UNION COUNTY PUBLIC SCHOOLS

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ANNUAL COMPREHENSIVE

Financial REPORT

2025

Fiscal year ending June 30, 2025

Union County Board of Education
UNION COUNTY PUBLIC SCHOOLS
EST. 1993
Monroe, North Carolina

www.ucpsnc.org

Union County Board of Education
Monroe, North Carolina
Annual Comprehensive
Financial Report
For the Year Ended June 30, 2025

Board Members

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Matt Helms, Vice-Chair

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Rev. John L. Kirkpatrick, IV
Kathy Heintel
Barry Tucker
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Andrew G. Houlihan, Ed.D.	Superintendent
W. Colon Moore	Asst. Superintendent of Administration & Operations
Tahira Stalberte	Asst. Superintendent of Communications & Community Relations
Jay Jones	Asst. Superintendent of Student Support
Susan Rodgers, Ed.D.	Asst. Superintendent of Academics
Jonathan Tyson, Ed.D.	Asst. Superintendent of School Performance
James Parker	Chief Technology Officer
Shanna McLamb	Chief Finance Officer
Michele Morris, JD	General Counsel

Prepared by Shanna McLamb
And the Finance Department

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Introductory Section

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Letter of Transmittal

December 31, 2025

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, 2025, 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive 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 Annual Comprehensive 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, 2025.

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.

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

REPORTING ENTITY

The Union County Board of Education, elected by the citizens of Union County, is the level of government having oversight responsibility and control over activities related to public school education in Union County, North Carolina. N. C. General Statutes empower the Union County Board of Education with general control and supervision of all matters pertaining to the schools in the system. The Board has no tax levying or borrowing authority and is required to maintain accounting records in a Uniform State format. The Board consists of nine members elected for staggered terms of four years. The Chair and Vice Chair are elected by a majority vote of the Board each year. The Superintendent serves as secretary to the Board.

For the 2024-2025 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 $13 million were paid to 29 area charter schools serving 4785 county resident students and $510,320 paid to 4 virtual schools serving 225 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

As of January 2026, the estimated population for Union County, NC is approximately 275,138 with a growth rate of 2.18%. The 2015 population was close to 220,000 and has seen a growth of 20% 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 2025, 4228 residential construction permits were issued county-wide compared to fiscal year 2024 of 4037 showing an increase in the residential number of permits. This trend is anticipated to continue into 2026.

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.

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.

Union County Public Schools is the sixth largest public-school system in North Carolina. UCPS serves approximately 40,000 students at 53 schools and employs more than 5,000 staff members.

UCPS continues to outperform the state and several large districts in multiple testing and accountability areas. Most notably, the district's 2025 four-year cohort graduation rate is 93.2 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, against the backdrop of a world still navigating the pandemic. UCPS also outperformed the state's four-year cohort graduation rate of 87.7%.

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.

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.

FINANCIAL SYSTEM AND BUDGETARY CONTROLS

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

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

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

North Carolina General Statues 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, 2025. In addition to meeting the requirements set forth in North Carolina State Statues, 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,

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.

Cost Principals and Audit Requirements for Federal Awards (Uniform Guidance).

ACKNOWLEDGEMENTS

The preparation of this report could not have been completed 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 to providing a quality education to all Union County Public School students.

Respectfully submitted,

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

Shanna McLamb
Chief Financial Officer

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.

UCPS
UNION COUNTY PUBLIC SCHOOLS

Board of Education

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Executive Assistant
Donna Mullarkey
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General Counsel
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Direct Reports
•EC/504 Staff Attorney
••Risk Manager
•Director of Student Assignment
•Title IX Coordinator

Chief Finance Officer
Shanna McLamb
Shanna.McLamb
704/296-5314 ext. 4117

Direct Reports
•Executive Director of Payroll/ Benefits
•Director of Purchasing/ Contracts
•Director of Budgeting/ Allotments
•Compensation Analyst

Assistant Superintendent Academics
Dr. Susan Rodgers
Susan.Rodgers
704/296-0832 ext. 4033

Direct Reports
•Executive Director of K-12 Curriculum & Instruction
•Director of College Readiness
•Director of Career Readiness
•Director of Exceptional Children
•BT Coordinators

Assistant Superintendent for Communications & Community Relations
Tahira Stalberte
Tahira.Stalberte
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Direct Reports
•Communications Coordinator
•Web Communications Coordinator
•Multimedia Communications Coordinator
•Family Engagement Coordinator

Assistant Superintendent of Human Resources
Dr. Kevin Plue
Kevin.Plue
704/296-1007 ext. 4114

Direct Reports
•Director of Employee Relations and Business Operations
•Director of Hiring/ Talent Acquisition

Assistant Superintendent of Administration & Operations
William "Colon" Moore
William.Moore
704/225-8420 ext. 4119

Direct Reports
•Director of Facilities & Maintenance
•Director of Planning & Construction
•Director of Driver Education
•Director of Athletics
•Director of Transportation
•Director of School Nutrition Services
•Director of After School Program

Chief of School Performance
Dr. Jonathan Tyson
Jonathan.Tyson
704/296-1002 ext. 4115

Direct Reports
•Accountability Officer and Director of Student Services and Testing
•Director of Federal Programs
•Director of School Performance (3)
•Assistant Superintendent of School Performance and Special Projects

Assistant Superintendent of Student Support
Dr. Jay Jones
Jay.Jones
704/296-3065 ext. 2268

Direct Reports
•Safety and Security Coordinator
•Lead Nurses
• Social Workers
•Psychotherapists, Mental and Behavioral Health
•Student Discipline and Alternative School Assignment
•Emergency and Student Crisis Management
•School Counselors
•Lead High School Counselor
•Lead Middle School Counselor
•SRO Liaison

Chief Technology Officer
James "Jay" Parker
James.Parker
704/296-3143 ext. 2031

Direct Reports
•Technology Services
•Hardware/Software
•Infrastructure
•Online/Virtual Programs
•Network and Wireless Connections
•Student Information Systems
•Canvas Administration
•Web Applications
•Director of Major Projects
•Cyber Security
•E-Rate Compliance
•Disaster Recovery

Please note: All emails are @ucps.k12.nc.us 07/1/2025

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, 2024

Christopher P. Morrill

Executive Director/CEO

Financial Section

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 and each major fund of the Union County Board of Education, as of and for the year ended June 30, 2025, 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 and each major fund of the Union County Board of Education, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, State Public School, 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.

Change in Accounting Principle

As described in Note 5 to the financial statements, the Board adopted the provisions of GASB Statement No. 101, Compensated Absences, as of July 1, 2024. Our opinion is not modified with respect to this matter.

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 12 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 December 17, 2025, 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.

Anderson Smith & Wike PLLC

December 17, 2025
West End, North Carolina
(910) 603-0508

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, 2025. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

- As discussed in Note 5 to the financial statements, effective July 1, 2024, the Board implemented accounting and financial reporting requirements of GASB Statement 101, Compensated Absences. The statement required the Board to begin recording liabilities for employee sick leave balances that are more likely than not to be used. As a result of implementation of this statement, the Board's governmental and business-type activities net position, as previously reported at June 30, 2024, was reduced by $70.1 million and $1.9 million, respectively.

- For the fiscal year ended June 30, 2025, the Board's total district-wide net position (not including the decrease in net position due to the GASB 101 restatement) increased by $54.6 million. Governmental activities net position increased by $54.7 million, and business-type activities net position decreased by $69,000.

- The Board experienced a decrease in student enrollment of 416 students from 41,345 students to 40,929 students.

- The Board's General fund reported a decrease in fund balance of $1.5 million, to a balance of $8.3 million. The Board's Other Special Revenue fund reported an increase in fund balance of $832,000, to a balance of $8.3 million as of June 30, 2025.

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.

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 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

Assets and deferred outflows exceeded liabilities and deferred inflows of resources by $137.8 million as of June 30, 2025 as compared to assets and deferred outflows exceeding liabilities and deferred inflows by $155.2 million as of June 30, 2024, a decrease of $17.4 million. The largest component of net position is net investment in capital assets of $697.8 million, while restricted and unrestricted net position have a combined balance of negative $560.1 million. As previously discussed, this decrease is primarily due to the implementation of GASB Statement 101 during the year, which had the effect of reducing beginning of year total primary government net position, as previously reported at June 30, 2024, by $72.1 million.

Following is a summary of the Statement of Net Position as of June 30, 2025 and 2024:

Table 1
Condensed Statement of Net Position
As of June 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/25	6/30/24	6/30/25	6/30/24	6/30/25	6/30/24
Current assets	$ 39,759,031	$ 38,261,791	$ 9,693,845	$ 10,049,589	$ 49,452,876	$ 48,311,380
Capital assets	708,826,788	661,328,307	1,548,550	1,156,307	710,375,338	662,484,614
Total assets	748,585,819	699,590,098	11,242,395	11,205,896	759,828,214	710,795,994
Deferred outflows of resources	227,671,877	215,388,792	6,600,628	6,051,977	234,272,505	221,440,769
Current liabilities	45,924,137	26,987,255	1,303,989	835,871	47,228,126	27,823,126
Long-term liabilities	697,466,278	606,251,348	19,789,221	16,801,179	717,255,499	623,052,527
Total liabilities	743,390,415	633,238,603	21,093,210	17,637,050	764,483,625	650,875,653
Deferred inflows of resources	89,280,416	122,717,812	2,588,405	3,448,115	91,868,821	126,165,927
Net investment in capital assets	696,276,083	649,929,031	1,548,550	1,156,307	697,824,633	651,085,338
Restricted net position	10,825,512	12,805,200	16,723	-	10,842,235	12,805,200
Unrestricted net position (deficit)	(563,514,730)	(503,711,756)	(7,403,865)	(4,983,599)	(570,918,595)	(508,695,355)
Total net position (deficit)	$ 143,586,865	$ 159,022,475	$ (5,838,592)	$ (3,827,292)	$ 137,748,273	$ 155,195,183

Net position is an indicator of the fiscal health of the Board. Net of the $70.1 million reduction in beginning of year net position for implementation of GASB 101, the net position of the Board's governmental activities increased $54.7 million during the year, from $159.0 million at June 30, 2024 to $143.6 million at June 30, 2025 as a result of continued construction. Net investment in capital assets increased by $46.7 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 Other Special Revenue restricted fund balance related to special revenue programs such as Medicaid. Unrestricted net position decreased by $59.8 million compared to the prior year, due to implementation of GASB 101. Deferred outflows and inflows of resources relate entirely to the pension and OPEB plans which the Board participates in. The Board is required to record its proportionate share of these items along with its proportionate share of the plan liabilities. See Note 2 of the financial statements for more details regarding these plans.

Net of a reduction of $1.9 million to beginning of year net position for implementation of GASB 101,The net position of the Board's business-type activities decreased $69,000 from $(3.8) million at June 30, 2024 to $(5.8) million at June 30, 2025. 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 2025 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, 2025 and 2024

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/25	6/30/24	6/30/25	6/30/24	6/30/25	6/30/24
Revenues:						
Program revenues:						
Charges for services	$ 13,404,598	$ 14,145,233	$ 10,614,941	$ 10,992,743	$ 24,019,539	$ 25,137,976
Operating grants and contributions	315,446,956	328,109,216	12,836,303	13,498,549	328,283,259	341,607,765
Capital grants and contributions	3,198,358	2,129,026	362,136	20,822	3,560,494	2,149,848
General revenues:						
County appropriations	218,251,062	204,862,982	-	-	218,251,062	204,862,982
Other revenues	5,680,609	2,765,812	189,816	81,398	5,870,425	2,847,210
Total revenues	555,981,583	552,012,269	24,003,196	24,593,512	579,984,779	576,605,781
Expenses:						
Governmental activities:						
Instructional services	373,543,797	372,017,013	-	-	373,543,797	372,017,013
System-wide support services	111,878,025	99,838,077	-	-	111,878,025	99,838,077
Ancillary services	520,433	156,122	-	-	520,433	156,122
Payments to other governments	14,356,558	12,915,890	-	-	14,356,558	12,915,890
Interest on long-term debt	375,259	448,437	-	-	375,259	448,437
Unallocated depreciation	559,126	468,002	-	-	559,126	468,002
Business-type activities:						
School food service	-	-	21,471,721	23,478,990	21,471,721	23,478,990
Child care	-	-	2,662,548	2,857,094	2,662,548	2,857,094
Total expenses	501,233,198	485,843,541	24,134,269	26,336,084	525,367,467	512,179,625
Transfers in (out)	(62,495)	(55,337)	62,495	55,337	-	-
Increase (decrease) in net position	54,685,890	66,113,391	(68,578)	(1,687,235)	54,617,312	64,426,156
Beginning net position (deficit), as previously reported	159,022,475	92,909,084	(3,827,292)	(2,140,057)	155,195,183	90,769,027
Change in accounting principle	(70,121,500)	-	(1,942,722)	-	(72,064,222)	-
Beginning net position (deficit) as restated	88,900,975	92,909,084	(5,770,014)	(2,140,057)	83,130,961	90,769,027
Ending net position (deficit)	$ 143,586,865	$ 159,022,475	$ (5,838,592)	$ (3,827,292)	$ 137,748,273	$ 155,195,183

Total governmental activities generated revenues of $556.0 million while expenses in this category totaled $501.2 million for the year ended June 30, 2025, resulting in an increase in net position of $54.7 million (including transfers out to business-type activities of $62,000). Comparatively, revenues were $552.0 million, expenses totaled $485.8 million and transfers out were $55,000 for the year ended June 30, 2024, resulting in an increase in net position of $66.1 million. In comparing the two years, revenues increased by $4.0 million or 0.7%, and expenses increased by $15.4 million, or 3.2%. The primary reason for the increase in revenues is the receipt of $86.9 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 $5.3 million because of rising ADM and state mandated salary and benefit increases. Along with an increase in County funding in the General fund of $7.9 million. This increase in revenues 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 expiration of the COVID-19 allotments. This resulted in a decrease in both revenue and expenses of $18.2 million in the Federal Grants fund. The Board also recognized an increase in pension and OPEB expenses of $13.6 million, see Note 2 – 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 53.6%, 39.1% and 3.0% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 74.5% of our total expenses during the most recent fiscal year. Of the remaining 25.5% of our total expenses, 22.3% was attributable to system-wide support services.

Our business-type activities generated revenues of $24.0 million, while expenses in this category totaled $24.1 million for the year ended June 30, 2025. For the year, net position decreased by $69,000 (including transfers in of $62,000). Comparatively, revenues were $24.6 million, expenses were $26.3 million and transfers in were $55,000 for the year ended June 30, 2024, resulting in a decrease in net position of $1.7 million. In comparing the two years, revenues decreased by $590,000, and expenses decreased by $2.2 million, the decrease in revenues was recognized in the School Food Service fund due to decreases in participation. Food sales remained consistent compared to the previous year but USDA reimbursements decreased $511,000 as participation decreased. The Board also recognized a decrease in salary and benefits expense of $680,000, which is fully attributable to a decrease in pension and OPEB expense of $1.1 million. The Board's After School program recognized a slight decrease in fees of $184,000, however the decline in revenue was offset by a decline in salaries and benefits expense because of the allocation of pension and OPEB expenses to the program as lower salaries were paid by 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 $25.0 million at June 30, 2025, a decrease of $293,000 from the amount reported at June 30, 2024. The Board's General fund reported expenditures over revenues for the year ended June 30, 2025 of $1.5 million, while the Other Special Revenue, Individual School and Capital Outlay funds reported increases in fund balance of $832,000, $223,000 and $143,000, respectively. Overall, total governmental fund revenues increased by $3.2 million or 0.6%, while total expenditures increased by $2.6 million, or 0.5% over the prior year.

For the year, the Board's General Fund reported a decrease in fund balance of $1.5 million compared to a decrease of $737,000 in the prior year. Revenues increased by $7.9 million, or 6.4%, over the prior year primarily due to increased funding from County appropriations. Expenditures increased $8.7 million, or 7.0%. An increase in both instructional services costs and payments to charter schools attributed to the overall increase in expenditures.

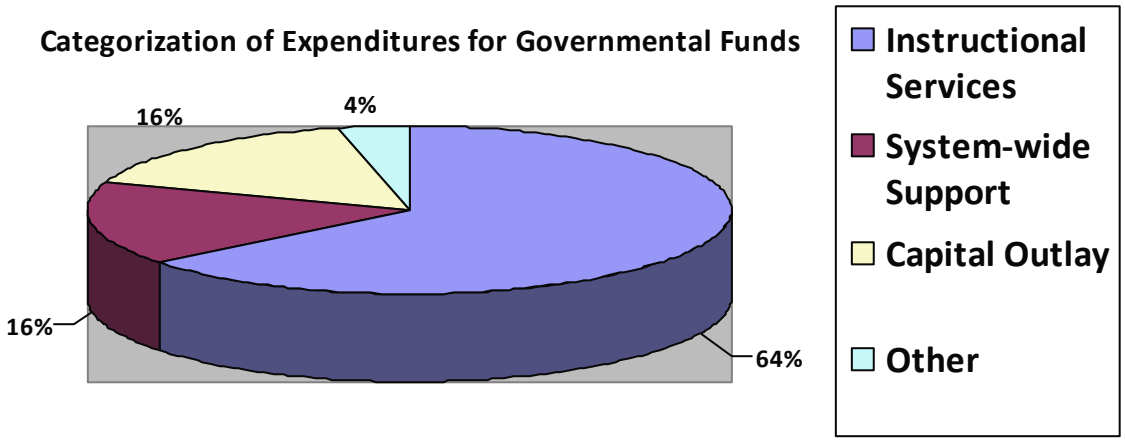
The State Public School Fund and Federal Grants Fund do not carry fund balance. All revenues in these funds are expended in the year received. In comparing the year ended June 30, 2025 to 2024, the State Public School Fund reported an increase in revenues (and expenditures) of $5.3 million, or 1.8% due to the allotments received to fund state mandated salary increases. The Federal Grants Fund reported a decrease of $18.2 million, or 53.4% as a result of the COVID-19 funds received expiring during the current year. These COVID-19 Education Stabilization funds were spent within the prior 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 and overall student health and air quality.

The Other Special Revenue Fund reported fund balance of $8.3 million at June 30, 2025, an increase for the year of $832,000 compared to a decrease of $3.8 million in the 2024 year. Revenues decreased $2.2 million from the previous year, while expenditures increased by $1.1 million as more locally funded expenditures were paid out of the rising fund balance within this fund. Revenues increased $2.7 million due to receipt of a $2.1 million E-rate reimbursement and an increase in Medicaid reimbursements. Indirect cost revenues decreased by $726,000, due primarily to indirect costs not charged to the School Food Service fund to prevent significant decreases in cash balances in that fund.

The Capital Outlay Fund reported fund balance of $2.7 million at June 30, 2025, an increase of $143,000 from the prior year. The most significant revenue reported in the Capital Outlay Fund was $86.9 million from Union County appropriations to fund various construction, renovation and maintenance projects. The district also received $4.9 million from installment purchase agreements entered into to pay for DPI buses and purchase computers.

The Individual School fund benefited from continued strong revenues from fundraisers, sporting events and field trips, revenues exceeded expenditures in the Individual School fund by $223,000.

The following chart summarizes governmental fund expenditures:



Expenditures presented on modified accrual basis of accounting.

Proprietary Fund: The Board's business-type funds, the School Food Service Fund and the After School Program Fund, reported a combined decrease in net position of $69,000 for the fiscal year ended June 30, 2025 compared to a decrease of $1.7 million for the same 2024 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, 2025 of $1.5 million, compared to a decrease of $737,000 in 2024. Through effective cost-containment and budget management practices, the Board was able to keep expenditures below budget and only use $1.5 million of the $2.5 million of fund balance that had been appropriated.

Capital Assets

Total primary government capital assets were $710.4 million at June 30, 2025 compared to $662.5 million at June 30, 2024, an increase of 7.2%. 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 2 – Detail Notes to the basic financial statements.

The following is a summary of the Board's capital assets, net of depreciation, at June 30, 2025 and 2024:

Table 3
Summary of Capital Assets
As of June 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/25	6/30/24	6/30/25	6/30/24	6/30/25	6/30/24
Land	$ 64,242,660	$ 64,242,660	$ -	$ -	$ 64,242,660	$ 64,242,660
Construction in progress	126,928,256	68,650,586	-	-	126,928,256	68,650,586
Buildings and improvements	500,591,867	512,953,155	-	-	500,591,867	512,953,155
Equipment and furniture	5,005,971	3,575,484	1,548,550	1,156,307	6,554,521	4,731,791
Vehicles	12,058,034	11,906,422	-	-	12,058,034	11,906,422
Total	$ 708,826,788	$ 661,328,307	$ 1,548,550	$ 1,156,307	$ 710,375,338	$ 662,484,614

Debt Outstanding

During the year, the Board's long-term debt increased from $13.1 million at June 30, 2024 to $13.5 million at June 30, 2025. The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. The County holds virtually all debt issued for school capital construction. More detailed information about the Board's outstanding debt is contained in Note 2- Detail Notes to the basic financial statements.

Economic Factors

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

- Union County's population estimation of approximately 269,300 is an increase of approximately 12.3% 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, 2025 was 3.4%, slightly below that of the State at 3.7%.

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 ***Exhibit 1***
STATEMENT OF NET POSITION
June 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 23,701,117	$ 8,800,455	$ 32,501,572
Investments	5,827,558	-	5,827,558
Due from other governments	9,662,676	294,113	9,956,789
Receivables	162,376	318,994	481,370
Inventories	-	268,533	268,533
Net OPEB asset	405,304	11,750	417,054
Capital assets:			
Land and construction in progress	191,170,916	-	191,170,916
Other capital assets, net of depreciation	517,655,872	1,548,550	519,204,422
Total capital assets	708,826,788	1,548,550	710,375,338
Total assets	748,585,819	11,242,395	759,828,214
Deferred Outflows of Resources	227,671,877	6,600,628	234,272,505
Liabilities			
Accounts payable and accrued expenses	13,611,726	205,895	13,817,621
Unearned revenue	767,638	389,067	1,156,705
Long-term liabilities:			
Due within one year	31,544,773	709,027	32,253,800
Due in more than one year	71,951,618	1,654,396	73,606,014
Net pension liability	211,314,285	6,126,391	217,440,676
Net OPEB liability	414,200,375	12,008,434	426,208,809
Total liabilities	743,390,415	21,093,210	764,483,625
Deferred Inflows of Resources	89,280,416	2,588,405	91,868,821
Net position			
Net investment in capital assets	696,276,083	1,548,550	697,824,633
Restricted for:			
Stabilization by State statute	633,242	-	633,242
School capital outlay	2,766,734	-	2,766,734
Instructional services	1,230,789	-	1,230,789
Individual schools activities	5,617,918	-	5,617,918
DIPNC OPEB plan	576,829	16,723	593,552
Unrestricted (deficit)	(563,514,730)	(7,403,865)	(570,918,595)
Total net position (deficit)	$ 143,586,865	$ (5,838,592)	$ 137,748,273

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

UNION COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2025

Exhibit 2

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
Instructional services:							
Regular instructional	$ 231,257,640	$ -	$ 184,562,945	$ -	$ (46,694,695)	$ -	$ (46,694,695)
Special populations	57,241,100	-	49,531,471	-	(7,709,629)	-	(7,709,629)
Alternative programs	13,517,805	-	8,926,462	-	(4,591,343)	-	(4,591,343)
School leadership	27,270,797	-	12,494,012	-	(14,776,785)	-	(14,776,785)
Co-curricular	13,546,646	11,234,503	-	-	(2,312,143)	-	(2,312,143)
School-based support	30,709,809	-	20,470,901	-	(10,238,908)	-	(10,238,908)
System-wide support services:							
Support and development	3,250,814	-	238,769	-	(3,012,045)	-	(3,012,045)
Special population support and development	789,094	-	350,093	-	(439,001)	-	(439,001)
Alternative programs and services support and development	241,233	-	81,849	-	(159,384)	-	(159,384)
Technology support	20,801,317	-	1,954,635	-	(18,846,682)	-	(18,846,682)
Operational support	72,672,853	-	35,206,597	3,198,358	(34,267,898)	-	(34,267,898)
Financial and human resource services	8,784,460	2,170,095	172,932	-	(6,441,433)	-	(6,441,433)
Accountability	488,095	-	-	-	(488,095)	-	(488,095)
System-wide pupil support	616,604	-	-	-	(616,604)	-	(616,604)
Policy, leadership and public relations	4,233,555	-	581,494	-	(3,652,061)	-	(3,652,061)
Ancillary services	520,433	-	76,220	-	(444,213)	-	(444,213)
Non-programmed charges	14,356,558	-	798,576	-	(13,557,982)	-	(13,557,982)
Interest on long-term debt	375,259	-	-	-	(375,259)	-	(375,259)
Unallocated depreciation expense**	559,126	-	-	-	(559,126)	-	(559,126)
Total governmental activities	501,233,198	13,404,598	315,446,956	3,198,358	(169,183,286)	-	(169,183,286)
Business-type activities:							
School food service	21,471,721	7,594,668	12,836,303	362,136	-	(678,614)	(678,614)
After School Program	2,662,548	3,020,273	-	-	-	357,725	357,725
Total business-type activities	24,134,269	10,614,941	12,836,303	362,136	-	(320,889)	(320,889)
Total primary government	$ 525,367,467	$ 24,019,539	$ 328,283,259	$ 3,560,494	(169,183,286)	(320,889)	(169,504,175)
		General revenues:					
		Unrestricted county appropriations - operating			131,369,765	-	131,369,765
		Unrestricted county appropriations - capital			86,881,297	-	86,881,297
		Investment earnings, unrestricted			1,116,673	189,816	1,306,489
		Miscellaneous, unrestricted			4,563,936	-	4,563,936
		Transfers			(62,495)	62,495	-
		Total general revenues and transfers			223,869,176	252,311	224,121,487
		Change in net position			54,685,890	(68,578)	54,617,312
		Net position (deficit) - beginning, as previously reported			159,022,475	(3,827,292)	155,195,183
		Change in accounting principle (Note 5)			(70,121,500)	(1,942,722)	(72,064,222)
		Net position (deficit) - beginning, as restated			88,900,975	(5,770,014)	83,130,961
		Net position (deficit) - ending			$ 143,586,865	$ (5,838,592)	$ 137,748,273

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

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

FUND FINANCIAL STATEMENTS

UNION COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

Exhibit 3

	Major Funds						
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 8,545,670	$ -	$ -	$ 4,855,285	$ 4,682,244	$ 5,617,918	$ 23,701,117
Investments	1,580,175	-	-	4,247,383	-	-	5,827,558
Due from other governments	122,718	-	-	64,330	9,475,628	-	9,662,676
Accounts receivable	53,978	-	-	94,417	13,981	-	162,376
Total assets	$ 10,302,541	$ -	$ -	$ 9,261,415	$ 14,171,853	$ 5,617,918	$ 39,353,727
Liabilities and fund balances							
Liabilities:							
Accounts payable and accrued liabilities	$ 2,028,993	$ -	$ -	$ 177,614	$ 11,405,119	$ -	$ 13,611,726
Unearned revenue	-	-	-	767,638	-	-	767,638
Total liabilities	2,028,993	-	-	945,252	11,405,119	-	14,379,364
Fund balances:							
Restricted:							
Stabilization by State statute	439,812	-	-	193,430	-	-	633,242
School capital outlay	-	-	-	-	2,766,734	-	2,766,734
Special revenue programs	-	-	-	1,230,789	-	-	1,230,789
Individual schools	-	-	-	-	-	5,617,918	5,617,918
Assigned:							
Subsequent year's expenditures	-	-	-	5,287,447	-	-	5,287,447
Special revenues	-	-	-	1,604,497	-	-	1,604,497
Unassigned	7,833,736	-	-	-	-	-	7,833,736
Total fund balances	8,273,548	-	-	8,316,163	2,766,734	5,617,918	24,974,363
Total liabilities and fund balances	$ 10,302,541	$ -	$ -	$ 9,261,415	$ 14,171,853	$ 5,617,918	$ 39,353,727

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

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)	24,974,363
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	708,826,788
Net OPEB asset	405,304
Deferred outflows of resources related to pensions	98,147,105
Deferred outflows of resources related to OPEB plans	129,524,772
Some liabilities, including those for compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(103,496,391)
Net pension liability	(211,314,285)
Net OPEB liability	(414,200,375)
Deferred inflows of resources related to pensions	(7,250,526)
Deferred inflows of resources related to OPEB plans	(82,029,890)
Net position of governmental activities	$ 143,586,865

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
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2025

Exhibit 4

	Major Funds						
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	Total Governmental Funds
Revenues:							
State of North Carolina	$ -	$ 295,271,528	$ -	$ 185,500	$ 3,198,358	$ -	$ 298,655,386
Union County							
Local current expense	130,611,680	-	-	-	-	-	130,611,680
Other	-	-	-	-	86,881,297	-	86,881,297
U.S. Government	-	113,266	15,824,750	622,839	-	-	16,560,855
Other	1,135,009	-	-	11,394,995	337,556	11,234,503	24,102,063
Total revenues	131,746,689	295,384,794	15,824,750	12,203,334	90,417,211	11,234,503	556,811,281
Expenditures:				9,483,664			
Current:				2,719,670			
Instructional services:							
Regular instructional	29,725,499	182,475,479	1,148,250	2,521,208	-	-	215,870,436
Special populations	4,943,627	39,284,136	7,149,210	6,915,045	-	-	58,292,018
Alternative programs	4,456,415	3,878,402	5,048,060	411,094	-	-	13,793,971
School leadership	15,327,676	12,206,366	287,646	-	-	-	27,821,688
Co-curricular	2,604,551	-	-	12,962	-	11,011,290	13,628,803
School-based support	10,164,394	19,231,183	1,054,218	860,613	-	-	31,310,408
System-wide support services:							
Support and development	3,073,972	238,769	-	4,905	-	-	3,317,646
Special population support and development	450,529	154,128	195,965	5,892	-	-	806,514
Alternative programs and services support and development	165,128	5,536	76,313	-	-	-	246,977
Technology support	4,510,458	1,954,635	-	126,618	-	-	6,591,711
Operational support	29,724,843	35,139,239	4,863	167,194	-	-	65,036,139
Financial and human resource services	8,651,803	172,932	-	96,676	-	-	8,921,411
Accountability	455,541	-	-	38,817	-	-	494,358
System-wide pupil support	626,525	-	-	-	-	-	626,525
Policy, leadership and public relations	3,749,999	581,494	-	250	-	-	4,331,743
Ancillary services	288,532	-	61,649	170,252	-	-	520,433
Non-programmed charges	14,317,883	-	798,576	40,164	-	-	15,156,623
Debt service:							
Principal retirement	-	-	-	-	4,470,920	-	4,470,920
Interest and fees	-	-	-	-	375,259	-	375,259
Capital outlay	-	-	-	-	90,372,303	-	90,372,303
Total expenditures	133,237,375	295,322,299	15,824,750	11,371,690	95,218,482	11,011,290	561,985,886
Revenues over (under) expenditures	(1,490,686)	62,495	-	831,644	(4,801,271)	223,213	(5,174,605)
Other financing sources (uses):				13,246,670	1,874,980		
Transfers from (to) other funds	-	(62,495)	-	-	-	-	(62,495)
Installment purchase obligations issued	-	-	-	-	4,944,060	-	4,944,060
Total other financing sources (uses)	-	(62,495)	-	-	4,944,060	-	4,881,565
Net change in fund balance	(1,490,686)	-	-	831,644	142,789	223,213	(293,040)
Fund balances:							
Beginning of year	9,764,234	-	-	7,484,519	2,623,945	5,394,705	25,267,403
End of year	$ 8,273,548	$ -	$ -	$ 8,316,163	$ 2,766,734	$ 5,617,918	$ 24,974,363

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

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, 2025

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

Net changes in fund balances - total governmental funds	$ (293,040)
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.	47,511,864
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	43,121,028
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	18,285,986
Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities.	(29,633)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	126,015
Gain on disposal of capital assets	16,250
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.	(473,140)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Pension (expense) benefit	(52,524,928)
OPEB (expense) benefit	(2,893,464)
Compensated absences	1,838,952
Total changes in net position of governmental activities	$ 54,685,890

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

UNION COUNTY BOARD OF EDUCATION ***Exhibit 6***
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, 2025

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	$ -	$ -	$ -	$ -
Union County	130,611,680	130,611,680	130,611,680	-
U.S. Government	-	-	-	-
Other	760,000	1,135,009	1,135,009	-
Total revenues	131,371,680	131,746,689	131,746,689	-
Expenditures:				
Current:				
Instructional services				
Regular instructional	30,858,153	29,747,778	29,725,499	22,279
Special populations	4,960,449	4,960,449	4,943,627	16,822
Alternative programs	5,413,543	4,463,543	4,456,415	7,128
School leadership	13,750,313	15,327,899	15,327,676	223
Co-curricular	2,509,850	2,634,850	2,604,551	30,299
School-based support	10,223,627	10,223,627	10,164,394	59,233
System-wide support services				
Support and development	3,177,253	3,177,253	3,073,972	103,281
Special populations	408,978	450,530	450,529	1
Alternative programs	176,490	176,490	165,128	11,362
Technology support	4,400,773	4,538,479	4,510,458	28,021
Operational support	29,722,233	29,915,638	29,724,843	190,795
Financial and human resource	9,160,881	8,952,195	8,651,803	300,392
Accountability	636,630	511,630	455,541	56,089
System-wide pupil support	584,953	628,851	626,525	2,326
Policy, leadership and public relations	3,746,326	3,827,741	3,749,999	77,742
Ancillary services				
Community	-	-	-	-
Nutrition	442,377	360,962	288,532	72,430
Nonprogrammed charges	13,667,960	14,317,883	14,317,883	-
Total expenditures	133,840,789	134,215,798	133,237,375	978,423
Excess (deficiency) of revenues over expenditures	(2,469,109)	(2,469,109)	(1,490,686)	978,423
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	2,469,109	2,469,109	-	(2,469,109)
Net change in fund balance	$ -	$ -	(1,490,686)	$ (1,490,686)
Fund balances:				
Beginning of year			9,764,234	
End of year			$ 8,273,548	

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

UNION COUNTY BOARD OF EDUCATION ***Exhibit 6 (continued)***
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, 2025

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	$ 297,448,112	$ 305,146,471	$ 295,271,528	$ (9,874,943)
Union County	-	-	-	-
U.S. Government	-	113,266	113,266	-
Other	-	-	-	-
Total revenues	297,448,112	305,259,737	295,384,794	(9,874,943)
Expenditures:				
Current:				
Instructional services				
Regular instructional	188,771,954	187,266,210	182,475,479	4,790,731
Special populations	41,507,405	40,376,711	39,284,136	1,092,575
Alternative programs	5,024,029	5,543,046	3,878,402	1,664,644
School leadership	11,202,916	12,431,407	12,206,366	225,041
Co-curricular	6,988	6,988	-	6,988
School-based support	11,816,564	19,292,628	19,231,183	61,445
System-wide support services				
Support and development	327,490	327,490	238,769	88,721
Special populations	346,291	346,291	154,128	192,163
Alternative programs	4,522	6,022	5,536	486
Technology support	2,039,598	3,250,277	1,954,635	1,295,642
Operational support	35,405,233	35,356,634	35,139,239	217,395
Financial and human resource	338,362	338,362	172,932	165,430
Accountability	1,119	1,119	-	1,119
System-wide pupil support	14,073	14,073	-	14,073
Policy, leadership and public relations	639,983	639,983	581,494	58,489
Ancillary services				
Community	-	-	-	-
Nutrition	-	-	-	-
Nonprogrammed charges	-	-	-	-
Total expenditures	297,446,527	305,197,241	295,322,299	9,874,942
Excess (deficiency) of revenues over expenditures	1,585	62,496	62,495	(1)
Other financing uses:				
Transfers to other funds	(1,585)	(62,496)	(62,495)	1
Fund balance appropriated	-	-	-	-
Net change in fund balance	$ -	$ -	-	$ -
Fund balances:				
Beginning of year			-	
End of year			$ -	

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

UNION COUNTY BOARD OF EDUCATION ***Exhibit 6 (continued)***
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, 2025

	Federal Grants Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	$ -	$ -	$ -	$ -
Union County	-	-	-	-
U.S. Government	22,483,655	22,511,073	15,824,750	(6,686,323)
Other	-	-	-	-
Total revenues	22,483,655	22,511,073	15,824,750	(6,686,323)
Expenditures:				
Current:				
Instructional services				
Regular instructional	1,667,626	1,357,299	1,148,250	209,049
Special populations	9,341,784	9,722,368	7,149,210	2,573,158
Alternative programs	7,440,235	6,553,064	5,048,060	1,505,004
School leadership	203,457	311,011	287,646	23,365
Co-curricular	-	-	-	-
School-based support	957,243	1,560,192	1,054,218	505,974
System-wide support services				
Support and development	125,000	-	-	-
Special populations	158,415	223,041	195,965	27,076
Alternative programs	108,082	115,196	76,313	38,883
Technology support	-	-	-	-
Operational support	20,155	23,292	4,863	18,429
Financial and human resource	-	-	-	-
Accountability	-	-	-	-
System-wide pupil support	-	-	-	-
Policy, leadership and public relations	-	-	-	-
Ancillary services				
Community	-	-	-	-
Nutrition	35,940	61,651	61,649	2
Nonprogrammed charges	2,425,718	2,583,959	798,576	1,785,383
Total expenditures	22,483,655	22,511,073	15,824,750	6,686,323
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	$ -	$ -	-	$ -
Fund balances:				
Beginning of year			-	
End of year			$ -	

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

UNION COUNTY BOARD OF EDUCATION ***Exhibit 6 (continued)***
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, 2025

	Other Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
State of North Carolina	$ -	$ 185,000	$ 185,500	$ 500
Union County	-	-	-	-
U.S. Government	594,909	609,480	622,839	13,359
Other	4,059,336	6,827,840	11,394,995	4,567,155
Total revenues	4,654,245	7,622,320	12,203,334	4,581,014
Expenditures:				
Current:				
Instructional services				
Regular instructional	3,658,416	3,752,356	2,521,208	1,231,148
Special populations	5,259,208	7,547,582	6,915,045	632,537
Alternative programs	268,434	413,094	411,094	2,000
School leadership	-	-	-	-
Co-curricular	41,705	39,705	12,962	26,743
School-based support	957,656	1,118,747	860,613	258,134
System-wide support services				
Support and development	10,237	10,237	4,905	5,332
Special populations	4,000	6,000	5,892	108
Alternative programs	-	-	-	-
Technology support	450,000	450,000	126,618	323,382
Operational support	799,253	871,803	167,194	704,609
Financial and human resource	14,700	96,700	96,676	24
Accountability	26,213	38,818	38,817	1
System-wide pupil support	-	-	-	-
Policy, leadership and public relations	200	250	250	-
Ancillary services				
Community	156,094	244,052	155,681	88,371
Nutrition	-	24,571	14,571	10,000
Nonprogrammed charges	142,895	143,171	40,164	103,007
Total expenditures	11,789,011	14,757,086	11,371,690	3,385,396
Excess (deficiency) of revenues over expenditures	(7,134,766)	(7,134,766)	831,644	7,966,410
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	7,134,766	7,134,766	-	(7,134,766)
Net change in fund balance	$ -	$ -	831,644	$ 831,644
Fund balances:				
Beginning of year			7,484,519	
End of year			$ 8,316,163	

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

UNION COUNTY BOARD OF EDUCATION ***Exhibit 7***
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPES
June 30, 2025

	Enterprise		
	Major Funds		
	School Food Service	After School Program	Totals
Assets			
Current assets:			
Cash and cash equivalents	$ 6,675,898	$ 2,124,557	$ 8,800,455
Due from other governments	294,113	-	294,113
Receivables	308,289	10,705	318,994
Inventories	268,533	-	268,533
Total current assets	7,546,833	2,135,262	9,682,095
Noncurrent assets:			
Net OPEB asset	10,205	1,545	11,750
Capital assets:			
Furniture, equipment and vehicles, net	1,548,550	-	1,548,550
Total noncurrent assets	1,558,755	1,545	1,560,300
Total assets	9,105,588	2,136,807	11,242,395
Deferred Outflows of Resources	5,732,647	867,981	6,600,628
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	201,459	4,436	205,895
Compensated absences	599,785	109,242	709,027
Unearned revenue	351,008	38,059	389,067
Total current liabilities	1,152,252	151,737	1,303,989
Noncurrent liabilities:			
Net pension liability	5,320,773	805,618	6,126,391
Net OPEB liability	10,429,330	1,579,104	12,008,434
Compensated absences	1,399,497	254,899	1,654,396
Total noncurrent liabilities	17,149,600	2,639,621	19,789,221
Total liabilities	18,301,852	2,791,358	21,093,210
Deferred Inflows of Resources	2,248,031	340,374	2,588,405
Net position			
Investment in capital assets	1,548,550	-	1,548,550
Restricted for DIPNC OPEB plan	14,524	2,199	16,723
Unrestricted (deficit)	(7,274,722)	(129,143)	(7,403,865)
Total net position (deficit)	$ (5,711,648)	$ (126,944)	$ (5,838,592)

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

UNION COUNTY BOARD OF EDUCATION ***Exhibit 8***
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2025

	Enterprise		
	Major Funds		
	School Food Service	After School Program	Totals
Operating revenues:			
Food sales	$ 7,594,668	$ -	$ 7,594,668
Child care fees	-	3,020,273	3,020,273
Total operating revenues	7,594,668	3,020,273	10,614,941
Operating expenses:			
Food cost:			
Purchase of food	7,265,042	149,703	7,414,745
Donated commodities	1,232,161	-	1,232,161
Salaries and benefits	11,988,635	2,249,702	14,238,337
Materials and supplies	98,310	115,357	213,667
Repairs and maintenance	61,591	-	61,591
Depreciation	268,895	-	268,895
Non-capitalized equipment	120,068	-	120,068
Contracted services	215,080	3,328	218,408
Field trips	-	31,447	31,447
Bank service fees	-	91,154	91,154
Other	221,939	21,857	243,796
Total operating expenses	21,471,721	2,662,548	24,134,269
Operating income (loss)	(13,877,053)	357,725	(13,519,328)
Nonoperating revenues:			
Federal reimbursements	11,570,900	-	11,570,900
Federal commodities	1,232,161	-	1,232,161
State reimbursements	33,242	-	33,242
Interest earned	177,224	12,592	189,816
Total nonoperating revenues	13,013,527	12,592	13,026,119
Income (loss) before transfers and contributions	(863,526)	370,317	(493,209)
Transfers from other funds	62,495	-	62,495
Capital contributions	362,136	-	362,136
Change in net position	(438,895)	370,317	(68,578)
Net position (deficit), beginning, as previously reported	(3,611,698)	(215,594)	(3,827,292)
Change in accounting principle (Note 5)	(1,661,055)	(281,667)	(1,942,722)
Net position (deficit), beginning, as restated	(5,272,753)	(497,261)	(5,770,014)
Net position (deficit), end of year	$ (5,711,648)	$ (126,944)	$ (5,838,592)

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

UNION COUNTY BOARD OF EDUCATION ***Exhibit 9***
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2025

	Enterprise		
	Major Funds		
	School Food Service	After School Program	Totals
Cash flows from operating activities:			
Cash received from customers	$ 7,608,672	$ 3,051,165	$ 10,659,837
Cash paid for goods and services	(7,828,439)	(429,811)	(8,258,250)
Cash paid to employees for services	(11,785,340)	(2,334,130)	(14,119,470)
Net cash provided (used) by operating activities	(12,005,107)	287,224	(11,717,883)
Cash flows from noncapital financing activities:			
Due to other funds	(890,510)	-	(890,510)
Federal and State reimbursements	11,609,488	-	11,609,488
Net cash provided by noncapital activities	10,718,978	-	10,718,978
Cash flows from capital and related financing activities:			
Purchase of capital assets	(299,002)	-	(299,002)
Cash flows from investing activities:			
Interest earned on investments	177,224	12,592	189,816
Sales of investments	1,141,134	-	1,141,134
Net cash provided by investing activities	1,318,358	12,592	1,330,950
Net increase (decrease) in cash and cash equivalents	(266,773)	299,816	33,043
Cash and cash equivalents, beginning of year	6,942,671	1,824,741	8,767,412
Cash and cash equivalents, end of year	$ 6,675,898	$ 2,124,557	$ 8,800,455
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (13,877,053)	$ 357,725	$ (13,519,328)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	268,895	-	268,895
Donated commodities	1,232,161	-	1,232,161
Salaries paid by special revenue fund	62,495	-	62,495
Changes in assets and liabilities:			
Decrease in accounts receivable	41,118	25,024	66,142
Decrease in inventories	78,425	-	78,425
Increase (decrease) in accounts payable and accrued liabilities	75,166	(16,965)	58,201

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

	Enterprise		
	Major Funds		
	School Food Service	After School Program	Totals
Increase (decrease) in unearned revenue	(27,114)	5,868	(21,246)
Decrease in pension liability	(689,579)	(169,483)	(859,062)
Increase in OPEB liability	2,284,711	257,746	2,542,457
Increase in deferred outflow	(525,466)	(23,185)	(548,651)
Decrease in deferred inflow	(718,761)	(140,949)	(859,710)
Decrease in compensated absences payable	(199,900)	(7,012)	(206,912)
Total adjustments	1,871,946	(70,501)	1,801,445
Net cash provided (used) by operating activities	$ (12,005,107)	$ 287,224	$ (11,717,883)

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of $1,232,161 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 $62,495 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 $62,649 were purchased by the Federal Grants Fund during the year. The value of these assets is reflected as a capital contribution on Exhibit 8.

School Food Service capital assets with a value of $299,487 were purchased by the Capital Outlay 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.

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.

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.

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.

2. Cash and Cash Equivalents

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

3. Inventories

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

4. Capital Assets

Donated assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other capital assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before July 1, 1995 are recorded at an estimated original historical cost. The total of these estimates is not considered large enough that any errors would be material when capital assets are considered as a whole.

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

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

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

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

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

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 recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example, paid in cash to the employee) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The Board follows the State's policy for vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements on a FIFO basis. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. An estimate has been made based on prior years' records of the current portion of compensated absences.

Vacation Leave - Employees may accumulate up to thirty (30) days of earned but unused vacation leave with such leave being fully vested when earned and eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave - 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. However, a liability for the estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

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.

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.

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 $118,612,502 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)	$ 1,091,307,266
Less Accumulated Depreciation	(382,480,478)
Net capital assets	708,826,788
Net OPEB Asset	405,304
Pension related deferred outflows of resources	98,147,105
OPEB related deferred outflows of resources	129,524,772
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	(13,547,730)
Compensated absences	(89,948,661)
Net pension liability	(211,314,285)
Net OPEB liability	(414,200,375)
Deferred inflows of resources related to pensions	(7,250,526)
Deferred inflows of resources related to OPEB	(82,029,890)
Total adjustment	$ 118,612,502

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 $54,978,930 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	$ 69,669,846
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(22,157,982)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(4,944,060)
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	4,470,920
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	43,121,028
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	18,285,986
Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities.	(29,633)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	126,015
Gain on disposal of capital assets	16,250
Expenses reported in the Statement of Activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements	
Pension (expense) benefit	(52,524,928)
OPEB (expense) benefit	(2,893,464)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	1,838,952
Total adjustment	$ 54,978,930

10. Defined Benefit Pension Plan and OPEB Plans

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

NOTE 2 - DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

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

At June 30, 2025, the Board had deposits with banks and savings and loans with a carrying amount of $8,469,562 and deposits with the State Treasurer with a carrying amount of $-0-. The bank balances with the financial institutions and the State Treasurer were $18,068,378 and $1,000,003, respectively. Of these balances, $5,537,187 was covered by federal depository insurance and $13,531,194 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30, 2025, the Board of Education had $5,827,558 invested in US Treasury Notes. The Board also had $21,894,324 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 $2,137,686 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, 2025, the Board had the following investments and maturities:

Investment Type	Rating	Valuation Measurement Method	Fair Value	Less Than 6 Months	6-12 Months	1-3 Years
U.S. Treasuries	AAA	Fair Value - Level 1	$ 5,827,558	$ 1,202,426	$ 1,288,400	$ 3,336,732

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 2.1 years as of June 30, 2025.

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.

3. Accounts Receivable

Receivables at the district-wide level at June 30, 2025 are as follows:

	Due from other governments	Other	Total
Governmental activities:			
General Fund	$ 122,718	$ 53,978	$ 176,696
Other governmental activities	9,539,958	108,398	9,648,356
Total governmental activities	$ 9,662,676	$ 162,376	$ 9,825,052
Business-type activities:			
School Food Service	$ 294,113	$ 308,289	$ 602,402
After School Program	-	10,705	10,705
Total business-type activities	$ 294,113	$ 318,994	$ 613,107

Due from other governments consists of the following:

Governmental activities:		
General Fund	$ 122,718	Due from Cities and County
Other Special Revenue Fund	64,330	Due from State & Federal governments
Capital Outlay Fund	9,475,628	Due from County
Total	$ 9,662,676	
Business-type activities:		
School Food Service Fund	$ 294,113	Federal grant funds

4. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 64,242,660	$ -	$ -	$ 64,242,660
Construction in progress	68,650,586	66,974,593	8,696,923	126,928,256
Total capital assets not being depreciated	132,893,246	66,974,593	8,696,923	191,170,916
Capital assets being depreciated:				
Buildings and improvements	813,970,352	7,102,719	-	821,073,071
Equipment and furniture	30,618,479	1,997,088	40,165	32,575,402
Vehicles	45,253,839	2,292,369	1,058,331	46,487,877
Total capital assets being depreciated	889,842,670	11,392,176	1,098,496	900,136,350
Less accumulated depreciation for:				
Buildings and improvements	301,017,197	19,464,007	-	320,481,204
Equipment and furniture	27,042,995	559,126	32,690	27,569,431
Vehicles	33,347,417	2,134,849	1,052,423	34,429,843
Total accumulated depreciation	361,407,609	22,157,982	1,085,113	382,480,478
Total capital assets being depreciated, net	528,435,061			517,655,872
Governmental activity capital assets, net	$ 661,328,307			$ 708,826,788

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment, furniture and vehicles	$ 7,113,163	$ 661,138	$ 37,692	$ 7,736,609
Less accumulated depreciation for:				
Equipment, furniture and vehicles	5,956,856	268,895	37,692	6,188,059
School Food Service capital assets, net	1,156,307			1,548,550
Child Care Fund:				
Capital assets being depreciated:				
Equipment and furniture	110,550	-	-	110,550
Less accumulated depreciation for:				
Equipment and furniture	110,550	-	-	110,550
Child Care Fund capital assets, net	-			-
Business-type activities capital assets, net	$ 1,156,307			$ 1,548,550

Depreciation was charged to governmental functions as follows:

Regular instructional services	$ 19,464,007
System-wide support services	2,134,849
Unallocated depreciation	559,126
Total	$ 22,157,982

5. Construction Commitments

As of June 30, 2025, 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 $20.0 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, 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, 2025 was 16.79% 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 $44,371,186 for the year ended June 30, 2025.

Refunds of Contributions – Board employees who have terminated service as a contributing member of TSERS, may file an application for a refund of their contributions. By state law, refunds to members 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, 2025, the Board reported a liability of $217,440,676 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2024 and 2023, the Board's proportion was 1.46754 % and 1.53309%, respectively.

For the year ended June 30, 2025, the Board recognized pension expense of $54,146,960. At June 30, 2025, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 19,595,181	$ 642,783
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	35,854,937	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	1,171,267	6,817,949
Board contributions subsequent to the measurement date	44,371,186	-
Total	$ 100,992,571	$ 7,460,732

$44,371,186 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2026	$ 14,170,579
2027	39,755,369
2028	(927,280)
2029	(3,838,015)
2030	-
Thereafter	-
Total	$ 49,160,653

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

Inflation	2.50 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, 2023 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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 2022 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, 2025 and 2024 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 liability 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:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Board's proportionate share of the net pension liability	$ 398,870,811	$ 217,440,676	$ 67,824,944

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

1. Healthcare Benefits

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

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

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

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, 2025, the Board contributed 6.99% of covered payroll, which amounted to $18,472,578 for the entire fiscal year. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling $10.3 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 $129,668.

At June 30, 2025, the Board reported a liability of $426,208,809 for its proportionate share of the net RHBF OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. The total OPEB liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2024 and 2023, the Board's proportion was 1.25309% and 1.29846%, respectively.

$18,472,578 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2026	$ (10,170,564)
2027	1,566,832
2028	21,559,691
2029	17,266,810
2030	-
Thereafter	-
Total	$ 30,222,769

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, 2025 and 2024 were 3.93% and 3.65%, 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 3.93% was used as the discount rate used to measure the total OPEB liability. The 3.93% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2024.

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.93 percent) or 1-percentage point higher (4.93 percent) than the current discount rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Net OPEB liability	$ 507,078,178	$ 426,208,809	$ 361,277,773

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

	1% Decrease (Medical - 4.00-5.50%, Pharmacy - 4.00-9.00%, Medicare Advantage - 4.00%, Administrative - 2.00%)	Healthcare Trend Rates (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	$ 351,804,771	$ 426,208,809	$ 522,547,544

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

2. Disability Benefits

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

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

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

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

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2025, employers made a statutory contribution of 0.13% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were $343,553 for the year ended June 30, 2025.

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

At June 30, 2025, the Board reported an asset of $417,054 for its proportionate share of the net DIPNC OPEB asset. The net OPEB asset was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2023. The total OPEB liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB asset was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2024 and 2023, the Board's proportion was 1.2664% and 1.32939 %, respectively.

$343,553 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2026	$ (168,032)
2027	(113,460)
2028	54,701
2029	34,365
2030	25,371
Thereafter	-
Total	$ (167,055)

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 asset to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB asset, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage point lower (2.00 percent) or 1-percentage point higher (4.00 percent) than the current discount rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
Net OPEB asset	$ (371,873)	$ (417,054)	$ (464,540)

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2023 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

The actuarial assumptions 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, 2024. The long-term expected rate of return was determined based on the combination of expected future real rates of return and expected inflation. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2024 is 1.2%.

Following is information related to OPEB expense, proportionate share, assets, liabilities, deferred outflows of resources and deferred inflows of resources reported by the Board as of and for the year ended June 30, 2025:

	RHBF	DIPNC	Total
OPEB Expense (Benefit)	$ 3,099,859	$ 218,813	$ 3,318,672
OPEB Liability (Asset)	426,208,809	(417,054)	425,791,755
Proportionate share of the net OPEB liability (asset)	1.25309%	1.26664%	
Deferred Outflows of Resources			
Differences between expected and actual experience	3,473,851	168,134	3,641,985
Changes of assumptions	102,648,485	6,219	102,654,704
Net difference between projected and actual earnings on plan investments	1,826,374	327,414	2,153,788
Changes in proportion and differences between Board contributions and proportionate share of contributions	5,973,660	39,666	6,013,326
Board contributions subsequent to the measurement date	18,472,578	343,553	18,816,131
Total Deferred Outflows of Resources	132,394,948	884,986	133,279,934
Deferred Inflows of Resources			
Differences between Expected and actual experience	-	479,702	479,702
Changes of assumptions	55,568,927	194,303	55,763,230
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	28,130,674	34,483	28,165,157
Total Deferred Inflows of Resources	83,699,601	708,488	84,408,089

2. Accounts Payable

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

	Vendors
Governmental activities:	
General Fund	$ 2,028,993
Other Governmental	11,582,733
Total governmental activities	$ 13,611,726
Business-type activities:	
School Food Service Fund	$ 201,459
Child Care Fund	4,436
Total business-type activities	$ 205,895

3. Unearned Revenues

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

	Unearnd Revenues
Governmental Activities:	
Grants not yet earned (Other Special Revenue Fund)	$ 767,638
Business-Type Activities:	
Prepaid lunch balances (School Food Service Fund)	$ 351,008
Prepaid summer camp (After School Program Fund)	38,059
Total	$ 389,067

4. Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 23,237,166	$ 1,122,485
Changes of assumptions	102,654,704	55,763,230
Net difference between projected and actual earnings on pension plan investments	38,008,725	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	7,184,593	34,983,106
Board contributions subsequent to the measurement date	63,187,317	-
Total	$ 234,272,505	$ 91,868,821

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, a self-funded risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina through December 31, 2024 and Aetna thereafter. Through the Plan, permanent full-time employees of

the Board are eligible to receive health care benefits. The Board pays the majority 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, 2025, 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 2023-2024 and 2024-2025 fiscal years. The original amount of the Board's school bus direct placement installment purchase contracts outstanding at June 30, 2025 totaled $3,457,670. 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 $14,110,391. The financing contract requires quarterly principal and interest payments for 5 years with an interest rate of 3.79%. The second contract had an original purchase amount totaling $3,819,382. The financing contract requires annual principal and interest payments for 5 years with an interest rate of 4.10%.

The future minimum payments of the direct placement installment purchases as of June 30, 2025 are as follows:

Year Ending June 30,	Governmental Activities Principal	Interest
2026	$ 4,560,175	$ 413,991
2027	4,100,954	289,965
2028	3,271,543	152,887
2029	791,307	66,217
2030	823,751	33,774
Total	$ 13,547,730	$ 956,834

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, 2025:

	July 1, 2024 (As restated)	Increases	Decreases	June 30, 2025	Current Portion
Governmental activities:					
Installment purchases	$ 13,074,590	$ 4,944,060	$ 4,470,920	$ 13,547,730	$ 4,560,175
Net pension liability	248,611,051	-	37,296,766	211,314,285	-
Net OPEB liability	336,892,461	77,307,914	-	414,200,375	-
Compensated absences	91,787,613	-	1,838,952	89,948,661	26,984,598
Total	$ 690,365,715	$ 82,251,974	$ 43,606,638	$ 729,011,051	$ 31,544,773
Business-type activities:					
Net pension liability	$ 6,985,453	$ -	$ 859,062	$ 6,126,391	$ -
Net OPEB liability	9,465,977	2,542,457	-	12,008,434	-
Compensated absences	2,570,335	-	206,912	2,363,423	709,027
Total	$ 19,021,765	$ 2,542,457	$ 1,065,974	$ 20,498,248	$ 709,027

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. Transfers to/from other Funds

Transfers to/from other funds at June 30, 2025 consist of the following:

	Amount
From the State Public School Fund to the School Food Service Fund for personnel costs.	$ 62,495

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	$ 708,826,788
Less:	
Installment purchase obligations for school buses	(1,145,586)
Accounts payable Capital Outlay	(11,405,119)
Net investment in capital assets, governmental activities	$ 696,276,083

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	$ 8,273,548
Less:	
Stabilization by State statute	(439,812)
Remaining fund balance	$ 7,833,736

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, 2025 are as follows:

	Encumbrances
General Fund	$ 263,116
Restricted Revenue Fund	34,683

NOTE 3 – OTHER SPECIAL REVENUE FUND – OTHER REVENUES

Other revenues for the fiscal year ended June 30, 2025 in the Other Special Revenue Fund consists of the following:

Tuition and fees	$ 1,919,862
Medicaid reimbursements	3,098,125
Indirect costs allocated	800,065
Local sales tax refund	758,085
Private grants and donations	185,289
Facility rentals	250,233
Contributions and donations	145,659
Investment income	966,140
Insurance proceeds	131,099
Other reimbursements	2,146,676
Miscellaneous	993,762
Total other revenues	$ 11,394,995

NOTE 4 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

NOTE 5 – ACCOUNTING CHANGES

Change in Accounting Principle

Effective July 1, 2024, the Board implemented accounting and financial reporting requirements of GASB Statement 101, Compensated Absences. The statement requires that governments recognize liabilities for sick leave that is attributable to services the employee has rendered, that accumulates and is more likely than not to be used. See the table below for the effects on Board's net position as a result of the adoption of this statement.

Adjustments to and Restatements of Beginning Balances

During the fiscal year ended June 30, 2025, implementation of GASB Statement 101 resulted in restatements of beginning net position and fund net position, as follows:

	Reporting Units Affected by Restatements of Beginning Balances			
	Proprietary Fund		Government-Wide	
	School Food Service	Child Care	Governmental Activities	Business-Type Activities
June 30, 2024 net position (deficit), as previously reported	$ (3,611,698)	$ (215,594)	$ 159,022,475	$ (3,827,292)
Change in accounting principle	(1,661,055)	(126,944)	(70,121,500)	(1,942,722)
June 30, 2024 net position (deficit), as restated	$ (5,272,753)	$ (342,538)	$ 88,900,975	$ (5,770,014)

NOTE 6 – SUBSEQUENT EVENTS

The Board has evaluated subsequent events through December 17, 2025 (the issuance date of the financial statements) and has determined that there were no subsequent events to recognize or disclose in these financial statements.

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
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*

	2025	2024	2023	2022	2021
Board's proportion of the net pension liability (asset)	1.46754%	1.53309%	1.53159%	1.46562%	1.58662%
Board's proportionate share of the net pension liability (asset)	$ 217,440,676	$ 255,596,504	$ 227,322,233	$ 68,629,137	$ 191,695,381
Board's covered payroll	$ 258,201,847	$ 248,586,771	$ 239,723,906	$ 222,905,839	$ 230,000,188
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	84.21%	102.82%	94.83%	30.79%	83.35%
Plan fiduciary net position as a percentage of the total pension liability	85.35%	82.97%	84.14%	94.86%	89.51%

	2020	2019	2018	2017	2016
Board's proportion of the net pension liability (asset)	1.58218%	1.55636%	1.59601%	1.58302%	1.57303%
Board's proportionate share of the net pension liability (asset)	$ 164,023,920	$ 154,952,587	$ 126,634,472	$ 145,495,891	$ 57,969,270
Board's covered payroll	$ 230,661,877	$ 214,696,602	$ 209,780,447	$ 205,208,988	$ 203,706,430
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	71.11%	72.17%	60.37%	70.90%	28.46%
Plan fiduciary net position as a percentage of the total pension liability	87.56%	87.61%	89.51%	87.32%	94.64%

* 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

	2025	2024	2023	2022	2021
Contractually required contribution	$ 44,371,186	$ 45,521,181	$ 43,204,381	$ 39,266,776	$ 32,927,904
Contributions in relation to the contractually required contribution	44,371,186	45,521,181	43,204,381	39,266,776	32,927,904
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 264,271,424	$ 258,201,847	$ 248,586,771	$ 239,723,906	$ 222,905,839
Contributions as a percentage of covered payroll	16.79%	17.63%	17.38%	16.38%	14.87%

	2020	2019	2018	2017	2016
Contractually required contribution	$ 30,022,566	$ 28,348,345	$ 23,144,294	$ 20,936,089	$ 18,776,622
Contributions in relation to the contractually required contribution	30,022,566	28,348,345	23,144,294	20,936,089	18,776,622
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 230,000,188	$ 230,661,877	$ 214,696,602	$ 209,780,447	$ 205,208,988
Contributions as a percentage of covered payroll	12.97%	12.29%	10.78%	9.98%	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 NINE FISCAL YEARS*

	2025	2024	2023	2022	2021
Board's proportion of the net OPEB liability/asset	1.25309%	1.29846%	1.31741%	1.27629%	1.37306%
Board's proportionate share of the net OPEB liability (asset)	$426,208,809	$346,004,873	$312,844,184	$394,572,560	$380,897,241
Board's covered payroll	$258,201,847	$248,586,771	$239,723,906	$222,905,839	$230,000,188
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	165.07%	139.19%	130.50%	177.01%	165.61%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	9.79%	10.73%	10.58%	7.72%	6.92%

	2020	2019	2018	2017
Board's proportion of the net OPEB liability/asset	1.37258%	1.27629%	1.45493%	1.39123%
Board's proportionate share of the net OPEB liability (asset)	$434,277,197	$394,819,992	$477,021,010	$605,230,565
Board's covered payroll	$230,661,877	$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	188.27%	183.90%	227.39%	294.93%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	4.40%	4.40%	3.52%	2.41%

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

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

	2025	2024	2023	2022	2021
Contractually required contribution	$ 18,472,578	$ 18,435,691	$ 17,127,629	$ 15,078,634	$ 14,882,165
Contributions in relation to the contractually required contribution	18,472,578	18,435,691	17,127,629	15,078,634	14,882,165
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 264,271,424	$ 258,201,847	$ 248,586,771	$ 239,723,906	$ 222,905,839
Contributions as a percentage of covered payroll	6.99%	7.14%	6.89%	6.29%	6.68%

	2020	2019	2018	2017	2016
Contractually required contribution	$ 14,976,562	$ 14,462,500	$ 12,989,144	$ 12,165,615	$ 11,436,286
Contributions in relation to the contractually required contribution	14,976,562	14,462,500	12,989,144	12,165,615	11,436,286
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 230,000,188	$ 230,661,877	$ 214,696,602	$ 209,780,447	$ 205,208,988
Contributions as a percentage of covered payroll	6.47%	6.27%	6.05%	5.81%	5.60%

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 NINE FISCAL YEARS*

	2025	2024	2023	2022	2021
Board's proportion of the net OPEB liability/asset	1.26664%	1.32939%	1.33101%	1.28889%	1.38670%
Board's proportionate share of the net OPEB liability (asset)	$ (417,054)	$ 353,565	$ 395,949	$ (210,527)	$ (682,173)
Board's covered payroll	$ 258,201,847	$ 248,586,771	$ 239,723,906	$ 222,905,839	$ 230,000,188
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	-0.16%	0.14%	0.17%	0.09%	0.30%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	114.99%	90.61%	90.34%	105.18%	115.57%

	2020	2019	2018	2017
Board's proportion of the net OPEB liability/asset	1.39364%	1.37598%	1.40907%	1.41358%
Board's proportionate share of the net OPEB liability (asset)	$ (601,356)	$ (417,968)	$ (861,224)	$ (877,833)
Board's covered payroll	$ 230,661,877	$ 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	0.26%	0.19%	0.41%	0.43%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	113.00%	108.47%	116.23%	116.06%

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

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

	2025	2024	2023	2022	2021
Contractually required contribution	$ 343,553	$ 284,023	$ 248,587	$ 215,752	$ 200,508
Contributions in relation to the contractually required contribution	343,553	284,023	248,587	215,752	200,508
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 264,271,424	$ 258,201,847	$ 248,586,771	$ 239,723,906	$ 222,905,839
Contributions as a percentage of covered payroll	0.13%	0.11%	0.10%	0.09%	0.09%

	2020	2019	2018	2017	2016
Contractually required contribution	$ 230,000	$ 322,927	$ 300,575	$ 795,686	$ 837,300
Contributions in relation to the contractually required contribution	230,000	322,927	300,575	795,686	837,300
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 230,000,188	$ 230,661,877	$ 214,696,602	$ 209,780,447	$ 205,208,988
Contributions as a percentage of covered payroll	0.10%	0.14%	0.14%	0.38%	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, 2025

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Union County:			
County appropriation	$ 130,611,680	$ 130,611,680	$ -
Other:			
Fines and forfeitures	916,380	916,380	-
ABC revenues	218,629	218,629	-
Total other	1,135,009	1,135,009	-
Total revenues	131,746,689	131,746,689	-
Expenditures:			
Current:			
Instructional services:			
Regular instructional	29,747,778	29,725,499	22,279
Special populations	4,960,449	4,943,627	16,822
Alternative programs	4,463,543	4,456,415	7,128
School leadership	15,327,899	15,327,676	223
Co-curricular	2,634,850	2,604,551	30,299
School-based support	10,223,627	10,164,394	59,233
Total instructional services	67,358,146	67,222,162	135,984
System-wide support services:			
Support and development	3,177,253	3,073,972	103,281
Special population support and development	450,530	450,529	1
Alternative programs and services support and development	176,490	165,128	11,362
Technology support	4,538,479	4,510,458	28,021
Operational support	29,915,638	29,724,843	190,795
Financial and human resource services	8,952,195	8,651,803	300,392
Accountability	511,630	455,541	56,089
System-wide pupil support	628,851	626,525	2,326
Policy, leadership and public relations	3,827,741	3,749,999	77,742
Total system-wide support services	52,178,807	51,408,798	770,009

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, 2025

	Final Budget	Actual	Variance With Final Budget
Expenditures: (Continued)			
Current:			
Ancillary services:			
Nutrition	360,962	288,532	72,430
Nonprogrammed charges:			
Payments to other governments	14,317,883	14,317,883	-
Total expenditures	134,215,798	133,237,375	978,423
Revenues over (under) expenditures	(2,469,109)	(1,490,686)	978,423
Fund balance appropriated	2,469,109	-	(2,469,109)
Net change in fund balance	$ -	(1,490,686)	$ (1,490,686)
Fund balance:			
Beginning of year		9,764,234	
End of year		$ 8,273,548	

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, 2025

	Final Budget	Actual	Variance With Final Budget
Revenues:			
State of North Carolina:			
K-12 Athletic Facilities Grant	$ 1,800,000	$ 1,800,000	$ -
State Buses Appropriation	1,398,358	1,398,358	-
Total State of North Carolina	3,198,358	3,198,358	-
Union County:			
Bond proceeds	127,581,186	60,946,982	(66,634,204)
County appropriations	49,544,159	25,934,315	(23,609,844)
Total Union County	177,125,345	86,881,297	(90,244,048)
Other:			
Interest earned on investments	-	150,533	150,533
Proceeds from disposal of capital assets	-	29,633	29,633
Other	-	157,390	157,390
Total other	-	337,556	337,556
Total revenues	180,323,703	90,417,211	(89,906,492)
Expenditures:			
Debt service:			
Principal retirement	4,470,920	4,470,920	-
Interest and fees	375,259	375,259	-
Total debt service	4,846,179	4,846,179	-
Capital outlay:			
Real property and buildings	164,130,550	80,472,705	83,657,845
Furnishings and equipment	14,736,475	7,847,562	6,888,913
Buses and motor vehicles	3,087,498	2,052,036	1,035,462
Total capital outlay	181,954,523	90,372,303	91,582,220
Total expenditures	186,800,702	95,218,482	91,582,220
Revenues over (under) expenditures	(6,476,999)	(4,801,271)	1,675,728
Other financing sources:			
Installment purchase obligations issued	5,508,859	4,944,060	(564,799)
Fund balance appropriated	968,140	-	(968,140)
Net change in fund balance	$ -	142,789	$ 142,789
Fund balance:			
Beginning of year		2,623,945	
End of year		$ 2,766,734	

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, 2025

	Final Budget	Actual	Variance With Final Budget
Operating revenues - food sales	$ 7,565,720	$ 7,594,668	$ 28,948
Operating expenditures:			
Business support services:			
Purchase of food	-	7,186,617	-
Donated commodities	-	1,232,161	-
Salaries and benefits	-	11,847,835	-
Materials and supplies	-	98,310	-
Repairs and maintenance	-	61,591	-
Non-capitalized equipment	-	120,068	-
Contracted services	-	215,080	-
Other	-	221,939	-
Capital outlay	-	299,002	-
Total operating expenditures	22,566,877	21,282,603	1,284,274
Operating loss	(15,001,157)	(13,687,935)	1,313,222
Nonoperating revenues:			
Federal reimbursements	11,649,229	11,570,900	(78,329)
Federal commodities	1,046,752	1,232,161	185,409
State reimbursements	40,000	33,242	(6,758)
Interest earned	200	177,224	177,024
Total nonoperating revenues	12,736,181	13,013,527	277,346
Revenues over (under) expenditures	(2,264,976)	(674,408)	1,590,568
Other financing sources:			
Transfers from other funds	-	62,495	62,495
Fund balance appropriated	2,264,976	-	(2,264,976)
Net change in fund balance	$ -	(611,913)	$ (611,913)

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, 2025

	Final Budget	Actual	Variance With Final Budget
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(268,895)	
Capital contributions		362,136	
Net OPEB asset		10,205	
Net pension liability		689,579	
Net OPEB liability		(2,284,711)	
Deferred outflows		525,466	
Deferred inflows		718,761	
Equipment purchases		299,002	
Decrease in compensated absences payable		199,900	
Decrease in inventories		(78,425)	
Change in net position (full accrual)		$ (438,895)	

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, 2025

	Final Budget	Actual	Variance With Final Budget
Operating revenues:			
Child care fees	$ 2,918,000	$ 3,020,273	$ 102,273
Operating expenditures:			
Regular community services:			
Purchase of food	-	149,703	-
Salaries and benefits	-	2,334,130	-
Materials and supplies	-	115,357	-
Contracted services	-	3,328	-
Field trips	-	31,447	-
Bank service fees	-	91,154	-
Other	-	21,857	-
Total operating expenditures	2,918,000	2,746,976	171,024
Operating income	-	273,297	273,297
Nonoperating revenues:			
Interest earned	-	12,592	12,592
Net change in fund balance	$ -	285,889	$ 571,778
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Net OPEB asset		1,545	
Net pension liability		169,483	
Net OPEB liability		(257,746)	
Deferred outflows		23,185	
Deferred inflows		140,949	
Decrease in compensated absences payable		7,012	
Change in net position (full accrual)		$ 370,317	

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

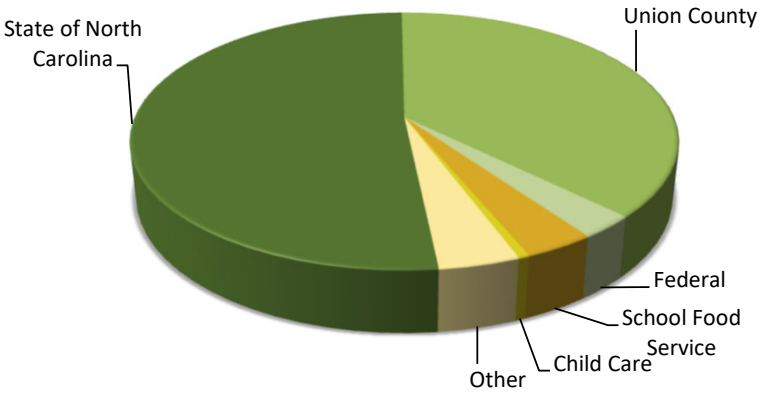
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. County information is included.

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.

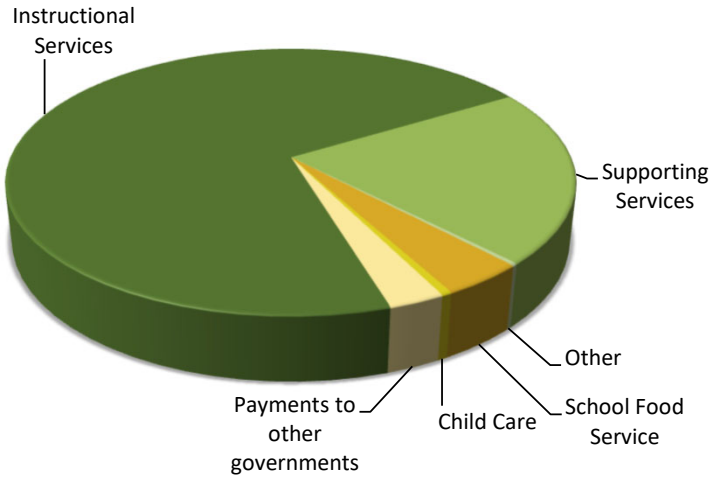
Union County Public Schools
Financial Perspective
Governmental and Business-type Activities
for Fiscal Year 2024-2025

Revenue Sources



State of North Carolina	$298,655,386
Union County	217,492,977
Federal	16,560,855
School Food Service	20,608,195
Child Care	3,204,770
Other	23,462,596
Total	$579,984,779

Expenditures/Expenses



Instructional Services	$373,543,797
Supporting Services	111,878,025
Other	1,454,818
School Food Service	21,471,721
Child Care	2,662,548
Payments to other governments	14,356,558
Total	$525,367,467

UNION COUNTY BOARD OF EDUCATION

Net Position by Component

Last Ten Fiscal Years

Year Ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
Net investment in capital assets	$ 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	$ 696,276,083
Restricted	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	10,825,512
Unrestricted	(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)	(563,514,730)
Total governmental activities net position (deficit)	$ 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	$ 143,586,865
Business-type activities:										
Net investment in capital assets	$ 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	$ 1,548,550
Restricted	-	-	40,047	46,315	39,911	28,590	27,077	-	-	16,723
Unrestricted	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)	(7,403,865)
Total business-type activities net position (deficit)	$ 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)	$ (5,838,592)
District-wide										
Net investment in capital assets	$ 615,502,295	$ 612,776,021	$ 610,128,848	$ 618,004,445	$ 636,387,120	$ 637,529,715	$ 625,120,500	$ 651,085,338	$ 651,085,338	$ 697,824,633
Restricted	12,931,221	11,174,475	14,006,007	16,828,764	17,234,477	13,166,224	15,577,802	12,805,200	12,805,200	10,842,235
Unrestricted	(55,388,938)	(59,735,935)	(678,426,759)	(672,900,863)	(675,148,448)	(658,397,018)	(585,642,655)	(508,695,355)	(508,695,355)	(570,918,595)
Total primary government net position (deficit)	$ 573,044,578	$ 564,214,561	$ (54,291,904)	$ (38,067,654)	$ (21,526,851)	$ (7,701,079)	$ 55,055,647	$ 155,195,183	$ 155,195,183	$ 137,748,273

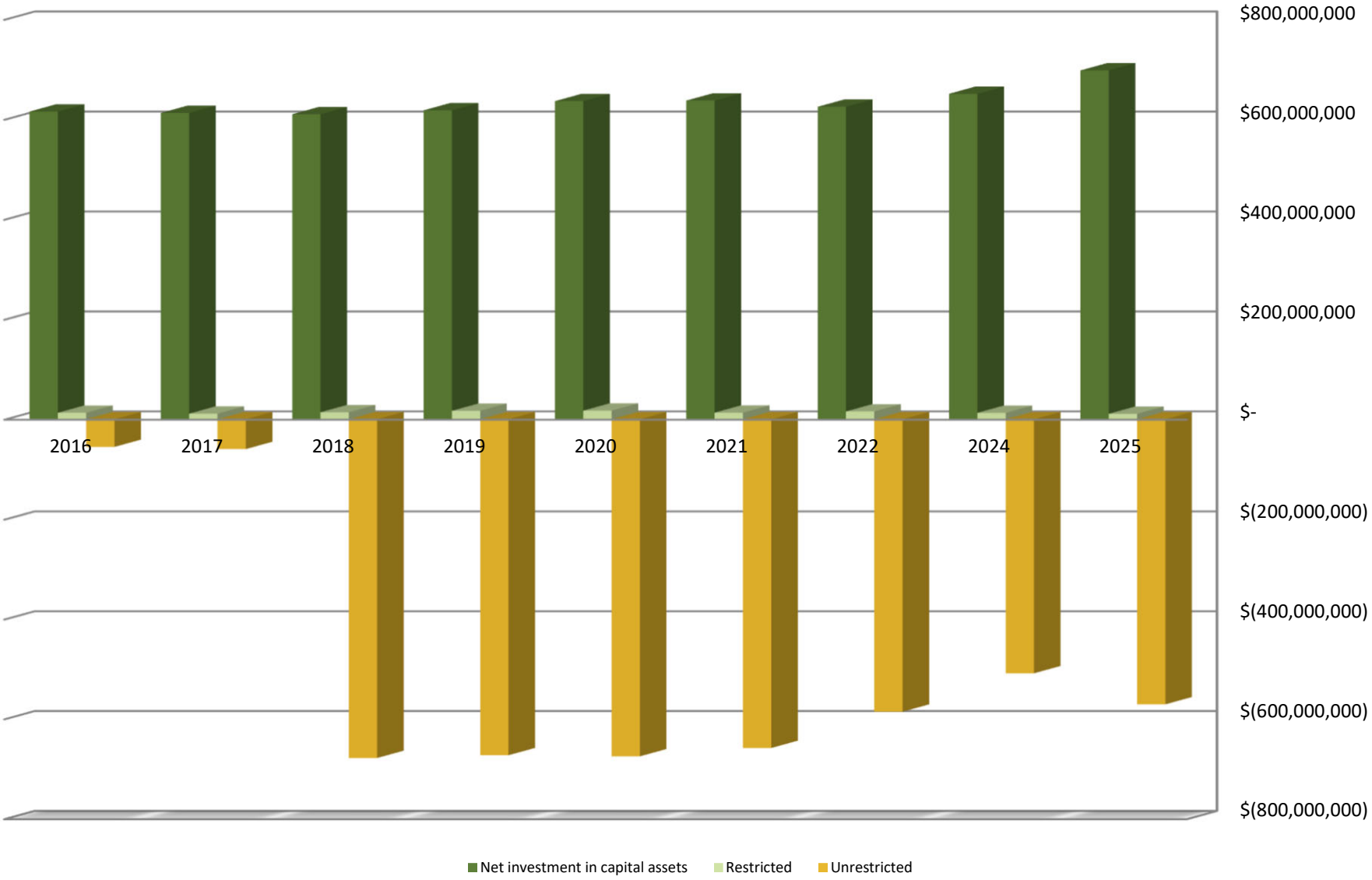
Source: Union County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2025

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.

Table 2

Net Position by Component
District-wide



UNION COUNTY BOARD OF EDUCATION

Changes in Net Position

Last Ten Fiscal Years

Year Ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
Instructional programs	$ 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	$ 373,543,797
Support services	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	111,878,025
Ancillary services and non-programed charges	396,986	406,072	334,533	381,556	1,148,373	1,157,982	1,122,526	1,427,457	156,122	520,433
Payments to other governments	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	14,356,558
Interest on long-term debt	-	-	-	181,782	175,542	181,597	116,900	125,971	448,437	375,259
Unallocated depreciation expense	2,242,067	2,195,386	1,895,343	1,225,276	1,434,253	894,306	742,739	589,356	468,002	559,126
Total governmental activities expenses	343,085,256	376,941,530	406,640,654	400,764,132	414,110,898	409,530,137	400,695,816	446,658,792	485,843,541	501,233,198
Business-type activities:										
School food service	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	21,471,721
After School Program	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	2,662,548
Total business-type activities expenses	21,771,104	21,147,626	21,439,570	20,688,307	18,676,276	11,572,456	23,300,544	18,748,808	26,336,084	24,134,269
Total primary government expenses	$ 364,856,360	$ 398,089,156	$ 428,080,224	$ 421,452,439	$ 432,787,174	$ 421,102,593	$ 423,996,360	$ 465,407,600	$ 512,179,625	$ 525,367,467
Program Revenues										
Governmental activities:										
Charges for services:										
Tuition and fees	$ 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	$ 1,919,862
Rental of school property	179,149	148,777	190,842	197,046	135,139	61,051	109,077	136,042	197,903	250,233
Co-curricular	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	11,234,503
Operating grants and contributions	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	315,446,956
Capital grants and contributions	108,905	432,676	390,534	456,440	449,980	565,854	1,311,178	2,168,758	2,129,026	3,198,358
Total governmental activities program revenues	245,454,254	254,666,074	262,763,389	281,275,586	286,345,852	290,021,507	328,565,922	332,374,263	344,383,475	332,049,912
Business-type activities:										
Charges for services:										
School food service	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	7,594,668
After School Program	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	3,020,273
Operating grants and contributions	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	12,836,303
Capital grants and contributions	24,390	25,000	23,000	-	7,425	-	31,701	20,563	20,822	362,136
Total business-type activities program revenues	20,983,599	21,066,577	20,446,240	19,788,681	15,708,193	10,429,456	26,998,573	23,622,479	24,512,114	23,813,380
Total district-wide	$ 266,437,853	$ 275,732,651	$ 283,209,629	$ 301,064,267	$ 302,054,045	$ 300,450,963	$ 355,564,495	$ 355,996,742	$ 368,895,589	$ 355,863,292
Net (expense) / revenue										
Governmental activities	$ (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)	$ (169,183,286)
Business-type activities	(787,505)	(81,049)	(993,330)	(899,626)	(2,968,083)	(1,143,000)	3,698,029	4,873,671	(1,823,970)	(320,889)
Total district-wide	$ (98,418,507)	$ (122,356,505)	$ (144,870,595)	$ (120,388,172)	$ (130,733,129)	$ (120,651,630)	$ (68,431,865)	$ (109,410,858)	$ (143,284,036)	$ (169,504,175)

UNION COUNTY BOARD OF EDUCATION

Changes in Net Position (Continued)
Last Ten Fiscal Years

Year ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2024
General Revenues and Other Changes in Net Position										
Governmental activities:										
Unrestricted county appropriations - operating	$ 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	$ 131,369,765
Unrestricted county appropriations - capital	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	86,881,297
Investment earnings, unrestricted	116,015	149,275	246,894	359,955	341,647	9,113	(408,412)	213,512	872,985	1,116,673
Unrestricted miscellaneous	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	4,563,936
Transfers	(37,150)	40,235	34,773	(115,169)	(1,261,703)	(648,026)	(49,472)	(52,069)	(55,337)	(62,495)
Total governmental activities	112,731,694	113,489,329	117,677,661	136,361,464	145,851,665	133,796,054	131,124,207	145,061,873	207,573,457	223,869,176
Business-type activities:										
Investment earnings, unrestricted	57,273	85,794	98,203	127,387	160,087	102	6,712	14,814	84,381	189,816
Miscellaneous, unrestricted	12,590	(8,400)	6,265	8,402	477	33,220	8,200	(4,518)	(2,983)	-
Transfers	37,150	(40,235)	(34,773)	115,169	1,261,703	648,026	49,472	52,069	55,337	62,495
Total business-type activities	107,013	37,159	69,695	250,958	1,422,267	681,348	64,384	62,365	136,735	252,311
Total district-wide	$ 112,838,707	$ 113,526,488	$ 117,747,356	$ 136,612,422	$ 147,273,932	$ 134,477,402	$ 131,188,591	$ 145,124,238	$ 207,710,192	$ 224,121,487
Change in Net Position										
Governmental activities	$ 6,584,867	$ 15,100,692	$ (8,786,127)	$ (26,199,604)	$ 16,872,918	$ 58,994,313	$ 16,839,678	$ 66,113,391	$ 207,573,457	$ 54,685,890
Business-type activities	(555,826)	(680,492)	(43,890)	(923,635)	(648,668)	3,762,413	4,938,055	(1,687,235)	136,735	(68,578)
Total district-wide	$ 6,029,041	$ 14,420,200	$ (8,830,017)	$ (27,123,239)	$ 16,224,250	$ 62,756,726	$ 21,777,733	$ 64,426,156	$ 207,710,192	$ 54,617,312

Source: Union County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2025.

UNION COUNTY BOARD OF EDUCATION

Governmental Funds
Fund Balances
Last Ten Fiscal Years

Year Ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Restricted	$ 3,808,346	$ 1,272,528	$ 604,367	$ 1,208,352	$ 430,361	$ 673,860	$ 98,228	$ 1,671,786	$ 369,136	$ 439,812
Assigned	2,700,000	3,812,000	-	-	-	2,860,000	2,999,117	2,429,533	2,469,109	-
Unassigned	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	7,833,736
Total General Fund	$ 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	$ 8,273,548
All Other Governmental Funds										
Restricted	$ 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	$ 9,808,871
Assigned	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	6,891,944
Total all other governmental funds	$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	$16,700,815

Source: Union County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2025.

UNION COUNTY BOARD OF EDUCATION

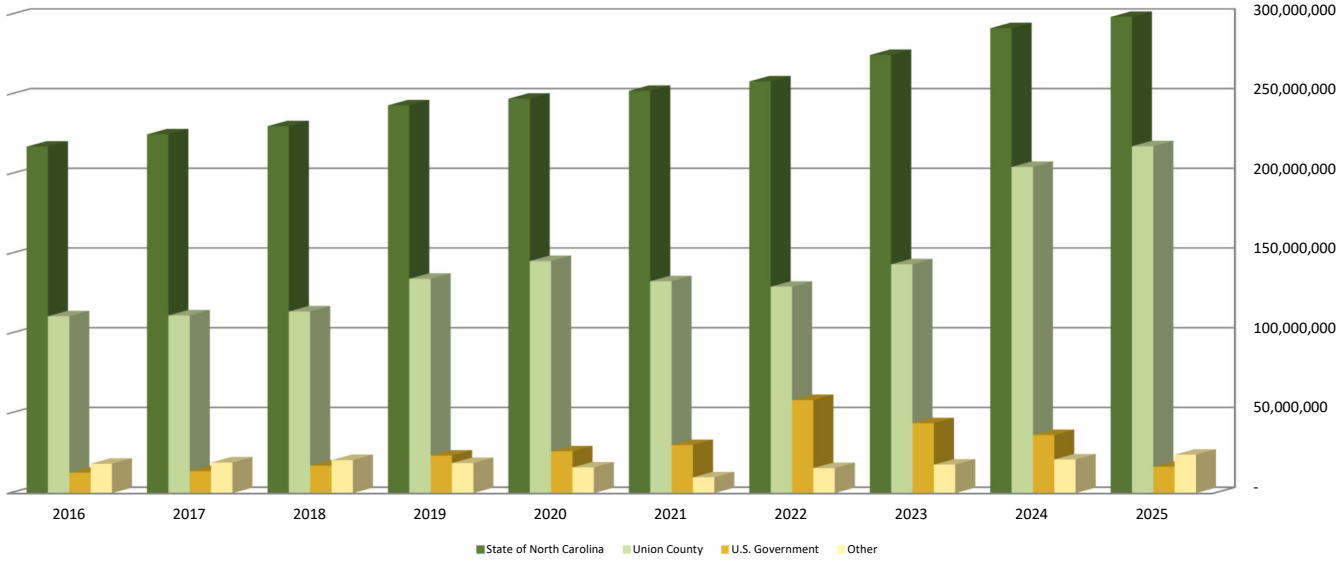
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

Year Ended June 30	2016	2017	2018	2019	2020
Revenues					
State of North Carolina	217,256,985	224,977,572	230,087,058	243,174,564	$ 247,327,813
Union County	110,831,819	111,359,717	113,850,566	134,360,350	145,487,397
U.S. Government	12,753,697	13,857,626	17,273,385	23,520,163	26,195,246
Other	18,439,176	19,225,140	20,705,694	18,825,096	16,115,046
Total revenues	359,281,677	369,420,055	381,916,703	419,880,173	435,125,502
Expenditures					
Instructional programs	267,072,697	276,401,599	282,174,501	313,511,999	306,823,719
Support services	69,402,493	68,249,693	73,356,072	74,907,525	75,320,334
Ancillary services	412,709	398,242	304,763	399,070	1,142,572
Non-programmed charges	4,135,017	6,336,270	8,230,767	8,979,126	9,832,101
Debt service					
Principal retirement	108,905	432,676	390,534	1,975,995	1,958,142
Interest and fees	-	-	-	181,782	175,542
Capital outlay	19,268,162	17,206,482	15,818,871	32,644,399	38,718,508
Total expenditures	360,399,983	369,024,962	380,275,508	432,599,896	433,970,918
Excess of revenues over (under) expenditures	(1,118,306)	395,093	1,641,195	(12,719,723)	1,154,584
Other financing sources (uses)					
Installment purchase obligations issued	604,188	957,948	-	8,081,823	3,489,673
Transfers in (out)	(37,150)	40,235	34,773	(115,169)	(1,261,703)
Net change in fund balances	$ (1,155,456)	$ 1,393,276	$ 1,675,968	$ (4,753,069)	$ 3,382,554
Ratio of debt service expenditures to total noncapital expenditures	0.03%	0.12%	0.11%	0.52%	0.53%

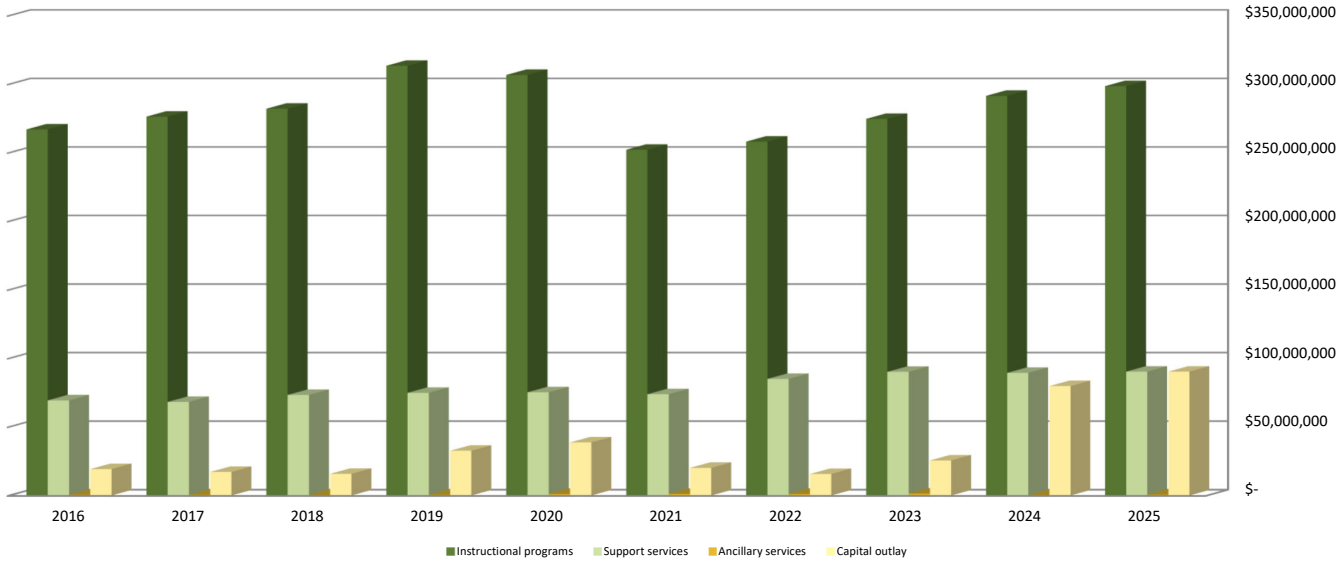
Year Ended June 30	2021	2022	2023	2024	2025
Revenues					
State of North Carolina	$ 252,253,566	$ 258,182,527	$ 274,756,110	$ 291,562,397	$ 298,655,386
Union County	132,809,666	129,365,230	143,417,233	204,478,470	217,492,977
U.S. Government	30,127,633	58,322,123	43,807,666	36,387,973	16,560,855
Other	9,905,417	15,700,463	17,869,456	21,135,015	24,102,063
Total revenues	425,096,282	461,570,343	479,850,465	553,563,855	556,811,281
Expenditures					
Instructional programs	308,450,633	343,548,760	364,360,992	371,077,474	360,717,324
Support Services	73,872,638	85,047,924	90,211,499	89,464,790	90,373,024
Ancillary services	1,157,982	1,122,526	1,427,457	156,122	520,433
Non-programmed charges	10,754,603	11,268,483	12,555,797	13,551,859	15,156,623
Debt service					
Principal retirement	2,850,354	3,660,373	4,009,735	4,900,402	4,470,920
Interest and fees	181,597	116,900	125,971	448,437	375,259
Capital outlay	20,175,488	15,693,032	25,571,117	79,810,449	90,372,303
Total expenditures	417,443,295	460,457,998	498,262,568	559,409,533	561,985,886
Excess of revenues over (under) expenditures	7,652,987	1,112,345	(18,412,103)	(5,845,678)	(5,174,605)
Other financing sources (uses)					
Installment purchase obligations issued	855,309	1,918,302	15,121,471	2,332,992	4,944,060
Transfers in (out)	(648,026)	(49,472)	(52,069)	(55,337)	(62,495)
Net change in fund balances	$ 7,860,270	$ 2,981,175	$ (3,342,701)	$ (3,568,023)	$ (293,040)
Ratio of debt service expenditures to total noncapital expenditures	0.76%	0.84%	0.85%	1.09%	0.98%

Source: Union County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2025.

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
County	$ 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	$ 86,881,297
State	108,905	432,676	390,534	456,440	449,980	565,854	1,311,178	2,168,758	2,129,026	3,198,358
Other	86,466	210,822	1,261,173	435,215	272,917	2,482	105,233	179,103	386,532	337,556
Totals	$ 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	$ 90,417,211

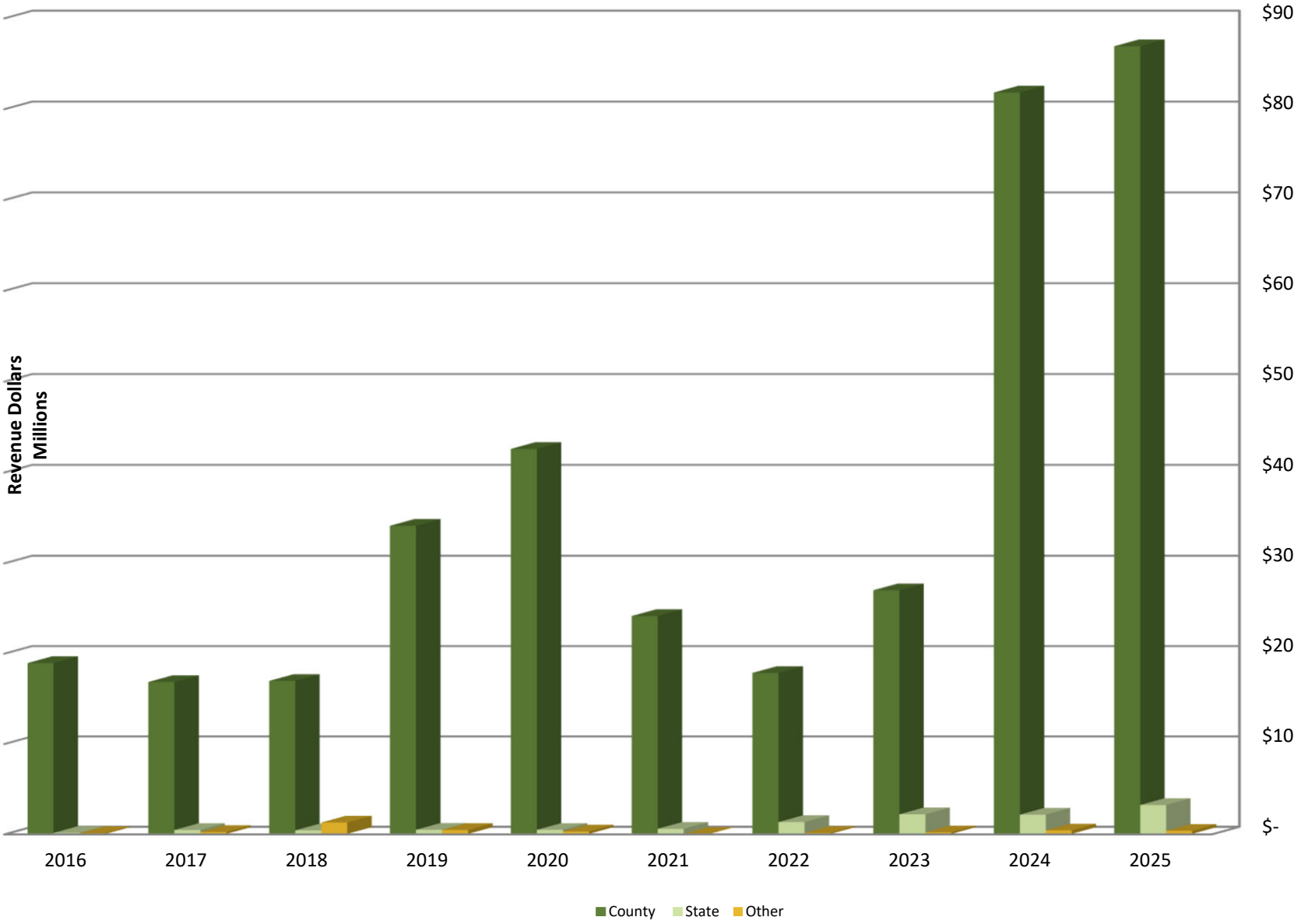
Expressed in Constant Dollars

Year ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
County	$ 7,719,439	$ 6,672,863	$ 6,611,193	$ 13,222,257	$ 15,659,157	$ 8,137,943	$ 5,840,269	$ 8,583,457	$ 25,355,842	$ 26,934,842
State	44,459	171,704	152,467	177,054	165,619	190,966	429,741	690,303	660,038	991,551
Other	35,299	83,663	492,371	168,821	100,449	838	34,490	57,007	119,832	104,649
Totals	$ 7,799,197	$ 6,928,230	$ 7,256,031	$ 13,568,132	$ 15,925,225	$ 8,329,747	$ 6,304,500	$ 9,330,767	$ 26,135,712	$ 28,031,042

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).

Table 6

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Building and Site Improvements	$ 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	$ 80,472,705
Furniture and Equipment	1,381,601	1,632,446	2,579,764	11,158,160	553,877	88,340	81,910	118,997	122,926	7,847,562
Vehicles	991,720	957,948	382,456	1,473,336	1,577,152	1,215,833	1,918,302	2,538,566	3,740,321	2,052,036
Debt Service	108,905	432,676	390,534	2,157,777	2,133,684	3,031,951	3,777,273	4,135,706	5,348,839	4,846,179
Totals	$ 20,068,726	$ 18,081,734	$ 17,419,163	$ 44,305,367	$ 40,852,192	$ 23,207,439	$ 19,470,305	$ 29,706,823	$ 85,159,288	$ 95,218,482

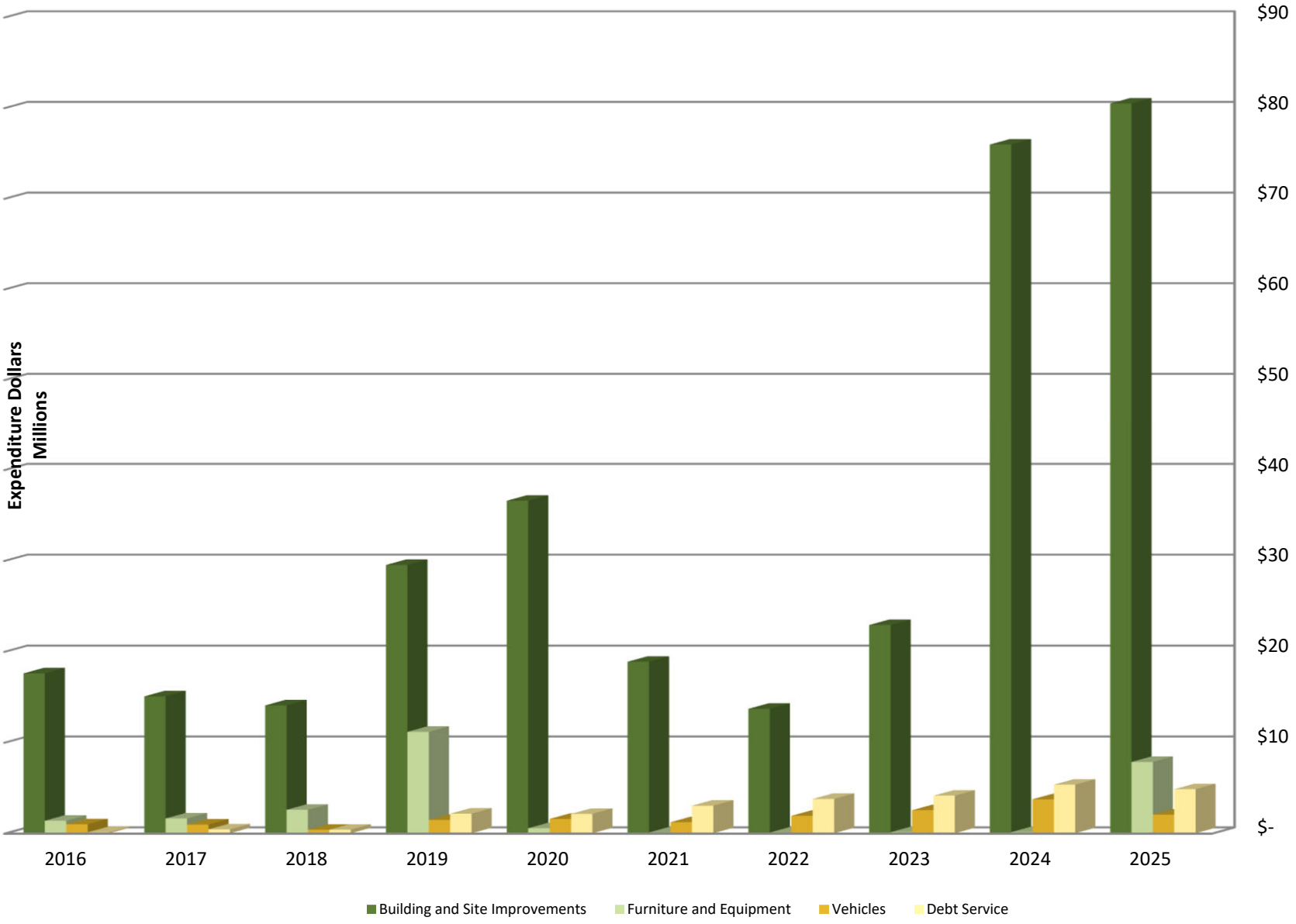
Expressed in Constant Dollars

Year ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Building and Site Improvements	$ 7,179,482	$ 5,975,921	$ 5,491,623	$ 11,449,355	$ 13,466,330	$ 6,368,753	$ 4,487,845	$ 7,293,245	$ 23,545,067	$ 24,948,058
Furniture and Equipment	564,022	647,824	1,007,158	4,328,274	203,859	29,813	26,846	37,876	38,109	2,432,892
Vehicles	404,858	380,155	149,313	571,510	580,484	410,323	628,727	808,010	1,159,570	636,170
Debt Service	44,459	171,704	152,467	837,006	785,320	1,023,233	1,238,008	1,316,370	1,658,241	1,502,407
Totals	$ 8,192,821	$ 7,175,604	$ 6,800,561	$ 17,186,145	$ 15,035,993	$ 7,832,122	$ 6,381,426	$ 9,455,501	$ 26,400,987	$ 29,519,527

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).

Table 7

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Food Sales	$ 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	$ 7,594,668
Federal Reimbursements	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	11,570,900
Federal Commodities	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	1,232,161
Other	81,323	79,714	96,002	116,948	135,142	33,705	14,905	71,758	119,898	210,466
Totals	$ 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	$ 20,608,195

Expressed in Constant Dollars

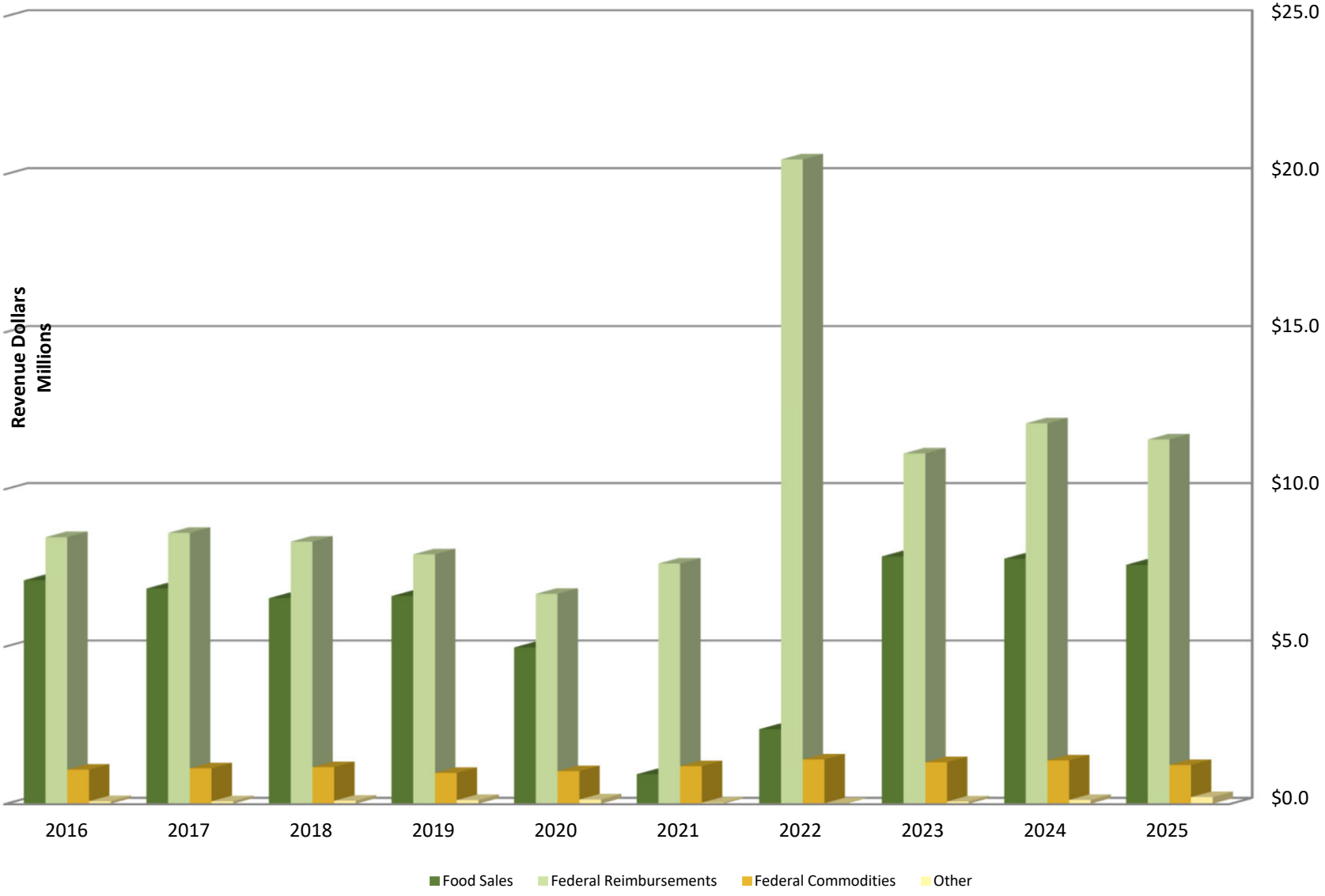
Year ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Food Sales	$ 2,899,191	$ 2,714,396	$ 2,550,985	$ 2,560,510	$ 1,828,802	$ 316,907	$ 777,280	$ 2,502,321	$ 2,414,436	$ 2,354,490
Federal Reimbursements	3,458,845	3,415,568	3,251,930	3,074,694	2,455,508	2,575,980	6,707,076	3,541,631	3,745,703	3,587,197
Federal Commodities	443,189	446,412	454,187	380,034	380,986	403,338	461,025	419,868	427,149	381,993
Other	33,199	31,634	37,480	45,364	49,740	11,375	4,885	22,840	37,171	65,248
Totals	$ 6,834,424	$ 6,608,010	$ 6,294,582	$ 6,060,602	$ 4,715,036	$ 3,307,600	$ 7,950,266	$ 6,486,660	$ 6,624,459	$ 6,388,928

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).

Table 8

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Purchased Food	$ 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	$ 7,265,042
Donated Commodities	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	1,232,161
Salaries and Benefits	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	11,988,635
Other	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	985,883
Totals	$ 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	$ 21,471,721

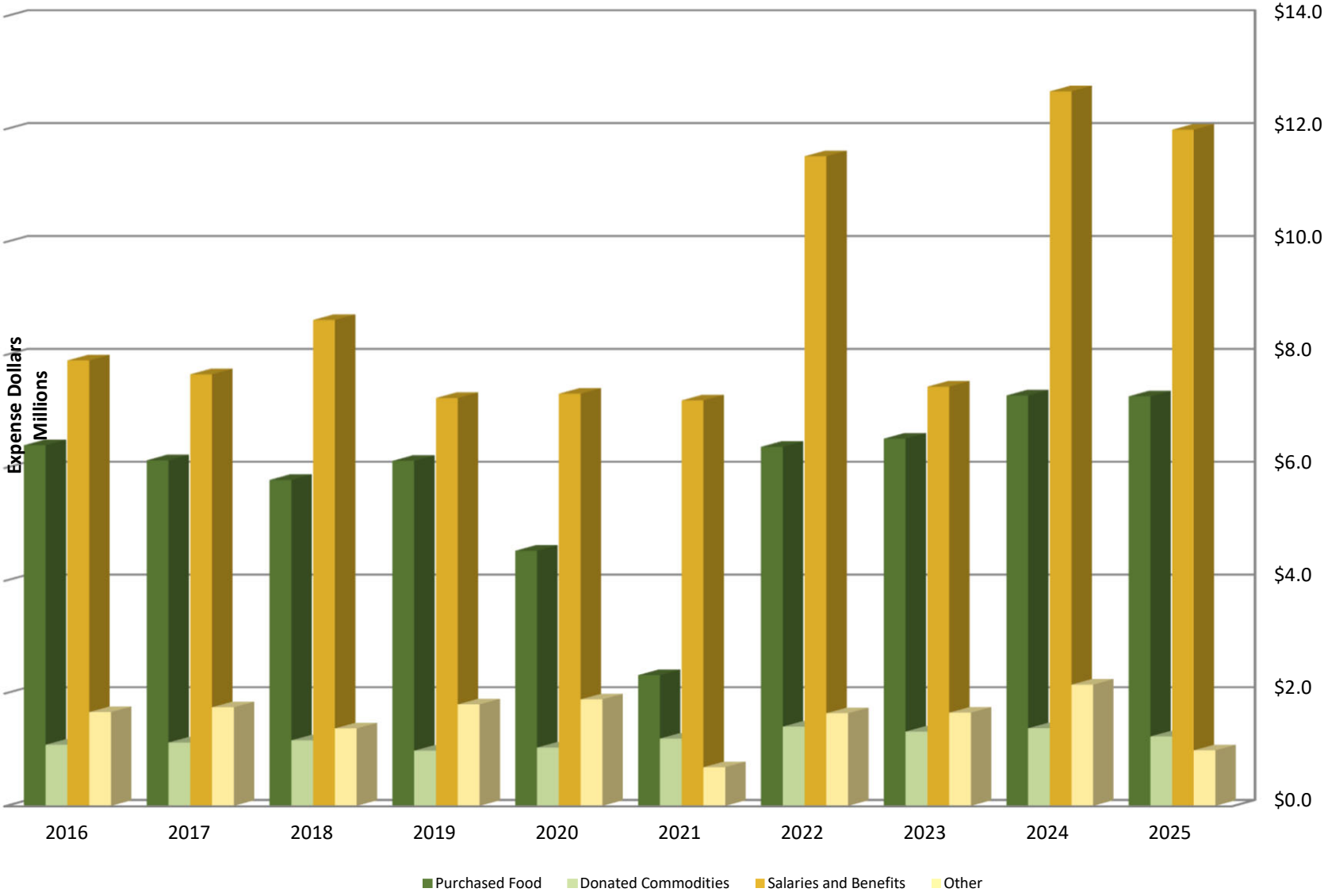
Expressed in Constant Dollars

Year ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Purchased Food	$ 2,611,918	$ 2,433,388	$ 2,258,116	$ 2,374,647	$ 1,666,913	$ 783,330	$ 2,087,864	$ 2,073,804	$ 2,256,840	$ 2,252,300
Donated Commodities	443,189	446,412	454,187	380,034	380,986	403,338	461,025	419,868	427,149	381,993
Salaries and Benefits	3,225,654	3,037,768	3,364,672	2,806,804	2,691,035	2,427,711	3,775,212	2,367,137	3,927,629	3,716,703
Other	679,796	694,906	536,765	698,910	695,686	231,768	538,925	526,566	667,312	305,642
Totals	$ 6,960,557	$ 6,612,474	$ 6,613,740	$ 6,260,395	$ 5,434,620	$ 3,846,147	$ 6,863,026	$ 5,387,375	$ 7,278,930	$ 6,656,638

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).

Table 9

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Final Avg. Daily Membership	41,873	41,393	41,306	41,201	41,394	39,727	40,284	41,210	41,345	40,929
Instructional	$ 6,414	$ 6,661	$ 6,821	$ 7,580	$ 7,358	$ 7,708	$ 9,029	$ 8,651	$ 8,968	$ 8,813
Support	1,665	1,649	1,776	1,818	1,820	1,860	2,239	2,171	2,164	2,208
Ancillary	8	10	7	10	28	29	35	4	4	13
Non-programmed charges	99	153	199	218	238	271	312	329	328	370
Totals	$ 8,186	$ 8,473	$ 8,803	$ 9,626	$ 9,444	$ 9,868	$ 11,615	$ 11,155	$ 11,464	$ 11,404

Expressed in Constant Dollars

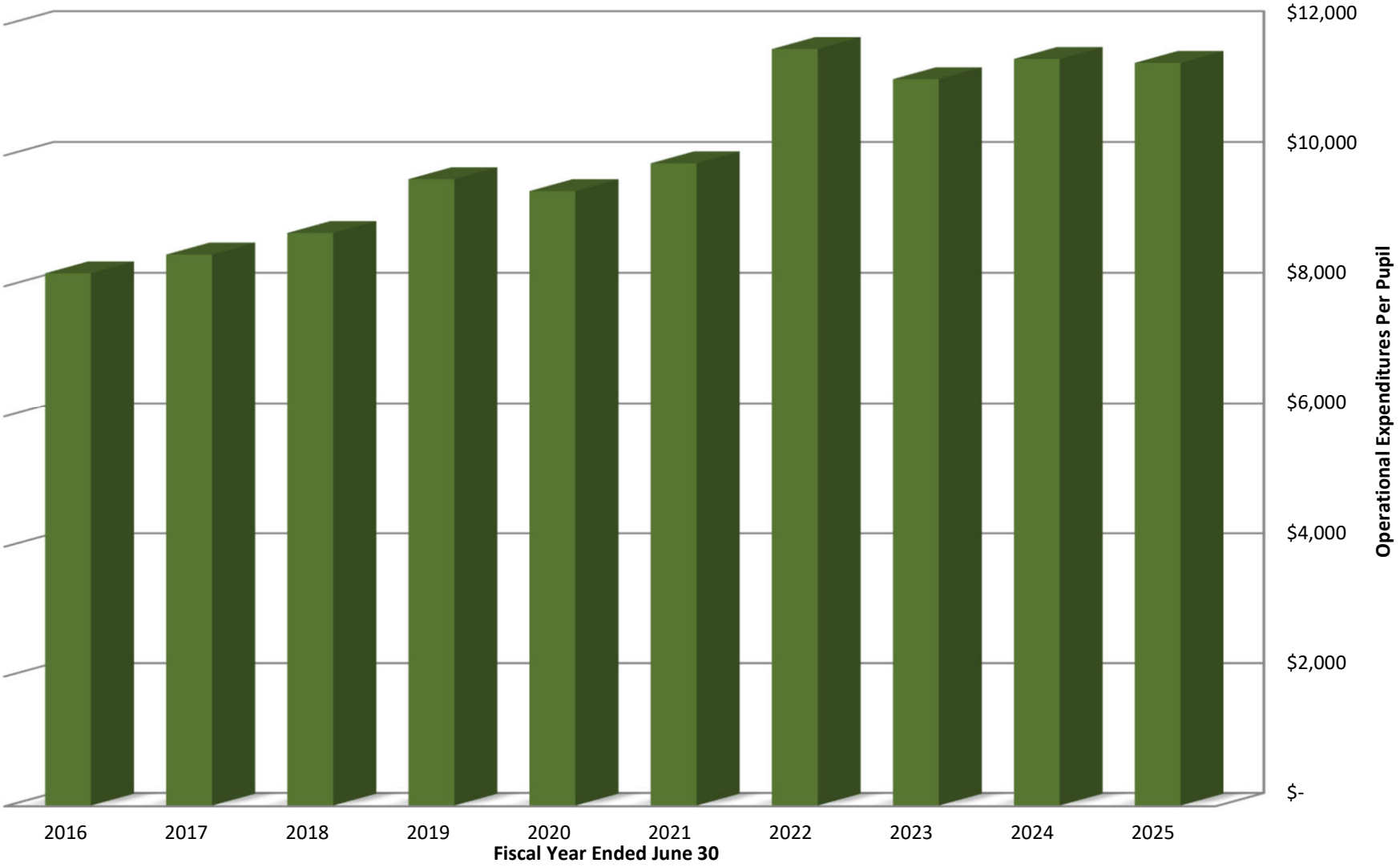
Year ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instructional	$ 2,618	$ 2,643	$ 2,663	$ 2,940	$ 2,708	$ 2,601	$ 2,959	$ 2,754	$ 2,780	$ 2,732
Support	680	654	693	705	670	628	734	691	671	685
Ancillary	3	4	3	4	10	10	11	1	1	4
Non-programmed charges	40	61	78	85	88	91	102	105	102	115
Totals	$ 3,341	$ 3,362	$ 3,437	$ 3,734	$ 3,476	$ 3,330	$ 3,806	$ 3,551	$ 3,554	$ 3,536

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).

Table 10

Operational Expenditures Per Pupil
Expenditures by Function



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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Final Avg. Daily Membership	41,873	41,393	41,306	41,201	41,394	39,727	40,284	41,210	41,345	40,929

UNION COUNTY BOARD OF EDUCATION

Teachers' Salaries

Last Ten Fiscal Years

Year Ended June 30	Minimum	Maximum
2025	$ 47,215	$ 80,115 *
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 **

* 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, 2025

Campus	Grade Span	School Capacity	Final Avg. Daily Membership	Percentage of Capacity Used	Age (Years) of Orignial Construction	Date of Original Construction
Elementary Schools						
Antioch	K-5	757	812	107%	21	2004
Benton Heights	K-5	654	435	67%	101	1924
East	K-5	532	395	74%	75	1950
Fairview	K-5	631	397	63%	24	2001
Hemby Bridge	K-5	525	477	91%	52	1973
Indian Trail	K-5	642	605	94%	85	1940
Kensington	K-5	746	901	121%	20	2005
Marshville	K-5	460	402	87%	80	1945
Marvin	K-5	728	645	89%	23	2002
New Salem	K-5	277	249	90%	76	1949
New Town	K-5	728	684	94%	18	2007
Poplin	K-5	746	755	101%	16	2009
Porter Ridge	K-5	688	751	109%	21	2004
Prospect	K-5	494	371	75%	72	1953
Rea View	K-5	728	629	86%	18	2007
Rock Rest	K-5	538	376	70%	19	2006
Rocky River	K-5	660	519	79%	18	2007
Sandy Ridge	K-5	704	529	75%	20	2005
Sardis	K-5	525	471	90%	28	1997
Shiloh Valley ES	K-5	844	563	67%	33	1992
Shiloh Valley PS	K-5	641	546	85%	17	2008
Stallings	K-5	750	767	102%	17	2008
Union	K-5	368	301	82%	33	1992
Unionville	K-5	668	674	101%	80	1945
Walter Bickett	K-5	784	428	55%	23	2002
Waxhaw	K-5	653	584	89%	33	1992
Weddington	K-5	701	637	91%	28	1997
Wesley Chapel	K-5	575	730	127%	68	1957
Western Union	K-5	601	535	89%	70	1955
Wingate	K-5	460	370	80%	72	1953
Middle Schools						
Cuthbertson	6-8	1320	1321	100%	16	2009
East Union	6-8	1060	687	65%	73	1952
Marvin Ridge	6-8	1408	1278	91%	18	2007
Monroe	6-8	1128	805	71%	50	1975
Parkwood	6-8	984	881	90%	50	1975
Piedmont	6-8	988	977	99%	50	1975
Porter Ridge	6-8	1454	1452	100%	20	2005
Sun Valley	6-8	1180	914	77%	50	1975
Weddington	6-8	1216	1326	109%	27	1998

UNION COUNTY BOARD OF EDUCATION

School Building Data (Continued)

June 30, 2025

Campus	Grade Span	School Capacity	Final Avg. Daily Membership	Percentage of Capacity Used	Age of Orignial Construction	Date of Original Construction
High Schools						
Cuthbertson	9-12	1794	1857	104%	16	2009
Early College(1)	9-13	N/A	336	N/A	N/A	N/A
Forest Hills	9-12	1448	967	67%	65	1960
Marvin Ridge	9-12	1848	1959	106%	18	2007
Monroe	9-12	1440	1199	83%	65	1960
Parkwood	9-12	1376	1083	79%	64	1961
Piedmont	9-12	1600	1265	79%	65	1960
Porter Ridge	9-12	1812	1794	99%	20	2005
Sun Valley	9-12	1614	1264	78%	65	1960
Weddington	9-12	1794	1901	106%	25	2000
Alternative Schools						
Central Academy	9-12	1504	873	58%	50	1975
South Providence	6-12	140	83	59%	83	1942
Wolfe Develop. Center/ Trainable School	K-12	140	110	79%	16	2009

N/A = Not Applicable

Source: Union County Public Schools N. C. Public Schools Facility Needs Report; 2025

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
2025	$ -	$ 13,547,730	$ 13,547,730	N/A	$ 51
2024	-	13,074,590	13,074,590	N/A	49
2023	-	15,642,000	15,642,000	0.08%	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%	12
2017	-	1,020,555	1,020,555	0.01%	4
2016	-	495,283	495,283	0.00%	2

N/A = Not available

Source: Union County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2025.

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, 2025 and June 30, 2024 income based information will be shown above as "N/A", and the June 30, 2024 information will be reported for the year ended June 30, 2026, 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
2025	$ 265,480,362	$ 81,738,248	$ 56,600,690	$ 7,138,149	$ 8,707,436	$ 14,347,766	$ 14,372,088	$ 448,384,739
2024	251,588,359	79,550,774	55,738,240	5,391,603	6,752,600	21,739,972	15,380,451	436,141,999
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

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
2025	$ 82,303,925	$ 25,340,400	$ 17,547,283	$ 2,212,961	$ 2,699,470	$ 4,448,078	$ 4,455,619	$ 139,007,735
2024	77,997,141	24,662,242	17,279,907	1,671,499	2,093,433	6,739,802	4,768,230	135,212,254
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

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, 2025.

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
2025	$ 35,167,170	$ 104,787,519	$ 108,586,058	$ 9,304,462	$ 62,372,846	$ 135,650,077	$ 10,228,246	$ 58,222,644	$ 524,319,022
2024	38,764,658	96,925,579	110,730,289	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

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
2025	$ 10,902,487	$ 32,486,109	$ 33,663,728	$ 2,884,559	$ 19,336,760	$ 42,054,085	$ 3,170,949	$ 18,050,119	$ 162,548,796
2024	12,017,776	30,048,759	34,328,480	1,546,122	18,576,488	39,481,128	2,954,484	15,853,751	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

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, 2025.

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
2025	$ 245,681,439	$ 245,837,359	100.1%
2024	235,976,975	236,177,952	100.1%
2023	225,973,933	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%

Expressed in Constant Dollars

Fiscal Year Ended June 30	Total Tax Levy	Current Tax Collections
2025	$ 76,165,885	$ 76,214,223
2024	73,157,318	73,219,624
2023	71,926,134	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

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, 2025.

Union County
North Carolina
Demographic Statistics
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Population (1)	220,546	224,029	231,366	237,477	239,859	242,657	247,058	254,070	257,682	266,672
Per Capita Income (2)	$ 47,729	$ 49,709	$ 51,802	$ 53,417	$ 56,820	$ 64,609	$ 69,515	$ 72,553	N/A	N/A
Retail Sales (5) (000's omitted)	$ 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	$ 3,868,325
Final Avg. Daily Membership (3)	41,873	41,393	41,306	41,201	41,394	39,727	40,284	41,210	41,345	40,929
Unemployment Rate (4)	4.3%	4.0%	3.6%	3.9%	7.2%	4.0%	3.5%	3.1%	3.6%	3.4%

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, 2025.

Union County, North Carolina
Top Ten Principal Taxpayers
For Year Ended June 30, 2025

		June 30, 2025			June 30, 2016		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Allegheny Technologies, Inc.	Metals	$ 377,006,435	1	0.90%	$ 169,714,793	1	0.71%
Duke Energy Carolinas, LLC	Utility	204,903,607	2	0.49%	91,881,838	3	0.39%
Charlotte Pipe & Foundry Company	Manufacturing	199,099,787	3	0.48%	85,170,662	4	0.36%
Union Electric Membership Corp	Utility	183,306,428	4	0.44%	127,908,599	2	0.54%
Piedmont Natural Gas Co. Inc.	Utility	115,791,916	5	0.28%	57,112,580	5	0.24%
Goulston Technologies, Inc.	Manufacturing	78,160,272	6	0.19%	-	-	-
AMH NC Properties LP	Home Rentals	76,227,400	7	0.18%	-	-	-
Harris Teeter, LLC 2300	Retail	73,856,796	8	0.18%	-	-	-
Utility Lines Construction Services	Utility	72,872,260	9	0.17%	-	-	-
Consolidated Metco, Inc.	Manufacturing	69,468,401	10	0.17%	-	-	-
Indian American Monroe Poplin	Retail	-		-	31,324,500	8	0.13%
TDY Industries, Inc.	Manufacturing	-		-	30,456,100	9	0.13%
CSX Transportation	Utility	-		-	27,719,304	10	0.12%
Wal-Mart Real Estate Business	Retail	-		-	41,593,400	7	0.17%
AEP Industries, Inc.	Manufacturing	-		-	42,470,771	6	0.17%
		$ 1,450,693,302		3.48%	$ 705,352,547		2.96%
Total County-Wide Assessed Valuation		$ 41,786,853,641			$ 23,796,785,051		

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

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

Fiscal Year Ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Union County										
County-wide rate	0.7765	0.7665	0.7810	0.7309	0.7309	0.7309	0.5880	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	0.0800
Bakers VFD	-	-	-	-	-	0.0531	0.0335	0.0343	0.0522	0.0638
Beaver Lane VFD	-	-	-	-	-	0.0843	0.0644	0.0671	0.0671	0.0736
Fairview VFD	-	-	-	-	-	0.0517	0.0510	0.0503	0.0503	0.0605
Griffith VFD	-	-	-	-	-	0.0507	0.0215	0.0200	0.0200	0.0229
Hemby VFD	0.0512	0.0485	0.0503	0.0488	0.0488	0.0487	0.0441	0.0441	0.0441	0.0512
Jackson VFD	-	-	-	-	-	0.0404	0.0288	0.0399	0.0399	0.0502
Lanes Creek VFD	-	-	-	-	-	0.0792	0.0568	0.0546	0.0546	0.0658
New Salem VFD	-	-	-	-	-	0.0569	0.0396	0.0384	0.0384	0.0588
Providence VFD	-	-	-	-	-	0.0392	0.0361	0.0375	0.0375	-
Sandy Ridge VFD	-	-	-	-	-	0.0584	0.0385	0.0329	0.0329	0.0371
Springs VFD	0.0474	0.0437	0.0567	0.0552	0.0552	0.0403	0.0422	0.0464	0.0464	0.0552
Stack VFD	-	-	-	-	-	0.0611	0.0455	0.0348	0.0348	0.0508
Stallings VFD	0.0509	0.0503	0.0503	0.0502	0.0502	0.0548	0.0472	0.0478	0.0478	0.0535
Unionville VFD	-	-	-	-	-	0.0451	0.0616	0.0614	0.0614	0.0677
Waxhaw VFD	0.0380	0.0357	0.0413	0.0545	0.0545	0.0526	0.0403	0.0419	0.0419	0.0523
Wesley Chapel VFD	0.0282	0.0293	0.0293	0.0354	0.0354	0.0392	0.0361	0.0375	0.0375	0.0398
Wingate VFD	-	-	-	-	-	0.0817	0.0633	0.0670	0.0670	0.0855
Total County Rates										
Maximum	0.8277	0.8168	0.8377	0.7861	0.7861	0.8152	0.6524	0.6551	0.6551	0.6616
Minimum	0.7765	0.7665	0.7810	0.7309	0.7309	0.7309	0.5880	0.5880	0.5880	0.5880
Average	0.8021	0.7917	0.8094	0.7585	0.7585	0.7731	0.6202	0.6216	0.6216	0.6248
Cities and Towns										
City of Monroe	0.5863	0.5863	0.5863	0.6163	0.6163	0.6163	0.5025	0.5025	0.5025	0.5025
Downtown Monroe District	0.2190	0.2190	0.2190	0.2190	0.2190	0.2190	0.1950	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	0.5100	0.5100	0.5100	0.5100	0.4900	0.4900	0.4900	0.5500
Town of Mineral Springs	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0210	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	0.1860	0.1860	0.1860	0.2160
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	0.3600	0.3600	0.3600	0.3900	0.3850	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	0.0480	0.0480	0.0450	0.0250
Town of Wingate	0.4200	0.4200	0.4300	0.4300	0.4300	0.4300	0.3400	0.3400	0.3400	0.3400
Village of Lake Park	0.2300	0.2300	0.2300	0.2400	0.2500	0.2500	0.1900	0.2025	0.2025	0.2125
Village of Marvin	0.0500	0.0500	0.0500	0.0500	0.0500	0.0600	0.0600	0.0600	0.0600	0.0800
Village of Wesley Chapel	0.0165	0.0165	0.0165	0.0165	0.0165	0.0165	0.0129	0.0129	0.0129	0.0165

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

Source: Union County Tax Assessor's Office

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

	Fiscal Year Ended									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
General government										
Personnel										
Number of full-time employees	864	864	898	951	1,013	1,048	1,123	1,256	1,155	1,189
Number of part-time employees	72	98	106	157	159	123	82	187	153	152
Elections										
Number of registered voters	145,645	148,448	154,300	150,789	160,261	159,957	168,355	173,272	180,072	177,104
Information Systems (and GIS)										
Number of people in system	1,242	1,257	1,883	1,772	1,815	1,828	1,346	1,501	1,577	1,617
General Services										
Number of vehicle service requests	4,501	4,629	4,462	4,552	4,518	4,683	4,491	4,928	5,095	4,089
Public safety										
Fire Services										
Number of volunteer fire personnel	500	500	500	500	500	500	500	985	985	985
Inspection										
Number of inspections	1,106	906	1,172	1,798	1,375	1,079	2,448	2,587	2,366	3,006
Human services										
Public Health										
Number of patients	6,786	10,198	8,904	6,497	4,382	3,664	11,031	4,744	6,898	6,969
Number of visits	15,716	17,508	15,099	12,728	10,667	9,211	18,110	11,246	12,421	13,737
Social Services										
Number of client visits	47,064	53,125	58,693	58,803	44,275	50,589	46,354	19,976	57,989	58,847
Transportation and Nutrition										
Number of trips	74,176	75,342	69,402	79,674	1,417	67,437	71,335	75,784	78,105	82,936
Congregate, home delivered and supplemental meals	70,497	75,134	71,963	66,978	101,619	146,204	138,263	117,750	83,555	68,298
Veterans' Services										
Number of visitors	3,652	3,576	3,556	3,628	3,048	1,956	2,072	2,293	2,179	1,907
Number of phone calls	12,166	11,047	11,215	12,472	12,464	11,336	9,652	11,157	8,870	7,974
Cultural and recreational										
Library										
Number of volumes	207,748	190,370	166,742	145,582	149,573	145,944	133,872	139,443	155,165	140,168
Education										
Number of licensed employees	3,054	3,019	2,603	3,111	3,117	2,873	2,819	2,786	2,646	2,660
Final Avg. Daily Membership	41,873	41,393	41,500	41,201	41,394	39,727	40,284	41,210	41,345	40,929
Business-type activities:										
Water and Sewer										
Average daily consumption in gallons (in 000's)	13,100	13,880	13,870	14,160	14,228	14,206	15,020	15,140	15,740	15,210
Number of water service connections	46,236	47,489	49,363	50,509	51,961	53,537	55,315	56,789	57,274	58,061
Number of sewer service connections	33,632	34,711	36,402	37,319	38,834	40,169	41,742	43,002	43,587	44,389

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

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

	Fiscal Year Ended									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
Tax Administration										
Number of tax parcels	113,574	118,525	117,378	118,431	125,580	133,457	127,632	108,877	132,603	132,618
Elections										
Number of precincts	52	52	52	52	52	52	52	52	54	54
Public safety										
Law Enforcement (and AC)										
Number of stations	8	8	8	8	8	8	8	8	8	8
Number of patrol units	332	335	278	284	299	299	307	313	323	338
Fire Services										
Number of stations-main	17	17	17	17	17	17	17	17	16	17
Number of stations-sub	8	8	8	8	8	8	8	9	9	10
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	2,379	2,075	2,084	2,084	2,084	2,084	2,084	2,094	2,300
Business-type activities:										
Water and Sewer										
Number of fire hydrants	4,843	4,964	5,041	5,096	5,189	5,279	5,528	5,677	5,666	5,782
Miles of water mains	1,043	1,065	1,082	1,095	1,114	1,132	1,119	1,141	1,174	1,217
Miles of sewer mains	663	684	698	708	727	741	736	758	772	709

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

Union County
North Carolina
Principal Employers
For Year Ended June 30, 2025 and 2016

	2025			2016		
Employer[2]	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%
			10%+			10%+
Total County Employment [1]	130,238			106,760		

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

	Governmental Activities			Business -Type Activities						
Year Ended June 30	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	Total Primary Government	Percentage of Personal Income	Per Capita
2025	$ 389,444,622	$ 26,510,532	$ 415,955,154	$ -	$ 437,419,593	$ -	$ 437,419,593	853,374,747	N/A	$3,225
2024	426,999,703	32,223,384	459,223,087	-	451,070,387	-	451,070,387	910,293,474	N/A	3,558
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

N/A = Not Available

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

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, 2025 and June 30, 2024 income based information will be shown above as "N/A", and the June 30, 2024 information will be reported for the year ended June 30, 2026, if applicable.

Compliance Section

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
with *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 and each major fund of Union County Board of Education, North Carolina, as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprises the Union County Board of Education, North Carolina's basic financial statements and have issued our report thereon dated December 17, 2025.

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 material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Anderson Smith & Wike PLLC

December 17, 2025
West End, North Carolina

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, 2025. 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, 2025.

Basis for Opinion on Each Major Federal Program

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

December 17, 2025
West End, North Carolina

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, 2025. 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, 2025.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and 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

December 17, 2025
West End, North Carolina

UNION COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025

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	*None Identified for Reporting*
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
	Child Nutrition Cluster:
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	National School Lunch Program (Commodities)
10.555	After School Snack Program
10.559	Summer Food Service Program for Children
84.425	COVID-19 – Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B Programs	*$ 881,000*
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, 2025

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
State Capital Infrastructure Funds - K-12 Facilities Grant
School Technology Fund

Dollar threshold used to distinguish between Major State Programs	*$ 500,000*
Auditee qualified as low-risk auditee?	*Yes*

Section II - Financial Statement Findings

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

Section III - Federal Award Findings and Questioned Costs

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

Section IV - State Award Findings and Questioned Costs

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

Finding: 24-01
Status: Corrected.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ended June 30, 2025

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Expenditures
Federal Grants:			
U.S. Department of Agriculture			
Passed-through the N.C. Department of Agriculture:			
Child Nutrition Cluster:			
Noncash Assistance (Commodities):			
National School Lunch Program	10.555	PRC 035	$ 1,232,161
Cash Assistance:			
School Breakfast Program	10.553	PRC 035	2,549,285
National School Lunch Program	10.555	PRC 035	8,814,989
After School Snack Program	10.555	PRC 035	59,107
Child Nutrition Discretionary Funds	10.579	PRC 053	61,649
Summer Food Service Program for Children	10.559	PRC 035	97,648
Fresh Fruit and Vegetable Grant	10.582	PRC 035	49,871
Cash Assistance Subtotal			11,632,549
Total Child Nutrition Cluster			12,864,710
Local Food for Schools Cooperative Agreement Program	10.185		14,571
Total U.S. Department of Agriculture			12,879,281
U.S. Department of the Treasury			
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	113,266
U.S. Department of Education			
Office of Elementary and Secondary Education			
Direct Programs:			
Teacher Incentive Fund	84.374A		82,690
LEGEND: Learner Engagement and Interventions Driving Student Success	84.184G		61,570
Total U.S. Department of Education Direct Programs			144,260
Passed-through the N.C. Department of Public Instruction:			
Title I, Grants to Local Educational Agencies	84.010	PRC 050	5,220,924
Student Support and Academic Enrichment	84.424	PRC 108	315,743
Supporting Effective Instruction	84.367	PRC 103	1,204,468
Language Acquisition Grant	84.365	PRC 104	282,407
Language Acquisition Grant - Significant Increase	84.365	PRC 111	41,482
Education for Homeless Children and Youth	84.196	PRC 026	56,408

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Expenditures
COVID-19 - Education Stabilization Fund:			
ARP:			
COVID-19 - ESSER III - K-12 Emergency Relief Fund	84.425D	PRC 181	340,437
COVID-19 - ESSER III - Summer Career Accel. Programs	84.425U	PRC 188	144,131
COVID-19 - ESSER III - National Board for Professional Teaching Standards (NBPTS) Certification Fee Reimbursement	84.425U	PRC 198	32,300
Total COVID-19 - Education Stabilization Fund	84.425		516,868
Special Education Cluster:			
Grants to States - IDEA, part B (611)	84.027	PRC 060	7,382,866
Special Needs Targeted Assistance	84.027	PRC 118	66,766
Risk Pool	84.027	PRC 114	111,917
Preschool Grants - IDEA, Part B (619)	84.173	PRC 049	112,011
Preschool Targeted Assistance	84.173	PRC 119	10,101
Total Special Education Cluster			7,683,661
Career and Technical Education - Basic Grants to States Program Development	84.048	PRC 017	441,140
Total U.S. Department of Education			15,907,361
U.S. Department of Defense			
Direct Program:			
ROTC	12.000		464,008
Total Federal Assistance			**29,363,916**
State Grants:			
N.C. Department of Public Instruction			
Cash Assistance:			
State Public School Fund		Various	277,462,105
Career and Technical			
State Months of Employment		PRC 013	14,747,499
Program Support Funds		PRC 014	984,567
Driver Training		PRC 012	961,765
School Technology Fund		PRC 015	1,115,592
Cash assistance subtotal			295,271,528
Non-Cash Assistance:			
State Buses Appropriation		PRC 120	1,398,358
Total N.C. Department of Public Instruction			296,669,886

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Expenditures
N.C. Office of State Budget and Management			
School Capital Infrastructure Facilities Grant		PRC 440	1,800,000
N.C. Department of Agriculture			
State Reduced Breakfast Program			6,147
State Reduced Lunch Program			27,095
Total N.C. Department of Agriculture			33,242
N.C. Department of Health and Human Services			
Division of Child Development:			
Smart Start		PRC 403	185,500
Total State Assistance			**298,688,628**
Total Federal and State Assistance			**$ 328,052,544**

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, 2025. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of 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 Bouard of Education has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.