854)</u>
Net position (deficit), end of year	<u>\$ (8,501,538)</u>	<u>\$ (2,336,968)</u>	<u>\$ (10,838,506)</u>

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

**UNION COUNTY BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPES**  
**For the Fiscal Year Ended June 30, 2021**

**Exhibit 9**

	Enterprise		
	Major Funds		
	School Food Service	After School Program	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 1,047,868	\$ 693,474	\$ 1,741,342
Cash paid for goods and services	(2,545,471)	(283,550)	(2,829,021)
Cash paid to employees for services	(6,946,104)	(1,527,735)	(8,473,839)
Net cash used by operating activities	(8,443,707)	(1,117,811)	(9,561,518)
Cash flows from noncapital financing activities:			
Due to other funds	(990,000)	-	(990,000)
Transfers from other funds	-	600,000	600,000
Federal and State reimbursements	7,612,632	-	7,612,632
Net cash provided by noncapital activities	6,622,632	600,000	7,222,632
Cash flows from capital and related financing activities:			
Proceeds from disposal of capital assets	4,384	-	4,384
Purchase of capital assets	(69,108)	-	(69,108)
Net cash used by capital and related financing activities	(64,724)	-	(64,724)
Cash flows from investing activities:			
Interest earned on investments	-	102	102
Sales of investments	3,877,615	544,211	4,421,826
Other	28,836	-	28,836
Net cash provided (used) by investing activities	3,906,451	544,313	4,450,764
Net increase (decrease) in cash and cash equivalents	2,020,652	26,502	2,047,154
Cash and cash equivalents, beginning of year	731,777	7,343	739,120
Cash and cash equivalents, end of year	\$ 2,752,429	\$ 33,845	\$ 2,786,274
Reconciliation of operating loss to net cash used by operating activities:			
Operating income (loss)	\$ (10,457,531)	\$ 485,998	\$ (9,971,533)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	321,536	8,498	330,034
Donated commodities	1,195,136	-	1,195,136
Salaries paid by special revenue fund	48,026	-	48,026
Changes in assets and liabilities:			
Decrease in accounts receivable	218,335	-	218,335
Decrease in inventories	160,194	-	160,194
Decrease in accounts payable and accrued liabilities	(19,352)	(150,083)	(169,435)

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

**UNION COUNTY BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPES**  
**For the Fiscal Year Ended June 30, 2021**

**Exhibit 9 (continued)**

	Enterprise		
	Major Funds		Totals
	School Food Service	After School Program	
Increase in accrued salaries and wages payable	25,324	-	25,324
Increase (decrease) in unearned revenue	(109,497)	31,581	(77,916)
Increase (decrease) in pension liability	664,985	(250,102)	414,883
Decrease in OPEB liability	(758,815)	(1,099,991)	(1,858,806)
(Increase) decrease in OPEB asset	(2,027)	989	(1,038)
(Increase) decrease in deferred outflow	(54,177)	246,200	192,023
Increase (decrease) in deferred inflow	352,236	(344,474)	7,762
Decrease in compensated absences payable	(28,080)	(46,427)	(74,507)
Total adjustments	<u>2,013,824</u>	<u>(1,603,809)</u>	<u>410,015</u>
Net cash used by operating activities	<u>\$ (8,443,707)</u>	<u>\$ (1,117,811)</u>	<u>\$ (9,561,518)</u>

**NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:**

The School Food Service Fund received donated commodities with a value of \$1,195,136 during the fiscal year. The receipt of these commodities is reflected as a nonoperating revenue on Exhibit 8. The consumption of these commodities is recorded as an operating expense.

The State Public School Fund paid salaries and benefits of \$48,026 to personnel of the School Food Service Fund during the fiscal year. The payment is reflected as a transfer in and an operating expense on Exhibit 8.

The School Food Service Fund reported a gain on disposal of capital assets of \$4,384.

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

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Union County Board of Education conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Union 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 Union County, North Carolina. The Board provides public school education to the children of Union County not living within the boundaries of the Kannapolis Local Educational Agency. 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 and the statement of activities display information about the Board. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses, however interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *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 nonmajor 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 gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. All expenses are considered to be operating expenses.

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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The Board reports the following major governmental funds:

*General Fund.* The General Fund is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are accounted for in another fund.

*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.

*Federal Grants Fund.* The Federal Grants Fund includes appropriations from the U.S. Government for the current operating expenditures of the public school system.

*Other Special Revenue Fund.* The Other Special Revenue Fund is used to account for revenues from reimbursements (including indirect costs), fees for actual costs, tuition, sales tax refunds, gifts and grants restricted as to use, trust funds, federal grants restricted as to use, federal appropriations made directly to local school administrative units, funds received from prekindergarten programs and other special programs.

*Individual Schools Fund.* The Individual Schools Fund includes revenues and expenditures of the activity funds of the individual schools. The primary revenue sources include funds held on the behalf of various clubs and organizations, receipts from athletic events, and proceeds from various fund raising activities. The primary expenditures are for athletic teams, club programs, activity buses, and instructional needs.

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

The Board reports the following major enterprise funds:

*School Food Service Fund.* The School Food Service Fund is used to account for the food service program within the school system.

*After School Program Fund.* The After School Program Fund is used to account for the before and after school child care program 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 take place. 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, and some charges for services. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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Under the terms of grant agreements, the Board funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there is 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 and then general revenues.

All governmental and business-type activities and enterprise funds of the Board follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

**D. Budgetary Data**

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual schools special revenue funds as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. The Board has authorized the Superintendent to move moneys (up to \$100,000) from one function to another within a fund. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$100,000. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

**1. Deposits and Investments**

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

State law [G.S. 115C-443] authorizes the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a-7) money market mutual fund; and the North Carolina State Treasurer's Short Term Investment Fund (STIF). The STIF is managed by the staff of the Department of State Treasurer and operated in accordance with State laws and regulations. It is not registered with the SEC. The STIF 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 determined by either quoted market prices or a matrix pricing model. The NCCMT Government Portfolio's securities are measured at fair value. The STIF securities (as valued under level 2 of the fair value hierarchy) are reported at cost and maintain a constant \$1 per share value. Investments valued under level 2 of the fair value hierarchy are valued using prices that are either directly or indirectly observable for an asset or liability. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to external participants of the fund.

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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2. Cash and Cash Equivalents

The Board pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

3. Inventories

The inventories of the Board are valued at cost and the Board uses the first-in, first-out (FIFO) flow assumption in determining cost. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

4. Capital Assets

Donated assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other capital 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, 1995 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. 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.

Union 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 gives the schools full use of the facilities, full responsibility for maintenance of the facilities, and provides that the County will convey title of the property back to the Board, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met.

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

	Years
Buildings	20 – 50
Equipment and furniture	5 – 10
Vehicles	6 – 20
Computer equipment	3 – 5

Depreciation for equipment serves multiple purposes and cannot be allocated ratably, therefore it is reported as “unallocated depreciation” on the Statement of Activities. Land and construction in progress are not depreciated.

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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5. Deferred outflows and inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Board has two items that meet this criterion - a pension related deferral and contributions made to the pension plan in the current fiscal year. The statement of financial position also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Board has one item that meet this criterion – pension related deferrals.

6. Long-term Obligations

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

7. Compensated Absences

The Board follows the State's policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board's liability for accumulated earned vacation and the salary-related payments as of June 30, 2021 is recorded in the district-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made based on prior years' records of the current portion of compensated absences.

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

8. Net Position/Fund Balances

Net Position

Net position in the government-wide and proprietary fund financial statements is classified as net investment in capital assets; 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.

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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Fund Balances

In the governmental fund financial statements, fund balance is composed of four classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

*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 – North Carolina G.S. 115C-425(a) prohibits boards of education from budgeting or spending a portion of their fund balance. Restricted by State statute (RSS) is calculated at the end of each fiscal year. The amount of fund balance not available for appropriation is what is known as “restricted by State statute”. Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget year. Outstanding encumbrances are included within RSS.

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

Restricted for special revenue programs– grant and other revenues restricted for expenditure for various instructional services, as allowable by the funding source.

Restricted for Individual Schools – revenue sources restricted for expenditures for the various clubs and organizations, athletic events, and various fund raising activities for which they were collected.

*Assigned fund balance* – portion of fund balance that the Board of Education intends to use for specific purposes. Any amounts assigned are established by the Board’s Budget Committee.

Local Supplements – portion of fund balance that is appropriated in the next year’s budget that is set aside for local supplements. The Board of Education approved the appropriation.

Special revenue programs – portion of fund balance that represents the residual amount of revenues from certain grants, reimbursements, indirect costs and other financial resources in excess of related expenditures that the Board of Education has assigned to be expended for educational services. These amounts can be expended for instructional services, system-wide support services, ancillary services or non-programmed charges.

*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, a negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes.

The Board of Education has a management policy for revenue spending that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-board of education funds, and lastly board of education funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Board of Education.

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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9. Reconciliation of District-wide and Fund Financial Statements

a. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. The net adjustment of \$(26,059,525) consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 935,172,289
Less Accumulated Depreciation	<u>(298,169,241)</u>
Net capital assets	637,003,048
Net OPEB Asset	666,244
Pension related deferred outflows of resources	69,524,628
OPEB related deferred outflows of resources	41,190,236
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:	
Installment financing	(6,272,335)
Compensated absences	(20,164,095)
Net pension liability	(187,219,102)
Net OPEB liability	(372,002,909)
Deferred inflows of resources related to pensions	(2,661,049)
Deferred inflows of resources related to OPEB	<u>(186,124,191)</u>
Total adjustment	<u><u>\$ (26,059,525)</u></u>

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

- b. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the district-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. There are several elements of that total adjustment of \$6,427,154 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 16,270,659
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(22,539,985)
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	(855,309)
Principal payments on debt owed are recorded as a use of funds on the fund statements but affect only the statement of net position on the government-wide statements	2,850,354
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	32,159,006
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	14,730,478
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	6,372,399
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) benefit	(52,485,369)
OPEB (expense) benefit	11,147,155
Loss on disposal of asset	(28,679)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(1,193,555)
Total adjustment	<u>\$ 6,427,154</u>

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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10. Defined Benefit Pension Plan and OPEB Plans

For purposes of measuring the net pension liability, 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.

**NOTE 2 - 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. Because of the inability to measure the exact amount of collateral pledged for the Board under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Board has no policy regarding custodial credit risk for deposits.

At June 30, 2021, the Board had deposits with banks and savings and loans with a carrying amount of \$20,337,123 and deposits with the State Treasurer with a carrying amount of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$27,451,420 and \$6,650,930, respectively. Of these balances, \$4,264,205 was covered by federal depository insurance and \$29,838,145 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30, 2021, the Board of Education had \$11,846,194 invested in fixed income securities and agency bonds. The Board also had \$2,782,670 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. In addition, the Board has \$1,912,438 invested with the State Treasurer in the Short Term Investment Fund (STIF).

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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Interest Rate Risk

The Board of Education 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) is unrated and has a weighted average maturity of 1.3 years as of June 30, 2021.

Credit Rating for Bonds

The Board invests in certain fixed income mortgage backed securities whose primary holdings are governmental bonds. The credit rating of the underlying bonds held within these fixed income securities is AAA as determined by Standard & Poor's.

Concentration of Credit Risk

The Board places no limit on the amount the Board may invest in any one issuer. The Board does not have any investments, other than the fixed income mortgage backed securities, that account for more than 5% of total invested funds.

All investments in fixed income securities and guaranteed agency bonds are measured using the market approach fair value hierarchy Level 1: Securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. At June 30, 2021, the Board's investment balances in securities were as follows:

	<u>Cost</u>	<u>Fair Value</u>
<u>Cash Equivalents:</u>		
North Carolina Capital Management Money Market	\$ 3,458,427	\$ 3,458,427
US Treasury Note 12/21/2022	352,742	360,248
US Treasury Note 3/31/2024	576,339	575,911
US Treasury Note 9/30/2021	1,354,782	1,354,873
US Treasury Note 9/30/2021	1,248,417	1,253,375
US Treasury Note 12/31/2021	1,252,314	1,262,000
US Treasury Note 3/31/2022	1,252,566	1,266,750
US Treasury Note 6/30/2022	1,252,080	1,270,525
US Treasury Note 9/30/2022	1,003,615	1,021,760
Accrued Income	22,325	22,325
	<u>\$ 11,773,607</u>	<u>\$ 11,846,194</u>

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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3. Accounts Receivable

Receivables at the district-wide level at June 30, 2021 are as follows:

	Due from other governments	Other	Total
Governmental activities:			
General Fund	\$ 43,037	\$ 12,452	\$ 55,489
Other governmental activities	<u>14,694,705</u>	<u>156,274</u>	<u>14,850,979</u>
Total governmental activities	<u>\$ 14,737,742</u>	<u>\$ 168,726</u>	<u>\$ 14,906,468</u>
Business-type activities:			
School Food Service	\$ 184,279	\$ 23,993	\$ 208,272
Child Care	<u>-</u>	<u>2,424</u>	<u>2,424</u>
Total business-type activities	<u>\$ 184,279</u>	<u>\$ 26,417</u>	<u>\$ 210,696</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 43,037	Due from Cities and County
State Public School Fund	12,360,339	Operating funds from DPI
Federal Grants Fund	726,357	Federal grant funds
Other Special Revenue Fund	165,691	Due from State &
		Federal governments
Capital Outlay Fund	<u>1,442,318</u>	Due from County
Total	<u>\$ 14,737,742</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 184,279</u>	Federal grant funds

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

4. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 62,397,575	\$ 1,578,416	\$ -	\$ 63,975,991
Construction in progress	53,125,190	9,608,638	56,015,634	6,718,194
Total capital assets not being depreciated	115,522,765	11,187,054	56,015,634	70,694,185
Capital assets being depreciated:				
Buildings and improvements	738,276,721	56,015,634	-	794,292,355
Equipment and furniture	27,378,851	757,160	83,807	28,052,204
Vehicles	37,856,861	4,326,445	49,761	42,133,545
Total capital assets being depreciated	803,512,433	61,099,239	133,568	864,478,104
Less accumulated depreciation for:				
Buildings and improvements	224,561,529	19,734,162	-	244,295,691
Equipment and furniture	24,431,038	894,306	55,128	25,270,216
Vehicles	26,741,578	1,911,517	49,761	28,603,334
Total accumulated depreciation	275,734,145	22,539,985	104,889	298,169,241
Total capital assets being depreciated, net	527,778,288			566,308,863
Governmental activity capital assets, net	<u>\$ 643,301,053</u>			<u>\$ 637,003,048</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment, furniture and vehicles	\$ 6,520,369	\$ 69,108	\$ 12,998	\$ 6,576,479
Less accumulated depreciation for:				
Equipment, furniture and vehicles	5,175,420	321,536	12,998	5,483,958
School Food Service capital assets, net	1,344,949			1,092,521
Child Care Fund:				
Capital assets being depreciated:				
Equipment and furniture	110,550	-	-	110,550
Less accumulated depreciation for:				
Equipment and furniture	102,052	8,498	-	110,550
Child Care Fund capital assets, net	8,498			-
Business-type activities capital assets, net	<u>\$ 1,353,447</u>			<u>\$ 1,092,521</u>

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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Depreciation was charged to governmental functions as follows:

Regular instructional services	\$ 19,734,162
System-wide support services	1,911,517
Unallocated depreciation	<u>894,306</u>
Total	<u>\$ 22,539,985</u>

5. Construction Commitments

As of June 30, 2021, the Board has various renovation and repair projects in progress at several schools in the district. At year end, the Board's commitments with contractors for the remaining portion of the contracts to complete these projects totaled approximately \$4.2 million.

B. Liabilities

1. Pension Plan and Other Postemployment 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 State's ACFR includes financial statements and required supplementary information for TSERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

TSERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer (or 10 years of creditable service for members joining TSERS on or after August 1, 2011), 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.

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2021, was 14.78% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$32,927,906 for the year ended June 30, 2021.

**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% 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.

At June 30, 2021, the Board reported a liability of \$191,695,381 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2020 and at June 30, 2019, the Board's proportion was 1.58662% and 1.58218%, respectively.

For the year ended June 30, 2021, the Board recognized pension expense of \$53,592,178. At June 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 10,563,446	\$ -
Changes of assumptions	6,496,019	-
Net difference between projected and actual earnings on pension plan investments	21,199,544	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	2,724,673
Board contributions subsequent to the measurement date	32,927,906	-
<b>Total</b>	<b>\$ 71,186,915</b>	<b>\$ 2,724,673</b>

\$32,927,906 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**Year ended June 30:**

2022	\$ 11,625,275
2023	9,695,212
2024	7,898,323
2025	6,315,526
2026	-
Thereafter	-
Total	<u>\$ 35,534,336</u>

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

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based 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 for the December 31, 2019 actuarial valuation are based on the experience study prepared as of December 31, 2014 and adopted by the Board of Trustees on January 21, 2016.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset liability and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount rate.* The discount rates used to measure the total pension liability reported at June 30, 2021 and 2020 was 7.00% for both years. 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 7.00 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 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Board's proportionate share of the net pension liability (asset)	\$ 345,006,663	\$ 191,695,381	\$ 63,098,941

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report (ACFR) for the State of North Carolina.

**b. Other Postemployment Benefits**

**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 in Chapter 135, Article 1 of the General Statutes. It is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of former employees of the State, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools, and some select local governments also participate.

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

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

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

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

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

Section 35.21 (c) and (d) of Session Law 2017-57 repeals retiree medical benefits for employees first hired January 1, 2021. The new legislation amends Article 3B of Chapter 135 of the General Statutes to require that retirees must earn contributory retirement service in TSERS (or in an allowed local system unit), CJRS, or LRS prior to January 1, 2021, and not withdraw that service, in order to be eligible for retiree medical benefits under the amended law. Consequently, members first hired on and after January 1, 2021 will not be eligible to receive retiree medical benefits.

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

*Contributions.* By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the current fiscal year, the Board contributed 6.68% of covered payroll which amounted to \$14,882,165. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$475.2 million, which was isolated from the OPEB expense and allocated to participating employers as a separate contribution. The Board's proportionate share of this contribution totaled \$6,524,759.

At June 30, 2021, Board reported a liability of \$380,897,241 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. The total OPEB liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2020 and at June 30, 2019, the Board's proportion was 1.37306% and 1.37258%, respectively.

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

\$14,882,165 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year ended June 30:**

2022	\$ (56,121,617)
2023	(56,079,791)
2024	(29,214,608)
2025	(9,764,359)
2026	(12,643,331)
Thereafter	-
Total	<u>\$ (163,823,706)</u>

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

Inflation	3.00%
Salary increases	3.50-8.10%, include 3.5% inflation and productivity factor
Investment rate of return	7.00%

Healthcare cost trend rates:

Medical	5.00-6.50%
Prescription drug	5.00-9.50%
Administrative costs	3.00%
Post-retirement mortality rates	RP-2014 Healthy Annuitant Mortality Table for males and females, adjusted for Collar for some Participants, further adjusted with scaling factors varying before and after age 78 and projected for mortality improvement using Scale MP-2015

*Discount rate.* The discount rates used to measure the total OPEB liability for the RHBF at June 30, 2021 and 2020 were 2.21% and 3.50%, 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 the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 2.21% was used as the discount rate used to measure the total OPEB liability. The 2.21% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2020.

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

	<b>1% Decrease</b> <b>(1.21%)</b>	<b>Discount Rate</b> <b>(2.21%)</b>	<b>1% Increase</b> <b>(3.21%)</b>
Net OPEB liability	\$ 451,720,025	\$ 380,897,241	\$ 323,837,683

*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

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

rate that is 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

		<b>Healthcare Trend Rates</b>		
	<b>1% Decrease (Medical- 4.00-5.50%, Pharmacy- 4.00-8.50%, Medicare Advantage - 4.00%, Administrative - 2.00%)</b>	<b>(Medical - 5.00-6.50%, Pharmacy - 5.00-9.50%, Medicare Advantage - 5.00%, Administrative - 3.00%)</b>	<b>1% Increase (Medical- 6.00-7.50%, Pharmacy- 6.00-10.50%, Medicare Advantage - 6.00%, Administrative - 4.00%)</b>	
Net OPEB liability	\$ 307,072,048	\$ 380,897,241	\$ 479,574,551	

*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.

**Disability Benefits**

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

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

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

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

*Contributions.* Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2021,

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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employers made a statutory contribution of 0.09% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$200,508 for the year ended June 30, 2021.

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

At June 30, 2021, Board reported an OPEB asset of \$682,173 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019. The total OPEB asset was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB asset was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2020 and at June 30, 2019, the Board's proportion was 1.38670% and 1.39364%, respectively.

\$200,508 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year ended June 30:**

2022	\$	134,009
2023		87,610
2024		40,435
2025		70,474
2026		863
Thereafter		<u>8,415</u>
Total	\$	<u>341,806</u>

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

Inflation	3.00%
Salary increases	3.5%-8.10%, include 3.5% inflation and productivity factor
Investment rate of return	3.75%, net of OPEB plan expense, including inflation

*Sensitivity of the Board's proportionate share of the net OPEB asset to changes in the discount rate.* The following presents the Board's proportionate share of the net OPEB 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 (2.75 percent) or 1-percentage point higher (4.75 percent) than the current discount rate:

	<b>1% Decrease (2.75%)</b>	<b>Discount Rate (3.75%)</b>	<b>1% Increase (4.75%)</b>
Net OPEB asset	\$ 589,153	\$ 682,173	\$ 772,489

*Common actuarial assumptions for both OPEB plans.* The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2019 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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

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

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2020. 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, 2020 is 1.2%.

Following is information related to OPEB expense, proportionate share, assets, liabilities, deferred outflows of resources and deferred inflows of resources reported by the Board as of and for the year ended June 30, 2021:

	RHBF	DIPNC	Total
OPEB Expense (Benefit)	\$ (12,813,462)	\$ 587,778	\$ (12,225,684)
OPEB Liability (Asset)	380,897,241	682,173	381,579,414
Proportionate share of the net OPEB liability (asset)	1.37306%	1.38670%	
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	345,065	494,178	839,243
Changes of assumptions	16,704,518	53,041	16,757,559
Net difference between projected and actual earnings on plan investments	802,401	-	802,401
Changes in proportion and differences between Board contributions and proportionate share of contributions	8,688,154	5,035	8,693,189
Board contributions subsequent to the measurement date	14,882,166	200,508	15,082,674
<b>Total Deferred Outflows of Resources</b>	<b>41,422,304</b>	<b>752,762</b>	<b>42,175,066</b>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and actual experience	14,901,169	-	14,901,169
Changes of assumptions	154,574,114	53,721	154,627,835
Net difference between projected and actual earnings on plan investments	-	115,568	115,568
Changes in proportion and differences between Board contributions and proportionate share of contributions	20,888,561	41,159	20,929,720
<b>Total Deferred Inflows of Resources</b>	<b>190,363,844</b>	<b>210,448</b>	<b>190,574,292</b>

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

2. Accounts Payable

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

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental activities:			
General Fund	\$ 2,129,550	\$ 1,768,588	\$ 3,898,138
Other Governmental	<u>1,260,068</u>	<u>13,315,713</u>	<u>14,575,781</u>
Total governmental activities	<u>\$ 3,389,618</u>	<u>\$ 15,084,301</u>	<u>\$ 18,473,919</u>
Business-type activities:			
School Food Service Fund	\$ 1,115	\$ 150,107	\$ 151,222
Child Care Fund	<u>5,396</u>	<u>-</u>	<u>5,396</u>
Total business-type activities	<u>\$ 6,511</u>	<u>\$ 150,107</u>	<u>\$ 156,618</u>

3. Unearned Revenues

The balances in unearned revenues at year-end have no time restrictions and are composed of the following elements:

	<u>Unearnd Revenues</u>
Governmental Activities:	
Grants not yet earned	<u>\$ 232,164</u>
Business-Type Activities:	
Prepaid lunch balances (School Food Service Fund)	\$ 430,855
Prepaid summer camp (Child Care Fund)	<u>31,581</u>
Total	<u>\$ 462,436</u>

4. Deferred Outflows and Inflows of Resources

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 11,402,689	\$ 14,901,169
Changes of assumptions	23,253,578	154,627,835
Net difference between projected and actual earnings on pension plan investments	22,001,945	115,568
Changes in proportion and differences between Board contributions and proportionate share of contributions	8,693,189	23,654,393
Board contributions subsequent to the measurement date	48,010,580	-
Total	<u>\$ 113,361,981</u>	<u>\$ 193,298,965</u>

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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5. Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Board maintains general liability and error and omissions coverage of \$1 million per claim with \$2 million aggregate limit through commercial insurers. The Board also participates in the Public School Insurance Fund (the Fund), a voluntary, self-insured risk control and risk financing fund administered by the North Carolina Department of Insurance. The Fund insures the tangible property assets of the Board. Coverage is provided on an "all risk" perils contract. Buildings and contents are insured on a replacement cost basis. The Fund purchases excess reinsurance to protect the assets of the Fund in the event of a catastrophic event. The Fund maintains a self-insured retention of \$10 million. Excess reinsurance is purchased through commercial insurers. A limit of \$5 million per occurrence is provided on flood, earthquake, business interruption and extra expense. \$10 million per occurrence is provided on increased cost of construction.

The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan (Plan), a self-funded risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits. The Board pays most of the cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

Statutory workers' compensation coverage is provided by The Board through a self-insured fund for employees to the extent they are paid from Federal and local funds. Workers' compensation is provided by the State of North Carolina through a self-insured fund, to the extent employees are paid from State fund. Excess reinsurance is purchased through commercial insurers with a limit of \$350,000 per occurrence.

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's monies at any given time are performance bonded through a commercial surety bond. The finance officer is bonded for \$150,000. The remaining employees that have access to funds are bonded under a blanket bond for \$100,000.

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.

6. Contingent Liabilities

At June 30, 2021, the Board was a defendant to various lawsuits and legal claims. 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. Installment Purchases

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through a special third party financing arrangements. The Board entered into such financing contracts for the purchase of school buses during each of the 2015-2016 through 2016-2017 fiscal years. The original amount of the Board's school bus direct placement installment purchase contracts outstanding at June 30, 2021 totaled \$1,408,107. The financing contract requires four principal-

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

only payments with the first payment due within 10 days of receipt of the buses and the following 3 payments due on the next 3 immediately following November 15<sup>th</sup> dates.

The Board also entered into two direct placement installment purchase contracts for computers, the first contract had an original purchase amount totaling \$7,818,198. The financing contract requires quarterly principal and interest payments for 5 years with an interest rate of 3.06%. The second contract had an original purchase amount totaling \$3,200,500. The financing contract requires quarterly principal and interest payments for 5 years with an interest rate of 1.65%.

The future minimum payments of the direct placement installment purchases as of June 30, 2021 are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2022	\$ 2,701,221	\$ 116,900
2023	2,605,111	54,894
2024	771,209	11,184
2025	194,794	804
2026	-	-
Total	<u>\$ 6,272,335</u>	<u>\$ 183,782</u>

b. Long-Term Obligation Activity

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

	July 1, 2019	Increases	Decreases	June 30, 2020	Current Portion
Governmental activities:					
Installment purchases	\$ 8,267,380	\$ 855,309	\$ 2,850,354	\$ 6,272,335	\$ 2,701,221
Net pension liability	159,962,524	27,256,578	-	187,219,102	-
Net OPEB liability	423,524,059	-	51,521,150	372,002,909	-
Compensated absences	18,970,540	14,624,363	13,430,808	20,164,095	10,304,111
Total	<u>\$ 610,724,503</u>	<u>\$ 42,736,250</u>	<u>\$ 67,802,312</u>	<u>\$ 585,658,441</u>	<u>\$ 13,005,332</u>
Business-type activities:					
Net pension liability	\$ 4,061,396	\$ 414,883	\$ -	\$ 4,476,279	\$ -
Net OPEB liability	10,753,138	-	1,858,806	8,894,332	-
Compensated absences	506,888	415,298	489,805	432,381	295,022
Total	<u>\$ 15,321,422</u>	<u>\$ 830,181</u>	<u>\$ 2,348,611</u>	<u>\$ 13,802,992</u>	<u>\$ 295,022</u>

Compensated absences, net pension and net OPEB liabilities related to governmental activities are typically liquidated by the General and other governmental funds. Installment purchases are typically liquidated by the Capital Outlay Fund.

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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C. Interfund Balances and Activity

1. Transfers to/from other Funds

Transfers to/from other funds at June 30, 2021 consist of the following:

	<u>Amount</u>
From the State Public School Fund to the School Food Service Fund for child nutrition costs.	<u>\$ 48,026</u>
From the General Fund to the After School Program for operating costs.	<u>\$ 600,000</u>

D. Fund Balance

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	\$ 12,980,785
Less:	
Stabilization by State statute	(673,860)
Assigned for Local Supplements	<u>(2,860,000)</u>
Remaining fund balance	<u>\$ 9,446,925</u>

Encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Encumbrances outstanding at June 30, 2021 are as follows:

	<u>Encumbrances</u>
General Fund	<u>\$ 618,371</u>

**NOTE 3 – OTHER SPECIAL REVENUE FUND – OTHER REVENUES**

Other revenues for the fiscal year ended June 30, 2021 in the Other Special Revenue Fund consists of the following:

Tuition and fees	\$ 1,235,937
Medicaid reimbursements	1,925,014
Indirect costs allocated	630,695
Local sales tax refund	491,655
Private grants and donations	220,173
Facility rentals	61,051
Contributions and donations	42,032
Interest	6,631
Insurance proceeds	27,234
Miscellaneous	<u>361,511</u>
Total other revenues	<u>\$ 5,001,933</u>

**UNION COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
***For the Fiscal Year Ended June 30, 2021***

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**NOTE 4 - 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 moneys 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 moneys.

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## REQUIRED SUPPLEMENTARY INFORMATION

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Schedule of the Board's Proportionate Share of the 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 the Net OPEB Liability  
*Retiree Health Benefit Fund*

Schedule of Board Contributions  
*Retiree Health Benefit Fund*

Schedule of the Board's Proportionate Share of the Net OPEB Asset  
*Disability Income Plan of North Carolina*

Schedule of Board Contributions  
*Disability Income Plan of North Carolina*

**UNION COUNTY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM  
LAST EIGHT FISCAL YEARS\***

	2021	2020	2019
Board's proportion of the net pension liability (asset)	1.58662%	1.58218%	1.55636%
Board's proportionate share of the net pension liability (asset)	\$ 191,695,381	\$ 164,023,920	\$ 154,952,587
Board's covered payroll	\$ 230,000,188	\$ 230,661,877	\$ 214,696,602
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	83.35%	71.11%	72.17%
Plan fiduciary net position as a percentage of the total pension liability	89.51%	87.56%	87.61%

	2018	2017	2016	2015	2014
Board's proportion of the net pension liability (asset)	1.59601%	1.58302%	1.57303%	1.52723%	1.54150%
Board's proportionate share of the net pension liability (asset)	\$ 126,634,472	\$ 145,495,891	\$ 57,969,270	\$ 17,905,565	\$ 93,584,758
Board's covered payroll	\$ 209,780,447	\$ 205,208,988	\$ 203,706,430	\$ 186,085,512	\$ 181,741,673
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	60.37%	70.90%	28.46%	9.62%	51.49%
Plan fiduciary net position as a percentage of the total pension liability	89.51%	87.32%	94.64%	98.24%	90.60%

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

Note: This is a ten year schedule. However, GASB 68 was not adopted until the fiscal year ended June 30, 2015. Therefore, there are only eight years of data presented.

**UNION COUNTY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF BOARD CONTRIBUTIONS  
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 32,927,904	\$ 30,022,566	\$ 28,348,345	\$ 23,144,294	\$ 20,936,089
Contributions in relation to the contractually required contribution	<u>32,927,904</u>	<u>30,022,566</u>	<u>28,348,345</u>	<u>23,144,294</u>	<u>20,936,089</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 222,905,839	\$ 230,000,188	\$ 230,661,877	\$ 214,696,602	\$ 209,780,447
Contributions as a percentage of covered payroll	14.87%	12.97%	12.29%	10.78%	9.98%

52

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 18,776,622	\$ 18,639,139	\$ 16,170,831	\$ 15,426,734	\$ 13,282,458
Contributions in relation to the contractually required contribution	<u>18,776,622</u>	<u>18,639,139</u>	<u>16,170,831</u>	<u>15,426,734</u>	<u>13,282,458</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 205,208,988	\$ 203,706,430	\$ 186,085,512	\$ 185,194,886	\$ 178,527,661
Contributions as a percentage of covered payroll	9.15%	9.15%	8.69%	8.33%	7.44%

**UNION COUNTY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
RETIREE HEALTH BENEFIT FUND  
LAST FIVE FISCAL YEARS\***

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	2021	2020	2019	2018	2017
Board's proportion of the net OPEB liability	1.37306%	1.37258%	1.37306%	1.45493%	1.39123%
Board's proportionate share of the net OPEB liability	\$380,897,241	\$434,277,197	\$394,819,992	\$477,021,010	\$605,230,565
Board's covered payroll	\$230,000,188	\$230,661,877	\$214,696,602	\$209,780,447	\$205,208,988
Board's proportionate share of the net OPEB liability as a percentage of its covered payroll	165.61%	188.27%	183.90%	227.39%	294.93%
Plan fiduciary net position as a percentage of the total OPEB liability	6.92%	4.40%	4.40%	3.52%	2.41%

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

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. Therefore, there are only five years of data presented.

**UNION COUNTY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF BOARD CONTRIBUTIONS  
RETIREE HEALTH BENEFIT FUND  
LAST TEN FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 14,882,165	\$ 14,976,562	\$ 14,462,500	\$ 12,989,144	\$ 12,165,615
Contributions in relation to the contractually required contribution	<u>14,882,165</u>	<u>14,976,562</u>	<u>14,462,500</u>	<u>12,989,144</u>	<u>12,165,615</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 222,905,839	\$ 230,000,188	\$ 230,661,877	\$ 214,696,602	\$ 209,780,447
Contributions as a percentage of covered payroll	6.68%	6.47%	6.27%	6.05%	5.81%

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 11,436,286	\$ 11,100,414	\$ 10,027,418	\$ 9,815,329	\$ 8,926,383
Contributions in relation to the contractually required contribution	<u>11,436,286</u>	<u>11,100,414</u>	<u>10,027,418</u>	<u>9,815,329</u>	<u>8,926,383</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 205,208,988	\$ 203,706,430	\$ 185,692,926	\$ 185,194,886	\$ 178,527,661
Contributions as a percentage of covered payroll	5.60%	5.49%	5.40%	5.30%	5.00%

**UNION COUNTY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB ASSET  
DISABILITY INCOME PLAN OF NORTH CAROLINA  
LAST FIVE FISCAL YEARS\***

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	2021	2020	2019	2018	2017
Board's proportion of the net OPEB asset	1.38670%	1.39364%	1.37598%	1.40907%	1.41358%
Board's proportionate share of the net OPEB asset	\$ 682,173	\$ 601,356	\$ 417,968	\$ 861,224	\$ 877,833
Board's covered payroll	\$230,000,188	\$230,661,877	\$214,696,602	\$209,780,447	\$205,208,988
Board's proportionate share of the net OPEB asset as a percentage of its covered payroll	0.30%	0.26%	0.19%	0.41%	0.43%
Plan fiduciary net position as a percentage of the total OPEB liability	115.57%	113.00%	108.47%	116.23%	116.06%

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

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. Therefore, there are only five years of data presented.

**UNION COUNTY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF BOARD CONTRIBUTIONS  
DISABILITY INCOME PLAN OF NORTH CAROLINA  
LAST TEN FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 200,508	\$ 230,000	\$ 322,927	\$ 300,575	\$ 795,686
Contributions in relation to the contractually required contribution	<u>200,508</u>	<u>230,000</u>	<u>322,927</u>	<u>300,575</u>	<u>795,686</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 222,905,839	\$ 230,000,188	\$ 230,661,877	\$ 214,696,602	\$ 209,780,447
Contributions as a percentage of covered payroll	0.09%	0.10%	0.14%	0.14%	0.38%

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 837,300	\$ 828,993	\$ 817,049	\$ 814,858	\$ 928,344
Contributions in relation to the contractually required contribution	<u>837,300</u>	<u>828,993</u>	<u>817,049</u>	<u>814,858</u>	<u>928,344</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 205,208,988	\$ 203,706,430	\$ 185,692,955	\$ 185,194,886	\$ 178,527,661
Contributions as a percentage of covered payroll	0.41%	0.41%	0.44%	0.44%	0.52%

# **Supplementary Information**

## **General Fund**

**UNION COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:			
Union County:			
County appropriation	\$ 108,696,045	\$ 108,696,045	\$ -
Other:			
Fines and forfeitures	700,000	656,215	(43,785)
ABC revenues	60,000	88,686	28,686
Total other	<u>760,000</u>	<u>744,901</u>	<u>(15,099)</u>
Total revenues	<u>109,456,045</u>	<u>109,440,946</u>	<u>(15,099)</u>
Expenditures:			
Current:			
Instructional services:			
Regular instructional	26,954,548	22,760,759	4,193,789
Special populations	3,468,010	3,181,426	286,584
Alternative programs	3,734,965	3,123,695	611,270
School leadership	11,819,746	11,813,705	6,041
Co-curricular	1,750,805	1,599,214	151,591
School-based support	<u>8,484,517</u>	<u>7,734,927</u>	<u>749,590</u>
Total instructional services	<u>56,212,591</u>	<u>50,213,726</u>	<u>5,998,865</u>
System-wide support services:			
Support and development	2,485,831	2,485,634	197
Special population support and development	302,741	264,277	38,464
Alternative programs and services			
support and development	187,538	155,854	31,684
Technology support	3,747,748	3,747,732	16
Operational support	26,720,009	23,593,946	3,126,063
Financial and human resource services	5,269,198	3,450,683	1,818,515
Accountability	554,368	410,563	143,805
System-wide pupil support	594,099	521,600	72,499
Policy, leadership and public relations	<u>2,516,259</u>	<u>2,484,392</u>	<u>31,867</u>
Total system-wide support services	<u>42,377,791</u>	<u>37,114,681</u>	<u>5,263,110</u>

**UNION COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (Continued)**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2021**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures: (Continued)			
Current:			
Ancillary services:			
Community	26,750	24,544	2,206
Nutrition	<u>411,252</u>	<u>411,250</u>	<u>2</u>
Nonprogrammed charges:			
Payments to other governments	<u>10,129,232</u>	<u>10,129,231</u>	<u>1</u>
Total expenditures	<u>109,157,616</u>	<u>97,893,432</u>	<u>11,264,184</u>
Revenues over (under) expenditures	298,429	11,547,514	11,249,085
Other financing sources (uses):			
Transfers to other funds	(600,000)	(600,000)	-
Fund balance appropriated	<u>301,571</u>	<u>-</u>	<u>(301,571)</u>
Net change in fund balance	<u>\$ -</u>	10,947,514	<u>\$ 10,947,514</u>
Fund balance:			
Beginning of year		<u>2,033,271</u>	
End of year		<u>\$ 12,980,785</u>	

# **Supplementary Information**

## **Capital Outlay Fund**

**UNION COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**CAPITAL OUTLAY FUND**  
**For the Fiscal Year Ended June 30, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:			
State of North Carolina:			
State Buses Appropriation	\$ 414,598	\$ 565,854	\$ 151,256
Union County:			
Bond proceeds	10,781,925	8,447,765	(2,334,160)
County appropriations	46,326,575	15,665,856	(30,660,719)
Total Union County	57,108,500	24,113,621	(32,994,879)
Other:			
Interest earned on investments	35,926	2,482	(33,444)
Total revenues	57,523,098	24,681,957	(32,841,141)
Expenditures:			
Debt service:			
Principal retirement	3,010,253	2,850,354	159,899
Interest and fees	181,597	181,597	-
Total debt service	3,191,850	3,031,951	159,899
Current:			
Instructional services	7,232,330	4,479,336	2,752,994
System-wide support services	3,009,950	1,713,126	1,296,824
Capital outlay:			
Real property and buildings	48,194,802	18,871,315	29,323,487
Furnishings and equipment	88,340	88,340	-
Buses and motor vehicles	1,215,833	1,215,833	-
Total capital outlay	49,498,975	20,175,488	29,323,487
Total expenditures	62,933,105	29,399,901	33,373,305
Revenues over (under) expenditures	(5,410,007)	(4,717,944)	692,063
Other financing sources:			
Installment purchase obligations issued	1,069,136	855,309	(213,827)
Fund balance appropriated	4,340,871	-	(4,340,871)
Net change in fund balance	\$ -	(3,862,635)	\$ (3,862,635)
Fund balance:			
Beginning of year		6,081,443	
End of year		\$ 2,218,808	

# **Supplementary Information**

## **Enterprise Funds**

**UNION COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**SCHOOL FOOD SERVICE FUND**  
**For the Fiscal Year Ended June 30, 2021**

	Final Budget	Actual	Variance With Final Budget
Operating revenues - food sales	\$ 5,599,800	\$ 939,030	\$ (4,660,770)
Operating expenditures:			
Business support services:			
Purchase of food	-	2,160,900	-
Donated commodities	-	1,195,136	-
Salaries and benefits	-	7,019,454	-
Materials and supplies	-	99,413	-
Repairs and maintenance	-	76,878	-
Non-capitalized equipment	-	30,484	-
Contracted services	-	43,624	-
Other	-	114,820	-
Capital outlay	-	69,108	-
Total operating expenditures	16,413,921	10,809,817	5,604,104
Operating loss	(10,814,121)	(9,870,787)	943,334
Nonoperating revenues:			
Federal reimbursements	7,090,000	7,632,912	542,912
Federal commodities	860,000	1,195,136	335,136
State reimbursements	18,000	485	(17,515)
Proceeds from disposal of capital assets	1,000	4,384	3,384
Interest earned	100,000	-	(100,000)
Other	-	28,836	28,836
Total nonoperating revenues	8,069,000	8,861,753	792,753
Revenues under expenditures before other financing sources	(2,745,121)	(1,009,034)	1,736,087
Other financing sources:			
Transfers from other funds	-	48,026	48,026
Fund balance appropriated	2,745,121	-	(2,745,121)
Net change in fund balance	\$ -	(961,008)	\$ (961,008)

**UNION COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**SCHOOL FOOD SERVICE FUND (continued)**  
**For the Fiscal Year Ended June 30, 2021**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(321,536)	
Net OPEB asset		2,027	
Net pension liability		(664,985)	
Net OPEB liability		758,815	
Deferred outflows		54,177	
Deferred inflows		(352,236)	
Equipment purchases		69,108	
Proceeds from disposal of capital assets		(4,384)	
Gain on disposal of capital assets		4,384	
Decrease in compensated absences payable		28,080	
Decrease in inventories		<u>(160,194)</u>	
Change in net position (full accrual)		<u>\$ (1,547,752)</u>	

**UNION COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**AFTER SCHOOL PROGRAM**  
**For the Fiscal Year Ended June 30, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Operating revenues:			
Child care fees	<u>\$ 633,428</u>	<u>\$ 661,893</u>	<u>\$ 28,465</u>
Operating expenditures:			
Regular community services:			
Purchase of food	-	37,218	-
Salaries and benefits	-	1,527,735	-
Materials and supplies	-	27,734	-
Non-capitalized equipment	-	2,960	-
Contracted services	-	2,182	-
Field trips	-	9,969	-
Bank service fees	-	21,487	-
Other	-	31,917	-
Total operating expenditures	<u>1,806,544</u>	<u>1,661,202</u>	<u>145,342</u>
Operating loss	<u>(1,173,116)</u>	<u>(999,309)</u>	<u>173,807</u>
Nonoperating revenues:			
Interest earned	<u>10,000</u>	<u>102</u>	<u>(9,898)</u>
Revenues under expenditures before other financing sources	-	(999,207)	(999,207)
Other financing sources:			
Transfers from other funds	611,561	600,000	(11,561)
Fund balance appropriated	<u>551,555</u>	<u>-</u>	<u>(551,555)</u>
Net change in fund balance	<u>\$ -</u>	<u>(399,207)</u>	<u>\$ (1,398,414)</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(8,498)	
Net OPEB asset		(989)	
Net pension liability		250,102	
Net OPEB liability		1,099,991	
Deferred outflows		(246,200)	
Deferred inflows		344,474	
Decrease in compensated absences payable		46,427	
Change in net position (full accrual)		<u>\$ 1,086,100</u>	

# Statistical Section

## **STATISTICAL SECTION**

### **(Unaudited)**

The Statistical Section of the District's Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial outlook.

### **Sections**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial performance and operations have changed over time.

#### **Revenue Capacity**

Since the District's local revenues are primarily provided by Union County, these schedules on the county's revenue sources are relevant to an understanding of Union County's most significant local revenue source, the property tax.

#### **Debt Capacity**

Since the District has no tax-levying or debt-issuing authority, the County of Union provides significant funding to the school system. Selected fiscal data from the County of Union has been included to help the reader better understand the school system and its financial operations.

#### **Demographic and Economic Information**

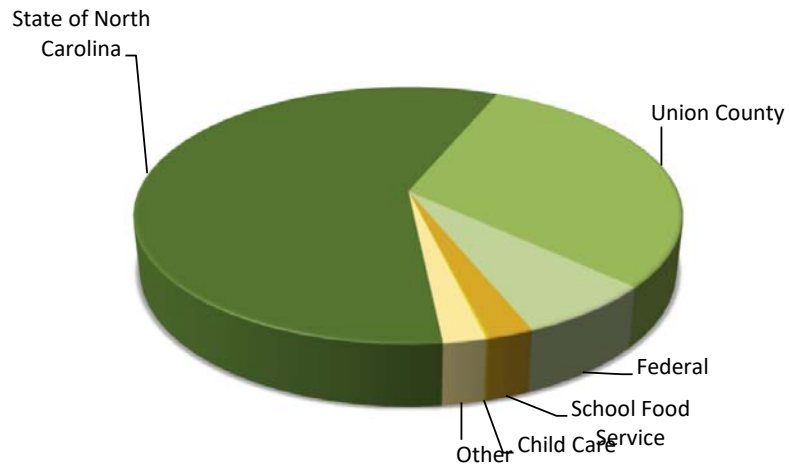
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. County information is included.

#### **Operating Information**

These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

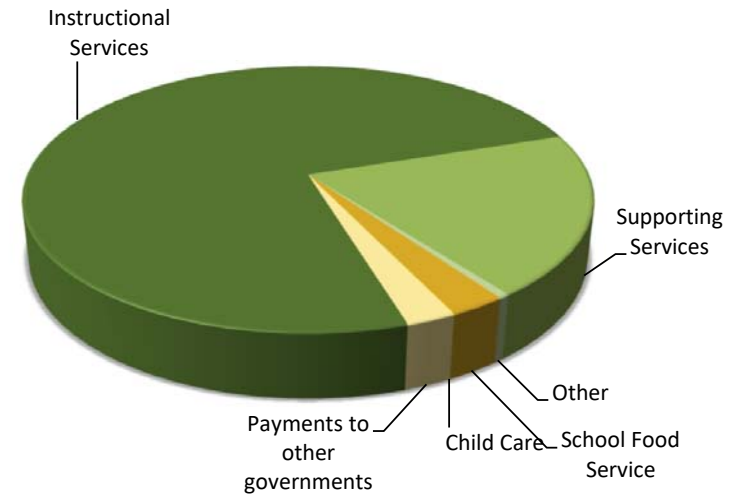
**Union County Public Schools**  
**Financial Perspective**  
**Governmental and Business-type Activities**  
**for Fiscal Year 2020-2021**

**Revenue Sources**



State of North Carolina	\$252,253,566
Union County	132,809,666
Federal	30,127,633
School Food Service	9,800,783
Child Care	661,995
Other	9,274,722
<b>Total</b>	<b><u>\$434,928,365</u></b>

**Expenditures/Expenses**



Instructional Services	\$314,393,802
Supporting Services	82,778,542
Other	2,233,885
School Food Service	11,396,561
Child Care	175,895
Payments to other governments	10,123,908
<b>Total</b>	<b><u>\$421,102,593</u></b>

Table 2

# UNION COUNTY BOARD OF EDUCATION

## Net Position by Component

### Last Ten Fiscal Years

Year Ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment in capital assets	\$ 630,267,098	\$ 622,728,409	\$ 610,035,846	\$ 610,994,214	\$ 613,175,982	\$ 610,517,140	\$ 608,109,615	\$ 616,289,064	\$ 635,033,673	\$ 636,437,194
Restricted	12,546,171	10,096,066	13,328,036	10,313,176	12,931,221	11,174,475	13,965,960	18,226,389	17,194,566	13,137,634
Unrestricted	682,402	(7,107,224)	(4,836,300)	(71,587,900)	(61,287,021)	(65,657,560)	(668,185,109)	(663,752,069)	(663,378,236)	(646,437,401)
Total governmental activities net position (deficit)	\$ 643,495,671	\$ 625,717,251	\$ 618,527,582	\$ 549,719,490	\$ 564,820,182	\$ 556,034,055	\$ (46,109,534)	\$ (29,236,616)	\$ (11,149,997)	\$ 3,137,427
Business-type activities:										
Net investment in capital assets	\$ 3,247,855	\$ 3,249,218	\$ 3,008,959	\$ 2,685,584	\$ 2,326,313	\$ 2,258,881	\$ 2,019,233	\$ 1,715,381	\$ 1,353,447	\$ 1,092,521
Restricted	-	-	-	-	-	-	40,047	46,315	39,911	28,590
Unrestricted	9,292,902	9,024,229	8,472,723	6,219,304	5,898,083	5,921,625	(10,241,650)	(10,592,734)	(11,770,212)	(11,959,617)
Total business-type activities net position (deficit)	\$ 12,540,757	\$ 12,273,447	\$ 11,481,682	\$ 8,904,888	\$ 8,224,396	\$ 8,180,506	\$ (8,182,370)	\$ (8,831,038)	\$ (10,376,854)	\$ (10,838,506)
District-wide										
Net investment in capital assets	\$ 633,514,953	\$ 625,977,627	\$ 613,044,805	\$ 613,679,798	\$ 615,502,295	\$ 612,776,021	\$ 610,128,848	\$ 618,004,445	\$ 636,387,120	\$ 637,529,715
Restricted	12,546,171	10,096,066	13,328,036	10,313,176	12,931,221	11,174,475	14,006,007	16,828,764	17,234,477	13,166,224
Unrestricted	9,975,304	1,917,005	3,636,423	(65,368,596)	(55,388,938)	(59,735,935)	(678,426,759)	(672,900,863)	(675,148,448)	(658,397,018)
Total primary government net position (deficit)	\$ 656,036,428	\$ 637,990,698	\$ 630,009,264	\$ 558,624,378	\$ 573,044,578	\$ 564,214,561	\$ (54,291,904)	\$ (38,067,654)	\$ (21,526,851)	\$ (7,701,079)

Source: Union County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2021

Note: Net position for 2015 and before are not comparable to 2016 and after net position due to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*, for the year ended June 30, 2015.

Note: Net position for 2017 and before are not comparable to 2018 and after net position due to the implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018.

## Net Position by Component District-wide

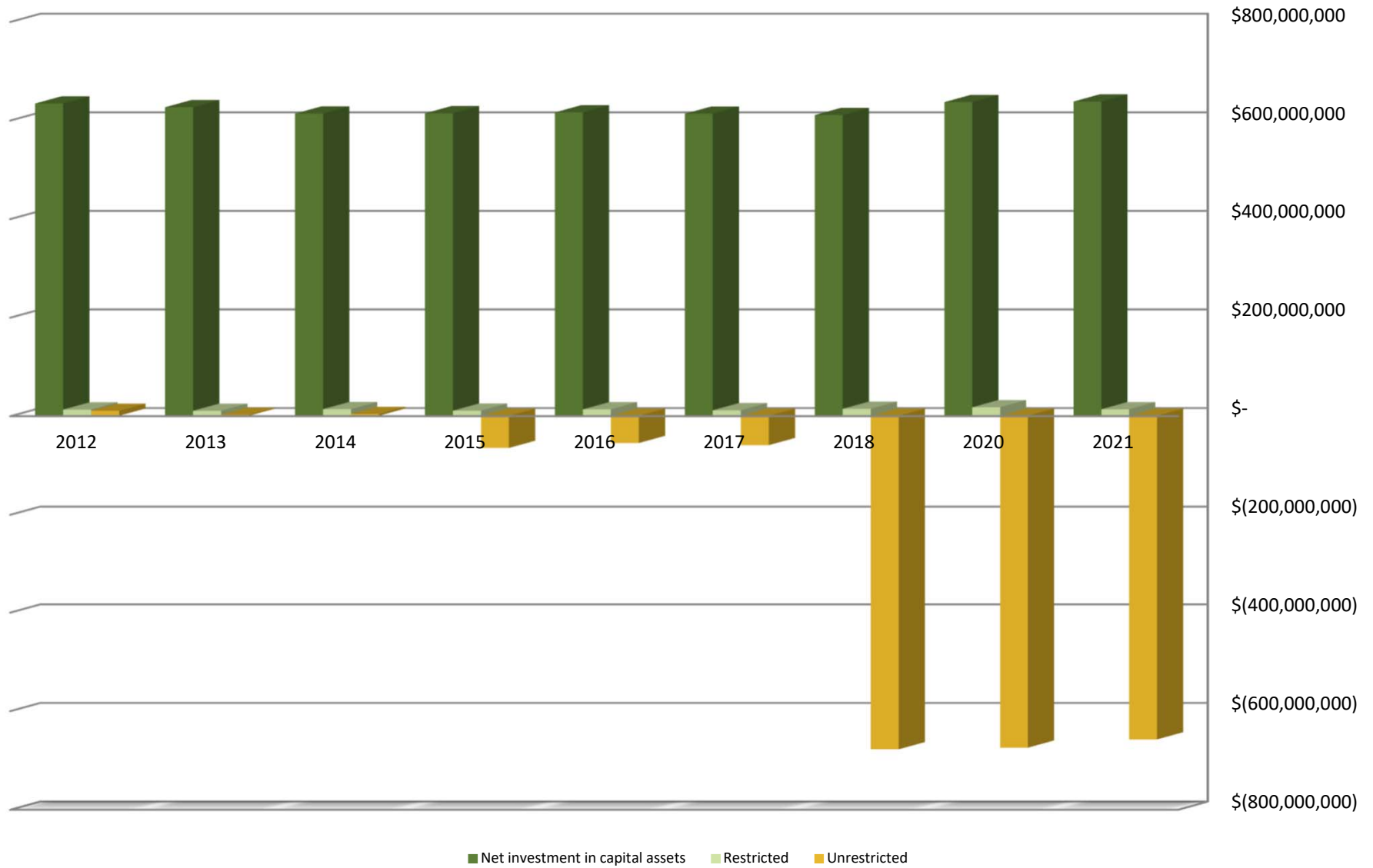


Table 3

# UNION COUNTY BOARD OF EDUCATION

## Changes in Net Position

### Last Ten Fiscal Years

Year Ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities:										
Instructional programs	\$ 253,290,487	\$ 256,537,057	\$ 255,003,125	\$ 269,176,047	\$ 268,863,424	\$ 297,441,622	\$ 318,252,404	\$ 309,812,306	\$ 324,831,555	\$ 314,393,802
Support services	63,911,947	69,959,111	69,405,375	67,044,079	67,447,945	70,562,303	78,469,303	80,904,190	77,365,356	82,778,542
Ancillary services and non-programed charges	886,759	412,896	441,262	304,431	396,986	406,072	334,533	381,556	1,148,373	1,157,982
Payments to other governments	3,124,208	3,507,746	3,486,700	3,676,088	4,134,834	6,336,147	7,689,071	8,259,022	9,155,819	10,123,908
Interest on long-term debt	-	-	-	-	-	-	-	181,782	175,542	181,597
Unallocated depreciation expense	2,539,604	3,268,054	3,374,337	2,549,877	2,242,067	2,195,386	1,895,343	1,225,276	1,434,253	894,306
Total governmental activities expenses	323,753,005	333,684,864	331,710,799	342,750,522	343,085,256	376,941,530	406,640,654	400,764,132	414,110,898	409,530,137
Business-type activities:										
School food service	16,562,849	17,309,660	17,625,741	16,305,878	17,050,233	16,662,707	16,940,632	16,139,109	14,765,642	11,396,561
Child care	4,241,827	4,174,843	4,072,442	4,683,902	4,720,871	4,484,919	4,498,938	4,549,198	3,910,634	175,895
Total business-type activities expenses	20,804,676	21,484,503	21,698,183	20,989,780	21,771,104	21,147,626	21,439,570	20,688,307	18,676,276	11,572,456
Total primary government expenses	\$ 344,557,681	\$ 355,169,367	\$ 353,408,982	\$ 363,740,302	\$ 364,856,360	\$ 398,089,156	\$ 428,080,224	\$ 421,452,439	\$ 432,787,174	\$ 421,102,593
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Tuition and fees	\$ 137,290	\$ 140,672	\$ 874,438	\$ 1,467,144	\$ 1,416,419	\$ 1,644,574	\$ 1,893,507	\$ 1,297,441	\$ 1,232,155	\$ 1,235,937
Rental of school property	163,745	169,064	138,810	204,387	179,149	148,777	190,842	197,046	135,139	61,051
Co-curricular	9,490,823	9,933,023	11,670,859	10,409,814	11,689,239	12,020,996	11,179,848	10,223,717	9,285,934	4,156,101
Operating grants and contributions	219,389,076	211,001,837	214,069,008	231,068,466	232,060,542	240,419,051	249,108,658	269,100,942	275,242,644	284,002,564
Capital grants and contributions	445,618	2,191,890	968,490	904,927	108,905	432,676	390,534	456,440	449,980	565,854
Total governmental activities program revenues	229,626,552	223,436,486	227,721,605	244,054,738	245,454,254	254,666,074	262,763,389	281,275,586	286,345,852	290,021,507
Business-type activities:										
Charges for services:										
School food service	7,734,156	7,642,267	7,564,219	7,078,823	7,101,713	6,839,980	6,534,170	6,600,918	4,968,783	939,030
Child care	4,206,935	4,274,849	4,445,298	4,440,579	4,272,109	4,445,747	4,378,247	4,264,522	3,013,080	661,893
Operating grants and contributions	8,634,632	9,059,702	9,193,185	9,207,301	9,585,387	9,755,850	9,510,823	8,923,241	7,718,905	8,828,533
Capital grants and contributions	-	-	-	-	24,390	25,000	23,000	-	7,425	-
Total business-type activities program revenues	20,575,723	20,976,818	21,202,702	20,726,703	20,983,599	21,066,577	20,446,240	19,788,681	15,708,193	10,429,456
Total district-wide	\$ 250,202,275	\$ 244,413,304	\$ 248,924,307	\$ 264,781,441	\$ 266,437,853	\$ 275,732,651	\$ 283,209,629	\$ 301,064,267	\$ 302,054,045	\$ 300,450,963
<b>Net (expense) / revenue</b>										
Governmental activities	\$ (94,126,453)	\$ (110,248,378)	\$ (103,989,194)	\$ (98,695,784)	\$ (97,631,002)	\$ (122,275,456)	\$ (143,877,265)	\$ (119,488,546)	\$ (127,765,046)	\$ (119,508,630)
Business-type activities	(228,953)	(507,685)	(495,481)	(263,077)	(787,505)	(81,049)	(993,330)	(899,626)	(2,968,083)	(1,143,000)
Total district-wide	\$ (94,355,406)	\$ (110,756,063)	\$ (104,484,675)	\$ (98,958,861)	\$ (98,418,507)	\$ (122,356,505)	\$ (144,870,595)	\$ (120,388,172)	\$ (130,733,129)	\$ (120,651,630)

# UNION COUNTY BOARD OF EDUCATION

## Changes in Net Position (Continued)

Last Ten Fiscal Years

Year ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Unrestricted county appropriations - operating	\$ 79,304,155	\$ 81,504,155	\$ 83,021,859	\$ 87,621,134	\$ 92,269,358	\$ 94,979,912	\$ 97,680,174	\$ 100,649,263	\$ 102,942,093	\$ 109,187,700
Unrestricted county appropriations - capital	3,139,075	4,122,006	4,524,315	15,685,061	18,909,151	16,814,882	16,934,107	34,086,582	42,545,304	24,113,621
Unrestricted State appropriations - operating	839,772	688,800	753,148	-	-	-	-	-	-	-
Investment earnings, unrestricted	-	-	-	81,403	116,015	149,275	246,894	359,955	341,647	9,113
Unrestricted miscellaneous	5,587,330	6,146,888	8,050,008	1,549,894	1,474,320	1,505,025	2,781,713	1,380,833	1,284,324	1,133,646
Transfers	(93,590)	8,109	450,195	343,159	(37,150)	40,235	34,773	(115,169)	(1,261,703)	(648,026)
Total governmental activities	<u>88,776,742</u>	<u>92,469,958</u>	<u>96,799,525</u>	<u>105,280,651</u>	<u>112,731,694</u>	<u>113,489,329</u>	<u>117,677,661</u>	<u>136,361,464</u>	<u>145,851,665</u>	<u>133,796,054</u>
Business-type activities:										
Investment earnings, unrestricted	58,596	36,862	38,742	40,603	57,273	85,794	98,203	127,387	160,087	102
Miscellaneous, unrestricted	13,536	211,622	115,169	9,807	12,590	(8,400)	6,265	8,402	477	33,220
Transfers	93,590	(8,109)	(450,195)	(343,159)	37,150	(40,235)	(34,773)	115,169	1,261,703	648,026
Total business-type activities	<u>165,722</u>	<u>240,375</u>	<u>(296,284)</u>	<u>(292,749)</u>	<u>107,013</u>	<u>37,159</u>	<u>69,695</u>	<u>250,958</u>	<u>1,422,267</u>	<u>681,348</u>
Total district-wide	<u>\$ 88,942,464</u>	<u>\$ 92,710,333</u>	<u>\$ 96,503,241</u>	<u>\$ 104,987,902</u>	<u>\$ 112,838,707</u>	<u>\$ 113,526,488</u>	<u>\$ 117,747,356</u>	<u>\$ 136,612,422</u>	<u>\$ 147,273,932</u>	<u>\$ 134,477,402</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 6,317,329	\$ (17,778,420)	\$ (7,189,669)	\$ 6,584,867	\$ 15,100,692	\$ (8,786,127)	\$ (26,199,604)	\$ 16,872,918	\$ 18,086,619	\$ 14,287,424
Business-type activities	1,551,712	(267,310)	(791,765)	(555,826)	(680,492)	(43,890)	(923,635)	(648,668)	(1,545,816)	(461,652)
Total district-wide	<u>\$ 7,869,041</u>	<u>\$ (18,045,730)</u>	<u>\$ (7,981,434)</u>	<u>\$ 6,029,041</u>	<u>\$ 14,420,200</u>	<u>\$ (8,830,017)</u>	<u>\$ (27,123,239)</u>	<u>\$ 16,224,250</u>	<u>\$ 16,540,803</u>	<u>\$ 13,825,772</u>

Source: Union County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2021.

# UNION COUNTY BOARD OF EDUCATION

## Governmental Funds

### Fund Balances

### Last Ten Fiscal Years

Year Ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 3,803,128	\$ 1,935,299	\$ 3,041,656	\$ 1,296,016	\$ 3,808,346	\$ 1,272,528	\$ 604,367	\$ 1,208,352	\$ 430,361	\$ 673,860
Assigned	4,873,100	2,880,637	5,902,474	4,856,000	2,700,000	3,812,000	-	-	-	2,860,000
Unassigned	1,149,443	745,771	741,838	523,710	1,833	1,896,467	5,558,160	165,098	1,602,910	9,446,925
Total General Fund	<u>\$ 9,825,671</u>	<u>\$ 5,561,707</u>	<u>\$ 9,685,968</u>	<u>\$ 6,675,726</u>	<u>\$ 6,510,179</u>	<u>\$ 6,980,995</u>	<u>\$ 6,162,527</u>	<u>\$ 1,373,450</u>	<u>\$ 2,033,271</u>	<u>\$12,980,785</u>
All Other Governmental Funds										
Restricted	\$ 8,743,043	\$ 8,160,767	\$10,286,380	\$ 9,017,160	\$ 9,122,875	\$ 9,901,947	\$11,046,234	\$13,773,589	\$15,192,359	\$11,267,877
Assigned	7,436,321	4,248,211	5,676,448	4,496,335	4,004,899	4,148,287	5,498,436	2,807,089	4,111,052	4,948,290
Total all other governmental funds	<u>\$16,179,364</u>	<u>\$12,408,978</u>	<u>\$15,962,828</u>	<u>\$13,513,495</u>	<u>\$13,127,774</u>	<u>\$14,050,234</u>	<u>\$16,544,670</u>	<u>\$16,580,678</u>	<u>\$19,303,411</u>	<u>\$16,216,167</u>

Source: Union County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2021.

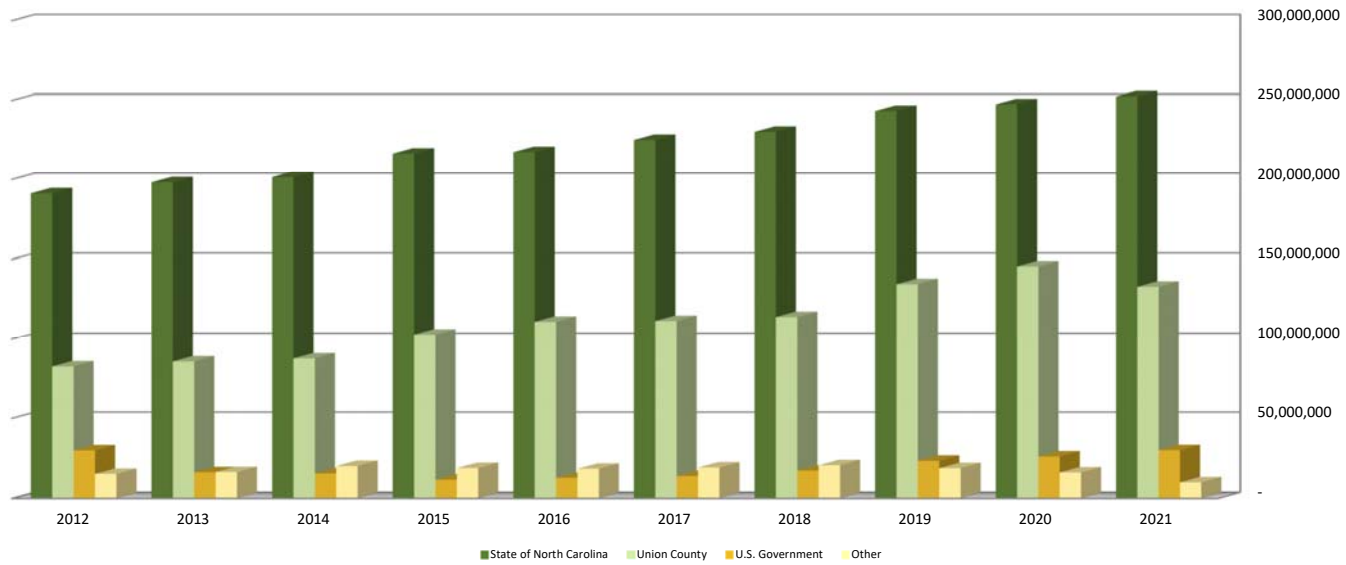
# UNION COUNTY BOARD OF EDUCATION

## Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years

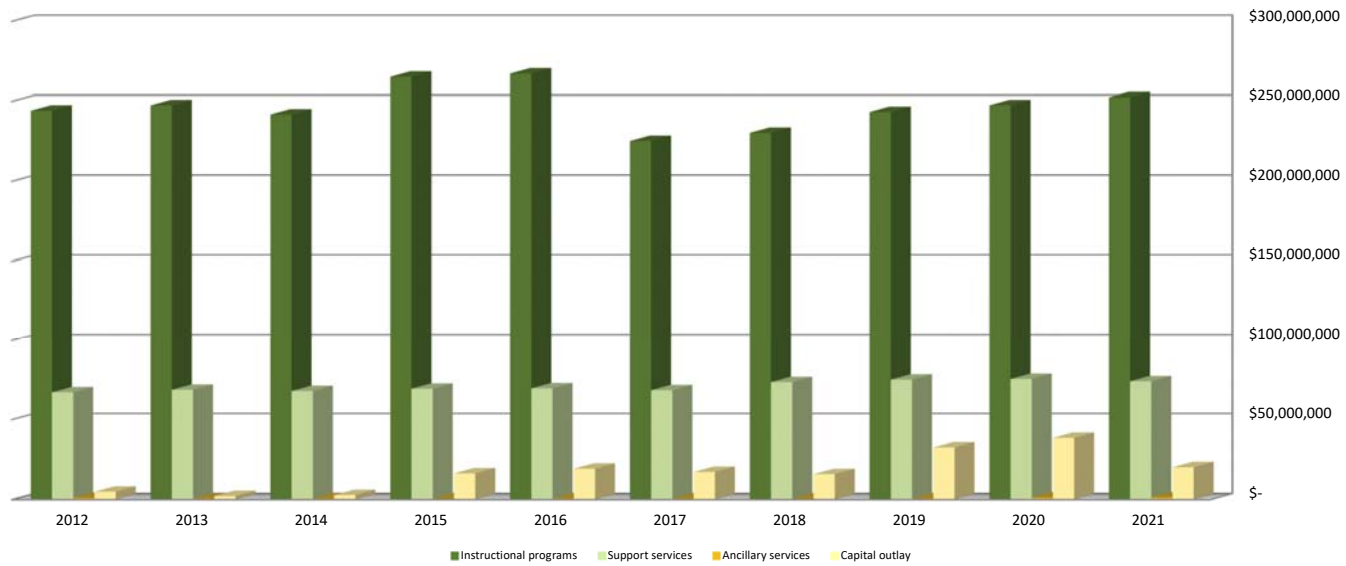
Year Ended June 30	2012	2013	2014	2015	2016
<b>Revenues</b>					
State of North Carolina	191,045,986	197,967,614	201,250,949	216,316,270	\$ 217,256,985
Union County	82,443,230	85,626,161	87,546,174	102,782,945	110,831,819
U.S. Government	29,989,466	16,234,645	15,497,639	11,646,357	12,753,697
Other	15,194,975	16,355,267	20,176,033	18,890,358	18,439,176
Total revenues	<u>318,673,657</u>	<u>316,183,687</u>	<u>324,470,795</u>	<u>349,635,930</u>	<u>359,281,677</u>
<b>Expenditures</b>					
Instructional programs	243,927,557	247,293,625	241,566,196	265,034,347	267,072,697
Support services	66,905,713	68,518,217	67,733,685	69,185,492	69,402,493
Ancillary services	884,757	411,678	440,346	317,967	412,709
Non-programmed charges	3,291,986	3,755,066	3,847,917	3,676,088	4,135,017
Debt service					
Principal retirement	445,618	2,191,890	968,490	904,927	108,905
Interest and fees	-	-	-	-	-
Capital outlay	4,779,799	2,055,670	2,686,245	16,319,843	19,268,162
Total expenditures	<u>320,235,430</u>	<u>324,226,146</u>	<u>317,242,879</u>	<u>355,438,664</u>	<u>360,399,983</u>
Excess of revenues over (under) expenditures	<u>(1,561,773)</u>	<u>(8,042,459)</u>	<u>7,227,916</u>	<u>(5,802,734)</u>	<u>(1,118,306)</u>
Other financing sources (uses)					
Installment purchase obligations issued	3,619,693	-	-	-	604,188
Transfers in (out)	122,853	8,109	450,195	343,159	(37,150)
Net change in fund balances	<u>\$ (1,438,920)</u>	<u>\$ (8,034,350)</u>	<u>\$ 7,678,111</u>	<u>\$ (5,459,575)</u>	<u>\$ (551,268)</u>
Ratio of debt service expenditures to total noncapital expenditures	0.14%	0.69%	0.31%	0.26%	0.03%
Year Ended June 30	2017	2018	2019	2020	2021
<b>Revenues</b>					
State of North Carolina	\$ 224,977,572	\$ 230,087,058	\$ 243,174,564	\$ 247,327,813	\$ 252,253,566
Union County	111,359,717	113,850,566	134,360,350	145,487,397	132,809,666
U.S. Government	13,857,626	17,273,385	23,520,163	26,195,246	30,127,633
Other	19,225,140	20,705,694	18,825,096	16,115,046	9,905,417
Total revenues	<u>369,420,055</u>	<u>381,916,703</u>	<u>419,880,173</u>	<u>435,125,502</u>	<u>425,096,282</u>
<b>Expenditures</b>					
Instructional programs	276,401,599	282,174,501	313,511,999	306,823,719	308,450,633
Support Services	68,249,693	73,356,072	74,907,525	75,320,334	73,872,638
Ancillary services	398,242	304,763	399,070	1,142,572	1,157,982
Non-programmed charges	6,336,270	8,230,767	8,979,126	9,832,101	10,754,603
Debt service					
Principal retirement	432,676	390,534	1,975,995	1,958,142	2,850,354
Interest and fees	-	-	181,782	175,542	181,597
Capital outlay	17,206,482	15,818,871	32,644,399	38,718,508	20,175,488
Total expenditures	<u>369,024,962</u>	<u>380,275,508</u>	<u>432,599,896</u>	<u>433,970,918</u>	<u>417,443,295</u>
Excess of revenues over (under) expenditures	<u>395,093</u>	<u>1,641,195</u>	<u>(12,719,723)</u>	<u>1,154,584</u>	<u>7,652,987</u>
Other financing sources (uses)					
Installment purchase obligations issued	957,948	-	8,081,823	3,489,673	855,309
Transfers in (out)	40,235	34,773	(115,169)	(1,261,703)	(648,026)
Net change in fund balances	<u>\$ 1,393,276</u>	<u>\$ 1,675,968</u>	<u>\$ (4,753,069)</u>	<u>\$ 3,382,554</u>	<u>\$ 7,860,270</u>
Ratio of debt service expenditures to total noncapital expenditures	0.12%	0.11%	0.52%	0.53%	0.76%

Source: Union County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2021.

### Governmental Funds Revenues by Source



### Expenditures by Function



# UNION COUNTY BOARD OF EDUCATION

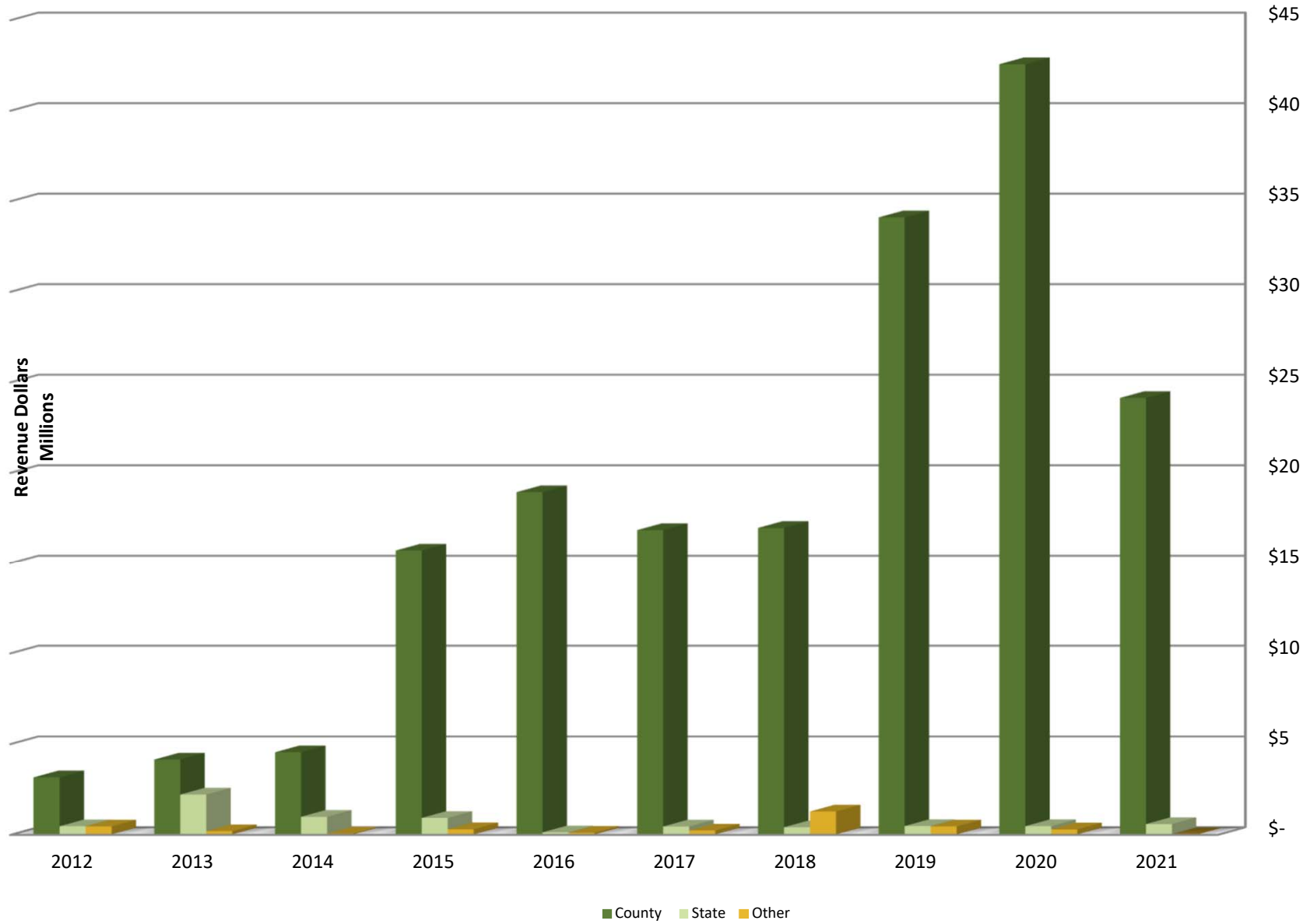
## Capital Project Revenues by Source Last Ten Fiscal Years

Expressed in Nominal Dollars											
Year ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
County	\$ 3,139,075	\$ 4,122,006	\$ 4,524,315	\$ 15,685,061	\$ 18,909,151	\$ 16,814,882	\$ 16,934,107	\$ 34,086,582	\$ 42,545,304	\$ 24,113,621	
State	445,618	2,191,890	968,490	904,927	108,905	432,676	390,534	456,440	449,980	565,854	
Other	437,478	172,582	36,652	280,280	86,466	210,822	1,261,173	435,215	272,917	2,482	
<b>Totals</b>	<b>\$ 4,022,171</b>	<b>\$ 6,486,478</b>	<b>\$ 5,529,457</b>	<b>\$ 16,870,268</b>	<b>\$ 19,104,522</b>	<b>\$ 17,458,380</b>	<b>\$ 18,585,814</b>	<b>\$ 34,978,237</b>	<b>\$ 43,268,201</b>	<b>\$ 24,681,957</b>	

Expressed in Constant Dollars											
Year ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
County	\$ 1,344,335	\$ 1,729,443	\$ 1,895,890	\$ 6,507,298	\$ 7,719,439	\$ 6,672,863	\$ 6,611,193	\$ 13,222,257	\$ 15,659,157	\$ 8,875,221	
State	190,840	919,637	405,841	375,429	44,459	171,704	152,467	177,054	165,619	208,267	
Other	187,354	72,409	15,359	116,280	35,299	83,663	492,371	168,821	100,449	914	
<b>Totals</b>	<b>\$ 1,722,529</b>	<b>\$ 2,721,489</b>	<b>\$ 2,317,090</b>	<b>\$ 6,999,007</b>	<b>\$ 7,799,197</b>	<b>\$ 6,928,230</b>	<b>\$ 7,256,031</b>	<b>\$ 13,568,132</b>	<b>\$ 15,925,225</b>	<b>\$ 9,084,402</b>	

Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984 = 100).

## Capital Project Revenues by Source



## UNION COUNTY BOARD OF EDUCATION

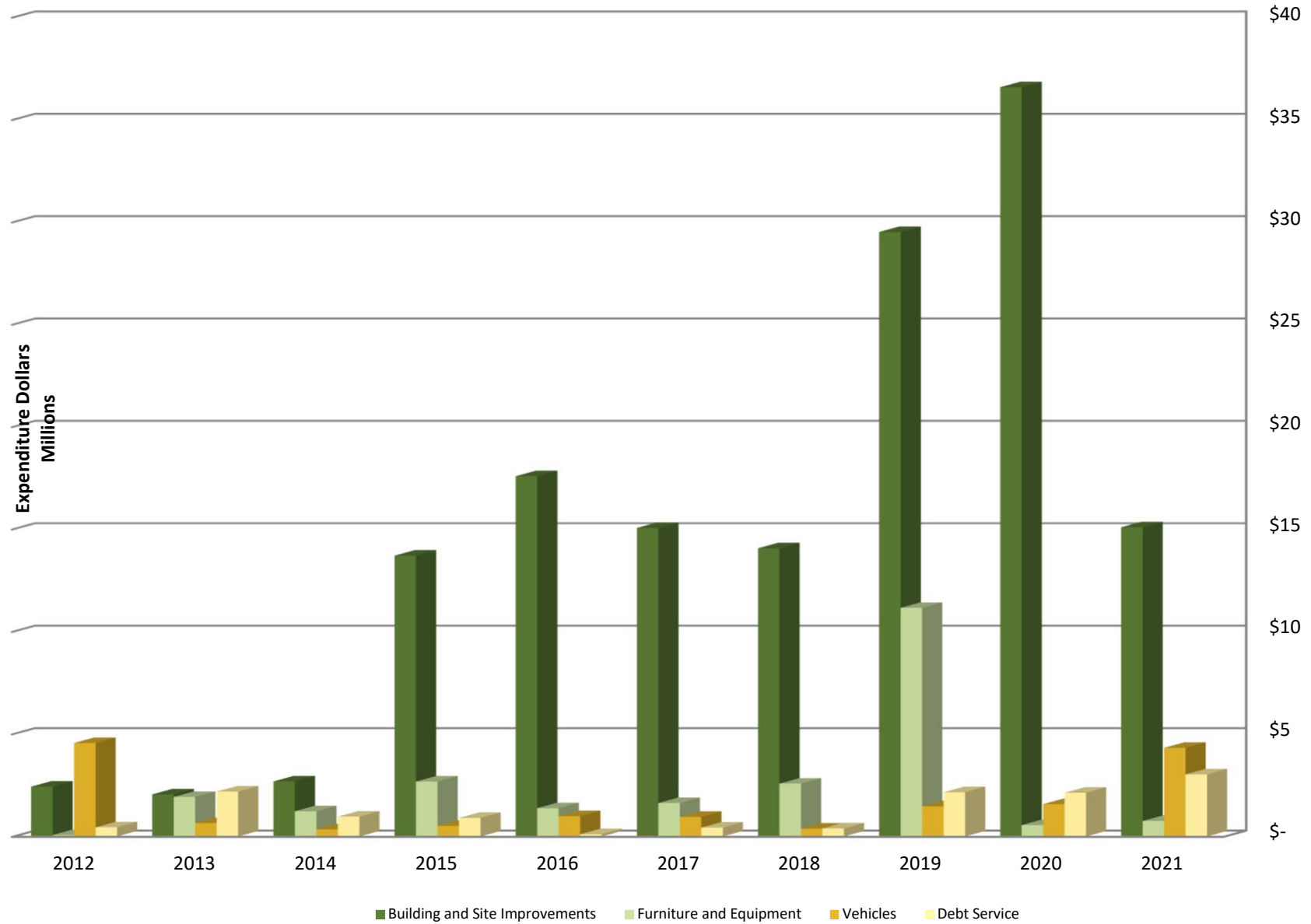
### Capital Project Expenditures by Function Last Ten Fiscal Years

Expressed in Nominal Dollars										
Year ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Building and Site Improvements	\$ 2,431,773	\$ 2,055,670	\$ 2,686,245	\$ 13,707,205	\$ 17,586,500	\$ 15,058,664	\$ 14,066,409	\$ 29,516,094	\$ 36,587,479	\$ 15,091,883
Furniture and Equipment	69,605	1,930,469	1,232,122	2,681,601	1,381,601	1,632,446	2,579,764	11,158,160	553,877	757,160
Vehicles	4,562,184	654,242	348,328	517,991	991,720	957,948	382,456	1,473,336	1,577,152	4,326,445
Debt Service	445,618	2,191,890	968,490	904,927	108,905	432,676	390,534	2,157,777	2,133,684	3,031,951
<b>Totals</b>	<u>\$ 7,509,180</u>	<u>\$ 6,832,271</u>	<u>\$ 5,235,185</u>	<u>\$ 17,811,724</u>	<u>\$ 20,068,726</u>	<u>\$ 18,081,734</u>	<u>\$ 17,419,163</u>	<u>\$ 44,305,367</u>	<u>\$ 40,852,192</u>	<u>\$ 23,207,439</u>

Expressed in Constant Dollars										
Year ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Building and Site Improvements	\$ 1,041,427	\$ 862,484	\$ 1,125,657	\$ 5,686,740	\$ 7,179,482	\$ 5,975,921	\$ 5,491,623	\$ 11,449,355	\$ 13,466,330	\$ 5,554,695
Furniture and Equipment	29,809	809,954	516,314	1,112,522	564,022	647,824	1,007,158	4,328,274	203,859	278,679
Vehicles	1,953,793	274,496	145,965	214,900	404,858	380,155	149,313	571,510	580,484	1,592,385
Debt Service	190,840	919,637	405,841	375,429	44,459	171,704	152,467	837,006	785,320	1,115,935
<b>Totals</b>	<u>\$ 3,215,869</u>	<u>\$ 2,866,571</u>	<u>\$ 2,193,777</u>	<u>\$ 7,389,591</u>	<u>\$ 8,192,821</u>	<u>\$ 7,175,604</u>	<u>\$ 6,800,561</u>	<u>\$ 17,186,145</u>	<u>\$ 15,035,993</u>	<u>\$ 8,541,694</u>

Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984 = 100).

## Capital Project Expenditures by Function



# UNION COUNTY BOARD OF EDUCATION

## Proprietary Fund - Food Services Operations

### Revenues by Source

### Last Ten Fiscal Years

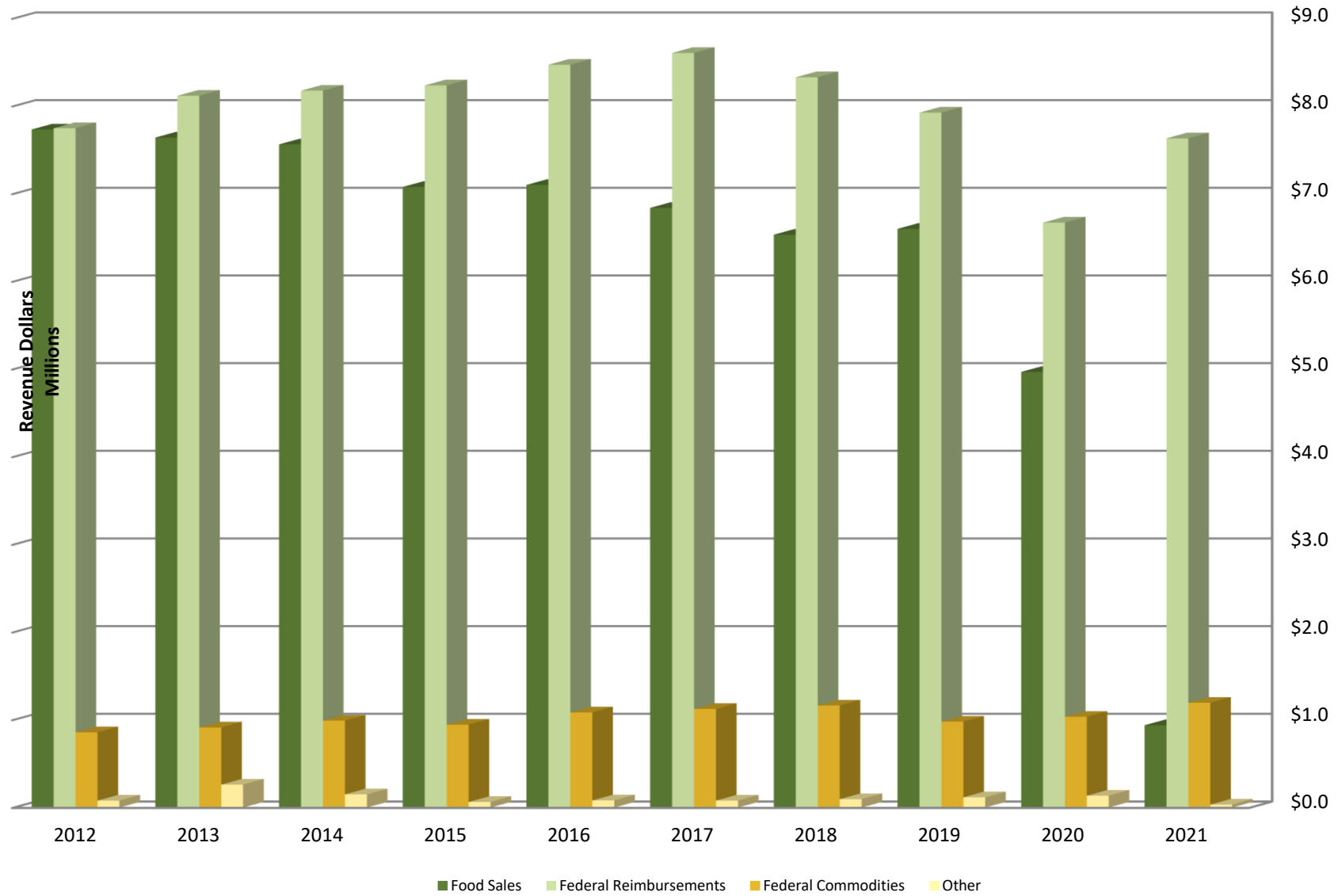
Expressed in Nominal Dollars											
Year ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Food Sales	\$ 7,734,156	\$ 7,642,267	\$ 7,564,219	\$ 7,078,823	\$ 7,101,713	\$ 6,839,980	\$ 6,534,170	\$ 6,600,918	\$ 4,968,783	\$ 939,030	
Federal Reimbursements	7,748,302	8,118,351	8,176,556	8,236,724	8,472,614	8,606,855	8,329,591	7,926,468	6,671,516	7,632,912	
Federal Commodities	858,357	914,176	991,763	944,910	1,085,614	1,124,910	1,163,368	979,715	1,035,123	1,195,136	
Other	79,566	261,634	150,291	63,346	81,323	79,714	96,002	116,948	135,142	33,705	
<b>Totals</b>	<b>\$ 16,420,381</b>	<b>\$ 16,936,428</b>	<b>\$ 16,882,829</b>	<b>\$ 16,323,803</b>	<b>\$ 16,741,264</b>	<b>\$ 16,651,459</b>	<b>\$ 16,123,131</b>	<b>\$ 15,624,049</b>	<b>\$ 12,810,564</b>	<b>\$ 9,800,783</b>	

Expressed in Constant Dollars											
Year ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Food Sales	\$ 3,312,216	\$ 3,206,416	\$ 3,169,746	\$ 2,936,808	\$ 2,899,191	\$ 2,714,396	\$ 2,550,985	\$ 2,560,510	\$ 1,828,802	\$ 345,618	
Federal Reimbursements	3,318,274	3,406,163	3,426,343	3,417,189	3,458,845	3,415,568	3,251,930	3,074,694	2,455,508	2,809,358	
Federal Commodities	367,598	383,555	415,593	392,017	443,189	446,412	454,187	380,034	380,986	439,880	
Other	34,075	109,772	62,979	26,281	33,199	31,634	37,480	45,364	49,740	12,405	
<b>Totals</b>	<b>\$ 7,032,163</b>	<b>\$ 7,105,906</b>	<b>\$ 7,074,661</b>	<b>\$ 6,772,295</b>	<b>\$ 6,834,424</b>	<b>\$ 6,608,010</b>	<b>\$ 6,294,582</b>	<b>\$ 6,060,602</b>	<b>\$ 4,715,036</b>	<b>\$ 3,607,261</b>	

Other revenue includes interest earned, gain on disposal of fixed assets, indirect costs not paid, and other revenue.

Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984 = 100).

## Proprietary Fund - Food Services Operations Revenues by Source



## UNION COUNTY BOARD OF EDUCATION

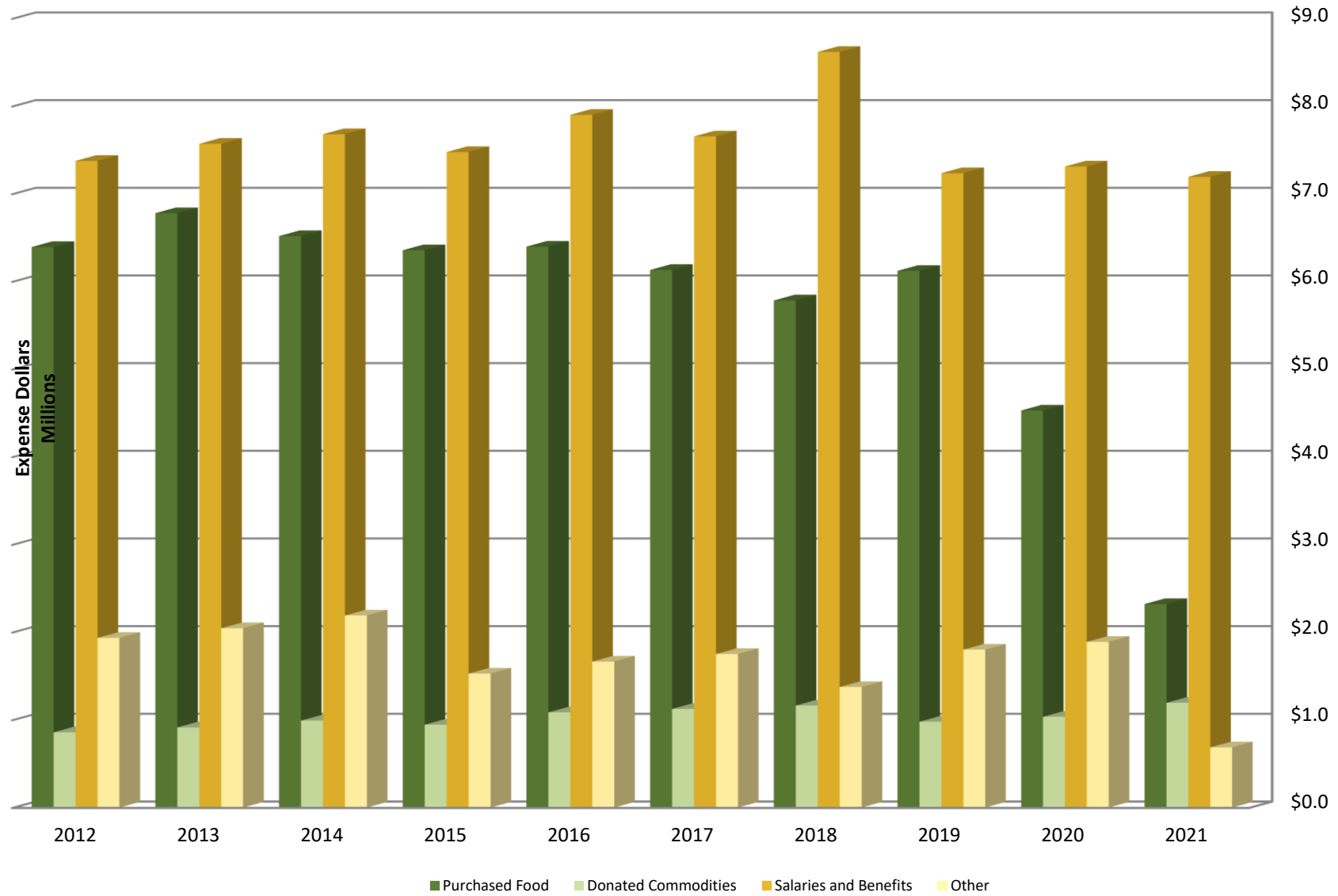
### Proprietary Fund - Food Services Operations Expenses by Category Last Ten Fiscal Years

Expressed in Nominal Dollars											
Year ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Purchased Food	\$ 6,393,276	\$ 6,779,592	\$ 6,518,274	\$ 6,356,541	\$ 6,398,023	\$ 6,131,869	\$ 5,784,007	\$ 6,121,769	\$ 4,528,935	\$ 2,321,094	
Donated Commodities	858,357	914,176	991,763	944,910	1,085,614	1,124,910	1,163,368	979,715	1,035,123	1,195,136	
Salaries and Benefits	7,375,970	7,570,471	7,680,085	7,476,653	7,901,401	7,654,842	8,618,371	7,235,857	7,311,434	7,193,576	
Other	1,935,246	2,045,421	2,191,150	1,527,774	1,665,195	1,751,086	1,374,886	1,801,768	1,890,150	686,755	
<b>Totals</b>	<b>\$ 16,562,849</b>	<b>\$ 17,309,660</b>	<b>\$ 17,381,272</b>	<b>\$ 16,305,878</b>	<b>\$ 17,050,233</b>	<b>\$ 16,662,707</b>	<b>\$ 16,940,632</b>	<b>\$ 16,139,109</b>	<b>\$ 14,765,642</b>	<b>\$ 11,396,561</b>	

Expressed in Constant Dollars											
Year ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Purchased Food	\$ 2,737,973	\$ 2,844,469	\$ 2,731,448	\$ 2,637,153	\$ 2,611,918	\$ 2,433,388	\$ 2,258,116	\$ 2,374,647	\$ 1,666,913	\$ 854,298	
Donated Commodities	367,598	383,555	415,593	392,017	443,189	446,412	454,187	380,034	380,986	439,880	
Salaries and Benefits	3,158,820	3,176,293	3,218,299	3,101,857	3,225,654	3,037,768	3,364,672	2,806,804	2,691,035	2,647,656	
Other	828,785	858,184	918,190	633,831	679,796	694,906	536,765	698,910	695,686	252,766	
<b>Totals</b>	<b>\$ 7,093,176</b>	<b>\$ 7,262,501</b>	<b>\$ 7,283,530</b>	<b>\$ 6,764,858</b>	<b>\$ 6,960,557</b>	<b>\$ 6,612,474</b>	<b>\$ 6,613,740</b>	<b>\$ 6,260,395</b>	<b>\$ 5,434,620</b>	<b>\$ 4,194,600</b>	

Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984 = 100).

## Proprietary Fund - Food Services Operations Expenses by Category



# UNION COUNTY BOARD OF EDUCATION

## Operational Expenditures Per Pupil Expenditures by Function Last Ten Fiscal Years

Expressed in Nominal Dollars											
Year ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Final Avg. Daily Membership	39,654	40,248	41,020	41,296	41,873	41,393	41,306	41,201	41,394	39,727	
Instructional	\$ 5,957	\$ 6,130	\$ 6,123	\$ 5,882	\$ 6,414	\$ 6,661	\$ 6,821	\$ 7,580	\$ 7,358	\$ 7,708	
Support	1,485	1,573	1,590	1,620	1,665	1,649	1,776	1,818	1,820	1,860	
Ancillary	12	22	10	10	8	10	7	10	28	29	
Non-programmed charges	90	83	93	94	99	153	199	218	238	271	
<b>Totals</b>	<b>\$ 7,544</b>	<b>\$ 7,808</b>	<b>\$ 7,816</b>	<b>\$ 7,606</b>	<b>\$ 8,186</b>	<b>\$ 8,473</b>	<b>\$ 8,803</b>	<b>\$ 9,626</b>	<b>\$ 9,444</b>	<b>\$ 9,868</b>	

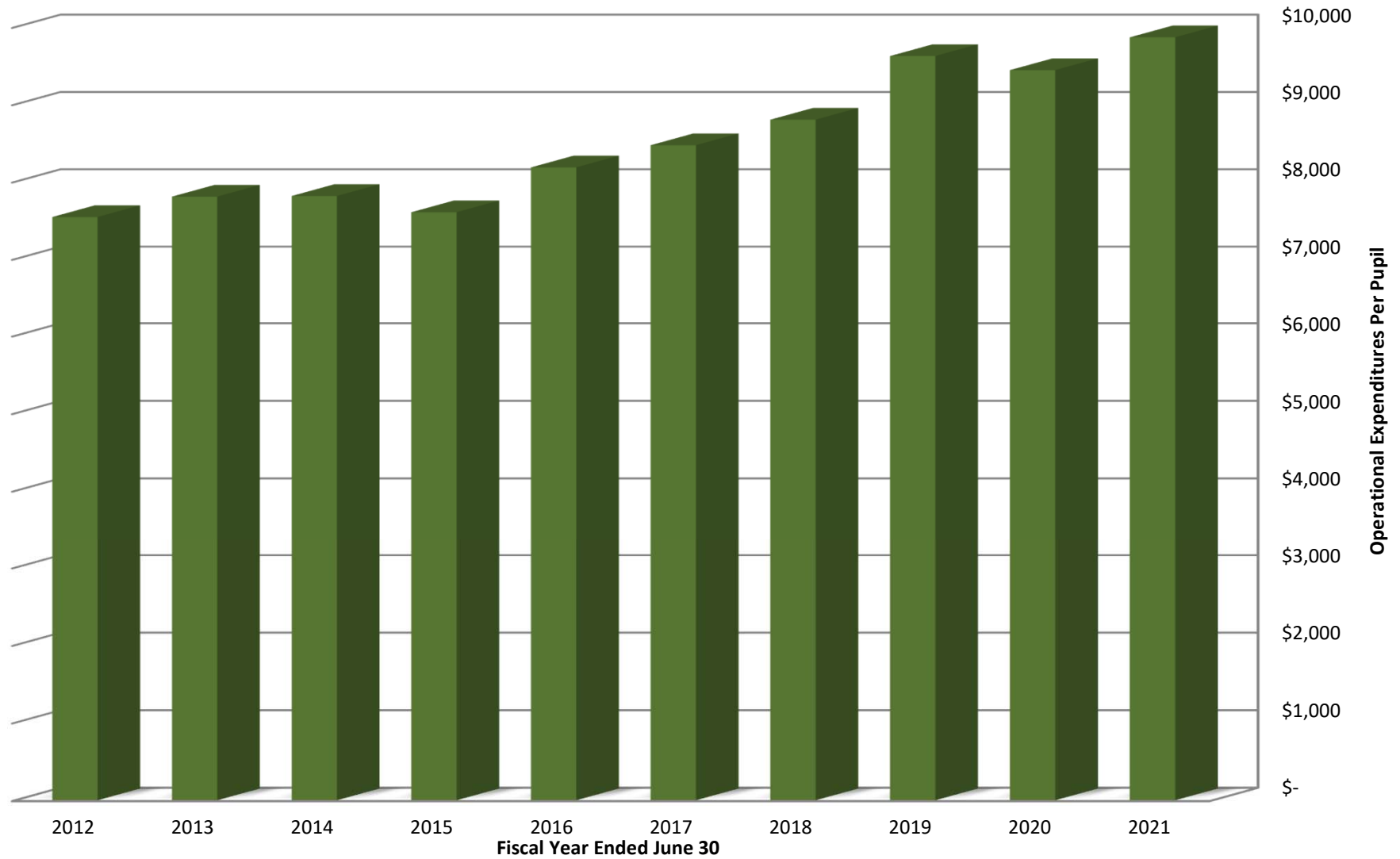
Expressed in Constant Dollars											
Year ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Instructional	\$ 2,551	\$ 2,572	\$ 2,566	\$ 2,440	\$ 2,618	\$ 2,643	\$ 2,663	\$ 2,940	\$ 2,708	\$ 2,837	
Support	636	660	666	672	680	654	693	705	670	685	
Ancillary	5	9	4	4	3	4	3	4	10	11	
Non-programmed charges	39	35	39	39	40	61	78	85	88	100	
<b>Totals</b>	<b>\$ 3,231</b>	<b>\$ 3,276</b>	<b>\$ 3,275</b>	<b>\$ 3,155</b>	<b>\$ 3,341</b>	<b>\$ 3,362</b>	<b>\$ 3,437</b>	<b>\$ 3,734</b>	<b>\$ 3,476</b>	<b>\$ 3,633</b>	

The above operational expenditures per pupil include the General, State Public School, Federal Grants, and Other Special Revenue Funds.

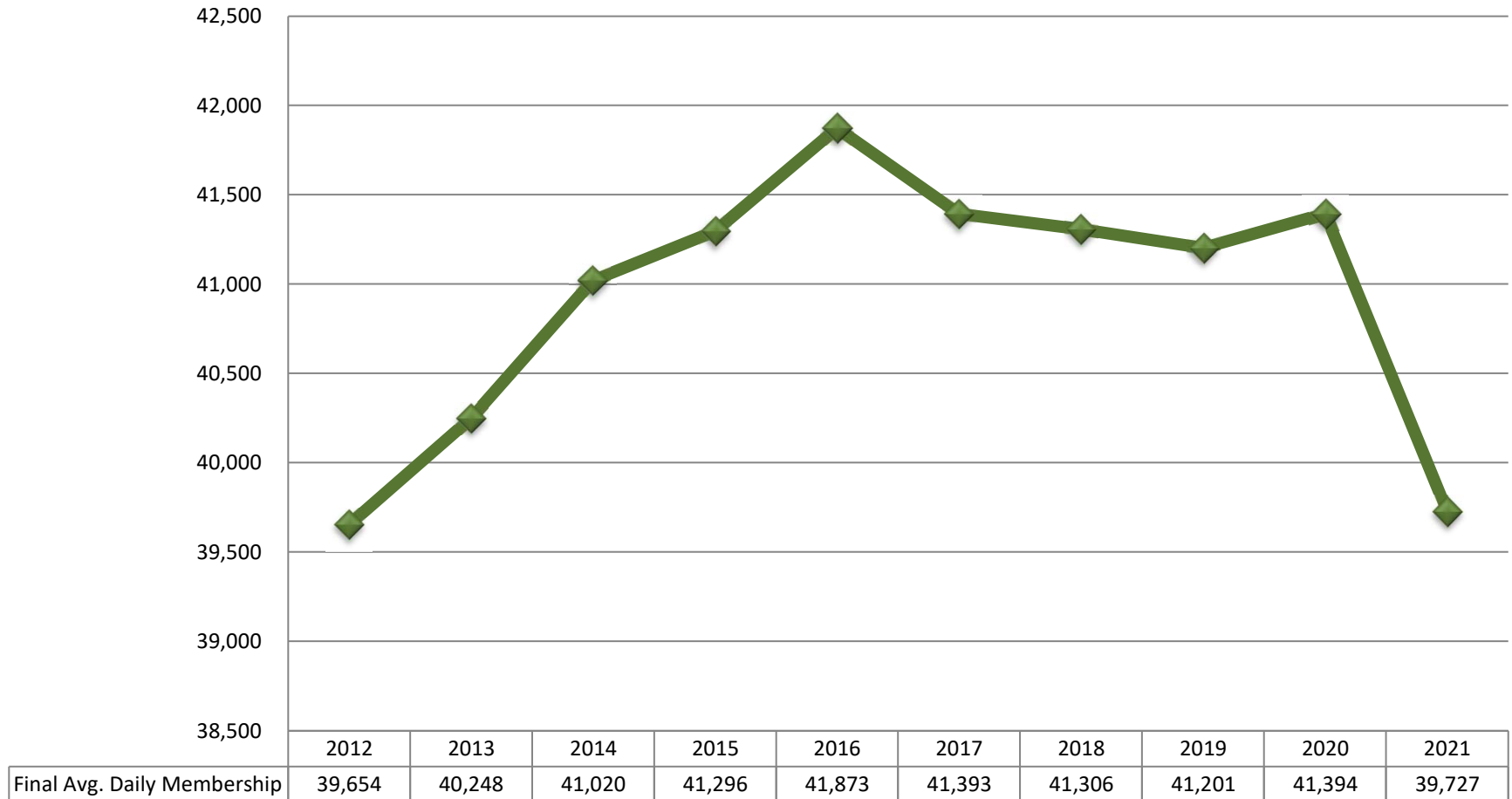
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Table 10

## Operational Expenditures Per Pupil Expenditures by Function



# Union County Board of Education Final Average Daily Membership Last Ten Fiscal Years



**UNION COUNTY BOARD OF EDUCATION**  
**Teachers' Salaries**  
**Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>Minimum</b>	<b>Maximum</b>	
2021	\$ 38,150	\$ 72,930	*
2020	38,150	72,930	*
2019	38,150	72,930	*
2018	38,150	72,230	*
2017	38,150	70,750	*
2016	38,150	69,530	**
2015	35,611	68,633	**
2014	32,850	72,592	**
2013	32,850	72,592	**
2012	31,980	71,322	**

\* Represents total salaries including both state and local supplement, but does not include the following:

- (a) Bonus payments
- (b) Payments of varying amounts for performing extra duties.

Note: Effective 7/1/14, teachers no longer receive longevity payments.

\*\* Represents total salaries including both state base and the system-wide local supplement, but does not include the following:

- (a) Bonus payments
- (b) Payments of varying amounts for performing extra duties, and
- (c) Longevity payments, ranging from 1 1/2% to 4 1/2% of the annual salary, made to each teacher for 10 or more years of service.

Source: Union County Public Schools Board of Education Payroll Data

# UNION COUNTY BOARD OF EDUCATION

## School Building Data

June 30, 2021

<u>Campus</u>	<u>Grade Span</u>	<u>School Capacity</u>	<u>Final Avg. Daily Membership</u>	<u>Percentage of Capacity Used</u>	<u>Age (Years) of Original Construction</u>	<u>Date of Original Construction</u>
<b>Elementary Schools</b>						
Antioch	K-5	757	828	109%	17	2004
Benton Heights	K-5	654	520	80%	99	1922
East	K-5	532	414	78%	67	1954
Fairview	K-5	631	360	57%	20	2001
Hemby Bridge	K-5	525	393	75%	48	1973
Indian Trail	K-5	642	524	82%	81	1940
Kensington	K-5	746	970	130%	16	2005
Marshville	K-5	460	356	77%	55	1966
Marvin	K-5	728	694	95%	18	2003
New Salem	K-5	277	225	81%	72	1949
New Town	K-5	728	751	103%	14	2007
Poplin	K-5	746	625	84%	12	2009
Porter Ridge	K-5	688	526	76%	17	2004
Prospect	K-5	494	352	71%	68	1953
Rea View	K-5	728	591	81%	14	2007
Rock Rest	K-5	538	454	84%	14	2007
Rocky River	K-5	660	513	78%	14	2007
Sandy Ridge	K-5	704	578	82%	16	2005
Sardis	K-5	525	441	84%	24	1997
Shiloh Valley ES	K-5	844	560	66%	28	1993
Shiloh Valley PS	K-5	641	513	80%	13	2008
Stallings	K-5	750	649	87%	13	2008
Union	K-5	368	276	75%	30	1991
Unionville	K-5	668	614	92%	81	1940
Walter Bickett	K-5	784	528	67%	18	2003
Waxhaw	K-5	653	467	72%	28	1993
Weddington	K-5	701	709	101%	24	1997
Wesley Chapel	K-5	575	579	101%	64	1957
Western Union	K-5	601	447	74%	66	1955
Wingate	K-5	460	397	86%	46	1975
<b>Middle Schools</b>						
Cuthbertson	6-8	1320	1392	105%	12	2009
East Union	6-8	1060	677	64%	69	1952
Marvin Ridge	6-8	1408	1406	100%	14	2007
Monroe	6-8	1128	891	79%	58	1963
Parkwood	6-8	984	793	81%	46	1975
Piedmont	6-8	988	962	97%	46	1975
Porter Ridge	6-8	1454	1264	87%	16	2005
Sun Valley	6-8	1180	1072	91%	46	1975
Weddington	6-8	1216	1284	106%	23	1998

# UNION COUNTY BOARD OF EDUCATION

## School Building Data (Continued)

June 30, 2021

Campus	Grade Span	School Capacity	Final Avg. Daily Membership	Percentage of Capacity Used	Age of Original Construction	Date of Original Construction
<b>High Schools</b>						
Cuthbertson	9-12	1,794	1,925	107%	12	2009
Early College <sup>(1)</sup>	9-13	N/A	351	N/A	N/A	N/A
Forest Hills	9-12	1448	871	60%	61	1960
Marvin Ridge	9-12	1848	1929	104%	14	2007
Monroe	9-12	1440	947	66%	61	1960
Parkwood	9-12	1376	1037	75%	60	1961
Piedmont	9-12	1600	1273	80%	61	1960
Porter Ridge	9-12	1812	1671	92%	16	2005
Sun Valley	9-12	1502	1376	92%	61	1960
Weddington	9-12	1,794	1,750	98%	21	2000
<b>Alternative Schools</b>						
Central Academy	9-12	1,504	840	56%	46	1975
South Providence	6-12	140	62	44%	79	1942
Wolfe Develop. Center/ Trainable School	K-12	140	100	71%	12	2009

N/A = Not Applicable

Source: Union County Public Schools N. C. Public Schools Facility Needs Report; 2021

Note:

(1) Early College is located at South Piedmont Community College

**UNION COUNTY BOARD OF EDUCATION**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>Capitalized Leases</b>	<b>Installment Purchases</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
2021	\$ -	\$ 6,272,335	\$ 6,272,335	N/A	\$ 26
2020	-	8,267,380	8,267,380	N/A	34
2019	-	6,735,849	6,735,849	0.05%	28
2018	-	630,021	630,021	0.01%	3
2017	-	1,020,555	1,020,555	0.01%	5
2016	-	495,283	495,283	0.00%	2
2015	-	-	-	0.00%	-
2014	-	904,927	904,927	0.01%	4
2013	-	1,873,417	1,873,417	0.02%	9
2012	-	4,065,307	4,065,307	0.05%	20

N/A = Not available

Source: Union County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2021.

Note: This table is a ten year schedule. However, county level annual income data is not released by the U.S. Bureau of Economic Analysis until the month of April, and is always two years behind. Therefore, June 30, 2021 and June 30, 2020 income based information will be shown above as "N/A", and the June 30, 2020 information will be reported for the year ended June 30, 2022, if applicable.

**Union County**  
**North Carolina**  
**Governmental Funds Revenues by Source**  
**Last Ten Fiscal Years**

**Expressed in Nominal Dollars**

<b>Fiscal Year Ended June 30</b>	<b>Ad Valorem Taxes</b>	<b>Other Taxes</b>	<b>Inter- Governmental Revenues</b>	<b>Licenses and Permits</b>	<b>Sales and Service</b>	<b>Investment Earnings</b>	<b>Miscellaneous</b>	<b>Total</b>
2021	\$ 216,861,127	\$ 63,865,032	\$ 52,634,253	\$ 6,976,032	\$ 4,809,935	\$ 18,714	\$ 9,976,311	\$ 355,141,404
2020	205,018,769	54,196,471	38,003,442	8,596,860	5,749,023	4,609,079	8,182,913	324,356,557
2019	200,033,303	51,043,188	36,880,791	7,372,469	6,546,595	4,764,823	13,543,304	320,184,473
2018	205,544,367	47,864,360	34,516,783	7,862,126	5,914,930	1,824,378	7,377,686	310,904,630
2017	195,274,372	46,480,879	36,527,796	7,227,386	4,599,967	451,706	7,583,456	298,145,562
2016	192,395,861	40,556,654	33,831,925	7,472,415	5,173,794	867,318	7,145,607	287,443,574
2015	194,255,775	36,225,000	31,928,468	6,783,000	5,182,376	467,683	7,433,477	282,275,779
2014	169,710,100	33,776,838	29,679,942	6,982,279	4,911,808	397,818	7,250,003	252,708,788
2013	162,147,454	30,663,987	31,130,202	6,098,103	4,398,686	122,634	7,171,956	241,733,022
2012	160,909,290	29,119,852	31,053,330	5,099,529	5,281,772	1,069,847	62,804,467	295,338,087

**Expressed in Constant Dollars**

<b>Fiscal Year Ended June 30</b>	<b>Ad Valorem Taxes</b>	<b>Other Taxes</b>	<b>Inter- Governmental Revenues</b>	<b>Licenses and Permits</b>	<b>Sales and Service</b>	<b>Investment Earnings</b>	<b>Miscellaneous</b>	<b>Total</b>
2021	\$ 79,817,563	\$ 23,506,063	\$ 19,372,480	\$ 2,567,587	\$ 1,770,337	\$ 6,888	\$ 3,671,865	\$ 130,712,783
2020	75,458,884	19,947,467	13,987,487	3,164,147	2,115,976	1,696,410	3,011,790	119,382,161
2019	77,593,340	19,799,760	14,306,137	2,859,796	2,539,438	1,848,285	5,253,476	124,200,232
2018	80,245,943	18,686,577	13,475,591	3,069,428	2,309,230	712,250	2,880,300	121,379,319
2017	77,493,213	18,445,598	14,495,790	2,868,136	1,825,463	179,256	3,009,439	118,316,896
2016	78,543,349	16,556,777	13,811,486	3,050,526	2,112,141	354,072	2,917,110	117,345,461
2015	80,591,349	15,028,751	13,246,238	2,814,079	2,150,024	194,029	3,083,944	117,108,414
2014	71,116,126	14,154,006	12,437,224	2,925,887	2,058,267	166,704	3,038,076	105,896,290
2013	68,031,137	12,865,487	13,061,093	2,558,541	1,845,528	51,453	3,009,090	101,422,329
2012	68,910,721	12,470,815	13,298,843	2,183,915	2,261,962	458,171	26,896,527	126,480,954

Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984 = 100).

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

**Union County**  
**North Carolina**  
**Governmental Funds Expenditures by Function**  
**Last Ten Fiscal Years**

Expressed in Nominal Dollars									
Fiscal Year Ended June 30	General Government	Public Safety	Capital Outlay	Economic & Physical Development	Human Services	Education	Culture and Recreation	Debt Service	Total
2021	\$ 26,398,132	\$ 70,546,972	\$ 49,078,618	\$ 4,640,342	\$ 55,430,052	\$ 112,899,751	\$ 6,690,573	\$ 50,024,597	\$ 375,709,037
2020	18,002,109	71,873,105	69,294,756	4,601,843	47,910,610	106,102,982	7,332,683	38,995,665	364,113,753
2019	14,665,382	67,937,224	59,785,746	4,534,087	45,941,860	103,194,389	8,027,154	57,195,352	361,281,194
2018	13,381,265	62,734,029	34,419,297	3,322,030	43,083,568	99,713,171	7,597,933	45,556,806	309,808,099
2017	13,165,184	57,008,242	39,935,681	2,813,512	43,900,232	97,247,541	6,888,443	45,859,147	306,817,982
2016	12,344,165	52,681,383	23,343,138	2,629,698	41,848,033	94,996,333	6,579,913	47,814,441	282,237,104
2015	11,254,881	48,720,595	22,134,201	2,565,477	40,496,633	89,885,541	6,278,455	48,336,997	269,672,780
2014	11,625,201	43,980,663	7,058,571	2,383,306	37,430,037	85,180,373	6,006,214	47,348,877	241,013,242
2013	11,493,384	39,134,681	11,208,917	2,158,639	36,855,320	82,882,387	5,791,576	51,778,771	241,303,675
2012	11,238,063	39,997,069	5,643,198	2,734,165	37,796,024	80,562,304	5,788,887	52,367,596	236,127,306

Expressed in Constant Dollars									
Fiscal Year Ended June 30	General Government	Public Safety	Capital Outlay	Economic & Physical Development	Human Services	Education	Culture and Recreation	Debt Service	Total
2021	\$ 9,716,055	\$ 25,965,407	\$ 18,063,799	\$ 1,707,917	\$ 20,401,497	\$ 41,553,704	\$ 2,462,522	\$ 18,411,974	\$ 138,282,874
2020	6,625,828	26,453,501	25,504,518	1,693,747	17,633,903	39,052,096	2,698,856	14,352,683	141,240,493
2019	5,688,733	26,352,992	23,191,017	1,758,782	17,820,944	40,029,321	3,113,750	22,186,198	141,046,679
2018	5,224,138	24,491,799	13,437,532	1,296,944	16,820,123	38,928,712	2,966,286	17,785,692	122,945,088
2017	5,224,507	22,623,306	15,848,184	1,116,522	17,421,487	38,591,979	2,733,628	18,198,869	125,254,835
2016	5,039,360	21,506,555	9,529,562	1,073,543	17,083,968	38,781,137	2,686,172	19,519,684	117,092,369
2015	4,669,339	20,212,827	9,182,868	1,064,345	16,800,933	37,291,025	2,604,757	20,053,683	113,004,961
2014	4,871,479	18,429,866	2,957,857	998,712	15,684,860	35,694,388	2,516,872	19,841,298	101,120,336
2013	4,822,203	16,419,480	4,702,851	905,686	15,463,143	34,774,416	2,429,933	21,724,477	103,340,275
2012	4,812,793	17,129,072	2,416,746	1,170,929	16,186,457	34,501,466	2,479,138	22,426,852	102,897,579

Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984 = 100).

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

**Union County**  
**Property Tax Levies and Current Collections**  
**Last Ten Fiscal Years**

Expressed in Nominal Dollars			
Fiscal Year Ended June 30	Total Tax Levy	Current Tax Collections	Percent of Levy Collected
2021	\$ 204,482,872	\$ 204,496,057	100.0%
2020	197,546,817	196,786,125	99.6%
2019	192,056,954	191,557,613	99.7%
2018	198,297,575	197,993,083	99.8%
2017	188,432,411	187,912,101	99.7%
2016	184,680,886	184,123,235	99.7%
2015	187,119,188	186,043,063	99.4%
2014	162,787,247	160,654,217	98.7%
2013	156,181,568	153,431,297	98.2%
2012	155,268,603	152,028,139	97.9%

Expressed in Constant Dollars			
Fiscal Year Ended June 30	Total Tax Levy	Current Tax Collections	
2021	\$ 75,261,642	\$ 75,266,495	
2020	72,708,769	72,428,790	
2019	74,499,298	74,305,602	
2018	77,416,746	77,297,870	
2017	74,778,030	74,571,549	
2016	75,393,801	75,166,147	
2015	77,630,576	77,184,122	
2014	68,215,141	67,321,305	
2013	65,528,070	64,374,157	
2012	66,495,051	65,107,295	

Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984 = 100).

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

**Union County**  
**North Carolina**  
**Demographic Statistics**  
**Last Ten Fiscal Years**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Population (1)	205,321	207,775	211,539	215,956	220,546	224,029	231,366	237,477	239,859	242,657
Per Capita Income (2)	\$ 39,611	\$ 39,417	\$ 43,224	\$ 46,456	\$ 47,729	\$ 49,648	\$ 51,802	\$ 53,417	N/A	N/A
Retail Sales (5) (000's omitted)	\$ 1,197,951	\$ 1,321,781	\$ 1,460,830	\$ 1,610,426	\$ 1,799,712	\$ 2,018,468	\$ 2,068,107	\$ 2,191,524	\$ 2,326,821	\$ 2,869,555
Final Avg. Daily Membership (3)	39,654	40,248	41,020	41,296	41,873	41,393	41,306	41,201	41,394	39,727
Unemployment Rate (4)	8.6%	8.0%	6.2%	5.3%	4.3%	4.0%	3.6%	3.9%	6.1%	4.0%

N/A = Not Available

Sources:

(1) North Carolina Demographic Unit

(2) United States Dept of Commerce. Bureau of Economic Analysis

(3) State Board of Education and DPI

(4) North Carolina Employment Security Commission

(5) North Carolina Department of Revenue

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

**Union County, North Carolina**  
**Top Ten Principal Taxpayers**  
**For Year Ended June 30, 2021**

Taxpayer	Type of Business	June 30, 2021			June 30, 2012		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Union Electric Membership Corp.	Utility	\$ 144,146,607	1	0.52%	\$ 110,733,265	3	0.47%
Allegheny Technologies, Inc.	Manufacturing	139,158,294	2	0.50%	267,197,234	1	1.14%
Duke Energy Carolinas, LLC	Utility	116,076,878	3	0.41%	68,472,891	4	0.29%
Charlotte Pipe & Foundry Co. Inc.	Manufacturing	94,776,660	4	0.34%	114,495,285	2	0.49%
Piedmont Natural Gas Co. Inc.	Utility	61,457,344	5	0.22%	64,926,191	5	0.28%
Consolidated Metco Inc.	Manufacturing	37,980,912	6	0.14%	-	-	-
Time Warner Cable Southeast, LLC	Utility	35,769,725	7	0.13%	-	-	-
Greiner Bio-One North America, Inc.	Manufacturing	26,324,216	8	0.09%	-	-	-
IA Monroe Poplin, LLC	Land Developer	24,248,000	9	0.09%	-	-	-
CSX Transportation	Transportation	22,293,689	10	0.08%	-	-	-
Atlas Union SPE, LLC	Banking	-		-	29,357,600	10	0.13%
Turbomeca Manufacturing Inc.	Manufacturing	-		-	40,376,192	7	0.17%
WSLD Millbridge VI, LLC	Land Developoer	-		-	47,251,270	6	0.20%
Wal-Mart Real Estate Business	Retail	-		-	35,926,610	8	0.15%
AEP Industries	Manufacturing	-		-	35,508,456	9	0.15%
		<u>\$ 702,232,325</u>		<u>2.52%</u>	<u>\$ 814,244,994</u>		<u>3.47%</u>
Total County-Wide Assessed Valuation		<u>\$ 27,981,476,232</u>			<u>\$ 23,395,494,250</u>		

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

**Union County, North Carolina**  
**Property Tax Rates - All Overlapping Governments**  
**(Per \$100 of Assessed Value)**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Union County</b>										
County-wide rate	0.6650	0.6600	0.6600	0.7614	0.7765	0.7665	0.7810	0.7309	0.7309	0.7309
Supplemental School Districts (Approved by the Voters)										
Monroe Schools District	-	-	-	-	-	-	-	-	-	-
County Schools District	-	-	-	-	-	-	-	-	-	-
Supplemental Fire Districts										
Allens Crossroads VFD	-	-	-	-	-	-	-	-	-	0.0838
Bakers VFD	-	-	-	-	-	-	-	-	-	0.0531
Beaver Lane VFD	-	-	-	-	-	-	-	-	-	0.0843
Fairview VFD	-	-	-	-	-	-	-	-	-	0.0517
Griffith VFD	-	-	-	-	-	-	-	-	-	0.0507
Hemby VFD	0.0493	0.0526	0.0526	0.0526	0.0512	0.0485	0.0503	0.0488	0.0488	0.0487
Jackson VFD	-	-	-	-	-	-	-	-	-	0.0404
Lanes Creek VFD	-	-	-	-	-	-	-	-	-	0.0792
New Salem VFD	-	-	-	-	-	-	-	-	-	0.0569
Providence VFD	-	-	-	-	-	-	-	-	-	0.0392
Sandy Ridge VFD	-	-	-	-	-	-	-	-	-	0.0584
Springs VFD	0.0315	0.0355	0.0355	0.0483	0.0474	0.0437	0.0567	0.0552	0.0552	0.0403
Stack VFD	-	-	-	-	-	-	-	-	-	0.0611
Stallings VFD	0.0428	0.0428	0.0428	0.0428	0.0509	0.0503	0.0503	0.0502	0.0502	0.0548
Unionville VFD	-	-	-	-	-	-	-	-	-	0.0451
Waxhaw VFD	0.0372	0.0386	0.0386	0.0386	0.0380	0.0357	0.0413	0.0545	0.0545	0.0526
Wesley Chapel VFD	0.0220	0.0241	0.0241	0.0281	0.0282	0.0293	0.0293	0.0354	0.0354	0.0392
Wingate VFD	-	-	-	-	-	-	-	-	-	0.0817
<b>Total County Rates</b>										
Maximum	0.7143	0.7126	0.7126	0.8140	0.8277	0.8168	0.8377	0.7861	0.7861	0.8152
Minimum	0.6650	0.6600	0.6600	0.7614	0.7765	0.7665	0.7810	0.7309	0.7309	0.7309
Average	0.6897	0.6863	0.6863	0.7877	0.8021	0.7917	0.8094	0.7585	0.7585	0.7731
<b>Cities and Towns</b>										
City of Monroe	0.5550	0.5550	0.5550	0.5550	0.5863	0.5863	0.5863	0.6163	0.6163	0.6163
Downtown Monroe District	0.2000	0.2000	0.2000	0.2000	0.2190	0.2190	0.2190	0.2190	0.2190	0.2190
Town of Fairview	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Town of Indian Trail	0.1450	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850
Town of Marshville	0.4100	0.4100	0.4800	0.4800	0.4800	0.4800	0.5100	0.5100	0.5100	0.5100
Town of Mineral Sprints	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250
Town of Mint Hill	0.2750	-	-	-	-	-	-	-	-	-
Town of Stallings	0.2150	0.2150	0.2150	0.2150	0.2150	0.2150	0.2150	0.2150	0.2150	0.2150
Town of Unionville	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Town of Waxhaw	0.3400	0.3400	0.3400	0.3400	0.3600	0.3600	0.3600	0.3900	0.3850	0.3850
Town of Weddington	0.0300	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520
Town of Wingate	0.3900	0.3900	0.3900	0.3900	0.4200	0.4200	0.4300	0.4300	0.4300	0.4300
Village of Lake Park	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.2400	0.2500	0.2500
Village of Marvin	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0600
Village of Wesley Chapel	0.0165	0.0165	0.0165	0.0165	0.0165	0.0165	0.0165	0.0165	0.0165	0.0165

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

Source: Union County Tax Assessor's Office

**Union County, North Carolina**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

	Fiscal Year Ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities:</b>										
General government										
Personnel										
Number of full-time employees	790	822	821	820	864	864	898	951	1,013	1,048
Number of part-time employees	50	56	66	83	72	98	106	157	159	123
Elections										
Number of registered voters	129,821	136,500	139,836	138,597	145,645	148,448	154,300	150,789	160,261	159,957
Information Systems (and GIS)										
Number of people in system	1,230	1,313	1,397	1,239	1,242	1,257	1,883	1,772	1,815	1,828
General Services										
Number of vehicle service requests	1,031	1,113	1,721	3,805	4,501	4,629	4,462	4,552	4,518	4,683
Public safety										
Fire Services										
Number of volunteer fire personnel	550	550	550	500	500	500	500	500	500	500
Inspection										
Number of inspections	2,057	2,640	2,136	1,196	1,106	906	1,172	1,798	1,375	1,079
Human services										
Public Health										
Number of patients	11,952	9,408	8,237	8,142	6,786	10,198	8,904	6,497	4,382	3,664
Number of visits	23,869	23,650	20,729	20,681	15,716	17,508	15,099	12,728	10,667	9,211
Social Services										
Number of client visits	57,985	57,351	49,722	48,786	47,064	53,125	58,693	58,803	44,275	50,589
Transportation and Nutrition										
Number of trips	78,156	84,623	84,533	77,784	74,176	75,342	69,402	79,674	1,417	67,437
Congregate, home delivered and supplemental meals	71,276	69,835	60,968	68,573	70,497	75,134	71,963	66,978	101,619	146,204
Veterans' Services										
Number of visitors	3,178	3,451	3,479	3,598	3,652	3,576	3,556	3,628	3,048	1,956
Number of phone calls	11,907	12,374	12,564	11,734	12,166	11,047	11,215	12,472	12,464	11,336
Cultural and recreational										
Library										
Number of volumes	225,174	225,788	225,181	212,961	207,748	190,370	166,742	145,582	149,573	145,944
Education										
Number of licensed employees	2,555	3,192	3,192	2,928	3,054	3,019	2,603	3,111	3,117	2,873
Final Avg. Daily Membership	39,654	40,248	41,020	41,296	41,873	41,393	41,500	41,201	41,394	39,727
<b>Business-type activities:</b>										
Water and Sewer										
Average daily consumption in gallons (in 000's)	11,280	11,100	11,740	12,460	13,100	13,880	13,870	14,160	14,228	14,206
Number of water service connections	41,147	42,406	43,828	45,095	46,236	47,489	49,363	50,509	51,961	53,537
Number of sewer service connections	29,110	30,306	31,597	32,688	33,632	34,711	36,402	37,319	38,834	40,169

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

**Union County, North Carolina**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

	Fiscal Year Ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities:</b>										
Tax Administration										
Number of tax parcels	108,297	108,297	109,941	110,998	113,574	118,525	117,378	118,431	125,580	133,457
Elections										
Number of precincts	52	52	52	52	52	52	52	52	52	52
Public safety										
Law Enforcement (and AC)										
Number of stations	8	8	8	8	8	8	8	8	8	8
Number of patrol units	318	318	N/A	N/A	332	335	278	284	299	299
Fire Services										
Number of stations-main	18	18	18	17	17	17	17	17	17	17
Number of stations-sub	7	7	7	8	8	8	8	8	8	8
Cultural and recreational										
Library										
Number of libraries	4	4	4	4	4	4	4	4	4	4
Parks and Recreation										
Number of parks	3	3	3	3	3	3	3	3	3	3
Number of acres in parks	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,290
Number of acres in lakes	350	350	350	350	350	350	350	350	350	350
Education										
Number of schools	53	53	53	53	53	53	53	53	53	53
Number of classrooms	2,322	2,322	1,914	1,914	1,914	2,379	2,075	2,084	2,084	2,084
<b>Business-type activities:</b>										
Water and Sewer										
Number of fire hydrants	4,579	4,571	4,638	4,736	4,843	4,964	5,041	5,096	5,189	5,279
Miles of water mains	980	980	993	1,020	1,043	1,065	1,082	1,095	1,114	1,132
Miles of sewer mains	607	610	620	640	663	684	698	708	727	741

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

**Union County**  
**North Carolina**  
**Principal Employers**  
**For Year Ended June 30, 2021 and 2012**

Employer <sup>(2)</sup>	2021			2012		
	Employees <sup>(2)</sup>	Rank	Approximate Percentage of Total County Employment	Employees	Rank	Approximate Percentage of Total County Employment
Union County Schools	1,000+	1	1%+	1,000+	1	1%+
County of Union	1,000+	2	1%+	1,000+	5	1%+
Harris Teeter, Inc.	1,000+	3	1%+	1,000+	6	1%+
Tyson Farms, Inc.	1,000+	4	1%+	1,000+	2	1%+
TYD Industries	1,000+	5	1%+	1,000+	4	1%+
Wal-Mart Associates, Inc.	500 - 999	6	<1%	500 - 999	7	<1%
Wingate University	500 - 999	7	<1%	500 - 999	9	<1%
Food Lion	500 - 999	8	<1%	-	-	-
Pilgrims Pride Corporation	500 - 999	9	<1%	500 - 999	10	<1%
City of Monroe	500 - 999	10	<1%	500 - 999	8	<1%
Union Memorial Medical Center	-	-	-	1,000+	3	1%+
			10%+			10%+
Total County Employment <sup>(1)</sup>	65,730			53,901		

Sources:

(1) Labor estimates provided by the Employment Security Commission of North Carolina as of June 30th each year.

(2) North Carolina Chamber of Commerce - data is for the 4th quarter of the preceding year.

Table 24

**Union County**  
**North Carolina**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Year Ended June 30	Governmental Activities			Business -Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Debt	C.O.P.'s and Installment Financing	Total Governmental Activities	General Obligation Debt	Revenue Bonds	Other Long-term Obligations	Total Business-type Activities			
2021	\$ 347,174,304	\$ 50,425,820	\$ 397,600,124	\$ -	\$ 482,992,769	\$ -	\$ 482,992,769	880,592,893	N/A	\$3,629
2020	380,695,049	50,249,706	430,944,755	-	160,269,930	-	160,269,930	591,214,685	N/A	2,465
2019	273,169,328	55,808,592	328,977,920	-	194,866,255	6,750,000	201,616,255	530,594,175	4.20%	2,234
2018	314,233,363	62,571,111	376,804,474	-	121,096,288	7,500,000	128,596,288	505,400,762	4.20%	2,184
2017	289,513,224	69,396,598	358,909,822	-	60,021,984	8,250,000	68,271,984	427,181,806	3.80%	1,907
2016	318,941,151	76,303,778	395,244,929	-	62,627,835	9,233,697	71,861,532	467,106,461	5.10%	2,118
2015	346,375,424	83,222,053	429,597,477	59,943	45,966,718	10,217,393	56,244,054	485,841,531	4.80%	2,250
2014	357,818,458	83,338,489	441,156,947	191,542	47,175,000	11,201,090	58,567,632	499,724,579	5.50%	2,362
2013	383,275,223	89,587,309	472,862,532	329,777	49,955,000	12,184,787	62,469,564	535,332,096	6.50%	2,544
2012	403,388,123	94,726,484	498,114,607	871,877	52,655,000	13,168,483	66,695,360	564,809,967	8.40%	2,746

N/A = Not Available

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

Note: This table is a ten year schedule. However, county level annual income data is not released by the U.S. Bureau of Economic Analysis until the month of April, and is always two years behind. Therefore, June 30, 2020 and June 30, 2021 income based information will be shown above as "N/A", and the June 30, 2020 information will be reported for the year ended June 30, 2022, if applicable.

# **Compliance Section**



# ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

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 AUDITORS' REPORT***

To the Union County Board of Education  
Monroe, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Union County Board of Education, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprises the Union County Board of Education, North Carolina's basic financial statements and have issued our report thereon dated December 15, 2021.

### ***Internal Control Over Financial Reporting***

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

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 over financial reporting 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 material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

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

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*Anderson Smith & Wike PLLC*

*December 15, 2021  
West End, North Carolina*



# ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

Report On Compliance With Requirements Applicable to Each Major Federal Program  
And Internal Control Over Compliance; In Accordance With OMB Uniform Guidance and  
the State Single Audit Implementation Act

## ***INDEPENDENT AUDITORS' REPORT***

To the Union County Board of Education  
Monroe, North Carolina

### ***Report on Compliance for Each Major Federal Program***

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

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

### ***Auditors' Responsibility***

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

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

### ***Opinion on Each Major Federal Program***

In our opinion, the Union County Board of Education 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, 2021.

### ***Report on Internal Control Over Compliance***

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

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

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

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

*Anderson Smith & Wike PLLC*

*December 15, 2021  
West End, North Carolina*



# ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

Report On Compliance With Requirements Applicable to Each Major State  
Program and Internal Control Over Compliance; In Accordance With OMB Uniform Guidance and  
The State Single Audit Implementation Act

## **INDEPENDENT AUDITORS' REPORT**

To the Union County Board of Education  
Monroe, North Carolina

### **Report on Compliance for Each Major State Program**

We have audited Union County Board of Education, North Carolina's 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 the Board's major State programs for the year ended June 30, 2021. The Union County Board of Education's major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

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

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

### **Opinion on Each Major State Program**

In our opinion, the Union County Board of Education 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, 2021.

## ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with applicable sections of the Uniform Guidance as described in the *Audit Manual for Governmental Auditors in North Carolina* and which is described in the accompanying schedule of findings and questioned costs as item 21-01. Our opinion on the Board's major State program is not modified with respect to this matter.

The Union County Board of Education's responses to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## ***Report on Internal Control Over Compliance***

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 21-01 that we consider to be a significant deficiency.

The Union County Board of Education's responses to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

*Anderson Smith & Wike PLLC*

December 15, 2021  
West End, North Carolina

**UNION COUNTY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2021**

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**Section I - Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued:	<i>Unmodified</i>
Internal control over financial reporting:	
• Material weakness(es) identified?	<i>No</i>
• Significant deficiency(ies) identified that are not considered to be material weaknesses	<i>None Reported</i>
Noncompliance material to financial statements noted	<i>No</i>

***Federal Awards***

Internal control over major federal programs:	
• Material weakness(es) identified?	<i>No</i>
• Significant deficiency(ies) identified that are not considered to be material weaknesses	<i>None Reported</i>
Type of auditors' report issued on compliance for major federal programs	<i>Unmodified</i>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<i>No</i>
Identification of major federal programs:	

<b>CFDA Numbers</b>	<b>Names of Federal Program or Cluster</b>
---------------------	--------------------------------------------

	Special Education Cluster:
84.027	Special Education Program
84.173	Special Education – Preschool Program
21.019	COVID-19 - Coronavirus Relief Funds
84.425	COVID-19 – Education Stabilization Funds

Dollar threshold used to distinguish between Type A and Type B Programs	<u><i>\$ 1,167,000</i></u>
Auditee qualified as low-risk auditee?	<i>Yes</i>

**UNION COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Fiscal Year Ended June 30, 2021**

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**Section I - Summary of Auditors' Results (Continued)**  
**State Awards**

Internal control over major State programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses Yes

Type of auditors' report issued on compliance for major State programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act Yes

Identification of major State programs:

Program Name

State Public School Fund  
 Career and Technical Education – State Months of Employment  
 Career and Technical Education – Program Support Funds  
 Driver Training  
 State appropriations - buses

**Section II - Financial Statement Findings**

No findings were noted that are required to be reported under *Government Auditing Standards*.

**Section III - Federal Award Findings and Questioned Costs**

No findings and questioned costs related to the audit of federal awards aggregating \$25,000 or more were noted.

**Section IV - State Award Findings and Questioned Costs**

**Finding 21-01**

N.C. Department of Public Instruction  
 Program Name: State Public School Fund

**SIGNIFICANT DEFICIENCY**  
Compliance – Activities Allowed or Unallowed

Criteria: The Board cannot exceed the number of positions or months of employment allotted by the Department of Public Instruction (DPI). Overpaid individuals per the State salary exception report must be refunded to DPI at gross salary paid plus matching benefits.

**UNION COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Fiscal Year Ended June 30, 2021**

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**Section IV - State Award Findings and Questioned Costs (Continued)**

Condition:	The Board exceeded the number of months allotted by DPI for instructional support by 16.14 months. The Board had outstanding State salary exceptions totaling \$44,890 for the fiscal year ended June 30, 2021.
Effect:	The Board is not in compliance with the aforementioned criteria.
Cause:	Controls were not in place to ensure that the aforementioned program requirements were adhered to.
Questioned Cost:	The Board has recorded a combined liability of \$116,464 across its General and Other Special Revenue Fund as of June 30, 2021, payable to the State of North Carolina, for the above noted position allotment overdrafts and salary exceptions. These amounts have already been repaid to the State as of the date of our report.
Identification of a repeat finding:	This is not a repeat finding from the immediate previous audit.
Recommendation:	We recommend that the Board implement procedures to minimize salary exceptions and position allotment overdrafts and refund any such items in a timely manner.

Views of responsible officials and planned corrective actions:

The Board of Education agrees with this finding and will implement controls and procedures to minimize salary exceptions and position allotment overdrafts and refund any such items in a timely manner.

***UNION COUNTY BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Fiscal Year Ended June 30, 2021***

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There were no audit findings reported in the prior year.

**UNION COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2021**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Expenditures
<b>Federal Grants:</b>			
<u>U.S. Department of Agriculture</u>			
<u>Child Nutrition Cluster:</u>			
Passed-through the N.C. Department of Agriculture:			
Noncash Assistance (Commodities):			
National School Lunch Program	10.555	PRC 035	\$ 1,195,136
Cash Assistance:			
School Breakfast Program	10.553	PRC 035	10,045
National School Lunch Program	10.555	PRC 035	50,556
Summer Food Service Program for Children	10.559	PRC 035	7,534,196
Cash Assistance Subtotal			7,594,797
Total Child Nutrition Cluster:			8,789,933
Fresh Fruit and Vegetable Grant	10.582	PRC 035	38,115
Total School Nutrition Program (Note 3)			8,828,048
Total U.S. Department of Agriculture			8,828,048
<u>U.S. Department of Education</u>			
Direct Programs:			
Teacher Incentive Fund	84.374A		5,614,686
LEGEND: Learner Engagement and			
Interventions Driving Student Success	84.184G		700,960
Total U.S. Department of Education Direct Programs			6,315,646
<u>Office of Elementary and Secondary Education</u>			
Passed-through the N.C. Department of Public Instruction:			
Title I - Educationally Deprived Children	84.010	PRC 050 & 115	5,713,500
Education for Homeless Children and Youth	84.196	26	11,300
Supporting Effective Instruction	84.367	PRC 103	479,915
English Language Acquisition Grants	84.365	PRC 104	371,025
Student Support and Academic Enrichment	84.424	PRC 108	577,618
<u>Special Education Cluster:</u>			
Individuals with Disabilities Education Act			
Education for the Handicapped	84.027	PRC 060	7,169,639
Education for the Handicapped - Targeted Assistance	84.027	PRC 118	19,254
Children with Special Needs	84.027	PRC 114	28,677
Preschool Handicapped	84.173	PRC 049	110,656
Preschool Targeted Assistance	84.173	PRC 119	5,966
Total Special Education Cluster			7,334,192
Special Education - State Personnel Development	84.323	PRC 082	7,531

**UNION COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**(Continued)**  
**For the Year Ended June 30, 2021**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Expenditures
COVID-19 - Education Stabilization Fund:			
CARES Act:			
COVID-19 - ESSER I - K-12 Emergency Relief Fund	84.425D	PRC 163	1,188,645
COVID-19 - ESSER I - Digital Curricula	84.425D	PRC 165	13,829
COVID-19 - ESSER I - Exceptional Children Grants	84.425D	PRC 167	33,379
COVID-19 - GEER I - Supplemental Instructional Services	84.425C	PRC 170	268,856
CRRSA:			
COVID-19 - ESSER II - K-12 Emergency Relief Fund	84.425D	PRC 171	2,313,030
COVID-19 - ESSER II - Competency-Based Assessment	84.425D	PRC 178	30,786
Total COVID-19 - Education Stabilization Fund	84.425		3,848,525
Career and Technical Education - Basic Grants to States Program Development	84.048	PRC 017	447,505
Total U. S. Department of Education			25,106,757
<u>U.S. Department of the Treasury</u>			
Passed-through the N.C. Office of State Management and Budget:			
N.C. Pandemic Recovery Office:			
Passed-through the N.C. Department of Public Instruction:			
COVID-19 - Coronavirus Relief Fund:			
Summer Learning Program		PRC 121	759,172
Contracting Mental Health Professional		PRC 122	224,650
Nondigital Resources		PRC 123	79,831
Student Computers and Devices		PRC 124	1,111,295
School Nutrition		PRC 125	670,211
Personnel Computers and Devices		PRC 126	370,040
Bus WiFi		PRC 127	9,513
Home and Community WiFi		PRC 128	210,188
Learning Management System		PRC 129	30,664
Grants for Exceptional Children Services		PRC 132	783,240
Cybersecurity		PRC 135	68,758
Personal Protective Equipment		PRC 137	403,274
Total COVID-19 - Coronavirus Relief Fund	21.019		4,720,836
<u>U. S. Department of Defense</u>			
Direct Program:			
ROTC	12.000		300,040
<b>Total federal assistance</b>			38,955,681

**UNION COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**(Continued)**  
**For the Year Ended June 30, 2021**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Expenditures
<b>State Grants:</b>			
<u>N.C. Department of Public Instruction:</u>			
Cash Assistance:			
State Public School Fund		Various	235,979,263
Driving Training - SPSF		PRC 012	821,927
School Technology Fund - SPSF		PRC 015	277,984
Career and Technical Education:			
State Months of Employment		PRC 013	12,922,225
Program Support Funds		PRC 014	1,686,313
Cash assistance subtotal			<u>251,687,712</u>
Non-Cash Assistance:			
State appropriations - buses (noncash)		PRC 120	<u>565,854</u>
Total N.C. Department of Public Instruction			<u>252,253,566</u>
<u>N.C. Department of Agriculture:</u>			
State Kindergarten Breakfast Program			<u>485</u>
<b>Total State assistance</b>			<u>252,254,051</u>
<b>Total federal and State assistance</b>			<u><u>\$ 291,209,732</u></u>

Notes to the Schedule of Expenditures of Federal and State Awards:

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Union County Board of Education under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Union County Board of Education, it is not intended to and does not present the financial position, changes in net assets or cash flows of Union County Schools.

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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Union County Schools 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