

STATE OF NORTH CAROLINA

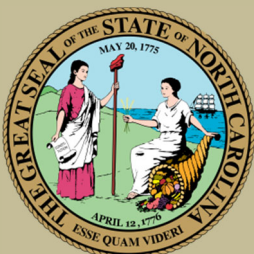
OFFICE OF THE STATE AUDITOR
BETH A. WOOD, CPA



EMPLOYEES' ASSOCIATIONS

RALEIGH, NORTH CAROLINA

REPORT OF TOTAL MEMBERSHIP COUNT OF EMPLOYEES' ASSOCIATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022



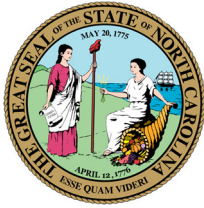


Beth A. Wood, CPA
State Auditor

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STATE OF NORTH CAROLINA
Office of the State Auditor



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State Auditor

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INDEPENDENT ACCOUNTANT'S REPORT

Members of the North Carolina General Assembly
Raleigh, North Carolina

We have performed the procedures enumerated below on the membership counts of domiciled employees' associations as of December 31, 2022, in accordance with Session Law 2014-115, Section 62(b) of House Bill 1133. The employees' associations are responsible for these membership counts.

The North Carolina General Assembly established the procedures to be performed by the State Auditor to meet the intended purpose of assisting users in determining whether domiciled employees' associations meet the minimum membership requirements to participate in payroll deduction during the year ended December 31, 2022. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Responsibilities under House Bill 1133

Per Session Law 2014-155, the North Carolina General Assembly issued House Bill 1133. The General Statute 143B-426.40A(g), as amended, reads as the following:

Payroll Deduction for Payments to Certain Employees' Associations Allowed - An employee of the State or any of its political subdivisions, institutions, departments, bureaus, agencies or commissions, or any of its local boards of education or community colleges, who is a member of a domiciled employees' association that has at least 2,000 members, 500 of whom are employees of the State, a political subdivision of the State, or public school employees, may authorize, in writing, the periodic deduction each payroll period from the employee's salary or wages a designated lump sum to be paid to the employees' association. A political subdivision may also allow periodic deductions for a domiciled employees' association that does not otherwise meet the minimum membership requirements set forth in this paragraph. The total membership count and the State, political subdivision of the State, or public school employee membership count of a domiciled employees' association that has at least 2,000 members, 500 of whom are employees of the State, a political subdivision of the State, or public school employees, shall be verified and certified annually by the State Auditor.

An employee of any local board of education who is a member of a domiciled employees' association that has at least 40,000 members, the majority of whom are public school teachers, may authorize in writing the periodic deduction each payroll period from the employee's salary or wages a designated lump sum or sums to be paid for dues and voluntary contributions for the employees' association. The total membership count and the public school teacher membership count of a domiciled employees' association that has at least 40,000 members, the majority of whom are public school teachers, shall be verified and certified annually by the State Auditor.

An authorization under this subsection shall remain in effect until revoked by the employee. A plan of payroll deductions pursuant to this subsection for employees of the State and other association members shall become void if the employees' association engages in collective bargaining with the State, any political subdivision of the State, or any local school administrative unit. This subsection does not apply to county or municipal governments or any local governmental unit, except for local boards of education.

The procedures and associated findings are as follows:

Procedures

We performed the following:

- Reviewed House Bill 1133 that amended G.S. 143B-426.40A(g). We also reviewed the State Auditor's responsibilities to verify and certify the following:
 - The membership counts for domiciled employees' associations with at least 2,000 members, 500 of whom are employees of the State, a political subdivision of the State, or public school employees.
 - The membership counts for domiciled employees' associations with at least 40,000 members, the majority of whom are public school teachers.
- Attempted to obtain an official listing of domiciled employees' associations, but a listing was not available. There is no centralized authorization or formal oversight to ensure that payroll deductions are executed in accordance with this law.
- Requested payroll deduction reports from all state agencies, community colleges, universities, local education agencies, and the University of North Carolina Hospitals at Chapel Hill to identify those domiciled employees' associations with members whom have authorized the periodic deduction each payroll period an amount to be paid to the employees' association. The requested information identified those employees' associations that were subject to House Bill 1133.
- Requested the total membership count, including employee name and employer, from each employees' association identified in the payroll deduction reports. The requested information would provide the total membership counts and type of membership by association. The employees' associations are responsible for the completeness and accuracy of the membership counts. Our procedures were limited to verifying and certifying the membership counts provided by the employees' associations.

- Performed analytical, reconciliation, and sampling procedures to verify and certify the membership counts provided by the employees' associations as of December 2022.
- Compiled membership counts by employees' association using the December 2022 information provided from employees' associations as identified in the table below.

Findings

We verified and certified the membership counts of domiciled employees' associations as of December 31, 2022 in accordance with Session Law 2014-115, Section 62(b) of House Bill 1133.

The following employees' associations had at least 2,000 members, 500 of whom were employees of the State, a political subdivision of the State, or public school employees:

<u>Employees' Association</u>	<u>Total Membership Count</u>
State Employees Association of North Carolina (SEANC)	43,894
North Carolina Association of Educators (NCAE)	24,994
Southern States Police Benevolent Association (SSPBA)	16,043
Teamsters Local 391	7,814
North Carolina Public Service Workers Union (UE Local 150)	5,857
Classroom Teachers Association of North Carolina (CTANC)	3,827
Correctional Peace Officers Foundation (CPOF)	2,568
North Carolina Troopers Association (NCTA)	2,195
Professional Educators of North Carolina (PENC)	2,167

The following employees' associations did not have at least 2,000 members, 500 of whom were employees of the State, a political subdivision of the State, or public school employees:

<u>Employees' Association</u>	<u>Total Membership Count</u>
Teamsters Local 71	34
School Bus Driver Association	22

We did not identify any employees' associations with at least 40,000 members, the majority of whom were public school teachers.

We were statutorily obligated by the North Carolina General Assembly to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to agreed-upon procedures contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described above either

for the purpose for which this report has been requested or for any other purpose. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the employees' associations' membership counts. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the employees' associations and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the North Carolina General Assembly, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Beth A. Wood". The signature is written in a cursive, flowing style.

Beth A. Wood, CPA
State Auditor

Raleigh, North Carolina

September 22, 2023

ORDERING INFORMATION

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This engagement required 475 hours at an approximate cost of \$57,000.