



UCPS
UNION COUNTY PUBLIC SCHOOLS

ANNUAL COMPREHENSIVE
**FINANCIAL
REPORT**

2024

Fiscal year ending June 30, 2024



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Union County Board of Education
Monroe, North Carolina
Annual Comprehensive
Financial Report
For the Year Ended June 30, 2024

Board Members

Rev. Jimmy H. Bention, Sr., Chairperson
Matt Helms, Vice-Chair

| | |
|------------------------------|-----------------|
| Todd Price | Joseph Morreale |
| Rev. John L. Kirkpatrick, IV | Sandra Greene |
| Sarah May | Kathy Heintel |
| Barry Tucker | |

Principal Officers

| | |
|---------------------------|--|
| Andrew G. Houlihan, Ed.D. | Superintendent |
| Michele Morris, JD | General Counsel |
| Kevin Plue, Ed.D. | Asst. Superintendent of Human Resources |
| W. Colon Moore | Asst. Superintendent of Administration & Operations |
| Tahira Stalberte | Asst. Superintendent of Communications & Community Relations |
| Jarrod McCraw | Asst. Superintendent of Student Support |
| Susan Rodgers, Ed.D. | Asst. Superintendent of Academics |
| Jonathan Tyson, Ed.D. | Asst. Superintendent of School Performance |
| Jay Parker | Chief Technology Officer |
| Shanna McLamb | Chief Finance Officer |

Prepared by Shanna McLamb
and the Finance Department

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Introductory Section



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Finance Department

Letter of Transmittal

December 31, 2024

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 Annual Comprehensive Financial Report (ACFR) of the Union County Board of Education, operating as the “Union County Public Schools”, for the fiscal year ended June 30, 2024, 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, 2023. 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, 2024.

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

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.



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 2023-2024 school year, the school system served students from pre-kindergarten to 12th 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 totaling more than \$12 million were paid to 27 area charter schools serving 4695 county resident students and \$451,226.76 paid to 2 virtual schools serving 163 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 estimated 2025 population is 271,012 with a growth rate of 2.76% in the past year. The 2010 population was 201,292 and has seen a growth of 31.01% since that time. Union County is the 8th largest county in North Carolina. In the past 30 years, Union County has added over 150,000 residents and is projected to add nearly the same amount in the next 30 years. This rise in new residents can be contributed to many workers who previously endured long commutes to downtown Charlotte are now able to work from home, which makes Union County's quiet neighborhoods, excellent schools, and lower taxes an even bigger draw for growth. For fiscal year 2024, 4037 residential construction permits were issued county-wide compared to fiscal year 2023 of 3793 showing an increase in the residential number of permits. This trend is anticipated to continue into 2025.

Due to the County's rapid growth during the previous decade and forecast of continued growth for the next 30 years, maintenance of existing infrastructure and facilities will be 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.

Union County voters continue to support bond referendums to address aging facilities and replace current buildings. Currently, there are two active Bond projects, one at East Elementary and Forest Hills High School. Since 2000, school bonds have resulted in nearly 30 new school construction and renovation projects.

Union County Public Schools is the sixth largest public-school system in North Carolina. UCPS serves approximately 42,000 students at 53 schools and employs more than 5,000 staff members.

UCPS continues to outperform the state and several large districts in multiple testing and accountability areas. Most notably, the district's 2024 four-year cohort graduation rate is 93.3 percent, taking the top spot among the 12 largest schools districts in the state. This graduation cohort began high school in the 2021-2022 school year, which was during the pandemic. UCPS also outperformed the state's four-year cohort graduation rate of 86.9 percent.

UCPS offers a wide variety of coursework to its students, ranging from 23 dual language programs to STEM (science, technology, engineering and math) to more than 44 pathways and 24 academies in the career and technical education department. UCPS in partnership with Wingate University offers the Wayfind program each year to 40 middle school students.



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 Academy of Technology and Arts, Health Sciences Academy at Monroe Middle and High with the addition of the AgTech Academy at East Union Middle and Forest Hills High Schools.

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(h) The enterprise funds are proprietary and are presented on a full accrual basis.



North Carolina General Statutes requires all governmental units in the state to adopt a balanced budget by July 1st 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, 2024. 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.

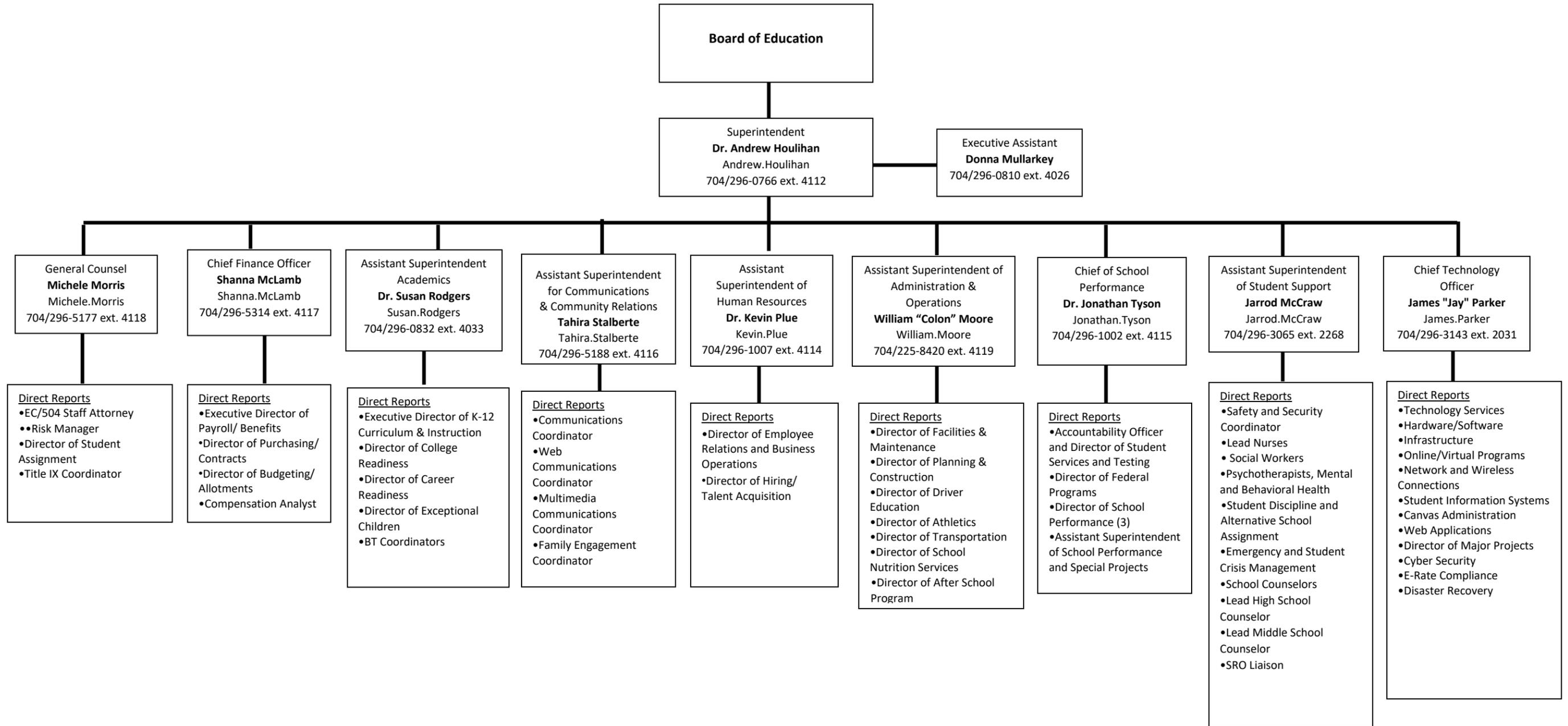
Respectfully submitted,

A handwritten signature in blue ink, appearing to read "A. Houlihan".

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

A handwritten signature in black ink, appearing to read "Shanna McLamb".

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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

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 Audit of the Financial Statements

Opinions

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, 2024, and the related notes to the financial statements, which collectively comprise the Union County Board of Education's basic financial statements as listed in the table of contents.

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, 2024, and the respective changes in financial position, and, where applicable, cash flows 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Union County Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Union County Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 11 and the Schedules of the Board's Proportionate Share of the Net Pension Liability, OPEB Liability and OPEB liability and the Schedules of Board Contributions on pages 53 through 58, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2024, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Union County Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Union County Board of Education's internal control over financial reporting and compliance.

Other Information

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

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

Anderson Smith & Wike PLLC

November 27, 2024
West End, North Carolina
(910) 603-0508

UNION COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2024. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

- For the fiscal year ended June 30, 2024, the Board's total district-wide net position increased by \$64.4 million. Governmental activities net position increased by \$66.1 million, and business-type activities net position decreased by \$1.7 million.
- The Board experienced an increase in student enrollment of 135 students from 41,210 students to 41,345 students.
- The Board's General fund reported a decrease in fund balance of \$737,000, to a balance of \$9.8 million. The Board's Other Special Revenue fund also reported a decrease in fund balance of \$3.8 million, to a balance of \$7.5 million as of June 30, 2024.

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 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.

UNION COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

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 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

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

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. Assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$115.2 million as of June 30, 2024 as compared to assets and deferred outflows exceeding liabilities and deferred inflows by \$90.8 million as of June 30, 2023, an increase of \$64.4 million. The largest component of net position is net investment in capital assets of \$651.1 million, while restricted and unrestricted net position have a combined balance of negative \$495.9 million.

Following is a summary of the Statement of Net Position as of June 30, 2024 and 2023:

**Table 1
Condensed Statement of Net Position
As of June 30, 2024 and 2023**

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|-------------------------------------|-------------------------|----------------------|--------------------------|-----------------------|--------------------------|----------------------|
| | 6/30/24 | 6/30/23 | 6/30/24 | 6/30/23 | 6/30/24 | 6/30/23 |
| Current assets | \$ 38,261,791 | \$ 47,477,981 | \$ 10,049,589 | \$ 10,297,952 | \$ 48,311,380 | \$ 57,775,933 |
| Capital assets | 661,328,307 | 614,890,000 | 1,156,307 | 942,495 | 662,484,614 | 615,832,495 |
| Total assets | <u>699,590,098</u> | <u>662,367,981</u> | <u>11,205,896</u> | <u>11,240,447</u> | <u>710,795,994</u> | <u>673,608,428</u> |
| Deferred outflows of resources | <u>215,388,792</u> | <u>196,661,681</u> | <u>6,051,977</u> | <u>4,702,044</u> | <u>221,440,769</u> | <u>201,363,725</u> |
| Current liabilities | 26,987,255 | 30,973,165 | 835,871 | 726,521 | 27,823,126 | 31,699,686 |
| Long-term liabilities | <u>606,251,348</u> | <u>552,514,800</u> | <u>16,801,179</u> | <u>12,989,408</u> | <u>623,052,527</u> | <u>565,504,208</u> |
| Total liabilities | <u>633,238,603</u> | <u>583,487,965</u> | <u>17,637,050</u> | <u>13,715,929</u> | <u>650,875,653</u> | <u>597,203,894</u> |
| Deferred inflows of resources | <u>122,717,812</u> | <u>182,632,613</u> | <u>3,448,115</u> | <u>4,366,619</u> | <u>126,165,927</u> | <u>186,999,232</u> |
| Net investment in capital assets | 649,929,031 | 613,904,885 | 1,156,307 | 942,495 | 651,085,338 | 614,847,380 |
| Restricted net position | 12,805,200 | 14,769,380 | - | - | 12,805,200 | 14,769,380 |
| Unrestricted net position (deficit) | <u>(503,711,756)</u> | <u>(535,765,181)</u> | <u>(4,983,599)</u> | <u>(3,082,552)</u> | <u>(508,695,355)</u> | <u>(538,847,733)</u> |
| Total net position (deficit) | <u>\$ 159,022,475</u> | <u>\$ 92,909,084</u> | <u>\$ (3,827,292)</u> | <u>\$ (2,140,057)</u> | <u>\$ 155,195,183</u> | <u>\$ 90,769,027</u> |

The net position of the Board's governmental activities increased \$66.1 million during the year, from \$92.9 million at June 30, 2023 to \$159.0 million at June 30, 2024 as a result of continued construction. Net investment in capital assets increased by \$36.0 million as a result of capital additions exceeding depreciation expense for the year. The Board's restricted net position decreased by \$2.0 million due to spending down Capital Outlay fund balance as well as a decrease in Other Special Revenue restricted fund balance related to special revenue programs such as Medicaid. Unrestricted net position increased by \$32.1 million compared to the prior year, due to lower than average pension and OPEB expenses of \$41.8 million as a result of the net OPEB benefit recognized in the Retirement Health Benefit plan.

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

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 3 of the financial statements for more details regarding these plans.

The net position of the Board's business-type activities decreased \$1.7 million from \$(2.1) million at June 30, 2023 to \$(3.8) million at June 30, 2024. This decrease is the net loss generated by our School Food Service fund offset by the net income generated in the After School Program fund during the 2024 fiscal year. The following table shows the revenues and expenses for the Board for the current and prior fiscal years:

**Table 2
Condensed Statement of Activities
For the Fiscal Years Ended June 30, 2024 and 2023**

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|--------------------------------------|-------------------------|----------------------|--------------------------|-----------------------|--------------------------|----------------------|
| | 6/30/24 | 6/30/23 | 6/30/24 | 6/30/23 | 6/30/24 | 6/30/23 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 14,145,233 | \$ 11,189,905 | \$ 10,992,743 | \$ 11,094,367 | \$ 25,137,976 | \$ 22,284,272 |
| Operating grants and contributions | 328,109,216 | 319,015,600 | 13,498,549 | 12,507,549 | 341,607,765 | 331,523,149 |
| Capital grants and contributions | 2,129,026 | 2,168,758 | 20,822 | 20,563 | 2,149,848 | 2,189,321 |
| General revenues: | | | | | | |
| County appropriations | 204,862,982 | 143,417,233 | - | - | 204,862,982 | 143,417,233 |
| Other revenues | 2,765,812 | 1,696,709 | 81,398 | 10,296 | 2,847,210 | 1,707,005 |
| Total revenues | <u>552,012,269</u> | <u>477,488,205</u> | <u>24,593,512</u> | <u>23,632,775</u> | <u>576,605,781</u> | <u>501,120,980</u> |
| Expenses: | | | | | | |
| Governmental activities: | | | | | | |
| Instructional services | 372,017,013 | 320,155,756 | - | - | 372,017,013 | 320,155,756 |
| System-wide support services | 99,838,077 | 113,202,444 | - | - | 99,838,077 | 113,202,444 |
| Ancillary services | 156,122 | 1,427,457 | - | - | 156,122 | 1,427,457 |
| Payments to other governments | 12,915,890 | 11,157,808 | - | - | 12,915,890 | 11,157,808 |
| Interest on long-term debt | 448,437 | 125,971 | - | - | 448,437 | 125,971 |
| Unallocated depreciation | 468,002 | 589,356 | - | - | 468,002 | 589,356 |
| Business-type activities: | | | | | | |
| School food service | - | - | 23,478,990 | 16,925,786 | 23,478,990 | 16,925,786 |
| After School Program | - | - | 2,857,094 | 1,823,022 | 2,857,094 | 1,823,022 |
| Total expenses | <u>485,843,541</u> | <u>446,658,792</u> | <u>26,336,084</u> | <u>18,748,808</u> | <u>512,179,625</u> | <u>465,407,600</u> |
| Excess (deficiency) before transfers | 66,168,728 | 30,829,413 | (1,742,572) | 4,883,967 | 64,426,156 | 35,713,380 |
| Transfers in (out) | <u>(55,337)</u> | <u>(52,069)</u> | <u>55,337</u> | <u>52,069</u> | <u>-</u> | <u>-</u> |
| Change in net position | 66,113,391 | 30,777,344 | (1,687,235) | 4,936,036 | 64,426,156 | 35,713,380 |
| Beginning net position (deficit) | <u>92,909,084</u> | <u>62,131,740</u> | <u>(2,140,057)</u> | <u>(7,076,093)</u> | <u>90,769,027</u> | <u>55,055,647</u> |
| Ending net position (deficit) | <u>\$ 159,022,475</u> | <u>\$ 92,909,084</u> | <u>\$ (3,827,292)</u> | <u>\$ (2,140,057)</u> | <u>\$ 155,195,183</u> | <u>\$ 90,769,027</u> |

UNION COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

Total governmental activities generated revenues of \$552.0 million while expenses in this category totaled \$485.8 million for the year ended June 30, 2024, resulting in an increase in net position of \$66.1 million (including transfers out to business-type activities of \$55,000). Comparatively, revenues were \$477.5 million, expenses totaled \$446.7 million and transfers out were \$52,000 for the year ended June 30, 2023, resulting in an increase in net position of \$30.8 million. In comparing the two years, revenues increased by \$74.5 million or 15.6%, and expenses increased by \$39.2 million, or 8.8%. The primary reason for the increase in revenues is the receipt of \$81.8 million of County funds in the Capital Outlay fund for the construction of 2 new schools. Also included in the increase in both revenues and expenses is the increase in the State Public School fund allotments, which increased \$17.5 million because of rising ADM and state mandated salary and benefit increases. This increase in operating grants was offset by a decline in the receipt of Education Stabilization funds to help offset the cost of the COVID-19 pandemic which has declined as a result of spending down allotments and the start of the expiration of some of the COVID-19 allotments. This resulted in a decrease in both revenue and expenses of \$5.0 million. The Board also recognized an increase in pension and OPEB expenses of \$36.8 million, see Note 3 – Detail Notes to the basic financial statements for detailed information regarding these post employment benefit programs.

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 52.7%, 36.9% and 6.6% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 76.6% of our total expenses during the most recent fiscal year. Of the remaining 23.4% of our total expenses, 20.5% was attributable to system-wide support services.

Our business-type activities generated revenues of \$24.6 million, while expenses in this category totaled \$26.3 million for the year ended June 30, 2024. For the year, net position decreased by \$1.7 million (including transfers in of \$55,000). Comparatively, revenues were \$23.6 million, expenses were \$18.7 million and transfers in were \$52,000 for the year ended June 30, 2023, resulting in an increase in net position of \$4.9 million. In comparing the two years, revenues increased by \$961,000, and expenses increased by \$7.6 million, the increase in revenues was recognized in the School Food Service fund due to increases in participation. Food sales remained consistent compared to the previous year but USDA Reimbursements increased \$955,000 as participation increased. This increase in meals served was partially offset by a \$764,000 increase in food costs due to additional meals being served as well as inflationary increases in the cost of food. The Board also recognized an increase in salary and benefits expense of \$5.2 million, which is fully attributable to an increase in pension and OPEB expense. The Board's After School program recognized a slight decrease in fees of \$28,000, however the decline in profitability is related to salaries and benefits expense increases because of the allocation of pension and OPEB expenses to the program.

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 \$25.3 million at June 30, 2024, a decrease of \$3.6 million from the amount reported at June 30, 2023. The Board's General and Other Special Revenue funds reported expenditures over revenues for the year ended June 30, 2024 of \$737,000 and \$3.8 million, respectively, while the Individual School and Capital Outlay funds reported an increase in fund balance of \$528,000 and \$404,000, respectively. Overall, total governmental fund revenues increased by \$73.7 million or 15.4%, while total expenditures increased by \$61.1 million, or 12.3% over the prior year.

For the year, the Board's General Fund reported a decrease in fund balance of \$737,000 compared to a decrease of \$3.0 million in the prior year. Revenues increased by \$6.3 million, or 5.4%, over the prior year primarily due to increased funding from County appropriations. Expenditures reported an increase of

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

\$4.0 million, or 3.4%. An increase in both instructional services costs and payments to charter schools attributed to the overall increase in expenditures.

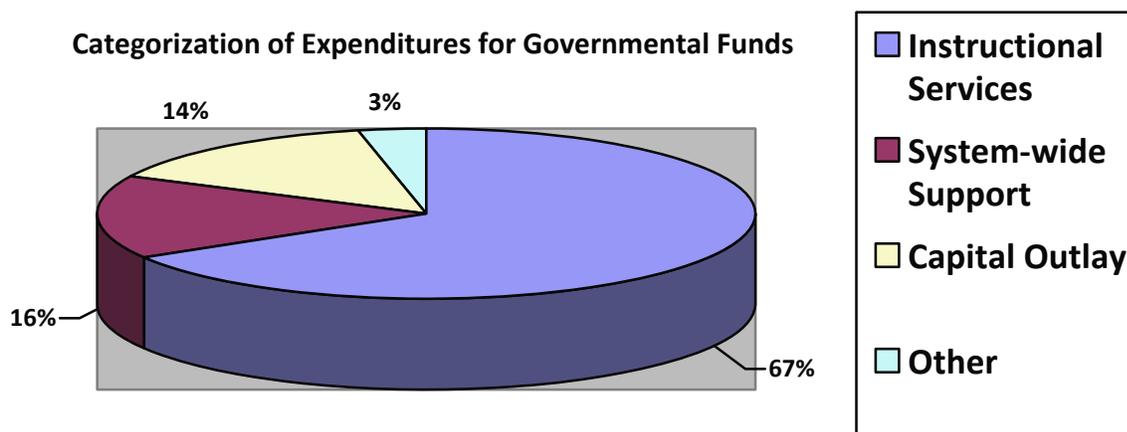
The State Public School Fund and Federal Grants Fund do not carry fund balance. All revenues in these funds are expended in the year received. In comparing the year ended June 30, 2024 to 2023, the State Public School Fund reported an increase in revenues (and expenditures) of \$14.5 million, or 6.4% due to the allotments received to fund state mandated salary increases. The Federal Grants Fund reported a decrease of \$5.0 million, or 12.8% as a result of the COVID-19 funds received decreasing, however COVID-19 federal funds still accounted for \$16.7 million of the Board's federal grants fund. These COVID-19 Education Stabilization funds were received and spent within the current year to help offset the cost of the coronavirus pandemic and provide bonuses and additional duties pay to employees employed during the pandemic and provide additional services to address learning loss overall student health.

The Other Special Revenue Fund reported fund balance of \$7.5 million at June 30, 2024, a decrease for the year of \$3.8 million compared to a decrease of \$457,000 in the 2023 year. Revenues decreased \$2.2 million from the previous year, while expenditures increased \$1.1 million as more locally funded expenditures were paid out of the rising fund balance within this fund. Revenues mainly decreased due to receipt of a \$3.2 million decline in the federal LEGENDS grant received in previous years that came to an end during the June 30, 2024, fiscal year. These grant funds were expended and received on a reimbursement basis. Indirect cost revenues decreased by \$736,000, due primarily to indirect costs charged to the declining federal COVID-19 grants in the Federal Grants Fund.

The Capital Outlay Fund reported fund balance of \$2.6 million at June 30, 2024, an increase of \$528,000 from the prior year. The most significant revenue reported in the Capital Outlay Fund was \$81.8 million from Union County appropriations to fund various construction, renovation and maintenance projects. The district also received \$2.3 million from installment purchase agreements entered into to pay for DPI buses.

The Individual School fund benefited from continued reopening and growth in sporting events, fundraisers and field trips, revenues and expenditures in the Individual School fund increased \$2.1 million and \$1.9 million, respectively.

The following chart summarizes governmental fund expenditures:



Expenditures presented on modified accrual basis of accounting.

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

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 \$1.7 million for the fiscal year ended June 30, 2024 compared to an increase of \$4.9 million for the same 2023 period. See the discussion above under “*Financial Analysis of the Board as a Whole*” for further details regarding the year-over-year change in operating results for these two funds.

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 a decrease in fund balance for the year ended June 30, 2024 of \$737,000, compared to a decrease of \$3.0 million in 2023. Through effective cost-containment and budget management practices, the Board was able to keep expenditures below budget and only use \$737,000 of the \$2.4 million of fund balance that had been appropriated.

Capital Assets

Total primary government capital assets were \$662.5 million at June 30, 2024 compared to \$615.8 million at June 30, 2023, an increase of 7.6%. The increase is attributable to an excess of capital additions over depreciation expense for the year. More detailed information about the Board’s capital assets is contained in Note 3 – Detail Notes to the basic financial statements.

The following is a summary of the Board’s capital assets, net of depreciation, at June 30, 2024 and 2023:

**Table 3
Summary of Capital Assets
As of June 30, 2024 and 2023**

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|----------------------------|-------------------------|-----------------------|--------------------------|-------------------|--------------------------|-----------------------|
| | 6/30/24 | 6/30/23 | 6/30/24 | 6/30/23 | 6/30/24 | 6/30/23 |
| Land | \$ 64,242,660 | \$ 64,242,660 | \$ - | \$ - | \$ 64,242,660 | \$ 64,242,660 |
| Construction in progress | 68,650,586 | 9,895,583 | - | - | 68,650,586 | 9,895,583 |
| Buildings and improvements | 512,953,155 | 525,568,706 | - | - | 512,953,155 | 525,568,706 |
| Equipment and furniture | 3,575,484 | 2,996,390 | 1,156,307 | 942,495 | 4,731,791 | 3,938,885 |
| Vehicles | 11,906,422 | 12,186,661 | - | - | 11,906,422 | 12,186,661 |
| Total | <u>\$ 661,328,307</u> | <u>\$ 614,890,000</u> | <u>\$ 1,156,307</u> | <u>\$ 942,495</u> | <u>\$ 662,484,614</u> | <u>\$ 615,832,495</u> |

Debt Outstanding

During the year, the Board’s long-term debt decreased from \$15.6 million at June 30, 2023 to \$13.1 million at June 30, 2024. 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 3- Detail Notes to the basic financial statements.

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

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 263,700 is an increase of approximately 10.1% since 2020. Union County also has the 10th 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, 2024 was 3.6%, slightly below that of the State at 4.1%.

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

UNION COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
June 30, 2024

Exhibit 1

| | Primary Government | | Total |
|---|----------------------------|-----------------------------|---------------------------|
| | Governmental Activities | Business-type Activities | |
| Assets | | | |
| Cash and cash equivalents | \$ 20,024,873 | \$ 8,767,412 | \$ 28,792,285 |
| Investments | 6,785,328 | 1,141,134 | 7,926,462 |
| Due from other governments | 10,177,535 | 299,459 | 10,476,994 |
| Receivables | 383,545 | 385,136 | 768,681 |
| Internal balances | 890,510 | (890,510) | - |
| Inventories | - | 346,958 | 346,958 |
| Capital assets: | | | |
| Land and construction in progress | 132,893,246 | - | 132,893,246 |
| Other capital assets, net of depreciation | 528,435,061 | 1,156,307 | 529,591,368 |
| Total capital assets | <u>661,328,307</u> | <u>1,156,307</u> | <u>662,484,614</u> |
| Total assets | <u>699,590,098</u> | <u>11,205,896</u> | <u>710,795,994</u> |
| Deferred Outflows of Resources | <u>215,388,792</u> | <u>6,051,977</u> | <u>221,440,769</u> |
| Liabilities | | | |
| Accounts payable and accrued expenses | 12,720,360 | 147,694 | 12,868,054 |
| Unearned revenue | 274,028 | 410,313 | 684,341 |
| Long-term liabilities: | | | |
| Due within one year | 13,992,867 | 277,864 | 14,270,731 |
| Due in more than one year | 20,747,836 | 349,749 | 21,097,585 |
| Net pension liability | 248,611,051 | 6,985,453 | 255,596,504 |
| Net OPEB liability | 336,892,461 | 9,465,977 | 346,358,438 |
| Total liabilities | <u>633,238,603</u> | <u>17,637,050</u> | <u>650,875,653</u> |
| Deferred Inflows of Resources | <u>122,717,812</u> | <u>3,448,115</u> | <u>126,165,927</u> |
| Net position | | | |
| Net investment in capital assets | 649,929,031 | 1,156,307 | 651,085,338 |
| Restricted for: | | | |
| Stabilization by State statute | 1,624,265 | - | 1,624,265 |
| School capital outlay | 2,623,945 | - | 2,623,945 |
| Instructional services | 3,162,285 | - | 3,162,285 |
| Individual schools activities | 5,394,705 | - | 5,394,705 |
| Unrestricted (deficit) | <u>(503,711,756)</u> | <u>(4,983,599)</u> | <u>(508,695,355)</u> |
| Total net position (deficit) | <u>\$ 159,022,475</u> | <u>\$ (3,827,292)</u> | <u>\$ 155,195,183</u> |

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

FUND FINANCIAL STATEMENTS

UNION COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

Exhibit 3

| | Major Funds | | | | | | Total Governmental Funds |
|---|----------------------|------------------------|-------------------|--------------------------|----------------------|-----------------------|--------------------------------|
| | General | State Public School | Federal Grants | Other Special Revenue | Capital Outlay | Individual Schools | |
| Assets | | | | | | | |
| Cash and cash equivalents | \$ 6,834,174 | \$ - | \$ - | \$ 6,265,507 | \$ 1,530,487 | \$ 5,394,705 | \$ 20,024,873 |
| Investments | 5,182,712 | - | - | 582,429 | 1,020,187 | - | 6,785,328 |
| Due from other governments | 125,703 | - | - | 71,992 | 9,979,840 | - | 10,177,535 |
| Accounts receivable | 17,477 | - | - | 292,627 | 73,441 | - | 383,545 |
| Due from other funds | - | - | - | 890,510 | - | - | 890,510 |
| Total assets | \$ 12,160,066 | \$ - | \$ - | \$ 8,103,065 | \$ 12,603,955 | \$ 5,394,705 | \$ 38,261,791 |
| Liabilities and fund balances | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable and accrued liabilities | \$ 2,395,832 | \$ - | \$ - | \$ 344,518 | \$ 9,980,010 | \$ - | \$ 12,720,360 |
| Unearned revenue | - | - | - | 274,028 | - | - | 274,028 |
| Total liabilities | 2,395,832 | - | - | 618,546 | 9,980,010 | - | 12,994,388 |
| Fund balances: | | | | | | | |
| Restricted: | | | | | | | |
| Stabilization by State statute | 369,136 | - | - | 1,255,129 | - | - | 1,624,265 |
| School capital outlay | - | - | - | - | 2,623,945 | - | 2,623,945 |
| Special revenue programs | - | - | - | 3,162,285 | - | - | 3,162,285 |
| Individual schools | - | - | - | - | - | 5,394,705 | 5,394,705 |
| Assigned: | | | | | | | |
| Subsequent year's expenditures | 2,469,109 | - | - | - | - | - | 2,469,109 |
| Special revenues | - | - | - | 3,067,105 | - | - | 3,067,105 |
| Unassigned | 6,925,989 | - | - | - | - | - | 6,925,989 |
| Total fund balances | 9,764,234 | - | - | 7,484,519 | 2,623,945 | 5,394,705 | 25,267,403 |
| Total liabilities and fund balances | \$ 12,160,066 | \$ - | \$ - | \$ 8,103,065 | \$ 12,603,955 | \$ 5,394,705 | \$ 38,261,791 |

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

UNION COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2024

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) | 25,267,403 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 661,328,307 |
| Deferred outflows of resources related to pensions | 144,792,330 |
| Deferred outflows of resources related to OPEB plans | 70,596,462 |
| Some liabilities, including those for compensated absences, are not due and payable in the current period and therefore are not reported in the funds. | (34,740,703) |
| Net pension liability | (248,611,051) |
| Net OPEB liability | (336,892,461) |
| Deferred inflows of resources related to pensions | (7,195,085) |
| Deferred inflows of resources related to OPEB plans | <u>(115,522,727)</u> |
| Net position of governmental activities | <u>\$ 159,022,475</u> |

UNION COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2024

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 | \$ - | \$ 289,433,371 | \$ - | \$ - | \$ 2,129,026 | \$ - | \$ 291,562,397 |
| Union County | | | | | | | |
| Local current expense | 122,690,414 | - | - | - | - | - | 122,690,414 |
| Other | - | - | - | - | 81,788,056 | - | 81,788,056 |
| U.S. Government | - | 634,687 | 33,975,974 | 1,777,312 | - | - | 36,387,973 |
| Other | 1,129,823 | - | - | 7,706,352 | 386,532 | 11,912,308 | 21,135,015 |
| Total revenues | <u>123,820,237</u> | <u>290,068,058</u> | <u>33,975,974</u> | <u>9,483,664</u> | <u>84,303,614</u> | <u>11,912,308</u> | <u>553,563,855</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| Instructional services: | | | | | | | |
| Regular instructional | 27,725,240 | 181,690,289 | 7,730,499 | 4,423,952 | 313,549 | - | 221,883,529 |
| Special populations | 5,334,440 | 34,567,377 | 9,765,785 | 5,459,861 | - | - | 55,127,463 |
| Alternative programs | 3,102,995 | 3,726,241 | 11,826,549 | 1,117,951 | - | - | 19,773,736 |
| School leadership | 14,335,189 | 11,819,777 | 387,994 | - | - | - | 26,542,960 |
| Co-curricular | 2,754,816 | - | - | 21,133 | - | 11,508,376 | 14,284,325 |
| School-based support | 9,933,694 | 19,399,272 | 2,941,960 | 1,190,535 | - | - | 33,465,461 |
| System-wide support services: | | | | | | | |
| Support and development | 2,781,211 | 355,038 | 26,904 | 21,190 | - | - | 3,184,343 |
| Special population support and development | 438,024 | 163,776 | 291,027 | 5,384 | - | - | 898,211 |
| Alternative programs and services support and development | 142,737 | 23,852 | 109,547 | 7,225 | - | - | 283,361 |
| Technology support | 4,381,174 | 2,978,792 | 12,089 | 1,985 | 635,961 | - | 8,010,001 |
| Operational support | 28,865,352 | 34,483,679 | 147,817 | 58,583 | - | - | 63,555,431 |
| Financial and human resource services | 7,415,349 | 432,041 | 54,127 | 71,935 | - | - | 7,973,452 |
| Accountability | 492,552 | - | - | 505,975 | - | - | 998,527 |
| System-wide pupil support | 512,709 | - | - | - | - | - | 512,709 |
| Policy, leadership and public relations | 3,673,552 | 372,587 | - | 2,616 | - | - | 4,048,755 |
| Ancillary services | - | - | 45,707 | 110,415 | - | - | 156,122 |
| Non-programmed charges | 12,667,960 | - | 635,969 | 247,930 | - | - | 13,551,859 |
| Debt service: | | | | | | | |
| Principal retirement | - | - | - | - | 4,900,402 | - | 4,900,402 |
| Interest and fees | - | - | - | - | 448,437 | - | 448,437 |
| Capital outlay | - | - | - | - | 79,810,449 | - | 79,810,449 |
| Total expenditures | <u>124,556,994</u> | <u>290,012,721</u> | <u>33,975,974</u> | <u>13,246,670</u> | <u>86,108,798</u> | <u>11,508,376</u> | <u>559,409,533</u> |
| Revenues over (under) expenditures | (736,757) | 55,337 | - | (3,763,006) | (1,805,184) | 403,932 | (5,845,678) |
| Other financing sources (uses): | | | | | | | |
| Transfers from (to) other funds | - | (55,337) | - | - | - | - | (55,337) |
| Installment purchase obligations issued | - | - | - | - | 2,332,992 | - | 2,332,992 |
| Total other financing sources (uses) | - | (55,337) | - | - | 2,332,992 | - | 2,277,655 |
| Net change in fund balance | (736,757) | - | - | (3,763,006) | 527,808 | 403,932 | (3,568,023) |
| Fund balances: | | | | | | | |
| Beginning of year | 10,500,991 | - | - | 11,247,525 | 2,096,137 | 4,990,773 | 28,835,426 |
| End of year | <u>\$ 9,764,234</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,484,519</u> | <u>\$ 2,623,945</u> | <u>\$ 5,394,705</u> | <u>\$ 25,267,403</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, 2024

Exhibit 5

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

| | |
|--|----------------------|
| Net changes in fund balances - total governmental funds | \$ (3,568,023) |
| 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 capital outlays exceeded depreciation in the current period. | 46,438,307 |
| Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities | 44,277,087 |
| Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities | 18,208,104 |
| Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities. | (25,107) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | |
| OPEB nonemployer contributions | 442,123 |
| Gain on disposal of capital assets | 25,107 |
| 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. | 2,567,410 |
| 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 | (60,231,080) |
| OPEB (expense) benefit | 18,381,860 |
| Compensated absences | <u>(402,397)</u> |
| Total changes in net position of governmental activities | <u>\$ 66,113,391</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, 2024

Exhibit 6

| | General Fund | | | Variance With Final Budget |
|---|--------------------|--------------------|---------------------|-------------------------------|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| State of North Carolina | \$ - | \$ - | \$ - | \$ - |
| Union County | 122,690,414 | 122,690,414 | 122,690,414 | - |
| U.S. Government | - | - | - | - |
| Other | <u>760,000</u> | <u>760,000</u> | <u>1,129,823</u> | <u>369,823</u> |
| Total revenues | <u>123,450,414</u> | <u>123,450,414</u> | <u>123,820,237</u> | <u>369,823</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instructional services | | | | |
| Regular instructional | 29,216,650 | 27,725,240 | 27,725,240 | - |
| Special populations | 3,129,381 | 5,334,441 | 5,334,440 | 1 |
| Alternative programs | 3,619,064 | 3,102,985 | 3,102,995 | (10) |
| School leadership | 13,775,165 | 14,335,189 | 14,335,189 | - |
| Co-curricular | 3,008,973 | 2,772,356 | 2,754,816 | 17,540 |
| School-based support | 8,517,994 | 9,933,694 | 9,933,694 | - |
| System-wide support services | | | | |
| Support and development | 2,820,709 | 2,821,064 | 2,781,211 | 39,853 |
| Special populations | 332,650 | 438,025 | 438,024 | 1 |
| Alternative programs | 232,615 | 232,615 | 142,737 | 89,878 |
| Technology support | 5,548,920 | 4,598,920 | 4,381,174 | 217,746 |
| Operational support | 29,915,886 | 28,965,687 | 28,865,352 | 100,335 |
| Financial and human resource | 6,657,196 | 7,417,196 | 7,415,349 | 1,847 |
| Accountability | 727,643 | 727,643 | 492,552 | 235,091 |
| System-wide pupil support | 392,637 | 512,637 | 512,709 | (72) |
| Policy, leadership and public relations | 3,879,196 | 3,674,182 | 3,673,552 | 630 |
| Ancillary services | | | | |
| Community | - | - | - | - |
| Nutrition | 861,284 | 620,089 | - | 620,089 |
| Nonprogrammed charges | <u>13,243,984</u> | <u>12,667,984</u> | <u>12,667,960</u> | <u>24</u> |
| Total expenditures | <u>125,879,947</u> | <u>125,879,947</u> | <u>124,556,994</u> | <u>1,322,953</u> |
| Revenues over (under) expenditures | (2,429,533) | (2,429,533) | (736,757) | 1,692,776 |
| Other financing uses: | | | | |
| Transfers to other funds | - | - | - | - |
| Fund balance appropriated | <u>2,429,533</u> | <u>2,429,533</u> | <u>-</u> | <u>(2,429,533)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>(736,757)</u> | <u>\$ (736,757)</u> |
| Fund balances: | | | | |
| Beginning of year | | | <u>10,500,991</u> | |
| End of year | | | <u>\$ 9,764,234</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, 2024

Exhibit 6 (continued)

| | State Public School Fund | | | Variance With Final Budget |
|---|--------------------------|--------------------|--------------------|-------------------------------|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| State of North Carolina | \$ 286,765,020 | \$ 301,067,933 | \$ 289,433,371 | \$ (11,634,562) |
| Union County | - | - | - | - |
| U.S. Government | - | 747,954 | 634,687 | (113,267) |
| Other | - | - | - | - |
| Total revenues | <u>286,765,020</u> | <u>301,815,887</u> | <u>290,068,058</u> | <u>(11,747,829)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instructional services | | | | |
| Regular instructional | 180,513,559 | 186,054,747 | 181,690,289 | 4,364,458 |
| Special populations | 41,435,708 | 37,919,835 | 34,567,377 | 3,352,458 |
| Alternative programs | 4,494,186 | 5,992,183 | 3,726,241 | 2,265,942 |
| School leadership | 10,877,490 | 12,006,984 | 11,819,777 | 187,207 |
| Co-curricular | - | - | - | - |
| School-based support | 13,272,775 | 19,399,272 | 19,399,272 | - |
| System-wide support services | | | | |
| Support and development | 438,090 | 400,155 | 355,038 | 45,117 |
| Special populations | 161,312 | 163,812 | 163,776 | 36 |
| Alternative programs | - | 23,860 | 23,852 | 8 |
| Technology support | 1,257,227 | 4,471,427 | 2,978,792 | 1,492,635 |
| Operational support | 33,185,738 | 34,484,871 | 34,483,679 | 1,192 |
| Financial and human resource | 756,818 | 463,024 | 432,041 | 30,983 |
| Accountability | - | - | - | - |
| System-wide pupil support | - | - | - | - |
| Policy, leadership and public relations | 309,260 | 372,860 | 372,587 | 273 |
| Ancillary services | | | | |
| Community | - | - | - | - |
| Nutrition | - | - | - | - |
| Nonprogrammed charges | - | - | - | - |
| Total expenditures | <u>286,702,163</u> | <u>301,753,030</u> | <u>290,012,721</u> | <u>11,740,309</u> |
| Revenues over (under) expenditures | 62,857 | 62,857 | 55,337 | (7,520) |
| Other financing uses: | | | | |
| Transfers to other funds | (62,857) | (62,857) | (55,337) | 7,520 |
| 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, 2024

Exhibit 6 (continued)

| | Federal Grants Fund | | | Variance With Final Budget |
|---|---------------------|-------------------|-------------------|-------------------------------|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| State of North Carolina | \$ - | \$ - | \$ - | \$ - |
| Union County | - | - | - | - |
| U.S. Government | 40,480,734 | 40,836,073 | 33,975,974 | (6,860,099) |
| Other | - | - | - | - |
| Total revenues | <u>40,480,734</u> | <u>40,836,073</u> | <u>33,975,974</u> | <u>(6,860,099)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instructional services | | | | |
| Regular instructional | 6,903,104 | 8,187,865 | 7,730,499 | 457,366 |
| Special populations | 12,255,944 | 10,751,062 | 9,765,785 | 985,277 |
| Alternative programs | 15,331,209 | 14,506,679 | 11,826,549 | 2,680,130 |
| School leadership | 583,477 | 392,896 | 387,994 | 4,902 |
| Co-curricular | - | - | - | - |
| School-based support | 1,371,308 | 3,155,492 | 2,941,960 | 213,532 |
| System-wide support services | | | | |
| Support and development | 230,772 | 119,701 | 26,904 | 92,797 |
| Special populations | 165,118 | 323,722 | 291,027 | 32,695 |
| Alternative programs | 350 | 129,758 | 109,547 | 20,211 |
| Technology support | - | 11,425 | 12,089 | (664) |
| Operational support | 62,304 | 170,923 | 147,817 | 23,106 |
| Financial and human resource | - | 58,046 | 54,127 | 3,919 |
| Accountability | - | - | - | - |
| System-wide pupil support | - | - | - | - |
| Policy, leadership and public relations | - | - | - | - |
| Ancillary services | | | | |
| Community | - | - | - | - |
| Nutrition | 29,937 | 45,786 | 45,707 | 79 |
| Nonprogrammed charges | <u>3,547,211</u> | <u>2,982,718</u> | <u>635,969</u> | <u>2,346,749</u> |
| Total expenditures | <u>40,480,734</u> | <u>40,836,073</u> | <u>33,975,974</u> | <u>6,860,099</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, 2024

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 | 1,607,226 | 1,690,685 | 1,777,312 | 86,627 |
| Other | <u>3,465,587</u> | <u>8,608,914</u> | <u>7,706,352</u> | <u>(902,562)</u> |
| Total revenues | <u>5,072,813</u> | <u>10,299,599</u> | <u>9,483,664</u> | <u>(815,935)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instructional services | | | | |
| Regular instructional | 2,509,781 | 5,615,470 | 4,423,952 | 1,191,518 |
| Special populations | 7,082,346 | 7,742,529 | 5,459,861 | 2,282,668 |
| Alternative programs | 1,462,189 | 1,638,953 | 1,117,951 | 521,002 |
| School leadership | - | - | - | - |
| Co-curricular | - | 44,100 | 21,133 | 22,967 |
| School-based support | 723,015 | 2,278,813 | 1,190,535 | 1,088,278 |
| System-wide support services | | | | |
| Support and development | 45,346 | 45,346 | 21,190 | 24,156 |
| Special populations | 53,000 | 53,000 | 5,384 | 47,616 |
| Alternative programs | 8,460 | 8,460 | 7,225 | 1,235 |
| Technology support | 150,000 | 2,000 | 1,985 | 15 |
| Operational support | 322,409 | 63,390 | 58,583 | 4,807 |
| Financial and human resource | 8,100 | 76,100 | 71,935 | 4,165 |
| Accountability | 55,100 | 505,100 | 505,975 | (875) |
| System-wide pupil support | - | - | - | - |
| Policy, leadership and public relations | - | 3,500 | 2,616 | 884 |
| Ancillary services | | | | |
| Community | 80,470 | 110,470 | 110,415 | 55 |
| Nutrition | - | - | - | - |
| Nonprogrammed charges | <u>158,675</u> | <u>249,675</u> | <u>247,930</u> | <u>1,745</u> |
| Total expenditures | <u>12,658,891</u> | <u>18,436,906</u> | <u>13,246,670</u> | <u>5,190,236</u> |
| Revenues over (under) expenditures | (7,586,078) | (8,137,307) | (3,763,006) | 4,374,301 |
| Other financing uses: | | | | |
| Transfers to other funds | - | - | - | - |
| Fund balance appropriated | <u>7,586,078</u> | <u>8,137,307</u> | <u>-</u> | <u>(8,137,307)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>(3,763,006)</u> | <u>\$ (3,763,006)</u> |
| Fund balances: | | | | |
| Beginning of year | | | <u>11,247,525</u> | |
| End of year | | | <u>\$ 7,484,519</u> | |

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, 2024**

Exhibit 7

| | Enterprise | | |
|--|------------------------|-------------------------|-----------------------|
| | Major Funds | | Totals |
| | School Food Service | After School Program | |
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 6,942,671 | \$ 1,824,741 | \$ 8,767,412 |
| Investments | 1,141,134 | - | 1,141,134 |
| Due from other governments | 299,459 | - | 299,459 |
| Receivables | 349,407 | 35,729 | 385,136 |
| Inventories | 346,958 | - | 346,958 |
| Total current assets | <u>9,079,629</u> | <u>1,860,470</u> | <u>10,940,099</u> |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Furniture, equipment and vehicles, net | 1,156,307 | - | 1,156,307 |
| Total noncurrent assets | <u>1,156,307</u> | <u>-</u> | <u>1,156,307</u> |
| Total assets | <u>10,235,936</u> | <u>1,860,470</u> | <u>12,096,406</u> |
| Deferred Outflows of Resources | <u>5,207,181</u> | <u>844,796</u> | <u>6,051,977</u> |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | 126,293 | 21,401 | 147,694 |
| Due to other funds | 890,510 | - | 890,510 |
| Compensated absences | 238,127 | 39,737 | 277,864 |
| Unearned revenue | 378,122 | 32,191 | 410,313 |
| Total current liabilities | <u>1,633,052</u> | <u>93,329</u> | <u>1,726,381</u> |
| Noncurrent liabilities: | | | |
| Net pension liability | 6,010,352 | 975,101 | 6,985,453 |
| Net OPEB liability | 8,144,619 | 1,321,358 | 9,465,977 |
| Compensated absences | 300,000 | 49,749 | 349,749 |
| Total noncurrent liabilities | <u>14,454,971</u> | <u>2,346,208</u> | <u>16,801,179</u> |
| Total liabilities | <u>16,088,023</u> | <u>2,439,537</u> | <u>18,527,560</u> |
| Deferred Inflows of Resources | <u>2,966,792</u> | <u>481,323</u> | <u>3,448,115</u> |
| Net position | | | |
| Investment in capital assets | 1,156,307 | - | 1,156,307 |
| Unrestricted (deficit) | <u>(4,768,005)</u> | <u>(215,594)</u> | <u>(4,983,599)</u> |
| Total net position (deficit) | <u>\$ (3,611,698)</u> | <u>\$ (215,594)</u> | <u>\$ (3,827,292)</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, 2024

Exhibit 8

| | Enterprise | | |
|--|------------------------|-------------------------|-----------------------|
| | Major Funds | | Totals |
| | School Food Service | After School Program | |
| Operating revenues: | | | |
| Food sales | \$ 7,788,029 | \$ - | \$ 7,788,029 |
| Child care fees | - | 3,204,714 | 3,204,714 |
| Total operating revenues | <u>7,788,029</u> | <u>3,204,714</u> | <u>10,992,743</u> |
| Operating expenses: | | | |
| Food cost: | | | |
| Purchase of food | 7,279,687 | 163,115 | 7,442,802 |
| Donated commodities | 1,377,816 | - | 1,377,816 |
| Salaries and benefits | 12,668,999 | 2,481,159 | 15,150,158 |
| Indirect costs | 890,510 | - | 890,510 |
| Materials and supplies | 86,351 | 80,762 | 167,113 |
| Repairs and maintenance | 160,860 | - | 160,860 |
| Depreciation | 178,145 | - | 178,145 |
| Non-capitalized equipment | 530,185 | - | 530,185 |
| Contracted services | 81,669 | 5,506 | 87,175 |
| Field trips | - | 17,289 | 17,289 |
| Bank service fees | - | 82,986 | 82,986 |
| Other | 224,768 | 26,277 | 251,045 |
| Total operating expenses | <u>23,478,990</u> | <u>2,857,094</u> | <u>26,336,084</u> |
| Operating income (loss) | <u>(15,690,961)</u> | <u>347,620</u> | <u>(15,343,341)</u> |
| Nonoperating revenues: | | | |
| Federal reimbursements | 12,082,177 | - | 12,082,177 |
| Federal commodities | 1,377,816 | - | 1,377,816 |
| State reimbursements | 38,556 | - | 38,556 |
| Loss on disposal of capital assets | (2,983) | - | (2,983) |
| Interest earned | 84,325 | 56 | 84,381 |
| Total nonoperating revenues | <u>13,579,891</u> | <u>56</u> | <u>13,579,947</u> |
| Income (loss) before transfers and contributions | (2,111,070) | 347,676 | (1,763,394) |
| Transfers from other funds | 55,337 | - | 55,337 |
| Capital contributions | 20,822 | - | 20,822 |
| Change in net position | (2,034,911) | 347,676 | (1,687,235) |
| Net position (deficit), beginning | <u>(1,576,787)</u> | <u>(563,270)</u> | <u>(2,140,057)</u> |
| Net position (deficit), end of year | <u>\$ (3,611,698)</u> | <u>\$ (215,594)</u> | <u>\$ (3,827,292)</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, 2024

Exhibit 9

| | Enterprise | | |
|---|------------------------|-------------------------|------------------------|
| | Major Funds | | |
| | School Food Service | After School Program | Totals |
| Cash flows from operating activities: | | | |
| Cash received from customers | \$ 7,510,109 | \$ 3,191,059 | \$ 10,701,168 |
| Cash paid for goods and services | (9,235,696) | (357,068) | (9,592,764) |
| Cash paid to employees for services | (11,188,055) | (2,362,407) | (13,550,462) |
| Net cash provided (used) by operating activities | <u>(12,913,642)</u> | <u>471,584</u> | <u>(12,442,058)</u> |
| Cash flows from noncapital financing activities: | | | |
| Due to other funds | 25,883 | - | 25,883 |
| Due from other funds | 442,180 | - | 442,180 |
| Federal and State reimbursements | 12,219,678 | - | 12,219,678 |
| Net cash provided by noncapital activities | <u>12,687,741</u> | <u>-</u> | <u>12,687,741</u> |
| Cash flows from capital and related financing activities: | | | |
| Purchase of capital assets | <u>(374,118)</u> | <u>-</u> | <u>(374,118)</u> |
| Cash flows from investing activities: | | | |
| Interest earned on investments | 84,325 | 56 | 84,381 |
| Purchase of investments | (24,325) | - | (24,325) |
| Net cash provided by investing activities | <u>60,000</u> | <u>56</u> | <u>60,056</u> |
| Net increase (decrease) in cash and cash equivalents | (540,019) | 471,640 | (68,379) |
| Cash and cash equivalents, beginning of year | <u>7,482,690</u> | <u>1,353,101</u> | <u>8,835,791</u> |
| Cash and cash equivalents, end of year | <u>\$ 6,942,671</u> | <u>\$ 1,824,741</u> | <u>\$ 8,767,412</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | <u>\$ (15,690,961)</u> | <u>\$ 347,620</u> | <u>\$ (15,343,341)</u> |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation | 178,145 | - | 178,145 |
| Donated commodities | 1,377,816 | - | 1,377,816 |
| Salaries paid by special revenue fund | 55,337 | - | 55,337 |
| Changes in assets and liabilities: | | | |
| Increase in accounts receivable | (292,282) | (33,208) | (325,490) |
| Increase in inventories | (37,209) | - | (37,209) |
| Increase in accounts payable and accrued liabilities | 55,543 | 18,867 | 74,410 |

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, 2024**

Exhibit 9 (continued)

| | Enterprise | | |
|--|------------------------|-------------------------|------------------------|
| | Major Funds | | Totals |
| | School Food Service | After School Program | |
| Increase in unearned revenue | 14,362 | 19,553 | 33,915 |
| Increase in pension liability | 1,488,003 | 189,248 | 1,677,251 |
| Increase in OPEB liability | 1,913,020 | 238,487 | 2,151,507 |
| Increase in deferred outflow | (1,201,251) | (148,682) | (1,349,933) |
| Decrease in deferred inflow | (753,371) | (165,133) | (918,504) |
| Increase (decrease) in compensated absences payable | (20,794) | 4,832 | (15,962) |
| Total adjustments | <u>2,777,319</u> | <u>123,964</u> | <u>2,901,283</u> |
| Net cash provided (used) by operating activities | <u>\$ (12,913,642)</u> | <u>\$ 471,584</u> | <u>\$ (12,442,058)</u> |

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of \$1,377,816 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 \$55,337 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.

School Food Service capital assets with a value of \$20,822 were purchased by the Federal Grants Fund during the year. The value of these assets is reflected as a capital contribution on Exhibit 8.

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, 2024

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, 2024

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 leases qualifying as other than short-term are reported as other financing sources.

UNION COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

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, 2024**

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:

| | <u>Years</u> |
|-------------------------|--------------|
| 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, 2024

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 assets 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 assets 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, 2024 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, 2024**

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.

Subsequent year’s expenditures – portion of fund balance that is appropriated in the next year’s budget that is not already classified in restricted fund balance. The Board of Education approves 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, 2024

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 \$133,755,072 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 at historical cost on government-wide statement in governmental activities column) | \$ 1,022,735,916 |
| Less Accumulated Depreciation | <u>(361,407,609)</u> |
| Net capital assets | 661,328,307 |
| Pension related deferred outflows of resources | 144,792,330 |
| OPEB related deferred outflows of resources | 70,596,462 |
| 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 | (13,074,590) |
| Compensated absences | (21,666,113) |
| Net pension liability | (248,611,051) |
| Net OPEB liability | (336,892,461) |
| Deferred inflows of resources related to pensions | (7,195,085) |
| Deferred inflows of resources related to OPEB | <u>(115,522,727)</u> |
| Total adjustment | <u>\$ 133,755,072</u> |

UNION COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

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 \$69,681,414 as follows:

| Description | Amount |
|--|----------------------|
| Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities | \$ 67,739,664 |
| 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 | (21,301,357) |
| 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 | (2,332,992) |
| 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 | 4,900,402 |
| Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities | 44,277,087 |
| Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities | 18,208,104 |
| Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities. | (25,107) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | |
| OPEB nonemployer contributions | 442,123 |
| Gain on disposal of capital assets | 25,107 |
| 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 | (60,231,080) |
| OPEB (expense) benefit | 18,381,860 |
| Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources | (402,397) |
| Total adjustment | <u>\$ 69,681,414</u> |

**UNION COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024**

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 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Expenditures Over Appropriations

During the fiscal year ended June 30, 2024, the Board reported expenditures within the School Food Service Fund that violated State law [G.S. 115C-441] because they exceeded the amount appropriated in the budget ordinance, as summarized below:

| | |
|----------------------------------|------------|
| School Food Service Fund: | |
| Operating expenditures | \$ 595,687 |

The excess of expenditures is related to year end adjustments to the ledger. Management will monitor budgets monthly, properly budget for year end adjustments and make necessary amendments to avoid expenditures in excess of appropriations.

NOTE 3 - 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, 2024, the Board had deposits with banks and savings and loans with a carrying amount of \$10,247,683 and deposits with the State Treasurer with a carrying amount of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$17,003,900 and \$1,842,681, respectively. Of

UNION COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

these balances, \$5,250,435 was covered by federal depository insurance and \$13,596,146 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30, 2024, the Board of Education had \$7,926,462 invested in US Treasury Notes. The Board also had \$16,503,322 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 \$2,041,280 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is classified in Level 2 of the fair value hierarchy and valued using prices that are either directly or indirectly observable for an asset or liability.

At June 30, 2024, the Board had the following investments and maturities:

| <u>Investment Type</u> | <u>Rating</u> | Valuation | <u>Fair Value</u> | Less Than | <u>6-12 Months</u> | <u>1-3 Years</u> | <u>3-5 Years</u> |
|------------------------|---------------|---------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
| | | <u>Measurement Method</u> | | <u>6 Months</u> | | | |
| U.S. Treasuries | AAA | Fair Value - Level 1 | <u>\$ 7,926,462</u> | <u>\$ 1,203,347</u> | <u>\$ 1,170,529</u> | <u>\$ 4,938,742</u> | <u>\$ 613,844</u> |

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level Two: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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, 2024.

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 US Treasuries, that account for more than 5% of total invested funds.

**UNION COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024**

3. Accounts Receivable

Receivables at the district-wide level at June 30, 2024 are as follows:

| | Due from (to) other funds (Internal Balances) | Due from other governments | Other | Total |
|--------------------------------|--|----------------------------------|-------------------|----------------------|
| Governmental activities: | | | | |
| General Fund | \$ - | \$ 125,703 | \$ 17,477 | \$ 143,180 |
| Other governmental activities | <u>890,510</u> | <u>10,051,832</u> | <u>366,068</u> | <u>11,308,410</u> |
| Total governmental activities | <u>\$ 890,510</u> | <u>\$ 10,177,535</u> | <u>\$ 383,545</u> | <u>\$ 11,451,590</u> |
| Business-type activities: | | | | |
| School Food Service | \$ (890,510) | \$ 299,459 | \$ 349,407 | \$ (241,644) |
| After School Program | <u>-</u> | <u>-</u> | <u>35,729</u> | <u>35,729</u> |
| Total business-type activities | <u>\$ (890,510)</u> | <u>\$ 299,459</u> | <u>\$ 385,136</u> | <u>\$ (205,915)</u> |

Due from other governments consists of the following:

| | | |
|----------------------------|----------------------|---|
| Governmental activities: | | |
| General Fund | \$ 125,703 | Due from Cities and Colleges |
| Other Special Revenue Fund | 71,992 | Due from State & Federal governments |
| Capital Outlay Fund | <u>9,979,840</u> | Due from County |
| Total | <u>\$ 10,177,535</u> | |
| Business-type activities: | | |
| School Food Service Fund | <u>\$ 299,459</u> | Federal grant funds |

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4. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

| | <u>Beginning Balances</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balances</u> |
|--|-------------------------------|-------------------|------------------|----------------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 64,242,660 | \$ - | \$ - | \$ 64,242,660 |
| Construction in progress | <u>9,895,583</u> | <u>65,016,719</u> | <u>6,261,716</u> | <u>68,650,586</u> |
| Total capital assets not being depreciated | <u>74,138,243</u> | <u>65,016,719</u> | <u>6,261,716</u> | <u>132,893,246</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 807,910,841 | 6,124,768 | 65,257 | 813,970,352 |
| Equipment and furniture | 29,571,383 | 1,047,096 | - | 30,618,479 |
| Vehicles | <u>43,921,053</u> | <u>1,812,797</u> | <u>480,011</u> | <u>45,253,839</u> |
| Total capital assets being depreciated | <u>881,403,277</u> | <u>8,984,661</u> | <u>545,268</u> | <u>889,842,670</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 282,342,135 | 18,740,319 | 65,257 | 301,017,197 |
| Equipment and furniture | 26,574,993 | 468,002 | - | 27,042,995 |
| Vehicles | <u>31,734,392</u> | <u>2,093,036</u> | <u>480,011</u> | <u>33,347,417</u> |
| Total accumulated depreciation | <u>340,651,520</u> | <u>21,301,357</u> | <u>545,268</u> | <u>361,407,609</u> |
| Total capital assets being depreciated, net | <u>540,751,757</u> | | | <u>528,435,061</u> |
| Governmental activity capital assets, net | <u>\$ 614,890,000</u> | | | <u>\$ 661,328,307</u> |
| | | | | |
| | <u>Beginning Balances</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balances</u> |
| Business-type activities: | | | | |
| School Food Service Fund: | | | | |
| Capital assets being depreciated: | | | | |
| Equipment, furniture and vehicles | \$ 6,834,116 | \$ 394,940 | \$ 115,893 | \$ 7,113,163 |
| Less accumulated depreciation for: | | | | |
| Equipment, furniture and vehicles | <u>5,891,621</u> | <u>178,145</u> | <u>112,910</u> | <u>5,956,856</u> |
| School Food Service capital assets, net | <u>942,495</u> | | | <u>1,156,307</u> |
| Child Care Fund: | | | | |
| Capital assets being depreciated: | | | | |
| Equipment and furniture | 110,550 | - | - | 110,550 |
| Less accumulated depreciation for: | | | | |
| Equipment and furniture | <u>110,550</u> | <u>-</u> | <u>-</u> | <u>110,550</u> |
| Child Care Fund capital assets, net | <u>-</u> | | | <u>-</u> |
| Business-type activities capital assets, net | <u>\$ 942,495</u> | | | <u>\$ 1,156,307</u> |

UNION COUNTY BOARD OF EDUCATION
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Depreciation was charged to governmental functions as follows:

| | |
|--------------------------------|----------------------|
| Regular instructional services | \$ 18,740,319 |
| System-wide support services | 2,093,036 |
| Unallocated depreciation | <u>468,002</u> |
| Total | <u>\$ 21,301,357</u> |

5. Construction Commitments

As of June 30, 2024, the Board has various construction, 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 \$118.5 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.

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, 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. 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. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

TSERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55,

UNION COUNTY BOARD OF EDUCATION
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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, 2024, was 17.63% 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 \$45,521,181 for the year ended June 30, 2024.

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, 2024, the Board reported a liability of \$255,596,504 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2023 and at June 30, 2022, the Board's proportion was 1.53309% and 1.53159%, respectively.

For the year ended June 30, 2024, the Board recognized pension expense of \$62,321,620. At June 30, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ 20,837,161 | \$ 1,886,483 |
| Changes of assumptions | 8,976,211 | - |
| Net difference between projected and actual earnings on pension plan investments | 71,183,607 | - |
| Changes in proportion and differences between Board contributions and proportionate share of contributions | 2,342,534 | 5,510,770 |
| Board contributions subsequent to the measurement date | 45,521,181 | - |
| Total | <u>\$ 148,860,694</u> | <u>\$ 7,397,253</u> |

\$45,521,181 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, 2025. Other amounts reported as deferred outflows and outflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:

| | |
|------------|----------------------|
| 2025 | \$ 29,506,991 |
| 2026 | 18,307,324 |
| 2027 | 45,087,200 |
| 2028 | 3,040,745 |
| 2029 | - |
| Thereafter | - |
| Total | <u>\$ 95,942,260</u> |

Actuarial Assumptions. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 2.50 percent |
| Salary increases | 3.25 to 8.05 percent, including inflation and productivity factor |
| Investment rate of return | 6.50 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 actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

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| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------|--------------------------|---|
| Fixed Income | 33.0% | 0.9% |
| Global Equity | 38.0% | 6.5% |
| Real Estate | 8.0% | 5.9% |
| Alternatives | 8.0% | 8.2% |
| Credit | 7.0% | 5.0% |
| Inflation Protection | 6.0% | 2.7% |
| Total | 100% | |

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, 2023 and 2022 was 6.50% 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 6.50 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 (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

| | <u>1% Decrease (5.50%)</u> | <u>Discount Rate (6.50%)</u> | <u>1% Increase (7.50%)</u> |
|--|--------------------------------|----------------------------------|--------------------------------|
| Board's proportionate share of the net pension liability (asset) | \$ 438,799,303 | \$ 255,596,504 | \$ 104,460,138 |

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

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

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

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

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

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 year ended June 30, 2024, the Board contributed 7.14% of covered payroll, which amounted to \$18,435,691 for the entire fiscal year. During the current fiscal year, the plan also recognized a one-time transfer of excess

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funding from the Public Employees Health Benefits Fund totaling \$35.0 million, which was isolated from the OPEB expense and allocated to participating employers as a separate revenue item. The Board's proportionate share of this allocation totaled \$454,546.

At June 30, 2024, Board reported a liability of \$346,004,873 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 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, 2023 and at June 30, 2022, the Board's proportion was 1.29846 % and 1.31741%, respectively.

\$18,435,691 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, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

| | |
|--------------|-------------------------------|
| 2025 | \$ (25,590,970) |
| 2026 | (28,254,714) |
| 2027 | (16,097,799) |
| 2028 | 4,496,816 |
| 2029 | - |
| Thereafter | - |
| Total | <u>\$ (65,446,667)</u> |

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

| | |
|---------------------------|---|
| Inflation | 2.50% |
| Salary increases | 3.25-8.05%, include 3.25% inflation and productivity factor |
| Investment rate of return | 6.50% |

Healthcare cost trend rates:

| | |
|---------------------------------|--|
| Medical | 5.00-6.50% |
| Prescription drug | 5.00-10.00% |
| Administrative costs | 3.00% |
| Post-retirement mortality rates | Pub-2010 Healthy Annuitant Mortality Table for males and females, adjusted for classification for some Participants, further adjusted with scaling factors varying by participant group, and projected for mortality improvement using Scale MP-2019 |

Discount rate. The discount rates used to measure the total OPEB liability for the RHBF at June 30, 2024 and 2023 were 3.65% and 3.54%, 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 3.65% was used as the discount rate used to measure the total OPEB liability. The 3.65% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2023.

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

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District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.65 percent) or 1-percentage point higher (4.65 percent) than the current discount rate:

| | 1% Decrease (2.65%) | Discount Rate (3.65%) | 1% Increase (4.65%) |
|--------------------|--------------------------------|----------------------------------|--------------------------------|
| Net OPEB liability | \$ 408,176,973 | \$ 346,004,873 | \$ 295,367,337 |

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

| | Healthcare Trend Rates | | |
|--------------------|--|---|---|
| | 1% Decrease (Medical- 4.00-5.50%, Pharmacy- 4.00-9.00%, Medicare Advantage - 4.00%, Administrative - 2.00%) | (Medical - 5.00-6.50%, Pharmacy - 5.00-10.00%, Medicare Advantage - 5.00%, Administrative - 3.00%) | 1% Increase (Medical- 6.00-7.50%, Pharmacy- 6.00-11.00%, Medicare Advantage - 6.00%, Administrative - 4.00%) |
| Net OPEB liability | \$ 285,656,912 | \$ 346,004,873 | \$ 423,819,169 |

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

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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, 2024, employers made a statutory contribution of 0.11% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$284,023 for the year ended June 30, 2024.

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, 2024, Board reported an OPEB liability of \$353,565 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 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, 2023 and at June 30, 2022, the Board's proportion was 1.32939 % and 1.33101%, respectively.

\$284,023 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 liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

| | | |
|------------|----|----------------|
| 2025 | \$ | 167,151 |
| 2026 | | 100,379 |
| 2027 | | 157,434 |
| 2028 | | 54,461 |
| 2029 | | 32,665 |
| Thereafter | | <u>26,264</u> |
| Total | \$ | <u>538,354</u> |

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

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

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate

UNION COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

that is 1-percentage point lower (2.00 percent) or 1-percentage point higher (4.00 percent) than the current discount rate:

| | <u>1% Decrease</u> <u>(2.00%)</u> | <u>Discount Rate</u> <u>(3.00%)</u> | <u>1% Increase</u> <u>(4.00%)</u> |
|----------------|--------------------------------------|--|--------------------------------------|
| Net OPEB asset | \$ 425,033 | \$ 353,565 | \$ 280,794 |

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2022 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, 2023. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

The actuarial assumptions were based on the results of an actuarial experience review for the period January 1, 2015 through December 31, 2019.

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2023. 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, 2023 is 1.3%.

**UNION COUNTY BOARD OF EDUCATION
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For the Fiscal Year Ended June 30, 2024**

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, 2024:

| | <u>RHBF</u> | <u>DIPNC</u> | <u>Total</u> |
|--|---------------------------|-------------------------|---------------------------|
| OPEB Expense (Benefit) | \$ (17,630,346) | \$ 486,394 | \$ (17,143,952) |
| OPEB Liability (Asset) | 346,004,873 | 353,565 | 346,358,438 |
| Proportionate share of the net OPEB liability (asset) | 1.29846% | 1.32939% | |
| Deferred Outflows of Resources | | | |
| Differences between expected and actual experience | 3,810,191 | 309,854 | 4,120,045 |
| Changes of assumptions | 37,482,861 | 24,764 | 37,507,625 |
| Net difference between projected and actual earnings on plan investments | 2,764,065 | 461,803 | 3,225,868 |
| Changes in proportion and differences between Board contributions and proportionate share of contributions | 8,960,490 | 45,333 | 9,005,823 |
| Board contributions subsequent to the measurement date | <u>18,435,691</u> | <u>284,023</u> | <u>18,719,714</u> |
| Total Deferred Outflows of Resources | <u><u>71,453,298</u></u> | <u><u>1,125,777</u></u> | <u><u>72,579,075</u></u> |
| Deferred Inflows of Resources | | | |
| Differences between Expected and actual experience | 339,015 | 195,832 | 534,847 |
| Changes of assumptions | 92,311,308 | 60,354 | 92,371,662 |
| Net difference between projected and actual earnings on plan investments | - | - | - |
| Changes in proportion and differences between Board contributions and proportionate share of contributions | <u>25,813,951</u> | <u>48,214</u> | <u>25,862,165</u> |
| Total Deferred Inflows of Resources | <u><u>118,464,274</u></u> | <u><u>304,400</u></u> | <u><u>118,768,674</u></u> |

2. Accounts Payable

Accounts payable as of June 30, 2024 are as follows:

| | <u>Vendors</u> |
|---------------------------------------|-----------------------------|
| Governmental activities: | |
| General Fund | \$ 2,395,832 |
| Other Governmental | <u>10,324,528</u> |
| Total governmental activities | <u><u>\$ 12,720,360</u></u> |
| Business-type activities: | |
| School Food Service Fund | \$ 126,293 |
| Child Care Fund | <u>21,401</u> |
| Total business-type activities | <u><u>\$ 147,694</u></u> |

UNION COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

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 (Other Special Revenue Fund) | <u>\$ 274,028</u> |
| Business-Type Activities: | |
| Prepaid lunch balances (School Food Service Fund) | \$ 378,122 |
| Prepaid summer camp (After School Program Fund) | <u>32,191</u> |
| Total | <u>\$ 410,313</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 | \$ 24,957,206 | \$ 2,421,330 |
| Changes of assumptions | 46,484,836 | 92,371,662 |
| Net difference between projected and actual earnings on pension plan investments | 74,409,475 | - |
| Changes in proportion and differences between Board contributions and proportionate share of contributions | 11,348,357 | 31,372,935 |
| Board contributions subsequent to the measurement date | 64,240,895 | - |
| Total | <u>\$ 221,440,769</u> | <u>\$ 126,165,927</u> |

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 excel 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

UNION COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

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, 2024, 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 the 2021-2022 through the 2023-2024 fiscal years. The original amount of the Board's school bus direct placement installment purchase contracts outstanding at June 30, 2024 totaled \$3,344,072. The financing contract requires four principal-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 15th 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 \$14,110,391. The financing contract requires quarterly principal and interest payments for 5 years with an interest rate of 3.79%.

The future minimum payments of the direct placement installment purchases as of June 30, 2024 are as follows:

UNION COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

| Year Ending June 30, | Governmental Activities | |
|----------------------|-------------------------|-------------------|
| | Principal | Interest |
| 2025 | \$ 3,908,580 | \$ 375,259 |
| 2026 | 3,565,026 | 270,446 |
| 2027 | 3,089,582 | 162,643 |
| 2028 | 2,511,402 | 55,504 |
| 2029 | - | - |
| Total | <u>\$ 13,074,590</u> | <u>\$ 863,852</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, 2024:

| | July 1, 2023 | Increases | Decreases | June 30, 2024 | Current Portion |
|---------------------------|-----------------------|----------------------|----------------------|-----------------------|----------------------|
| Governmental activities: | | | | | |
| Installment purchases | \$ 15,642,000 | \$ 2,332,992 | \$ 4,900,402 | \$ 13,074,590 | \$ 3,908,580 |
| Net pension liability | 222,014,031 | 26,597,020 | - | 248,611,051 | - |
| Net OPEB liability | 305,925,663 | 30,966,798 | - | 336,892,461 | - |
| Compensated absences | 21,263,716 | 19,267,066 | 18,864,669 | 21,666,113 | 10,084,287 |
| Total | <u>\$ 564,845,410</u> | <u>\$ 79,163,876</u> | <u>\$ 23,765,071</u> | <u>\$ 620,244,215</u> | <u>\$ 13,992,867</u> |
| Business-type activities: | | | | | |
| Net pension liability | \$ 5,308,202 | \$ 1,677,251 | \$ - | \$ 6,985,453 | \$ - |
| Net OPEB liability | 7,314,470 | 2,151,507 | - | 9,465,977 | - |
| Compensated absences | 643,575 | 482,659 | 498,621 | 627,613 | 277,864 |
| Total | <u>\$ 13,266,247</u> | <u>\$ 4,311,417</u> | <u>\$ 498,621</u> | <u>\$ 17,079,043</u> | <u>\$ 277,864</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.

C. Interfund Balances and Activity

1. Interfund balances

The composition of interfund balances as of June 30, 2024 is as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|----------------------------|--------------------------|-------------------|
| Other Special Revenue Fund | School Food Service Fund | <u>\$ 890,510</u> |

The amount above represent indirect cost owed by the School Food Service Fund. These amounts are expected to be paid prior to June 30, 2025.

**UNION COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024**

2. Transfers to/from other Funds

Transfers to/from other funds at June 30, 2024 consist of the following:

| | <u>Amount</u> |
|--|------------------|
| From the State Public School Fund to the School Food Service Fund for personnel costs. | <u>\$ 55,337</u> |

D. Net Position/Fund Balance

1. Net Investment in Capital Assets – Governmental Activities

Net investment in capital assets presented in Exhibit 1 is calculated as follows:

| | |
|---|-----------------------|
| Total governmental activities capital assets | \$ 661,328,307 |
| Less: | |
| Installment purchase obligations for school buses | (1,419,266) |
| Accounts payable Capital Outlay | <u>(9,980,010)</u> |
| Net investment in capital assets, governmental activities | <u>\$ 649,929,031</u> |

2. 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 | \$ 9,764,234 |
| Less: | |
| Stabilization by State statute | (369,136) |
| Appropriated Fund Balance in the 2024-2025 budget | <u>(2,469,109)</u> |
| Remaining fund balance | <u>\$ 6,925,989</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, 2024 are as follows:

| | <u>Encumbrances</u> |
|--------------|---------------------|
| General Fund | <u>\$ 225,956</u> |

UNION COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

NOTE 4 – OTHER SPECIAL REVENUE FUND – OTHER REVENUES

Other revenues for the fiscal year ended June 30, 2024 in the Other Special Revenue Fund consists of the following:

| | | |
|------------------------------|----|-------------------------|
| Tuition and fees | \$ | 2,035,022 |
| Medicaid reimbursements | | 1,855,392 |
| Indirect costs allocated | | 1,526,479 |
| Local sales tax refund | | 384,512 |
| Private grants and donations | | 237,932 |
| Facility rentals | | 197,903 |
| Contributions and donations | | 194,548 |
| Investment income | | 746,365 |
| Insurance proceeds | | 93,627 |
| Miscellaneous | | <u>434,572</u> |
| Total other revenues | \$ | <u><u>7,706,352</u></u> |

NOTE 5 - 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.

REQUIRED SUPPLEMENTARY INFORMATION

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 (Asset)
Retiree Health Benefit Fund

Schedule of Board Contributions
Retiree Health Benefit Fund

Schedule of the Board's Proportionate Share of the Net OPEB Liability (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 TEN FISCAL YEARS***

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|---|----------------|----------------|----------------|----------------|----------------|
| Board's proportion of the net pension liability (asset) | 1.53309% | 1.53159% | 1.46562% | 1.58662% | 1.58218% |
| Board's proportionate share of the net pension liability (asset) | \$ 255,596,504 | \$ 227,322,233 | \$ 68,629,137 | \$ 191,695,381 | \$ 164,023,920 |
| Board's covered payroll | \$ 248,586,771 | \$ 239,723,906 | \$ 222,905,839 | \$ 230,000,188 | \$ 230,661,877 |
| Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 102.82% | 94.83% | 30.79% | 83.35% | 71.11% |
| Plan fiduciary net position as a percentage of the total pension liability | 82.97% | 84.14% | 94.86% | 89.51% | 87.56% |
| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
| Board's proportion of the net pension liability (asset) | 1.55636% | 1.59601% | 1.58302% | 1.57303% | 1.52723% |
| Board's proportionate share of the net pension liability (asset) | \$ 154,952,587 | \$ 126,634,472 | \$ 145,495,891 | \$ 57,969,270 | \$ 17,905,565 |
| Board's covered payroll | \$ 214,696,602 | \$ 209,780,447 | \$ 205,208,988 | \$ 203,706,430 | \$ 186,085,512 |
| Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 72.17% | 60.37% | 70.90% | 28.46% | 9.62% |
| Plan fiduciary net position as a percentage of the total pension liability | 87.61% | 89.51% | 87.32% | 94.64% | 98.24% |

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

**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>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Contractually required contribution | \$ 45,521,181 | \$ 43,204,381 | \$ 39,266,776 | \$ 32,927,904 | \$ 30,022,566 |
| Contributions in relation to the contractually required contribution | <u>45,521,181</u> | <u>43,204,381</u> | <u>39,266,776</u> | <u>32,927,904</u> | <u>30,022,566</u> |
| Contribution deficiency (excess) | <u>\$ -</u> |
| Board's covered payroll | \$ 258,201,847 | \$ 248,586,771 | \$ 239,723,906 | \$ 222,905,839 | \$ 230,000,188 |
| Contributions as a percentage of covered payroll | 17.63% | 17.38% | 16.38% | 14.87% | 12.97% |

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| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Contractually required contribution | \$ 28,348,345 | \$ 23,144,294 | \$ 20,936,089 | \$ 18,776,622 | \$ 18,639,139 |
| Contributions in relation to the contractually required contribution | <u>28,348,345</u> | <u>23,144,294</u> | <u>20,936,089</u> | <u>18,776,622</u> | <u>18,639,139</u> |
| Contribution deficiency (excess) | <u>\$ -</u> |
| Board's covered payroll | \$ 230,661,877 | \$ 214,696,602 | \$ 209,780,447 | \$ 205,208,988 | \$ 203,706,430 |
| Contributions as a percentage of covered payroll | 12.29% | 10.78% | 9.98% | 9.15% | 9.15% |

**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 EIGHT FISCAL YEARS***

GASB 75

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| Board's proportion of the net OPEB liability/asset | 1.29846% | 1.31741% | 1.27629% | 1.37306% | 1.37258% |
| Board's proportionate share of the net OPEB liability (asset) | \$ 346,004,873 | \$ 312,844,184 | \$ 394,572,560 | \$ 380,897,241 | \$ 434,277,197 |
| Board's covered payroll | \$ 248,586,771 | \$ 239,723,906 | \$ 222,905,839 | \$ 230,000,188 | \$ 230,661,877 |
| Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll | 139.19% | 130.50% | 177.01% | 165.61% | 188.27% |
| Plan fiduciary net position as a percentage of the total OPEB liability/asset | 10.73% | 10.58% | 7.72% | 6.92% | 4.40% |
| | <u>2019</u> | <u>2018</u> | <u>2017</u> | | |
| Board's proportion of the net OPEB liability/asset | 1.27629% | 1.45493% | 1.39123% | | |
| Board's proportionate share of the net OPEB liability (asset) | \$ 394,819,992 | \$ 477,021,010 | \$ 605,230,565 | | |
| Board's covered payroll | \$ 214,696,602 | \$ 209,780,447 | \$ 205,208,988 | | |
| Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll | 183.90% | 227.39% | 294.93% | | |
| Plan fiduciary net position as a percentage of the total OPEB liability/asset | 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 eight 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>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Contractually required contribution | \$ 18,435,691 | \$ 17,127,629 | \$ 15,078,634 | \$ 14,882,165 | \$ 14,976,562 |
| Contributions in relation to the contractually required contribution | <u>18,435,691</u> | <u>17,127,629</u> | <u>15,078,634</u> | <u>14,882,165</u> | <u>14,976,562</u> |
| Contribution deficiency (excess) | <u>\$ -</u> |
| Board's covered payroll | \$ 258,201,847 | \$ 248,586,771 | \$ 239,723,906 | \$ 222,905,839 | \$ 230,000,188 |
| Contributions as a percentage of covered payroll | 7.14% | 6.89% | 6.29% | 6.68% | 6.47% |

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| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Contractually required contribution | \$ 14,462,500 | \$ 12,989,144 | \$ 12,165,615 | \$ 11,436,286 | \$ 11,100,414 |
| Contributions in relation to the contractually required contribution | <u>14,462,500</u> | <u>12,989,144</u> | <u>12,165,615</u> | <u>11,436,286</u> | <u>11,100,414</u> |
| Contribution deficiency (excess) | <u>\$ -</u> |
| Board's covered payroll | \$ 230,661,877 | \$ 214,696,602 | \$ 209,780,447 | \$ 205,208,988 | \$ 203,706,430 |
| Contributions as a percentage of covered payroll | 6.27% | 6.05% | 5.81% | 5.60% | 5.49% |

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

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|---------------|---------------|---------------|---------------|---------------|
| Board's proportion of the net OPEB liability/asset | 1.32939% | 1.33101% | 1.28889% | 1.38670% | 1.39364% |
| Board's proportionate share of the net OPEB liability (asset) | \$ 353,565 | \$ 395,949 | \$ (210,527) | \$ (682,173) | \$ (601,356) |
| Board's covered payroll | \$248,586,771 | \$239,723,906 | \$222,905,839 | \$230,000,188 | \$230,661,877 |
| Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll | 0.14% | 0.17% | 0.09% | 0.30% | 0.26% |
| Plan fiduciary net position as a percentage of the total OPEB liability/asset | 90.61% | 90.34% | 105.18% | 115.57% | 113.00% |
| | <u>2019</u> | <u>2018</u> | <u>2017</u> | | |
| Board's proportion of the net OPEB liability/asset | 1.37598% | 1.40907% | 1.41358% | | |
| Board's proportionate share of the net OPEB liability (asset) | \$ (417,968) | \$ (861,224) | \$ (877,833) | | |
| Board's covered payroll | \$214,696,602 | \$209,780,447 | \$205,208,988 | | |
| Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll | 0.19% | 0.41% | 0.43% | | |
| Plan fiduciary net position as a percentage of the total OPEB liability/asset | 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 eight 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>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| Contractually required contribution | \$ 284,023 | \$ 248,587 | \$ 215,752 | \$ 200,508 | \$ 230,000 |
| Contributions in relation to the contractually required contribution | <u>284,023</u> | <u>248,587</u> | <u>215,752</u> | <u>200,508</u> | <u>230,000</u> |
| Contribution deficiency (excess) | <u>\$ -</u> |
| Board's covered payroll | \$ 258,201,847 | \$ 248,586,771 | \$ 239,723,906 | \$ 222,905,839 | \$ 230,000,188 |
| Contributions as a percentage of covered payroll | 0.11% | 0.10% | 0.09% | 0.09% | 0.10% |

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| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| Contractually required contribution | \$ 322,927 | \$ 300,575 | \$ 795,686 | \$ 837,300 | \$ 828,993 |
| Contributions in relation to the contractually required contribution | <u>322,927</u> | <u>300,575</u> | <u>795,686</u> | <u>837,300</u> | <u>828,993</u> |
| Contribution deficiency (excess) | <u>\$ -</u> |
| Board's covered payroll | \$ 230,661,877 | \$ 214,696,602 | \$ 209,780,447 | \$ 205,208,988 | \$ 203,706,430 |
| Contributions as a percentage of covered payroll | 0.14% | 0.14% | 0.38% | 0.41% | 0.41% |

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, 2024

| | Final Budget | Actual | Variance With Final Budget |
|--|--------------------|--------------------|-------------------------------|
| Revenues: | | | |
| Union County: | | | |
| County appropriation | \$ 122,690,414 | \$ 122,690,414 | \$ - |
| Other: | | | |
| Fines and forfeitures | 700,000 | 1,048,277 | 348,277 |
| ABC revenues | 60,000 | 81,546 | 21,546 |
| Total other | <u>760,000</u> | <u>1,129,823</u> | <u>369,823</u> |
| Total revenues | <u>123,450,414</u> | <u>123,820,237</u> | <u>369,823</u> |
| Expenditures: | | | |
| Current: | | | |
| Instructional services: | | | |
| Regular instructional | 27,725,240 | 27,725,240 | - |
| Special populations | 5,334,441 | 5,334,440 | 1 |
| Alternative programs | 3,102,985 | 3,102,995 | (10) |
| School leadership | 14,335,189 | 14,335,189 | - |
| Co-curricular | 2,772,356 | 2,754,816 | 17,540 |
| School-based support | 9,933,694 | 9,933,694 | - |
| Total instructional services | <u>63,203,905</u> | <u>63,186,374</u> | <u>17,531</u> |
| System-wide support services: | | | |
| Support and development | 2,821,064 | 2,781,211 | 39,853 |
| Special population support and development | 438,025 | 438,024 | 1 |
| Alternative programs and services support and development | 232,615 | 142,737 | 89,878 |
| Technology support | 4,598,920 | 4,381,174 | 217,746 |
| Operational support | 28,965,687 | 28,865,352 | 100,335 |
| Financial and human resource services | 7,417,196 | 7,415,349 | 1,847 |
| Accountability | 727,643 | 492,552 | 235,091 |
| System-wide pupil support | 512,637 | 512,709 | (72) |
| Policy, leadership and public relations | <u>3,674,182</u> | <u>3,673,552</u> | <u>630</u> |
| Total system-wide support services | <u>49,387,969</u> | <u>48,702,660</u> | <u>685,309</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, 2024

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget</u> |
|------------------------------------|-------------------------|---------------------|---------------------------------------|
| Expenditures: (Continued) | | | |
| Current: | | | |
| Ancillary services: | | | |
| Nutrition | <u>620,089</u> | <u>-</u> | <u>620,089</u> |
| Nonprogrammed charges: | | | |
| Payments to other governments | <u>12,667,984</u> | <u>12,667,960</u> | <u>24</u> |
| Total expenditures | <u>125,879,947</u> | <u>124,556,994</u> | <u>1,322,953</u> |
| Revenues over (under) expenditures | (2,429,533) | (736,757) | 1,692,776 |
| Fund balance appropriated | <u>2,429,533</u> | <u>-</u> | <u>(2,429,533)</u> |
| Net change in fund balance | <u>\$ -</u> | (736,757) | <u>\$ (736,757)</u> |
| Fund balance: | | | |
| Beginning of year | | <u>10,500,991</u> | |
| End of year | | <u>\$ 9,764,234</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, 2024

| | Final Budget | Actual | Variance With Final Budget |
|--|--------------------|---------------------|-------------------------------|
| Revenues: | | | |
| State of North Carolina: | | | |
| K-12 Athletic Facilities Grant | \$ - | \$ 230,185 | \$ 230,185 |
| State Buses Appropriation | 3,043,345 | 1,898,841 | (1,144,504) |
| Total State of North Carolina | <u>3,043,345</u> | <u>2,129,026</u> | <u>(914,319)</u> |
| Union County: | | | |
| Bond proceeds | 137,890,208 | 58,783,454 | (79,106,754) |
| County appropriations | 44,549,171 | 23,004,602 | (21,544,569) |
| Total Union County | <u>182,439,379</u> | <u>81,788,056</u> | <u>(100,651,323)</u> |
| Other: | | | |
| Interest earned on investments | 167 | 126,620 | 126,453 |
| Proceeds from disposal of capital assets | - | 25,107 | 25,107 |
| Other | - | 234,805 | 234,805 |
| Total other | <u>167</u> | <u>386,532</u> | <u>386,365</u> |
| Total revenues | <u>185,482,891</u> | <u>84,303,614</u> | <u>(101,179,277)</u> |
| Expenditures: | | | |
| Debt service: | | | |
| Principal retirement | 4,900,402 | 4,900,402 | - |
| Interest and fees | 448,437 | 448,437 | - |
| Total debt service | <u>5,348,839</u> | <u>5,348,839</u> | <u>-</u> |
| Current: | | | |
| Instructional services | 313,549 | 313,549 | - |
| System-wide support services | 635,961 | 635,961 | - |
| Capital outlay: | | | |
| Real property and buildings | 177,223,996 | 75,947,202 | 101,276,794 |
| Furnishings and equipment | 122,926 | 122,926 | - |
| Buses and motor vehicles | 4,209,643 | 3,740,321 | 469,322 |
| Total capital outlay | <u>181,556,565</u> | <u>79,810,449</u> | <u>101,746,116</u> |
| Total expenditures | <u>187,854,914</u> | <u>86,108,798</u> | <u>101,746,116</u> |
| Revenues over (under) expenditures | (2,372,023) | (1,805,184) | 566,839 |
| Other financing sources: | | | |
| Installment purchase obligations issued | 2,332,992 | 2,332,992 | - |
| Fund balance appropriated | 39,031 | - | (39,031) |
| Net change in fund balance | <u>\$ -</u> | <u>527,808</u> | <u>\$ 527,808</u> |
| Fund balance: | | | |
| Beginning of year | | <u>2,096,137</u> | |
| End of year | | <u>\$ 2,623,945</u> | |

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, 2024

| | Final Budget | Actual | Variance With Final Budget |
|------------------------------------|---------------------|---------------------|-------------------------------|
| Operating revenues - food sales | \$ 7,946,255 | \$ 7,788,029 | \$ (158,226) |
| Operating expenditures: | | | |
| Business support services: | | | |
| Purchase of food | - | 7,316,896 | - |
| Donated commodities | - | 1,377,816 | - |
| Salaries and benefits | - | 11,243,392 | - |
| Indirect costs | - | 890,510 | - |
| Materials and supplies | - | 86,351 | - |
| Repairs and maintenance | - | 160,860 | - |
| Non-capitalized equipment | - | 530,185 | - |
| Contracted services | - | 81,669 | - |
| Other | - | 224,768 | - |
| Capital outlay | - | 374,118 | - |
| Total operating expenditures | <u>21,690,878</u> | <u>22,286,565</u> | <u>(595,687)</u> |
| Operating loss | <u>(13,744,623)</u> | <u>(14,498,536)</u> | <u>(753,913)</u> |
| Nonoperating revenues: | | | |
| Federal reimbursements | 10,974,490 | 12,082,177 | 1,107,687 |
| Federal commodities | 1,418,981 | 1,377,816 | (41,165) |
| State reimbursements | 38,500 | 38,556 | 56 |
| Interest earned | 65,000 | 84,325 | 19,325 |
| Total nonoperating revenues | <u>12,496,971</u> | <u>13,582,874</u> | <u>1,085,903</u> |
| Revenues over (under) expenditures | (1,247,652) | (915,662) | 331,990 |
| Other financing sources: | | | |
| Transfers from other funds | - | 55,337 | 55,337 |
| Fund balance appropriated | <u>1,247,652</u> | <u>-</u> | <u>(1,247,652)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>(860,325)</u> | <u>\$ (860,325)</u> |

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, 2024

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget</u> |
|---|-------------------------|-----------------------|---------------------------------------|
| Reconciliation of modified accrual to full accrual basis: | | | |
| Reconciling items: | | | |
| Depreciation | | (178,145) | |
| Capital contributions | | 20,822 | |
| Net pension liability | | (1,488,003) | |
| Net OPEB liability | | (1,913,020) | |
| Deferred outflows | | 1,201,251 | |
| Deferred inflows | | 753,371 | |
| Equipment purchases | | 374,118 | |
| Loss on disposal of capital assets | | (2,983) | |
| Decrease in compensated absences payable | | 20,794 | |
| Increase in inventories | | <u>37,209</u> | |
| Change in net position (full accrual) | | <u>\$ (2,034,911)</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, 2024

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget</u> |
|---|-------------------------|-------------------|---------------------------------------|
| Operating revenues: | | | |
| Child care fees | \$ 3,063,466 | \$ 3,204,714 | \$ 141,248 |
| Operating expenditures: | | | |
| Regular community services: | | | |
| Purchase of food | - | 163,115 | - |
| Salaries and benefits | - | 2,362,407 | - |
| Materials and supplies | - | 80,762 | - |
| Contracted services | - | 5,506 | - |
| Field trips | - | 17,289 | - |
| Bank service fees | - | 82,986 | - |
| Other | - | 26,277 | - |
| Total operating expenditures | <u>3,063,466</u> | <u>2,738,342</u> | <u>325,124</u> |
| Operating income | <u>-</u> | <u>466,372</u> | <u>466,372</u> |
| Nonoperating revenues: | | | |
| Interest earned | <u>-</u> | <u>56</u> | <u>56</u> |
| Net change in fund balance | <u>\$ -</u> | <u>466,428</u> | <u>\$ 932,856</u> |
| Reconciliation of modified accrual to full accrual basis: | | | |
| Reconciling items: | | | |
| Net pension liability | | (189,248) | |
| Net OPEB liability | | (238,487) | |
| Deferred outflows | | 148,682 | |
| Deferred inflows | | 165,133 | |
| Increase in compensated absences payable | | <u>(4,832)</u> | |
| Change in net position (full accrual) | | <u>\$ 347,676</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

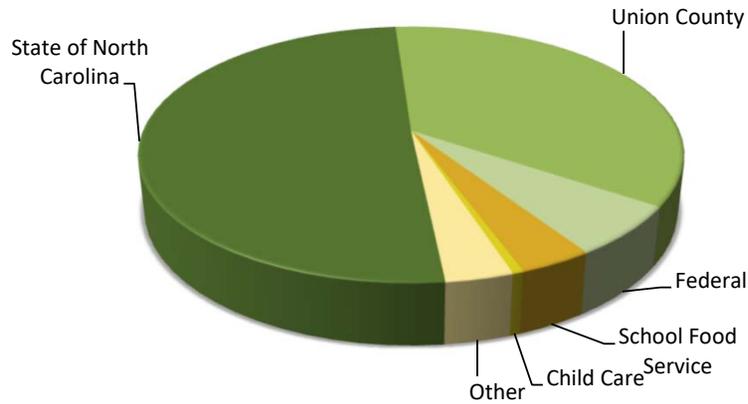
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. County information is included.

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.

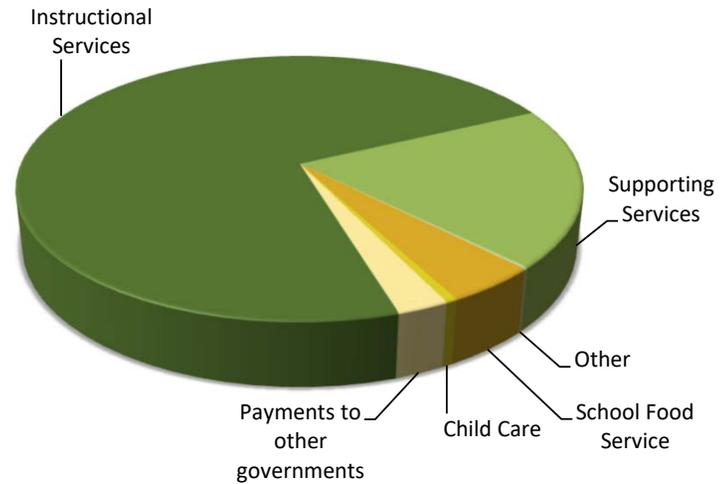
Union County Public Schools Financial Perspective Governmental and Business-type Activities for Fiscal Year 2023-2024

Revenue Sources



| | |
|-------------------------|------------------------------------|
| State of North Carolina | \$291,562,397 |
| Union County | 204,478,470 |
| Federal | 36,387,973 |
| School Food Service | 21,367,920 |
| Child Care | 3,204,770 |
| Other | 19,604,251 |
| Total | <u><u>\$576,605,781</u></u> |

Expenditures/Expenses



| | |
|-------------------------------|------------------------------------|
| Instructional Services | \$372,017,013 |
| Supporting Services | 99,838,077 |
| Other | 1,072,561 |
| School Food Service | 23,478,990 |
| Child Care | 2,857,094 |
| Payments to other governments | 12,915,890 |
| Total | <u><u>\$512,179,625</u></u> |

UNION COUNTY BOARD OF EDUCATION
Net Position by Component
Last Ten Fiscal Years

| Year Ended June 30 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|
| Governmental activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 610,994,214 | \$ 613,175,982 | \$ 610,517,140 | \$ 608,109,615 | \$ 616,289,064 | \$ 635,033,673 | \$ 636,437,194 | \$ 624,218,257 | \$ 613,904,885 | \$ 649,929,031 |
| Restricted | 10,313,176 | 12,931,221 | 11,174,475 | 13,965,960 | 18,226,389 | 17,194,566 | 13,137,634 | 15,550,725 | 14,769,380 | 12,805,200 |
| Unrestricted | (71,587,900) | (61,287,021) | (65,657,560) | (668,185,109) | (663,752,069) | (663,378,236) | (646,437,401) | (577,637,242) | (535,765,181) | (503,711,756) |
| Total governmental activities net position (deficit) | \$ 549,719,490 | \$ 564,820,182 | \$ 556,034,055 | \$ (46,109,534) | \$ (29,236,616) | \$ (11,149,997) | \$ 3,137,427 | \$ 62,131,740 | \$ 92,909,084 | \$ 159,022,475 |
| Business-type activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 2,685,584 | \$ 2,326,313 | \$ 2,258,881 | \$ 2,019,233 | \$ 1,715,381 | \$ 1,353,447 | \$ 1,092,521 | \$ 902,243 | \$ 942,495 | \$ 1,156,307 |
| Restricted | - | - | - | 40,047 | 46,315 | 39,911 | 28,590 | 27,077 | - | - |
| Unrestricted | 6,219,304 | 5,898,083 | 5,921,625 | (10,241,650) | (10,592,734) | (11,770,212) | (11,959,617) | (8,005,413) | (3,082,552) | (4,983,599) |
| Total business-type activities net position (deficit) | \$ 8,904,888 | \$ 8,224,396 | \$ 8,180,506 | \$ (8,182,370) | \$ (8,831,038) | \$ (10,376,854) | \$ (10,838,506) | \$ (7,076,093) | \$ (2,140,057) | \$ (3,827,292) |
| District-wide | | | | | | | | | | |
| Net investment in capital assets | \$ 613,679,798 | \$ 615,502,295 | \$ 612,776,021 | \$ 610,128,848 | \$ 618,004,445 | \$ 636,387,120 | \$ 637,529,715 | \$ 625,120,500 | \$ 614,847,380 | \$ 651,085,338 |
| Restricted | 10,313,176 | 12,931,221 | 11,174,475 | 14,006,007 | 16,828,764 | 17,234,477 | 13,166,224 | 15,577,802 | 14,769,380 | 12,805,200 |
| Unrestricted | (65,368,596) | (55,388,938) | (59,735,935) | (678,426,759) | (672,900,863) | (675,148,448) | (658,397,018) | (585,642,655) | (538,847,733) | (508,695,355) |
| Total primary government net position (deficit) | \$ 558,624,378 | \$ 573,044,578 | \$ 564,214,561 | \$ (54,291,904) | \$ (38,067,654) | \$ (21,526,851) | \$ (7,701,079) | \$ 55,055,647 | \$ 90,769,027 | \$ 155,195,183 |

Source: Union County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2024

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

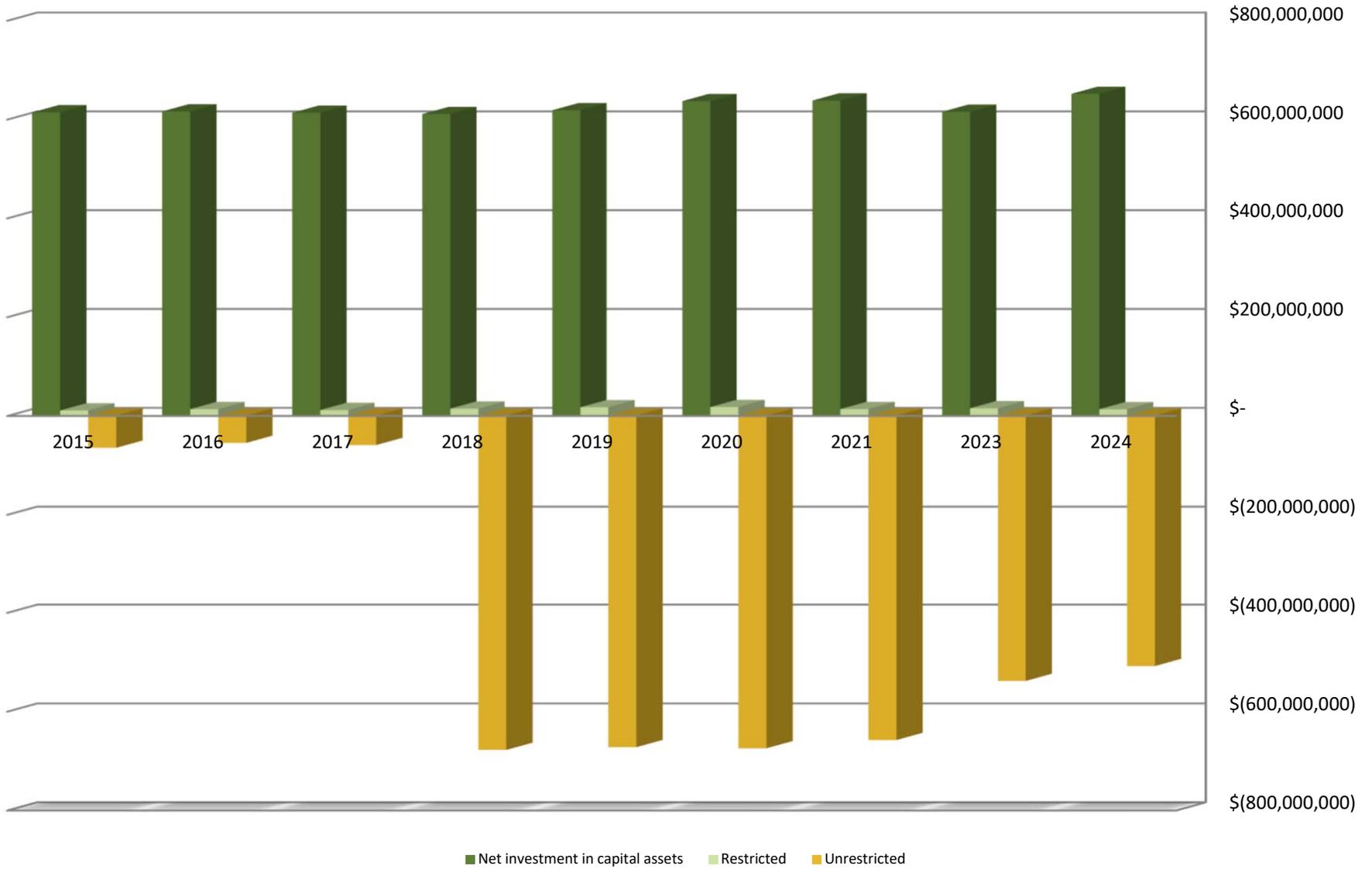


Table 3

UNION COUNTY BOARD OF EDUCATION

Changes in Net Position

Last Ten Fiscal Years

| Year Ended June 30 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------------------|-------------------------|-------------------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Instructional programs | \$ 269,176,047 | \$ 268,863,424 | \$ 297,441,622 | \$ 318,252,404 | \$ 309,812,306 | \$ 324,831,555 | \$ 314,393,802 | \$ 306,472,207 | \$ 320,155,756 | \$ 372,017,013 |
| Support services | 67,044,079 | 67,447,945 | 70,562,303 | 78,469,303 | 80,904,190 | 77,365,356 | 82,778,542 | 81,971,931 | 113,202,444 | 99,838,077 |
| Ancillary services and non-programed charges | 304,431 | 396,986 | 406,072 | 334,533 | 381,556 | 1,148,373 | 1,157,982 | 1,122,526 | 1,427,457 | 156,122 |
| Payments to other governments | 3,676,088 | 4,134,834 | 6,336,147 | 7,689,071 | 8,259,022 | 9,155,819 | 10,123,908 | 10,269,513 | 11,157,808 | 12,915,890 |
| Interest on long-term debt | - | - | - | - | 181,782 | 175,542 | 181,597 | 116,900 | 125,971 | 448,437 |
| Unallocated depreciation expense | 2,549,877 | 2,242,067 | 2,195,386 | 1,895,343 | 1,225,276 | 1,434,253 | 894,306 | 742,739 | 589,356 | 468,002 |
| Total governmental activities expenses | <u>342,750,522</u> | <u>343,085,256</u> | <u>376,941,530</u> | <u>406,640,654</u> | <u>400,764,132</u> | <u>414,110,898</u> | <u>409,530,137</u> | <u>400,695,816</u> | <u>446,658,792</u> | <u>485,843,541</u> |
| Business-type activities: | | | | | | | | | | |
| School food service | 16,305,878 | 17,050,233 | 16,662,707 | 16,940,632 | 16,139,109 | 14,765,642 | 11,396,561 | 20,939,710 | 16,925,786 | 23,478,990 |
| After School Program | 4,683,902 | 4,720,871 | 4,484,919 | 4,498,938 | 4,549,198 | 3,910,634 | 175,895 | 2,360,834 | 1,823,022 | 2,857,094 |
| Total business-type activities expenses | <u>20,989,780</u> | <u>21,771,104</u> | <u>21,147,626</u> | <u>21,439,570</u> | <u>20,688,307</u> | <u>18,676,276</u> | <u>11,572,456</u> | <u>23,300,544</u> | <u>18,748,808</u> | <u>26,336,084</u> |
| Total primary government expenses | <u>\$ 363,740,302</u> | <u>\$ 364,856,360</u> | <u>\$ 398,089,156</u> | <u>\$ 428,080,224</u> | <u>\$ 421,452,439</u> | <u>\$ 432,787,174</u> | <u>\$ 421,102,593</u> | <u>\$ 423,996,360</u> | <u>\$ 465,407,600</u> | <u>\$ 512,179,625</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Tuition and fees | \$ 1,467,144 | \$ 1,416,419 | \$ 1,644,574 | \$ 1,893,507 | \$ 1,297,441 | \$ 1,232,155 | \$ 1,235,937 | \$ 1,389,395 | \$ 1,269,311 | \$ 2,035,022 |
| Rental of school property | 204,387 | 179,149 | 148,777 | 190,842 | 197,046 | 135,139 | 61,051 | 109,077 | 136,042 | 197,903 |
| Co-curricular | 10,409,814 | 11,689,239 | 12,020,996 | 11,179,848 | 10,223,717 | 9,285,934 | 4,156,101 | 8,126,240 | 9,784,552 | 11,912,308 |
| Operating grants and contributions | 231,068,466 | 232,060,542 | 240,419,051 | 249,108,658 | 269,100,942 | 275,242,644 | 284,002,564 | 317,630,032 | 319,015,600 | 328,109,216 |
| Capital grants and contributions | 904,927 | 108,905 | 432,676 | 390,534 | 456,440 | 449,980 | 565,854 | 1,311,178 | 2,168,758 | 2,129,026 |
| Total governmental activities program revenues | <u>244,054,738</u> | <u>245,454,254</u> | <u>254,666,074</u> | <u>262,763,389</u> | <u>281,275,586</u> | <u>286,345,852</u> | <u>290,021,507</u> | <u>328,565,922</u> | <u>332,374,263</u> | <u>344,383,475</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| School food service | 7,078,823 | 7,101,713 | 6,839,980 | 6,534,170 | 6,600,918 | 4,968,783 | 939,030 | 2,371,551 | 7,861,668 | 7,788,029 |
| After School Program | 4,440,579 | 4,272,109 | 4,445,747 | 4,378,247 | 4,264,522 | 3,013,080 | 661,893 | 2,724,801 | 3,232,699 | 3,204,714 |
| Operating grants and contributions | 9,207,301 | 9,585,387 | 9,755,850 | 9,510,823 | 8,923,241 | 7,718,905 | 8,828,533 | 21,870,520 | 12,507,549 | 13,498,549 |
| Capital grants and contributions | - | 24,390 | 25,000 | 23,000 | - | 7,425 | - | 31,701 | 20,563 | 20,822 |
| Total business-type activities program revenues | <u>20,726,703</u> | <u>20,983,599</u> | <u>21,066,577</u> | <u>20,446,240</u> | <u>19,788,681</u> | <u>15,708,193</u> | <u>10,429,456</u> | <u>26,998,573</u> | <u>23,622,479</u> | <u>24,512,114</u> |
| Total district-wide | <u>\$ 264,781,441</u> | <u>\$ 266,437,853</u> | <u>\$ 275,732,651</u> | <u>\$ 283,209,629</u> | <u>\$ 301,064,267</u> | <u>\$ 302,054,045</u> | <u>\$ 300,450,963</u> | <u>\$ 355,564,495</u> | <u>\$ 355,996,742</u> | <u>\$ 368,895,589</u> |
| Net (expense) / revenue | | | | | | | | | | |
| Governmental activities | \$ (98,695,784) | \$ (97,631,002) | \$ (122,275,456) | \$ (143,877,265) | \$ (119,488,546) | \$ (127,765,046) | \$ (119,508,630) | \$ (72,129,894) | \$ (114,284,529) | \$ (141,460,066) |
| Business-type activities | (263,077) | (787,505) | (81,049) | (993,330) | (899,626) | (2,968,083) | (1,143,000) | 3,698,029 | 4,873,671 | (1,823,970) |
| Total district-wide | <u>\$ (98,958,861)</u> | <u>\$ (98,418,507)</u> | <u>\$ (122,356,505)</u> | <u>\$ (144,870,595)</u> | <u>\$ (120,388,172)</u> | <u>\$ (130,733,129)</u> | <u>\$ (120,651,630)</u> | <u>\$ (68,431,865)</u> | <u>\$ (109,410,858)</u> | <u>\$ (143,284,036)</u> |

UNION COUNTY BOARD OF EDUCATION

Changes in Net Position (Continued) Last Ten Fiscal Years

| Year ended June 30 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Unrestricted county appropriations - operating | \$ 87,621,134 | \$ 92,269,358 | \$ 94,979,912 | \$ 97,680,174 | \$ 100,649,263 | \$ 102,942,093 | \$ 109,187,700 | \$ 112,169,279 | \$ 116,450,157 | \$ 123,074,926 |
| Unrestricted county appropriations - capital | 15,685,061 | 18,909,151 | 16,814,882 | 16,934,107 | 34,086,582 | 42,545,304 | 24,113,621 | 17,819,185 | 26,967,076 | 81,788,056 |
| Unrestricted State appropriations - operating | - | - | - | - | - | - | - | - | - | - |
| Investment earnings, unrestricted | 81,403 | 116,015 | 149,275 | 246,894 | 359,955 | 341,647 | 9,113 | (408,412) | 213,512 | 872,985 |
| Unrestricted miscellaneous | 1,549,894 | 1,474,320 | 1,505,025 | 2,781,713 | 1,380,833 | 1,284,324 | 1,133,646 | 1,593,627 | 1,483,197 | 1,892,827 |
| Transfers | 343,159 | (37,150) | 40,235 | 34,773 | (115,169) | (1,261,703) | (648,026) | (49,472) | (52,069) | (55,337) |
| Total governmental activities | <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> | <u>131,124,207</u> | <u>145,061,873</u> | <u>207,573,457</u> |
| Business-type activities: | | | | | | | | | | |
| Investment earnings, unrestricted | 40,603 | 57,273 | 85,794 | 98,203 | 127,387 | 160,087 | 102 | 6,712 | 14,814 | 84,381 |
| Miscellaneous, unrestricted | 9,807 | 12,590 | (8,400) | 6,265 | 8,402 | 477 | 33,220 | 8,200 | (4,518) | (2,983) |
| Transfers | (343,159) | 37,150 | (40,235) | (34,773) | 115,169 | 1,261,703 | 648,026 | 49,472 | 52,069 | 55,337 |
| Total business-type activities | <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> | <u>64,384</u> | <u>62,365</u> | <u>136,735</u> |
| Total district-wide | <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> | <u>\$ 131,188,591</u> | <u>\$ 145,124,238</u> | <u>\$ 207,710,192</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ (7,189,669) | \$ 6,584,867 | \$ 15,100,692 | \$ (8,786,127) | \$ (26,199,604) | \$ 16,872,918 | \$ 58,994,313 | \$ 16,839,678 | \$ 30,777,344 | \$ 66,113,391 |
| Business-type activities | (791,765) | (555,826) | (680,492) | (43,890) | (923,635) | (648,668) | 3,762,413 | 4,938,055 | 4,936,036 | (1,687,235) |
| Total district-wide | <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>\$ 62,756,726</u> | <u>\$ 21,777,733</u> | <u>\$ 35,713,380</u> | <u>\$ 64,426,156</u> |

Source: Union County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2024.

UNION COUNTY BOARD OF EDUCATION
Governmental Funds
Fund Balances
Last Ten Fiscal Years

| Year Ended June 30 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Restricted | \$ 1,296,016 | \$ 3,808,346 | \$ 1,272,528 | \$ 604,367 | \$ 1,208,352 | \$ 430,361 | \$ 673,860 | \$ 98,228 | \$ 1,671,786 | \$ 369,136 |
| Assigned | 4,856,000 | 2,700,000 | 3,812,000 | - | - | - | 2,860,000 | 2,999,117 | 2,429,533 | 2,469,109 |
| Unassigned | 523,710 | 1,833 | 1,896,467 | 5,558,160 | 165,098 | 1,602,910 | 9,446,925 | 10,396,432 | 6,399,672 | 6,925,989 |
| Total General Fund | \$ 6,675,726 | \$ 6,510,179 | \$ 6,980,995 | \$ 6,162,527 | \$ 1,373,450 | \$ 2,033,271 | \$ 12,980,785 | \$ 13,493,777 | \$ 10,500,991 | \$ 9,764,234 |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted | \$ 9,017,160 | \$ 9,122,875 | \$ 9,901,947 | \$ 11,046,234 | \$ 13,773,589 | \$ 15,192,359 | \$ 11,267,877 | \$ 14,508,342 | \$ 13,097,594 | \$ 12,436,064 |
| Assigned | 4,496,335 | 4,004,899 | 4,148,287 | 5,498,436 | 2,807,089 | 4,111,052 | 4,948,290 | 4,176,008 | 5,236,841 | 3,067,105 |
| Total all other governmental funds | \$ 13,513,495 | \$ 13,127,774 | \$ 14,050,234 | \$ 16,544,670 | \$ 16,580,678 | \$ 19,303,411 | \$ 16,216,167 | \$ 18,684,350 | \$ 18,334,435 | \$ 15,503,169 |

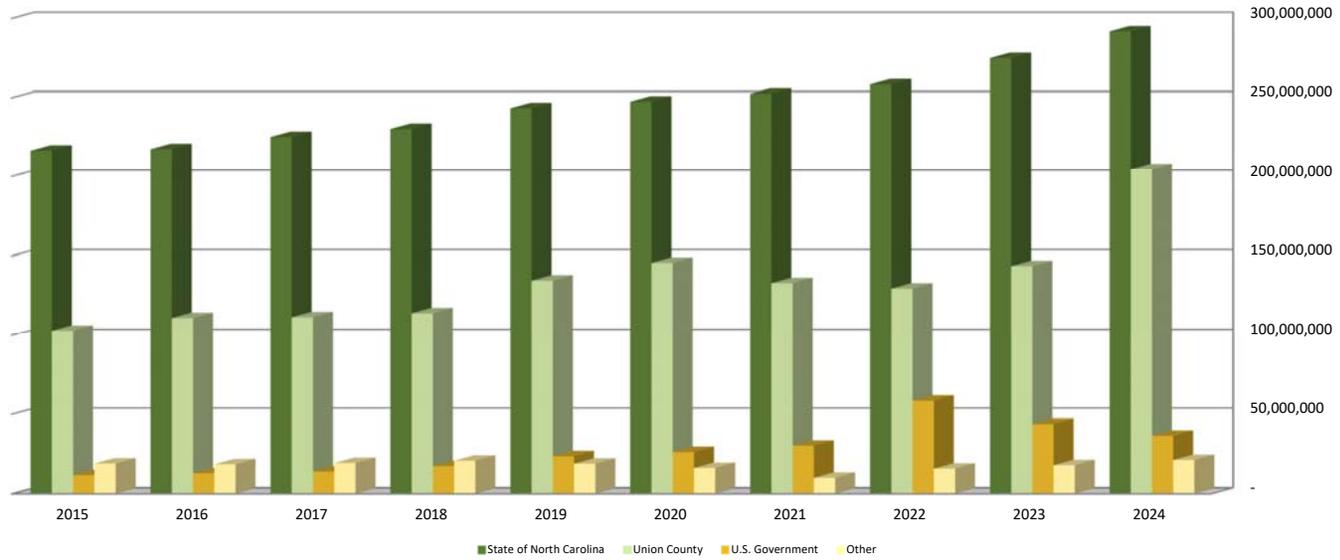
Source: Union County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2024.

UNION COUNTY BOARD OF EDUCATION
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

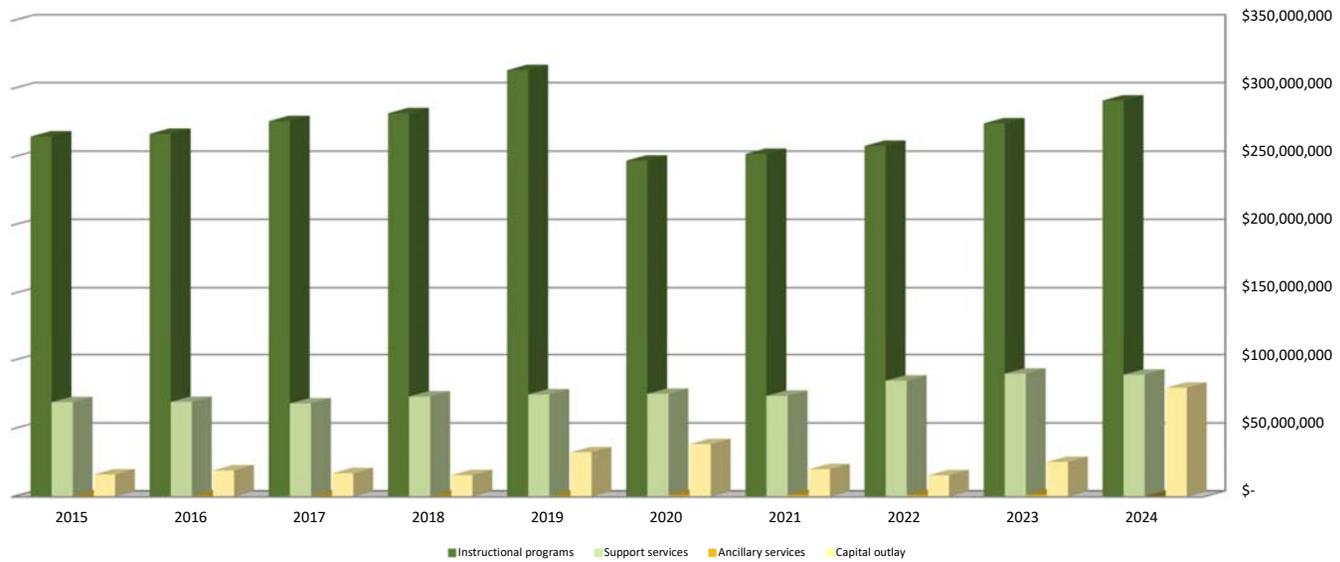
| Year Ended June 30 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-----------------------|---------------------|---------------------|-----------------------|-----------------------|
| Revenues | | | | | |
| State of North Carolina | 216,316,270 | 217,256,985 | 224,977,572 | 230,087,058 | \$ 243,174,564 |
| Union County | 102,782,945 | 110,831,819 | 111,359,717 | 113,850,566 | 134,360,350 |
| U.S. Government | 11,646,357 | 12,753,697 | 13,857,626 | 17,273,385 | 23,520,163 |
| Other | 18,890,358 | 18,439,176 | 19,225,140 | 20,705,694 | 18,825,096 |
| Total revenues | <u>349,635,930</u> | <u>359,281,677</u> | <u>369,420,055</u> | <u>381,916,703</u> | <u>419,880,173</u> |
| Expenditures | | | | | |
| Instructional programs | 265,034,347 | 267,072,697 | 276,401,599 | 282,174,501 | 313,511,999 |
| Support services | 69,185,492 | 69,402,493 | 68,249,693 | 73,356,072 | 74,907,525 |
| Ancillary services | 317,967 | 412,709 | 398,242 | 304,763 | 399,070 |
| Non-programmed charges | 3,676,088 | 4,135,017 | 6,336,270 | 8,230,767 | 8,979,126 |
| Debt service | | | | | |
| Principal retirement | 904,927 | 108,905 | 432,676 | 390,534 | 1,975,995 |
| Interest and fees | - | - | - | - | 181,782 |
| Capital outlay | 16,319,843 | 19,268,162 | 17,206,482 | 15,818,871 | 32,644,399 |
| Total expenditures | <u>355,438,664</u> | <u>360,399,983</u> | <u>369,024,962</u> | <u>380,275,508</u> | <u>432,599,896</u> |
| Excess of revenues over (under) expenditures | <u>(5,802,734)</u> | <u>(1,118,306)</u> | <u>395,093</u> | <u>1,641,195</u> | <u>(12,719,723)</u> |
| Other financing sources (uses) | | | | | |
| Installment purchase obligations issued | - | 604,188 | 957,948 | - | 8,081,823 |
| Transfers in (out) | 343,159 | (37,150) | 40,235 | 34,773 | (115,169) |
| Net change in fund balances | <u>\$ (5,459,575)</u> | <u>\$ (551,268)</u> | <u>\$ 1,393,276</u> | <u>\$ 1,675,968</u> | <u>\$ (4,753,069)</u> |
| Ratio of debt service expenditures to total noncapital expenditures | 0.26% | 0.03% | 0.12% | 0.11% | 0.52% |
| Year Ended June 30 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Revenues | | | | | |
| State of North Carolina | \$ 247,327,813 | \$ 252,253,566 | \$ 258,182,527 | \$ 274,756,110 | \$ 291,562,397 |
| Union County | 145,487,397 | 132,809,666 | 129,365,230 | 143,417,233 | 204,478,470 |
| U.S. Government | 26,195,246 | 30,127,633 | 58,322,123 | 43,807,666 | 36,387,973 |
| Other | 16,115,046 | 9,905,417 | 15,700,463 | 17,869,456 | 21,135,015 |
| Total revenues | <u>435,125,502</u> | <u>425,096,282</u> | <u>461,570,343</u> | <u>479,850,465</u> | <u>553,563,855</u> |
| Expenditures | | | | | |
| Instructional programs | 306,823,719 | 308,450,633 | 343,548,760 | 364,360,992 | 371,077,474 |
| Support Services | 75,320,334 | 73,872,638 | 85,047,924 | 90,211,499 | 89,464,790 |
| Ancillary services | 1,142,572 | 1,157,982 | 1,122,526 | 1,427,457 | 156,122 |
| Non-programmed charges | 9,832,101 | 10,754,603 | 11,268,483 | 12,555,797 | 13,551,859 |
| Debt service | | | | | |
| Principal retirement | 1,958,142 | 2,850,354 | 3,660,373 | 4,009,735 | 4,900,402 |
| Interest and fees | 175,542 | 181,597 | 116,900 | 125,971 | 448,437 |
| Capital outlay | 38,718,508 | 20,175,488 | 15,693,032 | 25,571,117 | 79,810,449 |
| Total expenditures | <u>433,970,918</u> | <u>417,443,295</u> | <u>460,457,998</u> | <u>498,262,568</u> | <u>559,409,533</u> |
| Excess of revenues over (under) expenditures | <u>1,154,584</u> | <u>7,652,987</u> | <u>1,112,345</u> | <u>(18,412,103)</u> | <u>(5,845,678)</u> |
| Other financing sources (uses) | | | | | |
| Installment purchase obligations issued | 3,489,673 | 855,309 | 1,918,302 | 15,121,471 | 2,332,992 |
| Transfers in (out) | (1,261,703) | (648,026) | (49,472) | (52,069) | (55,337) |
| Net change in fund balances | <u>\$ 3,382,554</u> | <u>\$ 7,860,270</u> | <u>\$ 2,981,175</u> | <u>\$ (3,342,701)</u> | <u>\$ (3,568,023)</u> |
| Ratio of debt service expenditures to total noncapital expenditures | 0.53% | 0.76% | 0.84% | 0.85% | 1.09% |

Source: Union County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2024.

Governmental Funds Revenues by Source



Expenditures by Function



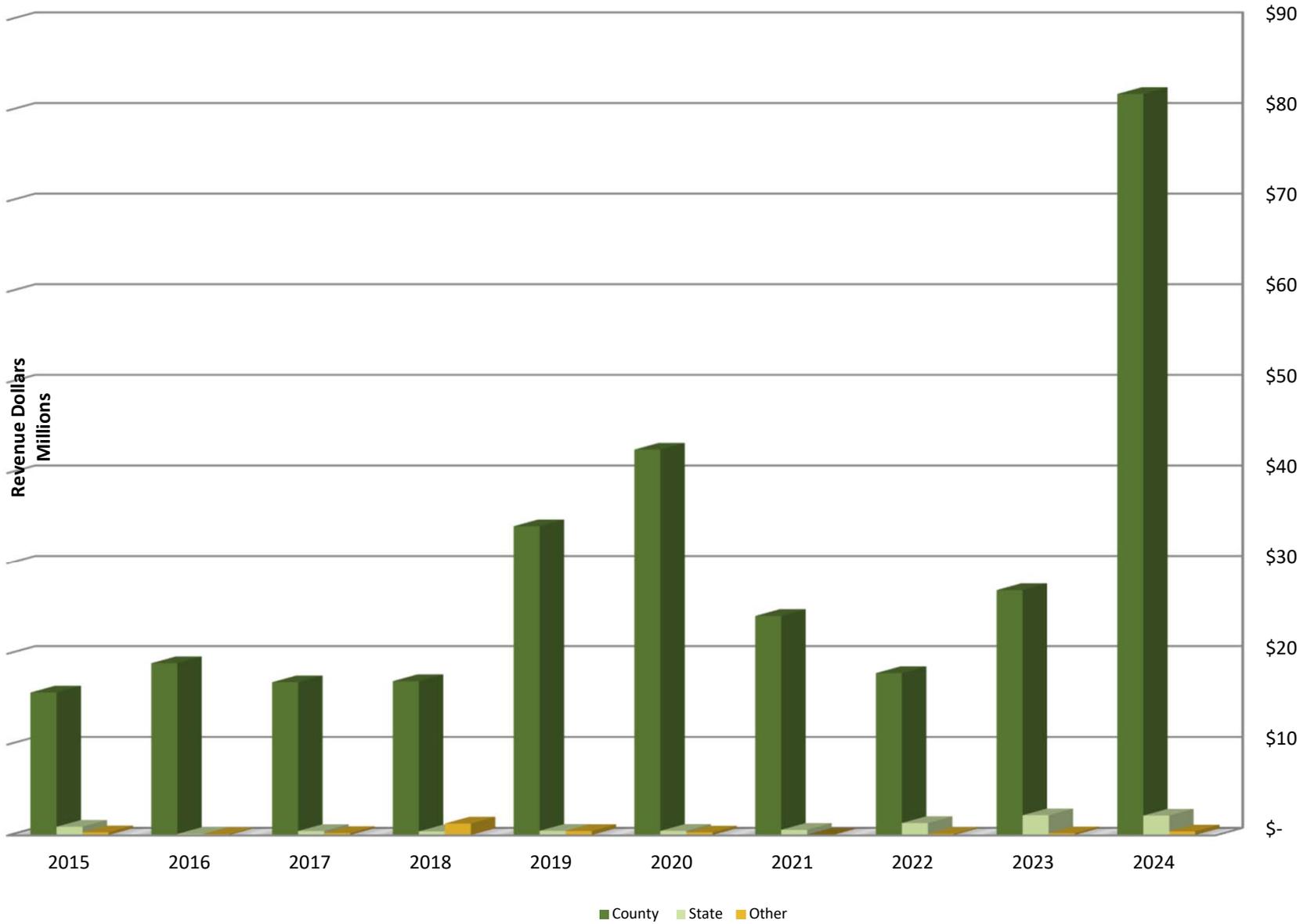
UNION COUNTY BOARD OF EDUCATION
Capital Project Revenues by Source
Last Ten Fiscal Years

| Expressed in Nominal Dollars | | | | | | | | | | |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Year ended June 30 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| County | \$ 15,685,061 | \$ 18,909,151 | \$ 16,814,882 | \$ 16,934,107 | \$ 34,086,582 | \$ 42,545,304 | \$ 24,113,621 | \$ 17,819,185 | \$ 26,967,076 | \$ 81,788,056 |
| State | 904,927 | 108,905 | 432,676 | 390,534 | 456,440 | 449,980 | 565,854 | 1,311,178 | 2,168,758 | 2,129,026 |
| Other | 280,280 | 86,466 | 210,822 | 1,261,173 | 435,215 | 272,917 | 2,482 | 105,233 | 179,103 | 386,532 |
| Totals | \$ 16,870,268 | \$ 19,104,522 | \$ 17,458,380 | \$ 18,585,814 | \$ 34,978,237 | \$ 43,268,201 | \$ 24,681,957 | \$ 19,235,596 | \$ 29,314,937 | \$ 84,303,614 |

| Expressed in Constant Dollars | | | | | | | | | | |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|---------------------|---------------------|---------------------|----------------------|
| Year ended June 30 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| County | \$ 6,507,298 | \$ 7,719,439 | \$ 6,672,863 | \$ 6,611,193 | \$ 13,222,257 | \$ 15,659,157 | \$ 8,137,943 | \$ 5,840,269 | \$ 8,583,457 | \$ 26,032,643 |
| State | 375,429 | 44,459 | 171,704 | 152,467 | 177,054 | 165,619 | 190,966 | 429,741 | 690,303 | 677,656 |
| Other | 116,280 | 35,299 | 83,663 | 492,371 | 168,821 | 100,449 | 838 | 34,490 | 57,007 | 123,031 |
| Totals | \$ 6,999,007 | \$ 7,799,197 | \$ 6,928,230 | \$ 7,256,031 | \$ 13,568,132 | \$ 15,925,225 | \$ 8,329,747 | \$ 6,304,500 | \$ 9,330,767 | \$ 26,833,330 |

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

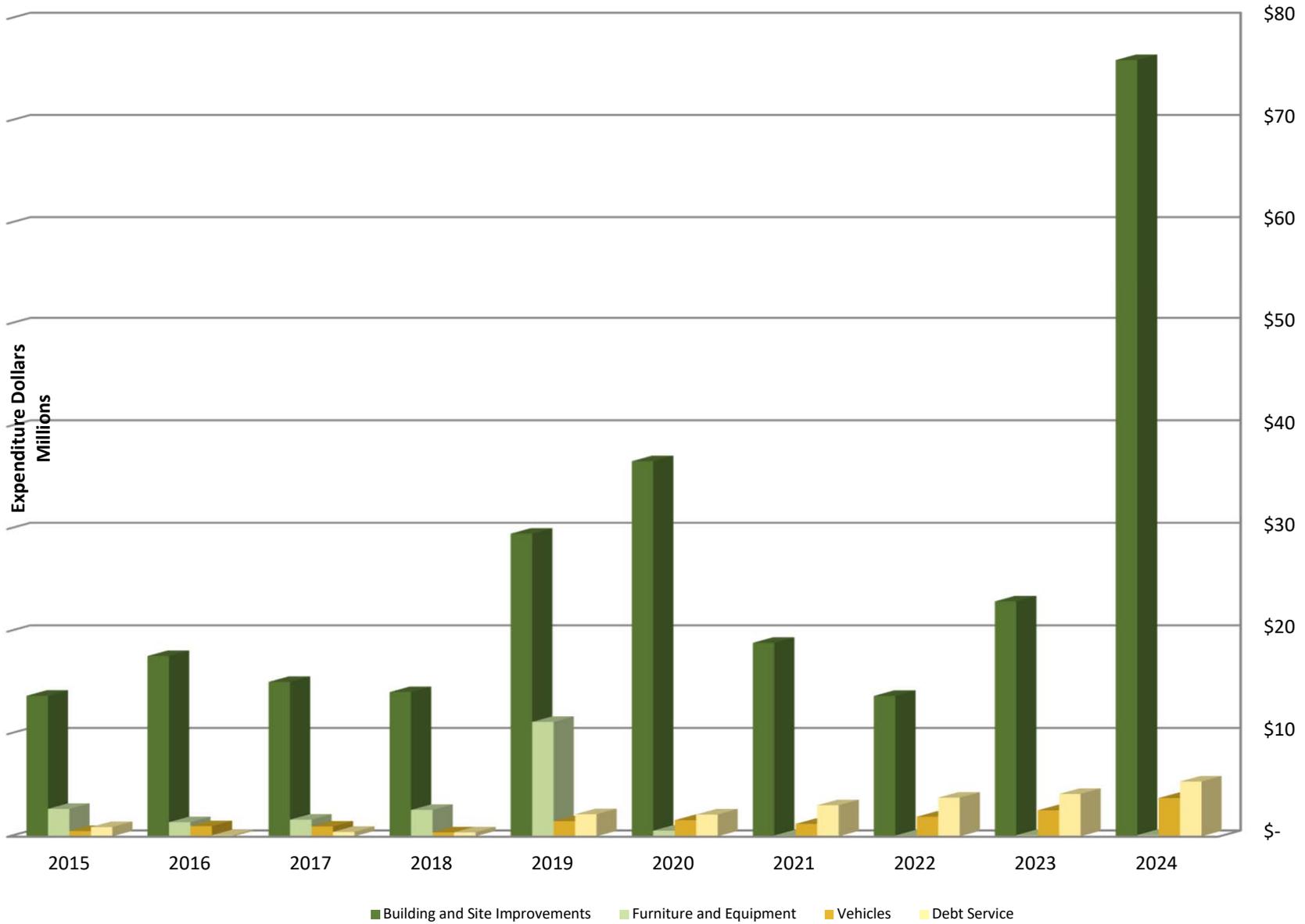
**Capital Project Expenditures by Function
Last Ten Fiscal Years**

| Expressed in Nominal Dollars | | | | | | | | | | |
|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Year ended June 30 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Building and Site | | | | | | | | | | |
| Improvements | \$ 13,707,205 | \$ 17,586,500 | \$ 15,058,664 | \$ 14,066,409 | \$ 29,516,094 | \$ 36,587,479 | \$ 18,871,315 | \$ 13,692,820 | \$ 22,913,554 | \$ 75,947,202 |
| Furniture and Equipment | 2,681,601 | 1,381,601 | 1,632,446 | 2,579,764 | 11,158,160 | 553,877 | 88,340 | 81,910 | 118,997 | 122,926 |
| Vehicles | 517,991 | 991,720 | 957,948 | 382,456 | 1,473,336 | 1,577,152 | 1,215,833 | 1,918,302 | 2,538,566 | 3,740,321 |
| Debt Service | 904,927 | 108,905 | 432,676 | 390,534 | 2,157,777 | 2,133,684 | 3,031,951 | 3,777,273 | 4,135,706 | 5,348,839 |
| Totals | <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> | <u>\$ 19,470,305</u> | <u>\$ 29,706,823</u> | <u>\$ 85,159,288</u> |

| Expressed in Constant Dollars | | | | | | | | | | |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|---------------------|---------------------|---------------------|----------------------|
| Year ended June 30 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Building and Site | | | | | | | | | | |
| Improvements | \$ 5,686,740 | \$ 7,179,482 | \$ 5,975,921 | \$ 5,491,623 | \$ 11,449,355 | \$ 13,466,330 | \$ 6,368,753 | \$ 4,487,845 | \$ 7,293,245 | \$ 24,173,534 |
| Furniture and Equipment | 1,112,522 | 564,022 | 647,824 | 1,007,158 | 4,328,274 | 203,859 | 29,813 | 26,846 | 37,876 | 39,127 |
| Vehicles | 214,900 | 404,858 | 380,155 | 149,313 | 571,510 | 580,484 | 410,323 | 628,727 | 808,010 | 1,190,522 |
| Debt Service | 375,429 | 44,459 | 171,704 | 152,467 | 837,006 | 785,320 | 1,023,233 | 1,238,008 | 1,316,370 | 1,702,503 |
| Totals | <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>\$ 7,832,122</u> | <u>\$ 6,381,426</u> | <u>\$ 9,455,501</u> | <u>\$ 27,105,686</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

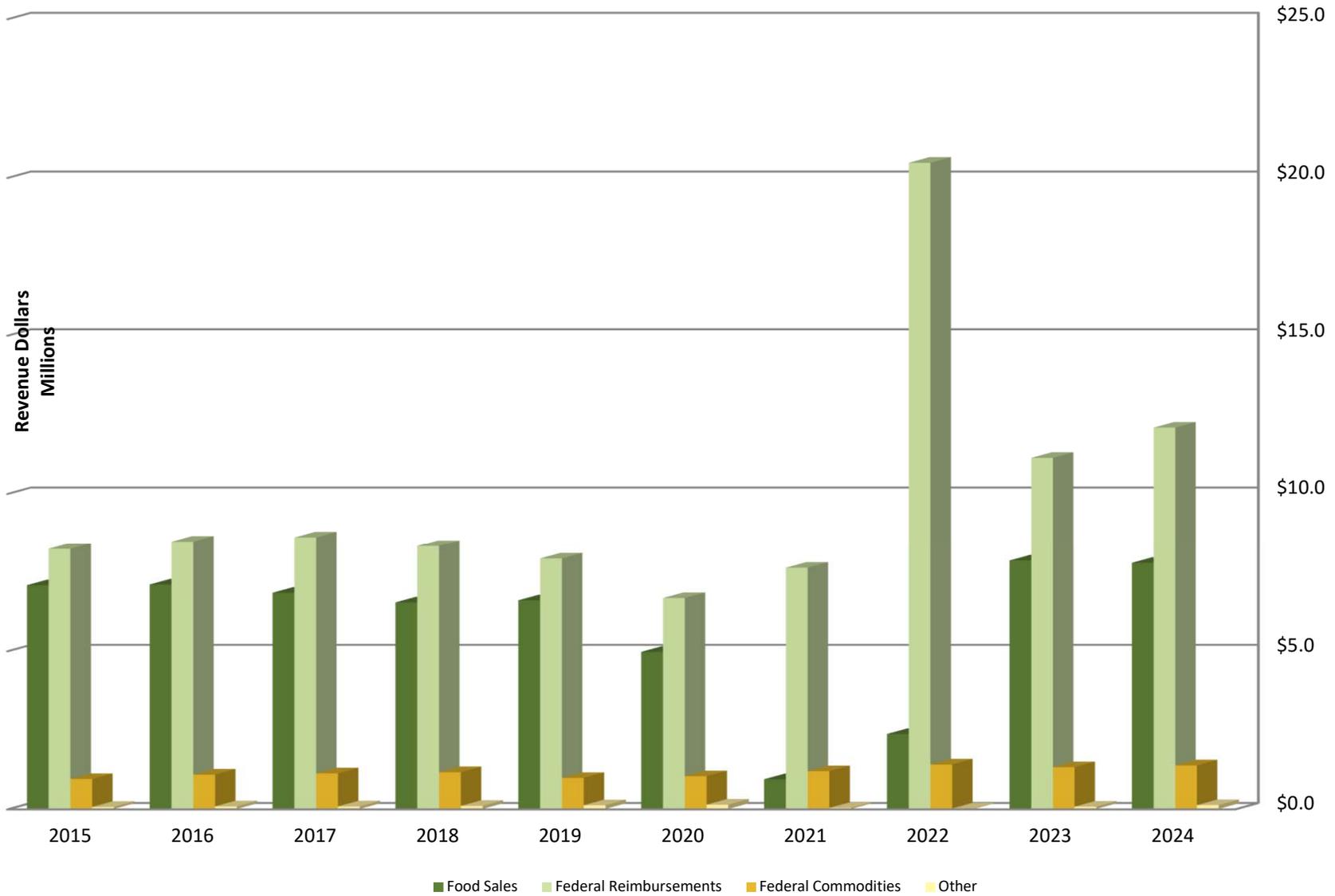
| Expressed in Nominal Dollars | | | | | | | | | | | |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|--|
| Year ended June 30 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | |
| Food Sales | \$ 7,078,823 | \$ 7,101,713 | \$ 6,839,980 | \$ 6,534,170 | \$ 6,600,918 | \$ 4,968,783 | \$ 939,030 | \$ 2,371,551 | \$ 7,861,668 | \$ 7,788,029 | |
| Federal Reimbursements | 8,236,724 | 8,472,614 | 8,606,855 | 8,329,591 | 7,926,468 | 6,671,516 | 7,632,912 | 20,463,891 | 11,126,920 | 12,082,177 | |
| Federal Commodities | 944,910 | 1,085,614 | 1,124,910 | 1,163,368 | 979,715 | 1,035,123 | 1,195,136 | 1,406,629 | 1,319,120 | 1,377,816 | |
| Other | 63,346 | 81,323 | 79,714 | 96,002 | 116,948 | 135,142 | 33,705 | 14,905 | 71,758 | 119,898 | |
| Totals | \$ 16,323,803 | \$ 16,741,264 | \$ 16,651,459 | \$ 16,123,131 | \$ 15,624,049 | \$ 12,810,564 | \$ 9,800,783 | \$ 24,256,976 | \$ 20,379,466 | \$ 21,367,920 | |

| Expressed in Constant Dollars | | | | | | | | | | | |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--|
| Year ended June 30 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | |
| Food Sales | \$ 2,936,808 | \$ 2,899,191 | \$ 2,714,396 | \$ 2,550,985 | \$ 2,560,510 | \$ 1,828,802 | \$ 316,907 | \$ 777,280 | \$ 2,502,321 | \$ 2,478,882 | |
| Federal Reimbursements | 3,417,189 | 3,458,845 | 3,415,568 | 3,251,930 | 3,074,694 | 2,455,508 | 2,575,980 | 6,707,076 | 3,541,631 | 3,845,684 | |
| Federal Commodities | 392,017 | 443,189 | 446,412 | 454,187 | 380,034 | 380,986 | 403,338 | 461,025 | 419,868 | 438,550 | |
| Other | 26,281 | 33,199 | 31,634 | 37,480 | 45,364 | 49,740 | 11,375 | 4,885 | 22,840 | 38,163 | |
| Totals | \$ 6,772,295 | \$ 6,834,424 | \$ 6,608,010 | \$ 6,294,582 | \$ 6,060,602 | \$ 4,715,036 | \$ 3,307,600 | \$ 7,950,266 | \$ 6,486,660 | \$ 6,801,279 | |

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



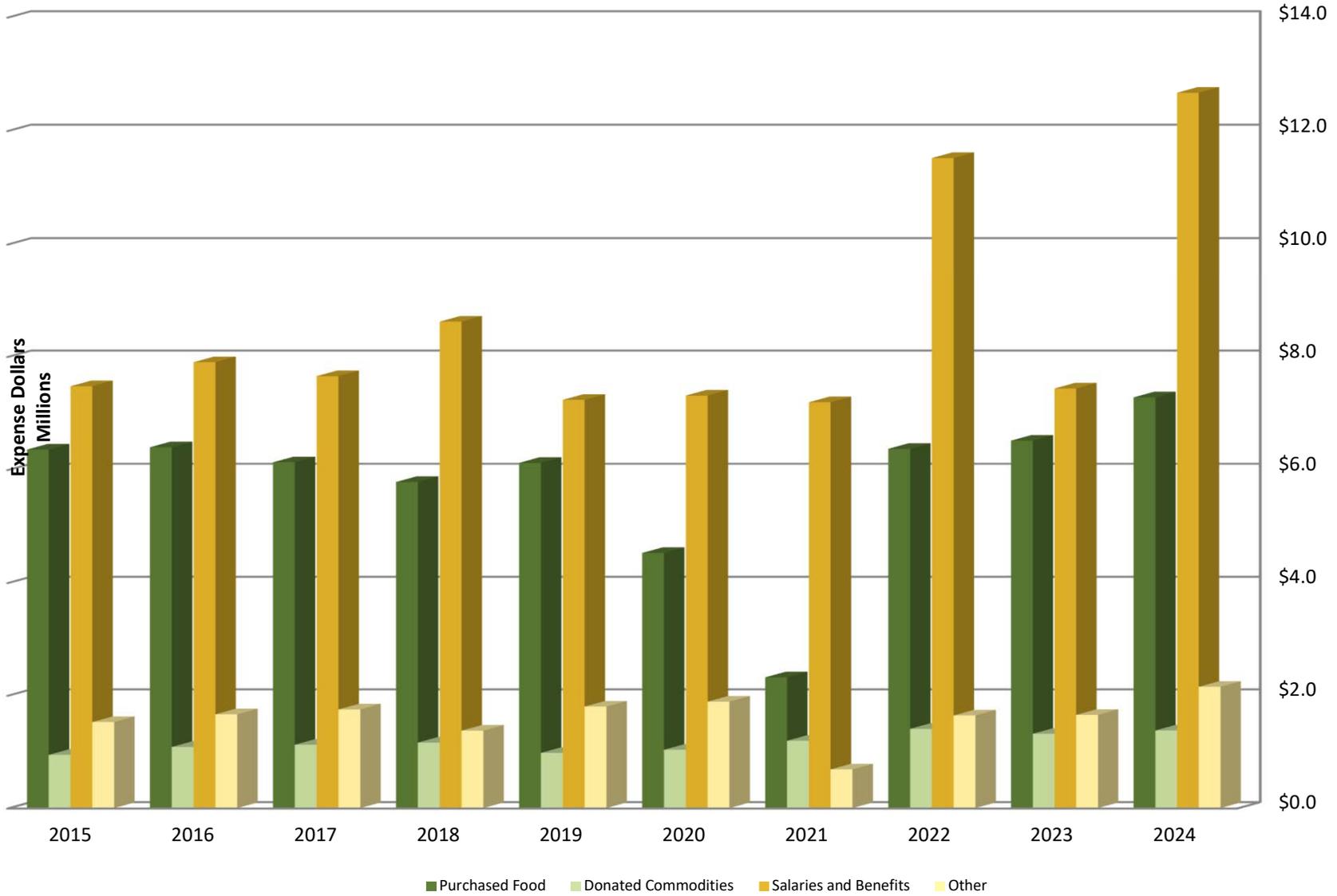
UNION COUNTY BOARD OF EDUCATION
Proprietary Fund - Food Services Operations
Expenses by Category
Last Ten Fiscal Years

| Expressed in Nominal Dollars | | | | | | | | | | | |
|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--|
| Year ended June 30 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | |
| Purchased Food | \$ 6,356,541 | \$ 6,398,023 | \$ 6,131,869 | \$ 5,784,007 | \$ 6,121,769 | \$ 4,528,935 | \$ 2,321,094 | \$ 6,370,260 | \$ 6,515,375 | \$ 7,279,687 | |
| Donated Commodities | 944,910 | 1,085,614 | 1,124,910 | 1,163,368 | 979,715 | 1,035,123 | 1,195,136 | 1,406,629 | 1,319,120 | 1,377,816 | |
| Salaries and Benefits | 7,476,653 | 7,901,401 | 7,654,842 | 8,618,371 | 7,235,857 | 7,311,434 | 7,193,576 | 11,518,511 | 7,436,953 | 12,668,999 | |
| Other | 1,527,774 | 1,665,195 | 1,751,086 | 1,374,886 | 1,801,768 | 1,890,150 | 686,755 | 1,644,310 | 1,654,338 | 2,152,488 | |
| Totals | \$ 16,305,878 | \$ 17,050,233 | \$ 16,662,707 | \$ 16,940,632 | \$ 16,139,109 | \$ 14,765,642 | \$ 11,396,561 | \$ 20,939,710 | \$ 16,925,786 | \$ 23,478,990 | |

| Expressed in Constant Dollars | | | | | | | | | | | |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--|
| Year ended June 30 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | |
| Purchased Food | \$ 2,637,153 | \$ 2,611,918 | \$ 2,433,388 | \$ 2,258,116 | \$ 2,374,647 | \$ 1,666,913 | \$ 783,330 | \$ 2,087,864 | \$ 2,073,804 | \$ 2,317,080 | |
| Donated Commodities | 392,017 | 443,189 | 446,412 | 454,187 | 380,034 | 380,986 | 403,338 | 461,025 | 419,868 | 438,550 | |
| Salaries and Benefits | 3,101,857 | 3,225,654 | 3,037,768 | 3,364,672 | 2,806,804 | 2,691,035 | 2,427,711 | 3,775,212 | 2,367,137 | 4,032,466 | |
| Other | 633,831 | 679,796 | 694,906 | 536,765 | 698,910 | 695,686 | 231,768 | 538,925 | 526,566 | 685,124 | |
| Totals | \$ 6,764,858 | \$ 6,960,557 | \$ 6,612,474 | \$ 6,613,740 | \$ 6,260,395 | \$ 5,434,620 | \$ 3,846,147 | \$ 6,863,026 | \$ 5,387,375 | \$ 7,473,220 | |

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

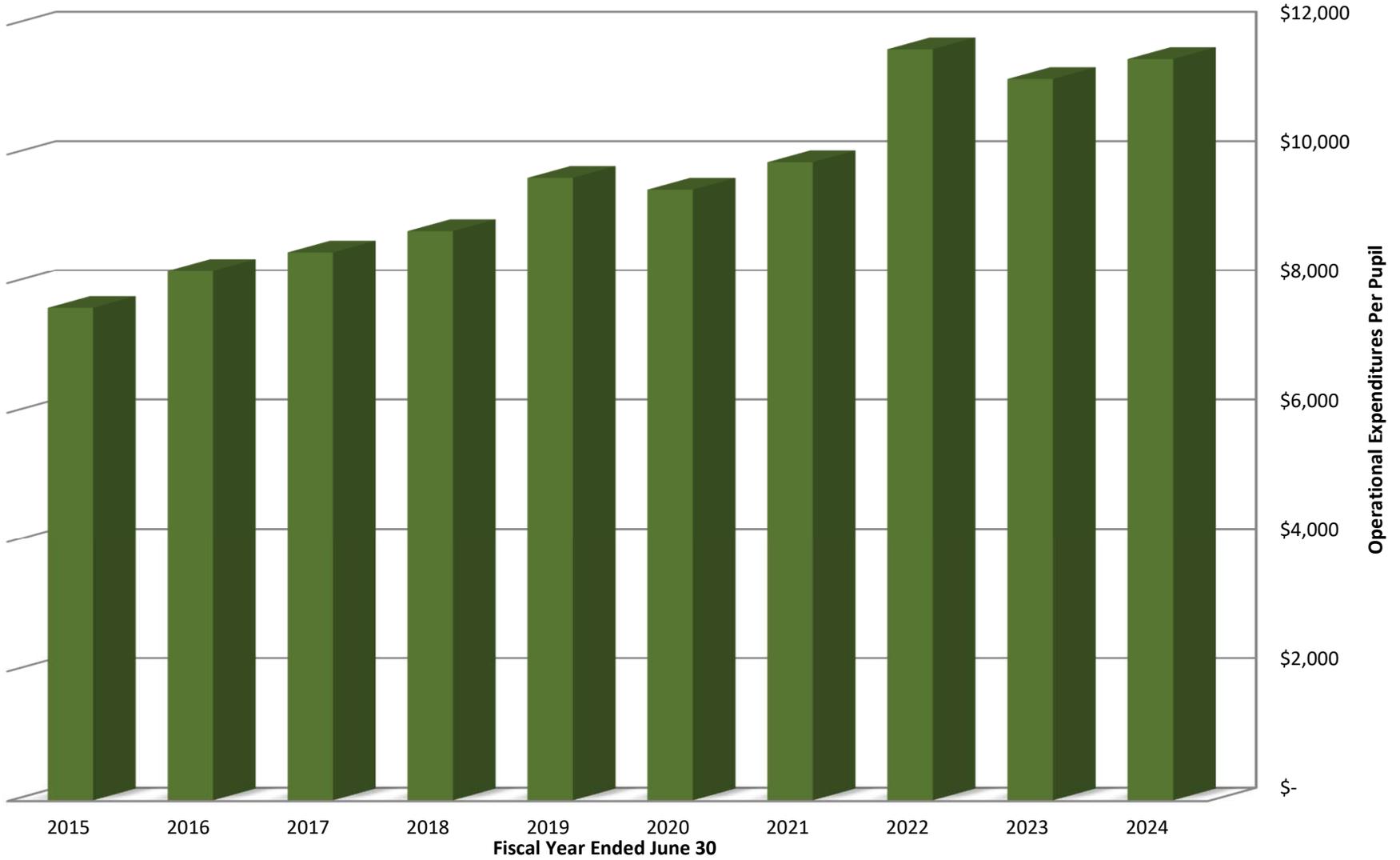
| Expressed in Nominal Dollars | | | | | | | | | | |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|
| Year ended June 30 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Final Avg. Daily Membership | 41,296 | 41,873 | 41,393 | 41,306 | 41,201 | 41,394 | 39,727 | 40,284 | 41,210 | 41,345 |
| Instructional | \$ 5,882 | \$ 6,414 | \$ 6,661 | \$ 6,821 | \$ 7,580 | \$ 7,358 | \$ 7,708 | \$ 9,029 | \$ 8,651 | \$ 8,968 |
| Support | 1,620 | 1,665 | 1,649 | 1,776 | 1,818 | 1,820 | 1,860 | 2,239 | 2,171 | 2,164 |
| Ancillary | 10 | 8 | 10 | 7 | 10 | 28 | 29 | 35 | 4 | 4 |
| Non-programmed charges | 94 | 99 | 153 | 199 | 218 | 238 | 271 | 312 | 329 | 328 |
| Totals | \$ 7,606 | \$ 8,186 | \$ 8,473 | \$ 8,803 | \$ 9,626 | \$ 9,444 | \$ 9,868 | \$ 11,615 | \$ 11,155 | \$ 11,464 |

| Expressed in Constant Dollars | | | | | | | | | | |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Year ended June 30 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Instructional | \$ 2,440 | \$ 2,618 | \$ 2,643 | \$ 2,663 | \$ 2,940 | \$ 2,708 | \$ 2,601 | \$ 2,959 | \$ 2,754 | \$ 2,854 |
| Support | 672 | 680 | 654 | 693 | 705 | 670 | 628 | 734 | 691 | 689 |
| Ancillary | 4 | 3 | 4 | 3 | 4 | 10 | 10 | 11 | 1 | 1 |
| Non-programmed charges | 39 | 40 | 61 | 78 | 85 | 88 | 91 | 102 | 105 | 104 |
| Totals | \$ 3,155 | \$ 3,341 | \$ 3,362 | \$ 3,437 | \$ 3,734 | \$ 3,476 | \$ 3,330 | \$ 3,806 | \$ 3,551 | \$ 3,648 |

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

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).

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

| Year Ended June 30 | Minimum | Maximum |
|-----------------------|-----------|-------------|
| 2024 | \$ 44,086 | \$ 77,946 * |
| 2023 | 41,916 | 76,566 * |
| 2022 | 40,046 | 75,046 * |
| 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 ** |

* 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, 2024

| <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> |
|---------------------------|-------------------|------------------------|------------------------------------|------------------------------------|---|--------------------------------------|
| Elementary Schools | | | | | | |
| Antioch | K-5 | 757 | 850 | 112% | 20 | 2004 |
| Benton Heights | K-5 | 654 | 449 | 69% | 100 | 1924 |
| East | K-5 | 532 | 390 | 73% | 74 | 1950 |
| Fairview | K-5 | 631 | 390 | 62% | 23 | 2001 |
| Hemby Bridge | K-5 | 525 | 488 | 93% | 51 | 1973 |
| Indian Trail | K-5 | 642 | 606 | 94% | 84 | 1940 |
| Kensington | K-5 | 746 | 978 | 131% | 19 | 2005 |
| Marshville | K-5 | 460 | 422 | 92% | 79 | 1945 |
| Marvin | K-5 | 728 | 711 | 98% | 22 | 2002 |
| New Salem | K-5 | 277 | 244 | 88% | 75 | 1949 |
| New Town | K-5 | 728 | 727 | 100% | 17 | 2007 |
| Poplin | K-5 | 746 | 769 | 103% | 15 | 2009 |
| Porter Ridge | K-5 | 688 | 723 | 105% | 20 | 2004 |
| Prospect | K-5 | 494 | 365 | 74% | 71 | 1953 |
| Rea View | K-5 | 728 | 594 | 82% | 17 | 2007 |
| Rock Rest | K-5 | 538 | 418 | 78% | 18 | 2006 |
| Rocky River | K-5 | 660 | 513 | 78% | 17 | 2007 |
| Sandy Ridge | K-5 | 704 | 573 | 81% | 19 | 2005 |
| Sardis | K-5 | 525 | 471 | 90% | 27 | 1997 |
| Shiloh Valley ES | K-5 | 844 | 550 | 65% | 32 | 1992 |
| Shiloh Valley PS | K-5 | 641 | 612 | 95% | 16 | 2008 |
| Stallings | K-5 | 750 | 773 | 103% | 16 | 2008 |
| Union | K-5 | 368 | 278 | 76% | 32 | 1992 |
| Unionville | K-5 | 668 | 699 | 105% | 79 | 1945 |
| Walter Bickett | K-5 | 784 | 455 | 58% | 22 | 2002 |
| Waxhaw | K-5 | 653 | 631 | 97% | 32 | 1992 |
| Weddington | K-5 | 701 | 664 | 95% | 27 | 1997 |
| Wesley Chapel | K-5 | 575 | 766 | 133% | 67 | 1957 |
| Western Union | K-5 | 601 | 586 | 98% | 69 | 1955 |
| Wingate | K-5 | 460 | 375 | 82% | 71 | 1953 |
| Middle Schools | | | | | | |
| Cuthbertson | 6-8 | 1320 | 1339 | 101% | 15 | 2009 |
| East Union | 6-8 | 1060 | 686 | 65% | 72 | 1952 |
| Marvin Ridge | 6-8 | 1408 | 1310 | 93% | 17 | 2007 |
| Monroe | 6-8 | 1128 | 860 | 76% | 49 | 1975 |
| Parkwood | 6-8 | 984 | 827 | 84% | 49 | 1975 |
| Piedmont | 6-8 | 988 | 992 | 100% | 49 | 1975 |
| Porter Ridge | 6-8 | 1454 | 1378 | 95% | 19 | 2005 |
| Sun Valley | 6-8 | 1180 | 931 | 79% | 49 | 1975 |
| Weddington | 6-8 | 1216 | 1402 | 115% | 26 | 1998 |

UNION COUNTY BOARD OF EDUCATION

School Building Data (Continued)

June 30, 2024

| Campus | Grade Span | School Capacity | Final Avg. Daily Membership | Percentage of Capacity Used | Age of Original Construction | Date of Original Construction |
|--|---------------|--------------------|-----------------------------------|--------------------------------|------------------------------------|-------------------------------------|
| High Schools | | | | | | |
| Cuthbertson | 9-12 | 1794 | 1884 | 105% | 15 | 2009 |
| Early College ⁽¹⁾ | 9-13 | N/A | 328 | N/A | N/A | N/A |
| Forest Hills | 9-12 | 1448 | 907 | 63% | 64 | 1960 |
| Marvin Ridge | 9-12 | 1848 | 2044 | 111% | 17 | 2007 |
| Monroe | 9-12 | 1440 | 1088 | 76% | 64 | 1960 |
| Parkwood | 9-12 | 1376 | 1027 | 75% | 63 | 1961 |
| Piedmont | 9-12 | 1600 | 1266 | 79% | 64 | 1960 |
| Porter Ridge | 9-12 | 1812 | 1747 | 96% | 19 | 2005 |
| Sun Valley | 9-12 | 1614 | 1354 | 84% | 64 | 1960 |
| Weddington | 9-12 | 1794 | 1852 | 103% | 24 | 2000 |
| Alternative Schools | | | | | | |
| Central Academy | 9-12 | 1504 | 841 | 56% | 49 | 1975 |
| South Providence | 6-12 | 140 | 137 | 98% | 82 | 1942 |
| Wolfe Develop. Center/ Trainable School | K-12 | 140 | 108 | 77% | 15 | 2009 |

N/A = Not Applicable

Source: Union County Public Schools N. C. Public Schools Facility Needs Report; 2024

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

| Year Ended June 30 | Capitalized Leases | Installment Purchases | Total Primary Government | Percentage of Personal Income | Per Capita |
|-------------------------------|-------------------------------|----------------------------------|-------------------------------------|--|-----------------------|
| 2024 | \$ - | \$ 13,074,590 | \$ 13,074,590 | N/A | \$ 51 |
| 2023 | - | 15,642,000 | 15,642,000 | N/A | 61 |
| 2022 | - | 4,530,264 | 4,530,264 | 0.03% | 18 |
| 2021 | - | 6,272,335 | 6,272,335 | 0.04% | 25 |
| 2020 | - | 8,267,380 | 8,267,380 | 0.05% | 34 |
| 2019 | - | 6,735,849 | 6,735,849 | 0.05% | 28 |
| 2018 | - | 630,021 | 630,021 | 0.00% | 3 |
| 2017 | - | 1,020,555 | 1,020,555 | 0.00% | 20 |
| 2016 | - | 495,283 | 495,283 | 0.00% | 2 |
| 2015 | - | - | - | 0.00% | - |

N/A = Not available

Source: Union County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2024.

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, 2024 and June 30, 2023 income based information will be shown above as "N/A", and the June 30, 2023 information will be reported for the year ended June 30, 2025, if applicable.

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

Expressed in Nominal Dollars

| Fiscal Year Ended June 30 | Ad Valorem Taxes | Other Taxes | Inter-Governmental Revenues | Licenses and Permits | Sales and Service | Investment Earnings | Miscellaneous | Total |
|----------------------------------|-------------------------|--------------------|------------------------------------|-----------------------------|--------------------------|----------------------------|----------------------|----------------|
| 2024 | \$ 251,588,359 | \$ 79,550,774 | \$ 55,738,240 | \$ 5,391,603 | \$ 6,752,600 | \$ 21,739,972 | \$ 14,256,598 | \$ 435,018,146 |
| 2023 | 240,745,881 | 78,365,081 | 69,741,940 | 5,843,350 | 6,223,783 | 10,695,931 | 12,268,703 | 423,884,669 |
| 2022 | 230,583,439 | 75,417,694 | 53,207,574 | 7,616,113 | 9,026,258 | (984,026) | 9,932,134 | 384,799,186 |
| 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 |

Expressed in Constant Dollars

| Fiscal Year Ended June 30 | Ad Valorem Taxes | Other Taxes | Inter-Governmental Revenues | Licenses and Permits | Sales and Service | Investment Earnings | Miscellaneous | Total |
|----------------------------------|-------------------------|--------------------|------------------------------------|-----------------------------|--------------------------|----------------------------|----------------------|----------------|
| 2024 | \$ 80,079,051 | \$ 25,320,530 | \$ 17,741,144 | \$ 1,716,115 | \$ 2,149,312 | \$ 6,919,701 | \$ 4,537,789 | \$ 138,463,642 |
| 2023 | 76,627,956 | 24,943,131 | 22,198,437 | 1,859,903 | 1,980,992 | 3,404,450 | 3,905,054 | 134,919,923 |
| 2022 | 75,574,119 | 24,718,279 | 17,438,874 | 2,496,194 | 2,958,372 | (322,516) | 3,255,274 | 126,118,596 |
| 2021 | 73,186,998 | 21,553,379 | 17,763,179 | 2,354,294 | 1,623,273 | 6,316 | 3,366,838 | 119,854,276 |
| 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 |

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, 2024.

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 |
|----------------------------------|---------------------------|----------------------|-----------------------|--|-----------------------|------------------|-------------------------------|---------------------|----------------|
| 2024 | \$ 38,764,658 | \$ 96,925,579 | \$ 10,730,289 | \$ 4,987,188 | \$ 59,920,506 | \$ 127,350,720 | \$ 9,530,012 | \$ 51,138,019 | \$ 399,346,971 |
| 2023 | 34,581,334 | 90,896,342 | 47,992,142 | 5,180,105 | 59,508,046 | 121,632,240 | 7,906,109 | 49,603,377 | 417,299,695 |
| 2022 | 31,058,589 | 77,954,992 | 55,984,248 | 6,032,724 | 55,889,295 | 115,534,483 | 7,471,269 | 49,709,511 | 399,635,111 |
| 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 |

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 |
|----------------------------------|---------------------------|----------------------|-----------------------|--|-----------------------|------------------|-------------------------------|---------------------|----------------|
| 2024 | \$ 12,338,556 | \$ 30,850,825 | \$ 3,415,386 | \$ 1,587,392 | \$ 19,072,334 | \$ 40,534,963 | \$ 3,033,345 | \$ 16,276,922 | \$ 127,109,723 |
| 2023 | 11,007,029 | 28,931,755 | 15,275,608 | 1,648,796 | 18,941,051 | 38,714,805 | 2,516,467 | 15,788,455 | 136,770,693 |
| 2022 | 10,179,506 | 25,549,883 | 18,348,934 | 1,977,236 | 18,317,813 | 37,866,626 | 2,448,721 | 16,292,378 | 134,870,157 |
| 2021 | 8,908,927 | 23,808,422 | 16,563,212 | 1,566,038 | 18,706,714 | 38,101,775 | 2,257,956 | 16,882,464 | 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 |

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, 2024.

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 |
| 2024 | \$ 236,177,952 | \$ 236,177,952 | 100.0% |
| 2023 | 225,998,455 | 225,998,455 | 100.0% |
| 2022 | 216,861,058 | 216,770,532 | 100.0% |
| 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% |

| Expressed in Constant Dollars | | |
|---------------------------------|----------------|----------------------------|
| Fiscal Year Ended June 30 | Total Tax Levy | Current Tax Collections |
| 2024 | \$ 75,174,012 | \$ 75,174,012 |
| 2023 | 71,933,940 | 71,933,940 |
| 2022 | 71,076,585 | 71,046,915 |
| 2021 | 69,009,545 | 69,013,994 |
| 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 |

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, 2024.

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

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Population (1) | 215,956 | 220,546 | 224,029 | 231,366 | 237,477 | 239,859 | 242,657 | 247,058 | 254,070 | 257,682 |
| Per Capita Income (2) | \$ 46,456 | \$ 47,729 | \$ 49,709 | \$ 51,802 | \$ 53,417 | \$ 56,820 | \$ 64,278 | \$ 67,641 | N/A | N/A |
| Retail Sales (5) (000's omitted) | \$ 1,610,426 | \$ 1,799,712 | \$ 2,018,468 | \$ 2,068,107 | \$ 2,191,524 | \$ 2,326,821 | \$ 2,869,555 | \$ 3,381,460 | \$ 3,652,424 | \$ 3,749,152 |
| Final Avg. Daily Membership (3) | 41,296 | 41,873 | 41,393 | 41,306 | 41,201 | 41,394 | 39,727 | 40,284 | 41,210 | 41,345 |
| Unemployment Rate (4) | 5.3% | 4.3% | 4.0% | 3.6% | 3.9% | 7.2% | 4.0% | 3.5% | 3.1% | 3.6% |

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, 2024.

Union County, North Carolina
Top Ten Principal Taxpayers
For Year Ended June 30, 2024

| Taxpayer | Type of Business | June 30, 2024 | | | June 30, 2015 | | |
|--------------------------------------|------------------|--------------------------|------|--|--------------------------|------|--|
| | | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Allegheny Technologies, Inc. | Manufacturing | \$ 341,748,740 | 1 | 0.85% | \$ 179,563,848 | 1 | 0.73% |
| Charlotte Pipe & Foundry Company | Manufacturing | 185,322,339 | 2 | 0.46% | 109,562,542 | 3 | 0.44% |
| Duke Power Company | Utility | 181,946,858 | 3 | 0.45% | 89,193,769 | 4 | 0.36% |
| Union Electric Membership Corp | Utility | 178,310,156 | 4 | 0.44% | 122,418,514 | 2 | 0.50% |
| Piedmont Natural Gas Co. Inc. | Utility | 126,072,252 | 5 | 0.31% | 53,976,586 | 6 | 0.22% |
| Tyson Foods Inc Processing Plant | Processing | 114,519,140 | 6 | 0.29% | - | - | - |
| AMH NC Properties LP | Home Rentals | 76,227,800 | 7 | 0.19% | - | - | - |
| Consolidated Metco Inc. | Manufacturing | 65,585,561 | 8 | 0.16% | - | - | - |
| Utility Lines Construction Services | Utility | 61,106,805 | 9 | 0.15% | - | - | - |
| M/I Homes of Charlotte LLC | Home Builder | 59,994,600 | 10 | 0.15% | - | - | - |
| Pee Dee EMC | Utility | - | - | - | 57,796,898 | 5 | 0.23% |
| Lennar Carolinas LLC | Home Builder | - | - | - | 39,777,680 | 7 | 0.16% |
| AEP Industries Inc. | Manufacturing | - | - | - | 39,238,593 | 8 | 0.16% |
| Wal-Mart Real Estate Business | Retail | - | - | - | 35,926,610 | 9 | 0.15% |
| WSLD Millbridge VI LLC | Poultry | - | - | - | 34,336,550 | 10 | 0.14% |
| | | <u>\$ 1,390,834,251</u> | | <u>3.45%</u> | <u>\$ 761,791,590</u> | | <u>3.09%</u> |
| Total County-Wide Assessed Valuation | | <u>\$ 40,138,619,953</u> | | | <u>\$ 24,629,644,596</u> | | |

Source: Union County, North Carolina Comprehensive Annual Financial Report for the year ended June 30, 2024.

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

| Fiscal Year Ended June 30 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Union County | | | | | | | | | | |
| County-wide rate | 0.7614 | 0.7765 | 0.7665 | 0.7810 | 0.7309 | 0.7309 | 0.7309 | 0.5880 | 0.5880 | 0.5880 |
| Supplemental School Districts (Approved by the Voters) | | | | | | | | | | |
| Monroe Schools District | - | - | - | - | - | - | - | - | - | - |
| County Schools District | - | - | - | - | - | - | - | - | - | - |
| Supplemental Fire Districts | | | | | | | | | | |
| Allens Crossroads VFD | - | - | - | - | - | - | 0.0838 | 0.0700 | 0.0689 | 0.0689 |
| Bakers VFD | - | - | - | - | - | - | 0.0531 | 0.0335 | 0.0343 | 0.0522 |
| Beaver Lane VFD | - | - | - | - | - | - | 0.0843 | 0.0644 | 0.0671 | 0.0671 |
| Fairview VFD | - | - | - | - | - | - | 0.0517 | 0.0510 | 0.0503 | 0.0503 |
| Griffith VFD | - | - | - | - | - | - | 0.0507 | 0.0215 | 0.0200 | 0.0200 |
| Hemby VFD | 0.0526 | 0.0512 | 0.0485 | 0.0503 | 0.0488 | 0.0488 | 0.0487 | 0.0441 | 0.0441 | 0.0441 |
| Jackson VFD | - | - | - | - | - | - | 0.0404 | 0.0288 | 0.0399 | 0.0399 |
| Lanes Creek VFD | - | - | - | - | - | - | 0.0792 | 0.0568 | 0.0546 | 0.0546 |
| New Salem VFD | - | - | - | - | - | - | 0.0569 | 0.0396 | 0.0384 | 0.0384 |
| Providence VFD | - | - | - | - | - | - | 0.0392 | 0.0361 | 0.0375 | 0.0375 |
| Sandy Ridge VFD | - | - | - | - | - | - | 0.0584 | 0.0385 | 0.0329 | 0.0329 |
| Springs VFD | 0.0483 | 0.0474 | 0.0437 | 0.0567 | 0.0552 | 0.0552 | 0.0403 | 0.0422 | 0.0464 | 0.0464 |
| Stack VFD | - | - | - | - | - | - | 0.0611 | 0.0455 | 0.0348 | 0.0348 |
| Stallings VFD | 0.0428 | 0.0509 | 0.0503 | 0.0503 | 0.0502 | 0.0502 | 0.0548 | 0.0472 | 0.0478 | 0.0478 |
| Unionville VFD | - | - | - | - | - | - | 0.0451 | 0.0616 | 0.0614 | 0.0614 |
| Waxhaw VFD | 0.0386 | 0.0380 | 0.0357 | 0.0413 | 0.0545 | 0.0545 | 0.0526 | 0.0403 | 0.0419 | 0.0419 |
| Wesley Chapel VFD | 0.0281 | 0.0282 | 0.0293 | 0.0293 | 0.0354 | 0.0354 | 0.0392 | 0.0361 | 0.0375 | 0.0375 |
| Wingate VFD | - | - | - | - | - | - | 0.0817 | 0.0633 | 0.0670 | 0.0670 |
| Total County Rates | | | | | | | | | | |
| Maximum | 0.8140 | 0.8277 | 0.8168 | 0.8377 | 0.7861 | 0.7861 | 0.8152 | 0.6524 | 0.6551 | 0.6551 |
| Minimum | 0.7614 | 0.7765 | 0.7665 | 0.7810 | 0.7309 | 0.7309 | 0.7309 | 0.5880 | 0.5880 | 0.5880 |
| Average | 0.7877 | 0.8021 | 0.7917 | 0.8094 | 0.7585 | 0.7585 | 0.7731 | 0.6202 | 0.6216 | 0.6216 |
| Cities and Towns | | | | | | | | | | |
| City of Monroe | 0.5550 | 0.5863 | 0.5863 | 0.5863 | 0.6163 | 0.6163 | 0.6163 | 0.5025 | 0.5025 | 0.5025 |
| Downtown Monroe District | 0.2000 | 0.2190 | 0.2190 | 0.2190 | 0.2190 | 0.2190 | 0.2190 | 0.1950 | 0.1950 | 0.1950 |
| 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 | 0.1850 | 0.1850 | 0.1850 | 0.1850 | 0.1850 | 0.1850 | 0.1850 | 0.1850 | 0.1850 | 0.1850 |
| Town of Marshville | 0.4800 | 0.4800 | 0.4800 | 0.5100 | 0.5100 | 0.5100 | 0.5100 | 0.4900 | 0.4900 | 0.4900 |
| Town of Mineral Springs | 0.0250 | 0.0250 | 0.0250 | 0.0250 | 0.0250 | 0.0250 | 0.0250 | 0.0210 | 0.0210 | 0.0210 |
| Town of Mint Hill | - | - | - | - | - | - | - | - | - | - |
| Town of Stallings | 0.2150 | 0.2150 | 0.2150 | 0.2150 | 0.2150 | 0.2150 | 0.2150 | 0.1860 | 0.1860 | 0.1860 |
| 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 | 0.3600 | 0.3600 | 0.3600 | 0.3900 | 0.3850 | 0.3850 | 0.3850 | 0.3850 | 0.3850 |
| Town of Weddington | 0.0520 | 0.0520 | 0.0520 | 0.0520 | 0.0520 | 0.0520 | 0.0520 | 0.0480 | 0.0480 | 0.0450 |
| Town of Wingate | 0.3900 | 0.4200 | 0.4200 | 0.4300 | 0.4300 | 0.4300 | 0.4300 | 0.3400 | 0.3400 | 0.3400 |
| Village of Lake Park | 0.2300 | 0.2300 | 0.2300 | 0.2300 | 0.2400 | 0.2500 | 0.2500 | 0.1900 | 0.2025 | 0.2025 |
| Village of Marvin | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0600 | 0.0600 | 0.0600 | 0.0600 |
| Village of Wesley Chapel | 0.0165 | 0.0165 | 0.0165 | 0.0165 | 0.0165 | 0.0165 | 0.0165 | 0.0129 | 0.0129 | 0.0129 |

Source: Union County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2024.

Source: Union County Tax Assessor's Office

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

| | Fiscal Year Ended | | | | | | | | | |
|---|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Governmental activities: | | | | | | | | | | |
| General government | | | | | | | | | | |
| Personnel | | | | | | | | | | |
| Number of full-time employees | 820 | 864 | 864 | 898 | 951 | 1,013 | 1,048 | 1,123 | 1,256 | 1,155 |
| Number of part-time employees | 83 | 72 | 98 | 106 | 157 | 159 | 123 | 82 | 187 | 153 |
| Elections | | | | | | | | | | |
| Number of registered voters | 138,597 | 145,645 | 148,448 | 154,300 | 150,789 | 160,261 | 159,957 | 168,355 | 173,272 | 180,072 |
| Information Systems (and GIS) | | | | | | | | | | |
| Number of people in system | 1,239 | 1,242 | 1,257 | 1,883 | 1,772 | 1,815 | 1,828 | 1,346 | 1,501 | 1,577 |
| General Services | | | | | | | | | | |
| Number of vehicle service requests | 3,805 | 4,501 | 4,629 | 4,462 | 4,552 | 4,518 | 4,683 | 4,491 | 4,928 | 5,095 |
| Public safety | | | | | | | | | | |
| Fire Services | | | | | | | | | | |
| Number of volunteer fire personnel | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 985 | 985 |
| Inspection | | | | | | | | | | |
| Number of inspections | 1,196 | 1,106 | 906 | 1,172 | 1,798 | 1,375 | 1,079 | 2,448 | 2,587 | 2,366 |
| Human services | | | | | | | | | | |
| Public Health | | | | | | | | | | |
| Number of patients | 8,142 | 6,786 | 10,198 | 8,904 | 6,497 | 4,382 | 3,664 | 11,031 | 4,744 | 6,898 |
| Number of visits | 20,681 | 15,716 | 17,508 | 15,099 | 12,728 | 10,667 | 9,211 | 18,110 | 11,246 | 12,421 |
| Social Services | | | | | | | | | | |
| Number of client visits | 48,786 | 47,064 | 53,125 | 58,693 | 58,803 | 44,275 | 50,589 | 46,354 | 19,976 | 57,989 |
| Transportation and Nutrition | | | | | | | | | | |
| Number of trips | 77,784 | 74,176 | 75,342 | 69,402 | 79,674 | 1,417 | 67,437 | 71,335 | 75,784 | 78,105 |
| Congregate, home delivered and supplemental meals | 68,573 | 70,497 | 75,134 | 71,963 | 66,978 | 101,619 | 146,204 | 138,263 | 117,750 | 83,555 |
| Veterans' Services | | | | | | | | | | |
| Number of visitors | 3,598 | 3,652 | 3,576 | 3,556 | 3,628 | 3,048 | 1,956 | 2,072 | 2,293 | 2,179 |
| Number of phone calls | 11,734 | 12,166 | 11,047 | 11,215 | 12,472 | 12,464 | 11,336 | 9,652 | 11,157 | 8,870 |
| Cultural and recreational | | | | | | | | | | |
| Library | | | | | | | | | | |
| Number of volumes | 212,961 | 207,748 | 190,370 | 166,742 | 145,582 | 149,573 | 145,944 | 133,872 | 139,443 | 155,165 |
| Education | | | | | | | | | | |
| Number of licensed employees | 2,928 | 3,054 | 3,019 | 2,603 | 3,111 | 3,117 | 2,873 | 2,819 | 2,786 | 2,646 |
| Final Avg. Daily Membership | 41,296 | 41,873 | 41,393 | 41,500 | 41,201 | 41,394 | 39,727 | 40,284 | 41,210 | 41,345 |
| Business-type activities: | | | | | | | | | | |
| Water and Sewer | | | | | | | | | | |
| Average daily consumption in gallons (in 000's) | 12,460 | 13,100 | 13,880 | 13,870 | 14,160 | 14,228 | 14,206 | 15,020 | 15,140 | 15,740 |
| Number of water service connections | 45,095 | 46,236 | 47,489 | 49,363 | 50,509 | 51,961 | 53,537 | 55,315 | 56,789 | 57,274 |
| Number of sewer service connections | 32,688 | 33,632 | 34,711 | 36,402 | 37,319 | 38,834 | 40,169 | 41,742 | 43,002 | 43,587 |

Source: Union County, North Carolina, Annual Financial Report for the year ended June 30, 2024.

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

| | Fiscal Year Ended | | | | | | | | | |
|----------------------------------|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Governmental activities: | | | | | | | | | | |
| Tax Administration | | | | | | | | | | |
| Number of tax parcels | 110,998 | 113,574 | 118,525 | 117,378 | 118,431 | 125,580 | 133,457 | 127,632 | 108,877 | 132,603 |
| Elections | | | | | | | | | | |
| Number of precincts | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 54 |
| Public safety | | | | | | | | | | |
| Law Enforcement (and AC) | | | | | | | | | | |
| Number of stations | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Number of patrol units | N/A | 332 | 335 | 278 | 284 | 299 | 299 | 307 | 313 | 323 |
| Fire Services | | | | | | | | | | |
| Number of stations-main | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 16 |
| Number of stations-sub | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 9 | 9 |
| 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 | 1,914 | 1,914 | 2,379 | 2,075 | 2,084 | 2,084 | 2,084 | 2,084 | 2,084 | 2,094 |
| Business-type activities: | | | | | | | | | | |
| Water and Sewer | | | | | | | | | | |
| Number of fire hydrants | 4,736 | 4,843 | 4,964 | 5,041 | 5,096 | 5,189 | 5,279 | 5,528 | 5,677 | 5,666 |
| Miles of water mains | 1,020 | 1,043 | 1,065 | 1,082 | 1,095 | 1,114 | 1,132 | 1,119 | 1,141 | 1,174 |
| Miles of sewer mains | 640 | 663 | 684 | 698 | 708 | 727 | 741 | 736 | 758 | 772 |

Source: Union County, North Carolina, Annual Financial Report for the year ended June 30, 2024.

Union County
 North Carolina
 Principal Employers
 For Year Ended June 30, 2024 and 2015

| Employer ⁽²⁾ | 2024 | | | 2015 | | |
|--|--------------------------|------|---|----------------|------|---|
| | Employees ⁽²⁾ | 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%+ |
| Tyson Farms, Inc. | 1,000+ | 3 | 1%+ | 1,000+ | 2 | 1%+ |
| ATI Specialty Materials LLC | 1,000+ | 4 | 1%+ | - | - | - |
| Harris Teeter | 1,000+ | 5 | 1%+ | 1,000+ | 4 | 1%+ |
| Utility Lines Construction | 1,000+ | 6 | 1%+ | - | - | - |
| Wingate University | 1,000+ | 7 | 1%+ | - | - | - |
| Wal-Mart Associates, Inc. | 500 - 999 | 8 | <1% | 500 - 999 | 6 | <1% |
| City of Monroe | 500 - 999 | 9 | <1% | 500 - 999 | 8 | <1% |
| Atrium Health | 500 - 999 | 10 | <1% | - | - | - |
| TDY Industries | - | - | - | 1,000+ | 3 | 1%+ |
| Pilgrims Pride Corporation | - | - | - | 500 - 999 | 7 | <1% |
| Unicon, Inc. | - | - | - | 500 - 999 | 9 | <1% |
| Scott Technologies, Inc. | - | - | - | 500 - 999 | 10 | <1% |
| | | | <u>10%+</u> | | | <u>10%+</u> |
| Total County Employment ⁽¹⁾ | <u>130,425</u> | | | <u>107,271</u> | | |

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.

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 | | | |
| 2024 | \$ 426,999,703 | \$ 32,223,384 | \$ 459,223,087 | \$ - | \$ 451,070,387 | \$ - | \$ 451,070,387 | 910,293,474 | N/A | \$3,536 |
| 2023 | 458,427,030 | 37,918,794 | 496,345,824 | - | 464,156,181 | - | 464,156,181 | 960,502,005 | N/A | 3,794 |
| 2022 | 336,037,179 | 44,662,934 | 380,700,113 | - | 476,711,975 | - | 476,711,975 | 857,412,088 | N/A | 3,472 |
| 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 | 4.30% | 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 |

N/A = Not Available

Source: Union County, North Carolina, Annual Financial Report for the year ended June 30, 2024.

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, 2024 and June 30, 2023 income based information will be shown above as "N/A", and the June 30, 2023 information will be reported for the year ended June 30, 2025, 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, 2024, 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 November 27, 2024.

Report on 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 to be *material weaknesses*. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 24-01 that we consider to be a *significant deficiency*.

Report on 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs in item 24-01.

Union County Board of Education's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Board's response to the findings identified in our audit that are described in the accompanying schedule of findings and questioned costs. The Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

*November 27, 2024
West End, North Carolina*



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

To the Union County Board of Education
Monroe , North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Union County Board of Education, North Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2024. The Union County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance and the State Single Audit Implementation Act are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Union County Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Union County Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Anderson Smith & Wike PLLC

*November 27, 2024
West End, North Carolina*



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

To the Union County Board of Education
Monroe , North Carolina

Report on Compliance for Each Major State Program

Opinion on 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 OMB *Compliance Supplement* and *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, 2024. The Union County Board of Education's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance and the State Single Audit Implementation Act are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Union County Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of the Union County Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Anderson Smith & Wike PLLC

*November 27, 2024
West End, North Carolina*

**UNION COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2024**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

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

Noncompliance material to financial statements noted *No*

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified that are not considered to be material weaknesses *None Identified for Reporting*

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? *No*

Identification of major federal programs:

| AL Numbers | Names of Federal Program or Cluster |
|-------------------|--|
| 84.425 | COVID-19 – Education Stabilization Fund |
| 84.367 | Supporting Effective Instruction |

Dollar threshold used to distinguish between Type A and Type B Programs *\$ 1,498,000*

Auditee qualified as low-risk auditee? *Yes*

**UNION COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2024**

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 None Identified for Reporting

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 No

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

Dollar threshold used to distinguish between Major State Programs \$ 500,000

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

Finding 24-01

SIGNIFICANT DEFICENCY
Violations of The School Budget and Fiscal Control Act

Criteria: The School Budget and Fiscal Control Act states that no obligation may be incurred by a local school administrative unit unless the budget resolution includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year.

Condition: For the year ended June 30, 2024, the district reported expenditures within the School Food Service Fund that exceeded amounts appropriated by the Board in the final amended budget resolution, as detailed in Note 2.

**UNION COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2024**

Finding 24-01 (continued):

Effect: The Board is in violation of North Carolina General Statute 115C-441.

Cause: Budget amendments were not prepared when needed in the School Food Service fund.

Identification of a repeat finding: This is not a repeat finding from the immediate previous audit.

Recommendation: We recommend that the budget process be monitored more closely by management and the Board. Management and the Board should ensure that no obligation is incurred by the district unless the budget resolution includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year.

Views of responsible officials and planned corrective actions:

The Board of Education agrees with this finding and will implement controls and procedures to ensure that the budget process is monitored more closely by management and the Board. The Board will implement controls and procedures to ensure that no obligation is incurred by the district unless the budget resolution includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year.

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

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

CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2024

Name of Contact Person: Shanna McLamb, Finance Officer

Corrective Action Plan: The Board of Education will implement controls and procedures to ensure that the budget process is monitored more closely by management and the Board. The Board will implement controls and procedures to ensure that no obligation is incurred by the district unless the budget resolution includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year.

Proposed Completion Date: Immediately

UNION COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2024

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 Fiscal Year Ended June 30, 2024

| <u>Grantor/Pass-through</u> <u>Grantor/Program Title</u> | <u>Federal</u> <u>AL</u> <u>Number</u> | <u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u> | <u>Expenditures</u> |
|--|--|---|---------------------|
| Federal Grants: | | | |
| <u>U.S. Department of Agriculture</u> | | | |
| Passed-through the N.C. Department of Agriculture: | | | |
| Child Nutrition Cluster: | | | |
| Noncash Assistance (Commodities): | | | |
| National School Lunch Program | 10.555 | PRC 035 | \$ <u>1,377,816</u> |
| Cash Assistance: | | | |
| School Breakfast Program | 10.553 | PRC 035 | 2,422,063 |
| National School Lunch Program | 10.555 | PRC 035 | 8,472,510 |
| Supply Chain Assistance Funds | 10.555 | PRC 035 | 971,017 |
| After School Snack Program | 10.555 | PRC 035 | 51,947 |
| Child Nutrition Discretionary Funds | 10.579 | PRC 053 | 20,822 |
| Summer Food Service Program for Children | 10.559 | PRC 035 | 116,691 |
| Fresh Fruit and Vegetable Grant | 10.582 | PRC 035 | <u>47,949</u> |
| Cash Assistance Subtotal | | | <u>12,102,999</u> |
| Total Child Nutrition Cluster | | | <u>13,480,815</u> |
| Local Food for Schools Cooperative Agreement Program | 10.185 | | 76,042 |
| Total U.S. Department of Agriculture | | | <u>13,556,857</u> |
| <u>U.S. Department of the Treasury</u> | | | |
| Passed-through the N.C. Department of Public Instruction: | | | |
| COVID-19 - Coronavirus State and Local Fiscal Recovery Funds | | | |
| Smart Bus Safety Pilot | 21.027 | PRC 140 | <u>634,687</u> |
| <u>U.S. Department of Education</u> | | | |
| Office of Elementary and Secondary Education | | | |
| Direct Programs: | | | |
| Teacher Incentive Fund | 84.374A | | 462,966 |
| LEGEND: Learner Engagement and Interventions Driving Student Success | 84.184G | | <u>794,988</u> |
| Total U.S. Department of Education Direct Programs | | | <u>1,257,954</u> |
| Passed-through the N.C. Department of Public Instruction: | | | |
| Title I, Grants to Local Educational Agencies | 84.010 | PRC 050 | 5,079,613 |
| Student Support and Academic Enrichment | 84.424 | PRC 108 | 397,070 |
| Supporting Effective Instruction | 84.367 | PRC 103 | 1,650,516 |
| Language Acquisition Grant | 84.365 | PRC 104 | 298,947 |
| Language Acquisition Grant - Significant Increase | 84.365 | PRC 111 | 17,164 |
| Education for Homeless Children and Youth | 84.196 | PRC 026 | 23,833 |

UNION COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ended June 30, 2024

| Grantor/Pass-through Grantor/Program Title | Federal AL Number | State/ Pass-through Grantor's Number | Expenditures |
|--|-------------------------|---|--------------------------|
| COVID-19 - Education Stabilization Fund: | | | |
| CARES Act: | | | |
| COVID-19 - Rethink Education Stipends Grant | 84.425B | PRC 146 | 3,980 |
| CRRSA: | | | |
| COVID-19 - ESSER II - Supplemental Contracted Instructional Support Funding | 84.425D | PRC 173 | 66,104 |
| COVID-19 - CRRSA - ESSER II - Learning Loss Funding | 84.425D | PRC 176 | 180,376 |
| COVID-19 - CRRSA - ESSER II - Summer Career Accelerator Program | 84.425D | PRC 177 | 72,924 |
| ARP: | | | |
| COVID-19 - ESSER III - K-12 Emergency Relief Fund | 84.425D | PRC 181 | 15,984,667 |
| COVID-19 - ESSER III - Homeless II | 84.425W | PRC 184 | 86,226 |
| COVID-19 - ESSER III - Summer Career Accel. Programs | 84.425U | PRC 188 | 195,839 |
| COVID-19 - ESSER III - Principal Retention Supplements | 84.425U | PRC 206 | 87,665 |
| Total COVID-19 - Education Stabilization Fund | 84.425 | | <u>16,677,781</u> |
| Special Education Cluster: | | | |
| Grants to States - IDEA, part B (611) | 84.027 | PRC 060 | 8,241,204 |
| Special Needs Targeted Assistance | 84.027 | PRC 118 | 11,923 |
| COVID-19 - ARP - Grants to States - IDEA, part B (611) | 84.027 | PRC 185 | 959,689 |
| Preschool Grants - IDEA, Part B (619) | 84.173 | PRC 049 | 101,629 |
| Preschool Targeted Assistance | 84.173 | PRC 119 | 5,407 |
| Total Special Education Cluster | | | <u>9,319,852</u> |
| Career and Technical Education - Basic Grants to States Program Development | 84.048 | PRC 017 | 490,376 |
| Total U.S. Department of Education | | | <u>35,213,106</u> |
| <u>U.S. Department of Defense</u> | | | |
| Direct Program: | | | |
| ROTC | 12.000 | | 443,316 |
| Total Federal Assistance | | | <u>49,847,966</u> |

**UNION COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ended June 30, 2024**

| <u>Grantor/Pass-through Grantor/Program Title</u> | <u>Federal AL Number</u> | <u>State/ Pass-through Grantor's Number</u> | <u>Expenditures</u> |
|---|----------------------------------|---|------------------------------|
| State Grants: | | | |
| <u>N.C. Department of Public Instruction</u> | | | |
| Cash Assistance: | | | |
| State Public School Fund | | Various | 272,563,595 |
| Career and Technical | | | |
| State Months of Employment | | PRC 013 | 14,559,123 |
| Program Support Funds | | PRC 014 | 1,353,614 |
| Driver Training | | PRC 012 | 957,039 |
| K-12 Athletic Facilities Grant | | PRC 440 | <u>230,185</u> |
| Cash assistance subtotal | | | <u>289,663,556</u> |
| Non-Cash Assistance: | | | |
| State Buses Appropriation | | PRC 120 | <u>1,898,841</u> |
| Total N.C. Department of Public Instruction | | | <u>291,562,397</u> |
| <u>N.C. Department of Agriculture</u> | | | |
| State Reduced Breakfast Program | | | 6,823 |
| State Reduced Lunch Program | | | <u>31,733</u> |
| Total N.C. Department of Agriculture | | | <u>38,556</u> |
| Total State Assistance | | | <u>291,600,953</u> |
| Total Federal and State Assistance | | | <u>\$ 341,448,919</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, 2024. 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.