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Union County

North Carolina

COMPREHENSIVE ANNUAL FINANCIAL REPORT **2020**
Fiscal Year Ended June 30,



Union County, North Carolina

Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020

Prepared by
Finance Division



Union County, North Carolina
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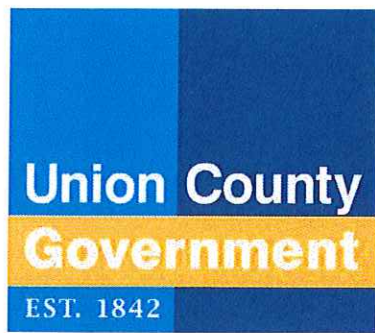
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Introductory Section





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November 5, 2020

To the Chairman, Honorable Members of the Board of Commissioners, and Residents of Union County:

Introduction

We are pleased to provide to the Board of County Commissioners and the Residents of Union County the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020. The CAFR provides users insight into the financial operations and condition of the County from the preceding fiscal year. In this document you will find financial statements, demographic and financial data, compliance reports, auditor's opinions, and other information.

The transmittal letter, which is not audited but reviewed by the auditors, provides context for the financial statements and serves as a financial condition scorecard. The information included in the transmittal provides a bridge to the upcoming financial planning/budgetary cycle. It is management's hope that the information in the transmittal letter provides a complete financial picture. The transmittal includes the compliance discussion, a county profile, a discussion of debt and fiscal indicators, management comments on the County's financial condition, upcoming events and major initiatives, and finally awards and acknowledgements.

Compliance Discussion

Laws of the State of North Carolina, along with policies and procedures of the North Carolina Local Government Commission, require all local governments in the State to publish a complete set of annual financial statements. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to those requirements, we hereby issue the annual financial report of Union County (the County) for the fiscal year ended June 30, 2020.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, County management has established a comprehensive framework of internal controls that are designed to both protect the government's assets from loss, theft, or misuse and to compile sufficiently reliable information for the preparation of the County's financial statements. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Elliott Davis, PLLC, a firm of licensed certified public accountants, has issued an unmodified opinion on Union County's financial statements for the year ended June 30, 2020. The independent auditor's report is located at the front of the financial section. The audit also meets the requirements of the Federal Single Audit Act Amendment of 1996, the State Single



Audit Act, and N.C.G.S. §159-34. The reports required by these Acts are submitted as separate reports, which include the schedules of financial assistance, findings and questioned costs, and the independent auditor's report on internal control and compliance.

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

County Profile

Union County, established in 1842, is in the south-central portion of North Carolina adjacent to Charlotte/Mecklenburg County and borders South Carolina. The County occupies approximately 643 square miles and serves an estimated 239,859 residents.

The County operates under a Commission-Manager form of government. The governing body of the County is the Board of County Commissioners, which formulates policies for the administration of the County. In addition, the Board annually adopts a balanced budget and establishes tax rates for the support of County programs. The Board consists of five commissioners, elected on a staggered basis for terms of four years.

The County Manager is appointed by and serves at the pleasure of the Board as the County's Chief Executive Officer. The Manager has appointive and removal authority over county employees. The County Manager is responsible for the daily operations of the County Government. In addition, the Manager's responsibilities include implementation of policies established by the Board of County Commissioners, as well as the administration of the annual adopted budget.

The County provides a wide range of services including public safety, human services (Social Services, Health, Veterans' Services and Transportation), funding for education, cultural and recreational activities, and general administration. Additionally, the County owns and operates water, sewer, and solid waste systems. The annual financial report includes all funds of the County and all activities considered to be a part of (controlled by or dependent on) the County.

The Board of County Commissioners adopts an annual budget for the fiscal year no later than July 1. The budget serves as the foundation for the County's financial planning and fiscal control. As required by the North Carolina Budget and Fiscal Control Act, the Board of County Commissioners adopt an annual budget for all governmental and proprietary operating funds except those authorized by project ordinance, which are multi-year in nature.

Appropriations to the various funds are formally budgeted, in FY 2020, on a fund level by service area basis and at the fund level for the special revenue funds, and on a program basis for capital project (multi-year) funds. The Board approves budget amendments that increase the total appropriation of any fund. For expenditure control purposes, the budget is monitored and controlled on a division and line-item level.

Local Economy Debt and Fiscal Indicators

The overall economic and debt indicators for the County reflects a positive bend. They are trending in favor of the County and the residents. The COVID-19 pandemic has had an impact on all economic and debt indicators however, it can be expected that the County will continue to enjoy the same trend soon.

Contributing to the County's growth during the past decade is its proximity to the City of Charlotte and Mecklenburg County, which contain the largest population in the State and comprise the major urban center of North Carolina's piedmont crescent.



The County's diverse economic base and the interdependence of the Charlotte-Gastonia-Concord Metropolitan Statistical Area or MSA are major factors that have contributed to the County's rapid growth during the previous decade.

In a review of the Case Shiller Index- Charlotte, since 2014 the housing prices have grown by 31.33 percent, reflecting increasing consumer confidence and sales prices. This is particularly impactful in Union County because the tax base is predominately residential detached single-family housing units. A quick look at assessed value at January 1, 2019 shows us that 74.21 percent of the assessed value in Union County comes from residential property; this is up from 72.28 percent in 2014. Since the reappraisal in FY 2016, the County's total assessed value growth has been relatively strong, averaging just under 3.2 percent annually. This strong growth in assessed value and the related revenue growth has had a direct impact on the ability of the Board of County Commissioners to manage the tax rate. The County is scheduled to conduct the next revaluation of real property during FY 2021 to reflect new values in FY 2022.

The County's economic indicators were trending in a positive direction at the end of 2019, however with the effect of COVID-19 numbers have slightly decreased. The Consumer Price Index (Base Year 1982-84 = 100) for calendar year 2020 indicates a decrease of 34 percent, meaning that during the last year, the relative buying power of the dollar has decreased. Historically inflation of two percent is about "normal", yet recent history has yielded a decrease of (34 percent) due to the unforeseen events related to COVID-19. Union County's unemployment rate had been trending in a positive direction during 2019 falling to 3.58 percent from a peak of 11 percent in 2010 however with the current COVID-19 pandemic unemployment has increase up to 7.20 % in mid-2020.

Current debt and economic indicators show the County's strong ability to fund the ongoing, day-to-day operations, including funding for law enforcement, schools, fire departments, EMS, libraries, water and sewer services and other services. Several capital projects were funding during FY 2019 with the current cash that were reimbursed from bond proceeds in July and August of FY 2020. While the County's position remains strong, this trend will continue to be monitored and if a decline occurs, it would indicate the need to take corrective action.

Long-Term Financial Planning

While the County is fiscally sound and has enough resources to withstand economic downturn, the County continues to have a relatively high debt burden. The impact of this can be seen in the debt service burden, with every dollar of operating revenue generated in the general fund, 12.0 percent goes toward debt service. This is compounded by the fact that the debt the County carries is largely on assets that it does not own.

The Board continues to indicate that it will be vigilant in its policy consideration and focus on continued, strategic decisions that promote economic growth and manage the long-term liabilities of the County while continuing to focus on reducing the long-term debt portfolio and paying off debt. In FY 2010, the County had \$553 million of long-term debt; by FY 2019 that amount has decreased to \$328.9 million. In July and August of 2019, just after the close of FY 2019, the County issued \$91.9 million of voter approved general obligation debt and \$25.6 million two-thirds bonds. This new issuance increased the total debt to assessed value to 1.58% in FY 2020.

The debt burden ratio has seen a reduction of 1.8 percent from 2015. This positive trend is reflective of the continued revenue growth in the County and the Board of County Commissioners' conservative approach on issuing new debt. Based on the Board of County Commissioners' adopted policy of adding additional tax rate to support new voter approved debt, the debt fund was



created and an ad valorem tax rate has been established to fund the debt service for the 2016 and 2018 voter approved general obligation bonds.

The debt per capita indicator measures the changes in long-term debt in relationship to the changes in population. In theory, the debt per capita information demonstrates each person in Union County's fair share of the general government debt. The Debt Per Capita has reduced by more than \$604 per person during the last five years; however, the County remains the 9th highest debt per capita in the state. The increase in FY 2020 is due to the issuance of \$91.9 million of voter approved general obligation bonds and \$25.6 million two-thirds bonds during July and August of 2019. Based on the additional debt, this indicator increased with the close of FY 2020

Management Comments on Financial Condition

The indicators and financial data provided through the *Comprehensive Annual Financial Report for the Year Ended June 30, 2020*, provides a solid footing for the long-term financial planning of the organization. This information can help inform the Board of County Commissioner and management's policymaking process. In addition, this information serves as an evaluative tool for other users of the financial information and the financial markets. Several overarching comments or observations can be made concerning the County's financial condition.

- The County's ad valorem tax base is strong. Although the ad valorem tax base is largely reliant on residential (74.21 percent of the total tax base in FY 2020), all indications are for continued strong growth. This is further evidenced by the latest sales to assessment ratio of 79.04 percent in FY 2020. This tells us that our real property ad valorem tax base in County, for tax purposes, is undervalued by 15.5 percent. This strong growth and value indicate that the County will have enough resources in the future to provide for services and meet its debt obligations.
- The County's expenditures are well managed. As the County emerged from the last recession, it resisted the temptation to aggressively add back services and expand government costs. The Board of County Commissioners chose instead to remain at the current tax rate and minimize the growth in the services. This is evident in the limited growth in expenditures per capita. The Board has focused on adding services as service demand has presented itself, with the growth primarily occurring in the public safety, human services, and education.
- The County has a strong working relationship with its community partners. Counties in North Carolina function as part of the governance environment. The County works with non-profits and other entities to provide economic development, fire services, emergency medical services, and hospital services. In addition, the County works closely, as a primary funding source, with Union County Public Schools and South Piedmont Community College. It's through this intertwined approach that the County and these groups can provide efficient and effective services to the community and reduce duplications where possible.
- The County's debt portfolio is well managed. Through a combination of aggressively reworking the debt portfolio to minimize risk and interest cost and prudent debt issuances, the County has seen its long-term direct debt portfolio shrink by \$74.43 million since FY 2011 (from \$427.14 million in FY 2011 to \$352.71 million in FY 2020). Comparing this reduction as a percentage of assessed value, the County has gone from 1.85 percent in FY 2011 to just 1.30 percent in FY 2020. This indicates that the County has the capacity to issue new voter approved debt without negatively affecting its ability to pay.



- The County's financial policy decisions are positively influencing its financial position. During FY 2020 the Board of County Commissioners continued its focus on sound financial policy making. During the last two quarters of FY 2020, the County implemented a hiring freeze and suspended all travel to offset any impacts from COVID-19 to continue to maintain the County's fund balance policy levels. In addition, two policies greatly impacted the ongoing long-term financial position, the fund balance policy and the commitment to funding OPEB liabilities.

The fund balance policy limits the use of one-time resources to one-time expenditures. On the surface this policy may not appear as impactful, however, the long-term implications are significant. Through this commitment to sustainability, the Board ensures that the ongoing costs of the organization are funded through ongoing revenues. In addition, the use of savings from prior years has been used to address the County's capital needs, allowing for limited debt issuances and a greater level of pay-as-you-go funding.

Secondly, the commitment to fund the actuarially required contribution to the OPEB trust has a lasting influence on the employee legacy costs of the organization. The commitment of paying now, versus a pay-go strategy later, provides financial flexibility for future Boards and the County. This again demonstrates the continued commitment to the long-term sustainability of the organization.

These are just a few of the highlights from the CAFR. A wealth of financial operational information can be gleaned from the report. The common theme that is clear is the strong financial position of the County is a result of the commitment from the Board and management to fiscal prudent policy making and a commitment to the long-term financial sustainability of the organization.

Upcoming Events and Major Initiatives

Beyond the long-term financial planning and the look back at the financial results for FY2020, several significant events and initiatives will occur during the upcoming year (FY 2021).

- In September of 2020, the County purchased a general administrative building located at 1407 Airport Road in Monroe NC. The County issued \$5.6 million in Installment Financing debt on October 15th for the acquisition and renovation cost for this property.
- Union County Public Works, \$300 million, Yadkin River Supply project is moving forward with construction beginning in the fall of 2020. The County entered into the final design build contracts in July of 2020 for both the Raw Water Intake, Water Treatment Plant and Finished Water Lines. The Yadkin River Supply project is mostly funded through Water and Wastewater System revenue bonds. The County plans to issue revenue bonds in the spring of 2021 for the Yadkin River Supply and other various water and sewer capital projects.
- The County is currently conducting a property tax revaluation. The new property values will be effective in FY 2022.

Additional information concerning new initiatives can be found the *Adopted FY 2021 Operating and Capital Budget*.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Union County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June



30, 2019. This is the 8th consecutive year in which the County has received this recognition. To be awarded a Certificate of Achievement, the government was required to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements. The GFOA award is valid for a period of one year.

Each of the County's departments maintain a strong commitment to the goals, vision and mission statements of the County and this is reflected in its provision of services to the citizens of Union County. We appreciate the cooperation of all County departments in conducting financial activities, including the preparation of this report.

Preparation of this report would not have been possible without the combined dedicated efforts of the Finance staff. Special thanks are extended to Ebru Cukro, who led this project. Acknowledgements also go out to Daniel Purser, Amanda Austin, Lindsay Helms, Alex Whitaker, and Trina Horne who compiled, edited and reviewed information included in the County's Comprehensive Annual Financial Report.

We also wish to express appreciation to the Board of County Commissioners, County Manager, Mark Watson, Deputy County Manager, Michelle Lancaster, and Assistant County Managers, Brian Matthews and Patrick Niland for their continued support.

Respectfully submitted,

Beverly L. Liles

Beverly L. Liles
Finance Director

Amy L. Hollingsworth

Amy L. Hollingsworth
Assistant Finance Director



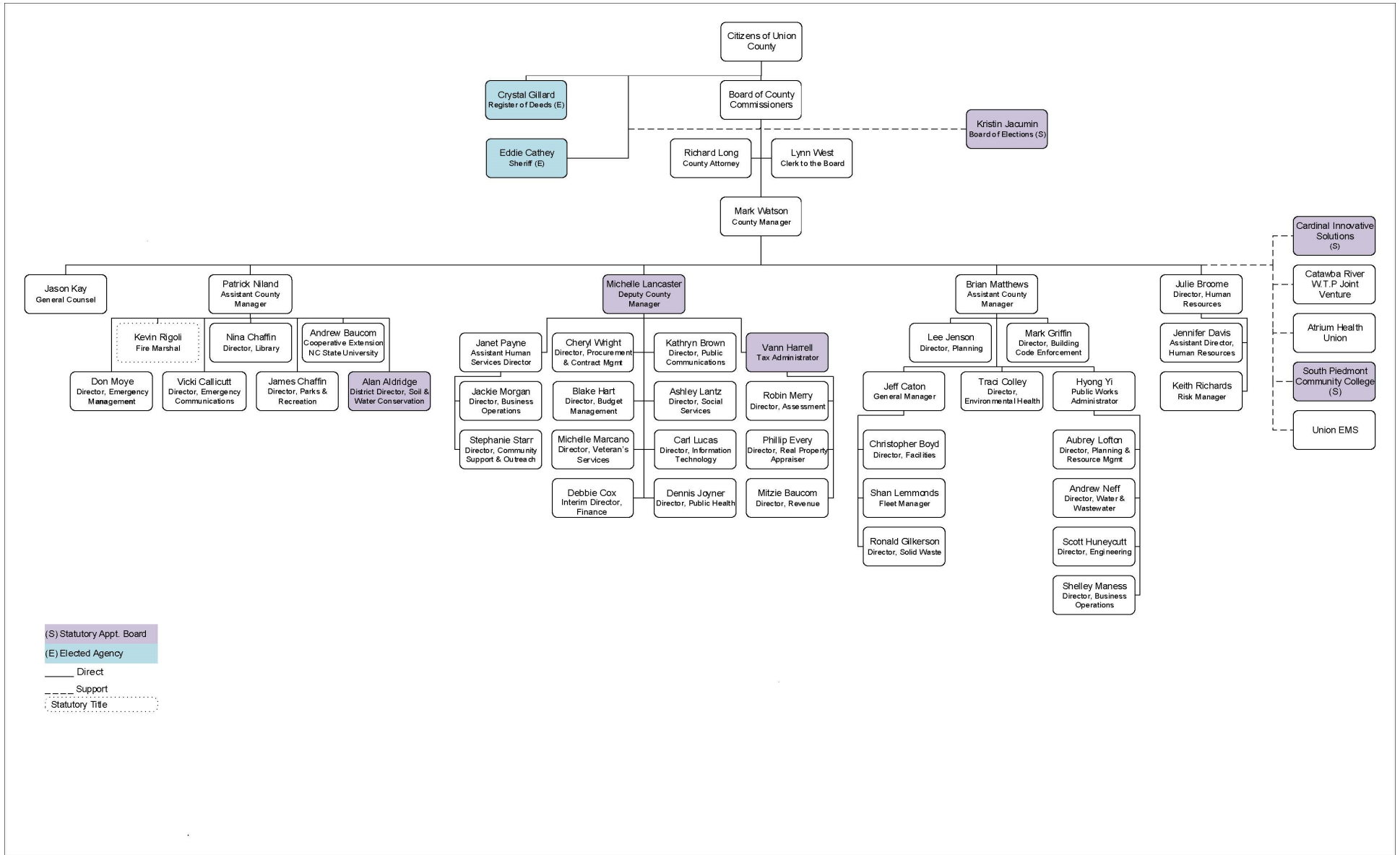
Union County, North Carolina
List of Principal Officials
June 30, 2020

Board of County Commissioners

Jerry Simpson, Chairman
Dennis Rape, Vice-Chairman
Stony Rushing
Frank Aikmus
Richard Helms

County Officials

Mark Watson	County Manager
Michelle Lancaster	Deputy County Manager
Brian Matthews	Assistant County Manager
Patrick Niland	Assistant County Manager
Lynn G. West	Clerk to the Board
Richard Long	County Attorney
Crystal Gillard	Register of Deeds
Eddie Cathey	Sheriff
Kristin Jacumin	Board of Elections
Jason Kay	General Counsel
Julie Broome	Human Resources Director
Jeffrey Caton	General Manager
Lee Jenson	Planning Director
Mark Griffin	Building Code Enforcement Director
Traci Colley	Environmental Health Manager
Hyong Yi	Public Works Administrator
Carl Lucas	Information Technology Director
Kathryn Brown	Public Communications Director
Michelle Marciano	Veteran's Services Director
Ashley Lantz	Social Services Director
Janet Payne	Assistant Human Services Director
Dennis Joyner	Public Health Director
Debbie Cox	Interim Finance Director
Vann Harrell	Tax Administrator
Andrew Baucom	Cooperative Extension Director
Nina Chaffin	Library Director
Kevin Rigoli	Fire Marshall
Donald Moye	Emergency Management Director
Vicki Callicutt	Emergency Communications Director
James Chaffin	Parks & Recreation Director
Alan Alridge	Soil & Water Conservation District Director





Government Finance Officers Association

Certificate of
Achievement
for Excellence
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Presented to

**Union County
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



Financial Section



Independent Auditor's Report

The Board of County Commissioners
Union County
Monroe, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Union County, North Carolina (the "County") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Catawba River Water Supply Project, a joint venture project (the "Venture") in which the County has a 50 percent ownership interest and approximately 10 percent of the assets and approximately 5 percent of the revenues of the Water and Sewer fund which is reported in the business-type activities. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in the investment in the Venture are based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2020, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the special separation allowance schedules of changes in the net pension liability, net pension liability and employer contributions, the other postemployment retiree healthcare benefits (OPEB) schedules of changes in net OPEB liability and related ratios, employer contributions and investment returns, the Local Government Employees' Retirement System schedules of the County's proportional share of the net pension liability or asset and County contributions and the register of deed's supplemental pension fund schedules of the County's proportionate share of the net pension asset and county contributions as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements, budget and actual comparisons, statement of changes in assets and liabilities – agency funds, schedule of ad valorem taxes receivable, analysis of current tax levy, the introductory section and the statistical section as listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements, budget and actual comparisons, statement of changes in assets and liabilities – agency funds, schedule of ad valorem taxes receivable, and the analysis of current tax levy are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as previously described and the reports of other auditors, the combining and individual fund financial statements, budget and actual comparisons, statement of changes in assets and liabilities – agency funds, schedule of ad valorem taxes receivable, and analysis of current tax levy, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Elliott Davis, PLLC". The signature is written in a cursive, flowing style.

Raleigh, North Carolina
November 5, 2020



Management's Discussion and Analysis

As management of Union County (the "County"), we offer readers of Union County's financial statements narrative overview and analysis of the financial activities of Union County for the fiscal year ended June 30, 2020. We encourage readers to read the information presented here in conjunction with additional information furnished in the letter of transmittal, which begins on page A3 of this report, and the County's financial statements, which follow this narrative.

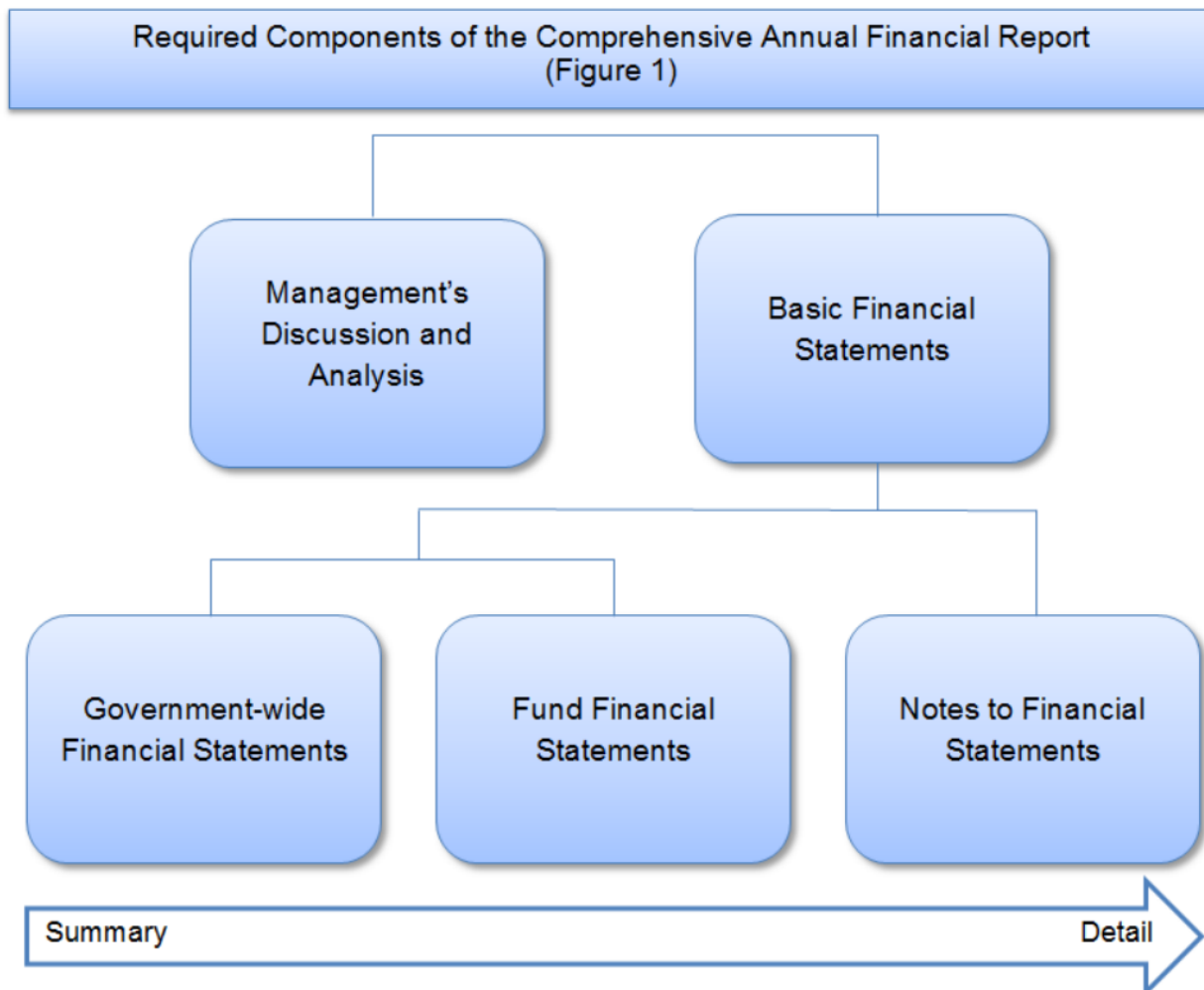
Financial Highlights

- The assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$214,646,112 (*net position*), an increase of \$1,151,216.
- Union County's governmental activities' total net position reflected a deficit of \$131,466,685 largely because Union County recognizes the long-term liability for school related debt while the accompanying assets were transferred to the Union County Public Schools and South Piedmont Community College respectively. In accordance with North Carolina general statutes, the County is financially responsible for funding school facilities and the issuance of any debt in connection with school facilities; however, since school assets are not reflected in the County's financial statements, school capital improvements are expended annually.
- At the close of the current fiscal year, Union County's governmental funds reported combined fund balances of \$251,726,709, an increase of \$94,886,753 in comparison with the prior year. Approximately 14.7 percent of this amount \$37,052,716 is available for appropriation at the County's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$102,139,323, or approximately 36.3 percent of total general fund expenditures for FY 2020.
- Union County's total outstanding long-term debt increased by \$49,853,000 or 10.09 percent during the current fiscal year. The key factors in this change in the debt balance were: annual debt service payments, cash defeasance of long-term debt, and new debt issuance.
- Union County maintained its ratings to Aaa/AAA/AAA on the general obligation bond ratings. Union County's enterprise system revenue bonds maintained its AA+/Aa1/AA bond ratings from Standard & Poor's, Moody's and Fitch, respectively.

Overview of the Financial Statements

The management's discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other

supplemental information that will enhance the reader's understanding of the financial condition of Union County.



Basic Financial Statements

The first two statements (Exhibits A & B) in the basic financial statements are the **Government-Wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits C through L) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds and internal service funds, each of which are added together in separate

columns on the basic financial statements. Budgetary information required by the North Carolina General Statutes also can be found in this part of the statements.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The *statement of net position* presents financial information on all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the County's basic services such as public safety, human services, education, cultural and recreational, general government, and economic and physical development. Property taxes, local option sales taxes, and state and federal grant funds finance most of these activities. The business-type activities are those the County charges customers to provide. These include the water, sewer and solid waste services offered by Union County.

The government-wide financial statements are on Exhibits A & B of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Union County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or noncompliance) with finance-related legal requirements, such as the North Carolina General Statutes or the County's budget ordinance. All of the County's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements

give the reader a detailed short-term view that helps to determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the *Statement of Net Position* and the *Statement of Activities*, Exhibits A and B) and governmental funds (Exhibits C and E) is described in reconciliations (Exhibits D and F) that are a part of the fund financial statements.

Union County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The *budgetary comparison statement* uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds – Union County maintains two different types of proprietary funds, Enterprise and Internal Service. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Union County uses enterprise funds to account for its water and sewer activity and solid waste activity.

Internal service funds are an accounting mechanism used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for health benefits, worker's compensation, fleet services, Information Technology, facilities management, and property and casualty insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer and Solid Waste operations. Conversely, the internal service funds are combined in a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements, in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found in Exhibits H through J of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Union County maintains ten different fiduciary funds. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. The accounting method used for fiduciary funds is much like that used for proprietary funds.

Union County maintains two different types of fiduciary funds; *pension trust funds* and *agency funds*. Two *Pension Trust Funds* are used to report resources held in trust for qualified County

retirees covered by the Special Separation Allowance Fund and the Other Postemployment Retiree Healthcare Benefits (OPEB) Fund.

The *Agency Funds* report resources held by Union County in a custodial capacity for individuals, private organizations, or other governments. These funds include the Social Services Fund, Fines and Forfeitures Fund, Jail Inmate Fund, Monroe and Union County School District Funds, Municipal Tax Collection Fund, Gross Rental Receipts Tax Fund, the Department of State Treasurer Motor Vehicle Tax Fund, and the Union County Sheriff's Office Civil Fees Fund.

The basic fiduciary fund financial statements can be found in Schedules 49 through 51 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page C19 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain *required supplementary information* concerning Union County's progress in funding its obligation to provide special separation allowance benefits, pension benefits and other postemployment retiree healthcare benefits (OPEB) to its retired employees. Required supplementary information can be found beginning on page D-1 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, internal service funds, and fiduciary pension trust and agency funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on Schedules 1 through 12 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial condition. The assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by \$214,646,112 as of June 30, 2020. One of the largest portions, \$212,573,490, reflects the County's net investment in capital assets (e.g. land, buildings, machinery, equipment, vehicles, and infrastructure) less any related outstanding debt that was issued to acquire those assets. Union County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although Union County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Union County's net position, \$73,464,978, represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$71,392,356 is unrestricted.

At the end of the current fiscal year, Union County reports a negative balance unrestricted category of net position for governmental activities and positive balances for business-type activities. The same situation held true in prior fiscal years.

Union County, North Carolina Net Position June 30, 2020 and 2019						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 291,213,225	\$ 201,001,034	\$ 206,216,918	\$ 253,427,433	\$ 497,430,143	\$ 454,428,467
Capital Assets	105,037,057	106,596,597	324,192,327	305,386,931	429,229,384	411,983,528
Total Assets	396,250,282	307,597,631	530,409,245	558,814,364	926,659,527	866,411,995
Total Deferred Outflows of Resources	30,459,334	33,392,326	2,621,037	6,278,585	33,080,371	39,670,911
Long-Term Liabilities	479,527,226	392,140,179	172,215,390	215,714,304	651,742,616	607,854,483
Other Liabilities	61,409,938	53,161,333	13,182,241	18,753,295	74,592,179	71,914,628
Total Liabilities	540,937,164	445,301,512	185,397,631	234,467,599	726,334,795	679,769,111
Total Deferred Inflows of Resources	17,239,137	11,615,066	1,519,854	1,203,833	18,758,991	12,818,899
Net Position:						
Net investment in capital assets	14,861,530	98,903,188	197,711,960	142,191,339	212,573,490	241,094,527
Restricted	73,441,423	97,719,693	23,555	55,468,003	73,464,978	153,187,696
Unrestricted	(219,769,638)	(312,549,502)	148,377,282	131,762,175	(71,392,356)	(180,787,327)
Total net position	\$ (131,466,685)	\$ (115,926,621)	\$ 346,112,797	\$ 329,421,517	\$ 214,646,112	\$ 213,494,896

As with many counties in the State of North Carolina, the County's Governmental Activities deficit in unrestricted net position in the amount of \$219,769,638 is due primarily to the portion of the County's outstanding debt incurred for the Union County Board of Education (the "school") and the South Piedmont Community College (the "community college"). Under North Carolina general statute, the County is responsible for providing capital funding for the school and community college systems. The County has chosen to meet its legal obligation to provide the systems' capital funding by using a mixture of County funds, general obligation debt and installment financings. The assets funded by the County, unless otherwise obligated, are titled to, and utilized by the school and community college systems. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets.

The County's overall net position increased \$1,151,216 from the prior fiscal year. Key elements of this increase are included below:

Union County, North Carolina Changes in Net Position June 30, 2020 and 2019						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for Services	\$ 29,249,980	\$ 23,788,012	\$ 60,402,808	\$ 55,964,515	\$ 89,652,788	\$ 79,752,527
Operating grants and contributions	35,614,229	34,518,342	16,280	-	35,630,509	34,518,342
Capital grants and contributions	423,161	16,310	14,126,775	13,487,093	14,549,936	13,503,403
General Revenues:						
Property taxes	205,248,659	199,894,266	-	-	205,248,659	199,894,266
Other taxes	53,449,873	50,252,474	-	-	53,449,873	50,252,474
Grants and contributions not restricted to a specific purpose	167,570	160,000	-	-	167,570	160,000
Other	4,854,377	5,068,891	3,026,413	2,917,485	7,880,790	7,986,376
Transfers	159,300	(2,070,572)	(159,300)	2,070,572	-	-
Total Revenues	329,167,149	311,627,723	77,412,976	74,439,665	406,580,125	386,067,388
Expenses:						
General government	25,254,536	16,065,707	-	-	25,254,536	16,065,707
Public safety	72,845,343	67,026,282	-	-	72,845,343	67,026,282
Economic and physical Environment	4,939,816	4,905,724	-	-	4,939,816	4,905,724
Human Services	49,623,331	45,685,378	-	-	49,623,331	45,685,378
Cultural and recreational	8,207,449	8,341,339	-	-	8,207,449	8,341,339
Education	169,570,717	142,232,139	-	-	169,570,717	142,232,139
Interest and fees on long-term debt	14,266,021	12,208,660	-	-	14,266,021	12,208,660
Water and sewer	-	-	54,648,868	50,629,603	54,648,868	50,629,603
Solid waste	-	-	6,072,828	5,183,839	6,072,828	5,183,839
Total Expenses	344,707,213	296,465,229	60,721,696	55,813,442	405,428,909	352,278,671
Change in net position	(15,540,064)	15,162,494	16,691,280	18,626,223	1,151,216	33,788,717
Net position as of July 1	(115,926,621)	(131,089,115)	329,421,517	310,795,294	213,494,896	179,706,179
Net position as of June 30	\$ (131,466,685)	\$ (115,926,621)	\$ 346,112,797	\$ 329,421,517	\$ 214,646,112	\$ 213,494,896

Governmental Activities – During the current fiscal year, net position for governmental activities decreased by \$(15,540,064), to reach an ending negative balance of \$131,466,685. This is due primarily to previously mentioned outstanding debt related to the school and community college and net liability for other post employment benefits.

As indicated on the following page, the majority of the County's expenses are related to education, \$169,570,717 (49.2 percent); public safety, \$72,845,343 (21.1 percent); and human services, \$49,623,331 (14.4 percent).

FY 2020 Program Revenues and Expenses - Government Activities							
	General Government	Public Safety	Economic and Physical Development	Human Services	Culture and Recreation	Education	Interest and Fees on Long-Term Debt
Program Revenues	\$ 13,745,863	\$ 13,009,334	\$ 1,256,504	\$ 23,310,788	\$ 780,065	\$ 13,184,816	\$ -
Expenses	25,254,536	72,845,343	4,939,816	49,623,331	8,207,449	169,570,717	14,266,021

Business-type Activities – For Union County's business-type activities, the results for the current fiscal year were positive in that overall net position increased by \$16,691,280 to reach an ending balance of \$346,112,797.

As indicated on the following page, the majority of the County's business-type expenses are related to water and sewer, \$54,648,868 (90.0 percent) and solid waste, \$6,072,828 (10.0 percent).

FY 2020 Program Revenues and Expenses - Business-type Activities			
	Water and Sewer		Solid Waste
Program Revenues	\$	67,639,566	\$ 6,906,297
Expenses		54,648,868	6,072,828

Financial Analysis of the County's Funds

As noted earlier, Union County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of Union County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance (fund balance available for appropriation), may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, Union County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by Union County's Board of Commissioners.

At June 30, 2020, Union County's governmental funds reported combined fund balances of \$251,726,709, a increase of \$(94,886,753) in comparison with the prior year. Approximately 14.7 percent of this amount \$37,052,716 constitutes *unassigned fund balance*, which is available for appropriation at the Board of County Commissioners' discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is 1) nonspendable and not in a spendable form (\$53,650), 2) restricted to specific purposes as imposed by law (\$71,733,612), 3) committed amounts that can be used only for the specific purposes determined by a formal action of the Board of County Commissioners (\$61,510,365), or 4) assigned and intended to be used for specific purposes (\$81,376,366).

Governmental Funds Components of Fund Balance for the Fiscal Year Ended June 30, 2020 and 2019			
	2020		2019
Nonspendable	\$	53,650	\$ 11,836
Restricted		71,733,612	96,031,843
Committed		61,510,365	60,998,762
Assigned		81,376,366	3,442,457
Unassigned - other		37,052,716	(3,644,942)

The General Fund is the chief operating fund of Union County. At the end of the current fiscal year, the County's unassigned fund balance of the General Fund was \$37,695,947, while total fund balance increased by \$18,672,463, from \$109,374,069 to \$128,046,532. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures.

The Board of Commissioners has determined that the County should maintain an available reserved fund balance of 20 percent of total expenditures including regular inter-fund transfers in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. As of June 30, 2020, the County has a fund balance (based on committed, assigned, and unassigned) of 36.3 percent of general fund expenditures, while total fund balances represent 45.5 percent of that same amount.

General Fund Components of Fund Balance for the Fiscal Year Ended June 30, 2020 and 2019				
	2020		2019	
Nonspendable	\$	53,650	\$	11,836
Restricted		25,853,559		39,558,378
Committed		61,510,365		60,998,762
Assigned		2,933,011		2,779,068
Unassigned - other		37,695,947		6,026,025

The increase in FY 2020 fund balance is primarily due to the County issuing general obligation bonds, implementing a hiring freeze, suspending training and travel due to COVID-19.

The fund balance of the General Capital Project Fund, a major fund, had a net increase of \$75,394,833 to \$119,398,668. There were \$69,294,756 of capital and related expenditures during the current fiscal year. There were \$26,352,270 in transfers from other governmental funds, a majority from the school district for capital improvements to existing structures. The issuance of general obligation bonds are the primary reason for the increase in fund balance generating \$123,135,979 in proceeds.

Proprietary Funds – Union County’s proprietary funds provide the same type of information found in the government-wide statements but in more detail.

Unrestricted net position of the Water and Sewer Fund at the end of the year was \$143,008,000; an decrease of \$(16,743,966). The overall net position of the Water and Sewer Fund increased by \$15,799,682 to \$337,054,806. A portion of the net position, net investment in capital assets, increased by \$54,500,164 to \$194,023,251.

Unrestricted net position of the Solid Waste Fund at the end of the year was \$5,384,779; a decrease of \$123,402.

General Fund Budgetary Highlights

Original Budget Compared to Final Budget – During the year the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

The General Fund final budget for expenditures increased \$6,232,604 primarily due to the mid-year close down of three internal service funds (Facilities, Fleet and Information Technology) that were added to the general fund. The General Fund final budget for revenue

increased by \$759,966, primarily due to an increase in intergovernmental revenues from federal and State grants related to Human Services.

Final Budget Compared to Actual Results – The most significant differences between estimated revenues and actual revenues were as follows:

FY 2020 General Fund Revenue Compared to Estimates			
	Estimated	Actual	Differences
Ad valorem taxes	\$ 199,346,600	\$ 198,284,567	\$ (1,062,033)
Local option sales tax	48,745,636	48,720,847	(24,789)
Other taxes and license	3,326,120	3,207,810	(118,310)
Intergovernmental	37,944,105	36,243,059	(1,701,046)
Permits and fees	4,668,631	5,861,089	1,192,458
Sales and services	5,656,897	5,702,988	46,091
Investment earnings	2,112,800	3,591,928	1,479,128
Miscellaneous	7,249,170	7,681,056	431,886

Capital Assets and Debt Administration

Capital Assets – Union County’s investment in capital assets for its governmental and business-type activities as of June 30, 2020, amounts to \$429,229,384 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, and water and wastewater infrastructure. The total increase in capital assets for the current fiscal year was approximately 4.2 percent.

	Union County, North Carolina Capital Assets (net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 19,064,264	\$ 19,064,264	\$ 4,206,828	\$ 4,206,828	\$ 23,271,092	\$ 23,271,092
Buildings	66,232,897	69,470,066	9,262,500	9,556,029	75,495,397	79,026,095
Infrastructure	-	-	270,629,093	222,433,541	270,629,093	222,433,541
Improvements other than buildings	2,916,333	3,120,230	722,411	407,737	3,638,744	3,527,967
Machinery and equipment	11,652,737	11,435,592	5,810,805	4,133,456	17,463,542	15,569,048
Construction in progress	5,170,826	3,506,445	33,560,690	64,649,340	38,731,516	68,155,785
Total Capital Assets	\$ 105,037,057	\$ 106,596,597	\$ 324,192,327	\$ 305,386,931	\$ 429,229,384	\$ 411,983,528

Major capital asset transactions during the year include:

- Purchase and replacement of public safety vehicles and related mobile data equipment; and replacement of transportation, water and sewer operations, and solid waste operations vehicles
- Design and Construction of Jesse Helms Park Event Center
- Design and Construction of Emergency Services Complex
- Design and Construction of Sheriff’s Office renovation and expansion
- Continuation of engineering, design and construction of Catawba River Water Treatment Plant expansion
- Continuation of engineering, design and construction of 762 Zone Elevated Storage Tank
- Construction of Short Water Line Extensions

- Continuation of engineering, design and construction of Twelve Mile Creek sewer system expansion
- Continuation of engineering, design and construction of 853 West Pressure Zone improvements
- Continuation of engineering and design of Yadkin River Water Supply water system improvements
- Continuation of Radio and Microwave replacement
- Completion of engineering, design and construction of Blythe Creek Interceptor improvements
- Continuation of engineering and design of Crooked Creek Basin Sewer Improvements

Additional information on Union County’s capital assets can be found in Note 5 of this report.

Long-Term Debt – At the end of the current fiscal year, the County had total debt outstanding of \$544,053,000. Of this amount, \$352,718,000 is debt backed by the full faith and credit of the government. The remainder of Union County’s long-term obligations is comprised of certificates of participation, installment financing, limited obligation bonds, revenue bonds, and State sanitary sewer loans (other).

Union County, North Carolina Outstanding Debt							
	Governmental Activities		Business-type Activities		Total		
	2020	2019	2020	2019	2020	2019	
General Obligation Bonds	\$ 352,718,000	\$ 258,290,000	\$ -	\$ -	\$ 352,718,000	\$ 258,290,000	
Certificates of participation	46,815,000	50,030,000	-	-	46,815,000	50,030,000	
Installment financing	-	1,855,000	-	-	-	1,855,000	
Revenue Bonds	-	-	144,520,000	177,275,000	144,520,000	177,275,000	
Other	-	-	-	6,750,000	-	6,750,000	
Total	\$ 399,533,000	\$ 310,175,000	\$ 144,520,000	\$ 184,025,000	\$ 544,053,000	\$ 494,200,000	

Union County’s total outstanding principal debt increased by \$49,853,000 during the past fiscal year, mainly due to the issuance of new debt.

As mentioned in the financial highlights section of this document, Union County maintained its ratings of Aaa/AAA/AA on the general obligation bonds. The Enterprise System Revenue bond rating for the County was maintained at AA+ from Standard & Poor's Corporation and at Aa1/AA from Moody's Investment Services and Fitch Ratings respectively. The bond rating is a clear indication of the sound financial condition of Union County. Union County is one of the few counties in the country that maintains high financial ratings from all major rating agencies. This achievement is a key factor in keeping interest costs low on the County’s outstanding debt.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for Union County is \$1,765,648,120.

Additional information regarding Union County’s long-term debt can be found in Note 15 of this report.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect Union County and were considered during the development of the FY 2021 budget and rates:

- North Carolina's statewide unemployment rate (not seasonally adjusted) was 8.9 percent in July 2020, increasing from June's revised rate of 7.7 percent, and a 4.6 percentage-point increase over the year. During the month, the unemployment rate increased in 99 counties while the rate remained the same in 1 county. When compared to the same month last year, not seasonally adjusted unemployment rates increased in all 100 counties.
- The County's unemployment rate was 7.2 percent in July 2020. This rate increased by 1.1 percent over the prior month and an increase of 3.4 percent from July 2019. The County's unemployment rate in July was 1.7 percent below the statewide 8.9 percent rate.¹
- The Conference Board, a New York based private research group, announced Tuesday, September 29, 2020, that its Consumer Confidence Index increased in September after declining in August. A more favorable view of current business and labor market conditions, coupled with renewed optimism about the short-term outlook, helped spur this month's rebound in confidence. The Index now stands at 101.8 (1985=100), up from 86.3 in August.²
- North Carolina's real Gross State Product (GSP) forecast is expected to decrease by 4.5 percent over the 2019 level. Thirteen of the state's fifteen economic sectors are forecast to experience output decreases during 2020. The sectors with the largest expected declines are hospitality and leisure services with a projected real decrease of 32.8 percent, other services with a projected real decrease of 11.0 percent, construction with a projected real decrease of 7.4 percent, health services with a projected real decrease of 5.9 percent, and wholesale trade with a projected real decrease of 4.7 percent. Government is expected to decline by 3.1 percent with only agriculture and mining expecting to experience growth in 2020.³
- Seasonally adjusted nonagricultural employment in North Carolina is expected to reach 4,610,800 persons by December 2021, an increase of 5.4 percent over the employment level in December 2020. The state is expected to add 236,500 net jobs in 2021.³
- During fiscal year 2020, there were 589 commercial and 4,018 residential construction permits issued county-wide, compared to fiscal year 2019 of 589 commercial and 3,348 residential permits; showing an increase in the total number of permits. This trend is anticipated to continue into 2021.⁴
- Housing data represents an indicator of overall economic health, as well as an indicator of the mind of the consumer. Decreases nationally and locally in permits and starts demonstrate slowing growth, which in turn leads to slowdowns in other sectors. These indices have market impact as investors watch to attempt to forecast the economic future, thus moving markets higher or lower.

Budget Highlights for the Fiscal Year Ending June 30, 2021

Countywide, for FY 2021, estimated revenues and expenditures, including debt service expenditures, are anticipated to increase by 1.7 percent, or about \$7.5 million, going from \$450.2 million to \$457.7 million.

Governmental Activities – Ad Valorem Taxes and Local Option Sales Tax provide the largest portion of funding for Union County. Ad Valorem Taxes are anticipated to see an increase of \$10.6 million or 5.1 percent from the FY 2020 budget, largely due to organic growth to the county property tax base, while maintaining a tax rate of 73.09 cents. Due to expected impacts of the COVID-19 pandemic, sales taxes are expected to decrease by \$1.4 million of 2.9 percent.

Expenditures in the General Funds (General Fund, Debt Fund, Schools Budgetary Fund, Radio Budgetary Fund, Fire Budgetary Fund, EMS Budgetary Fund and the Economic Development Fund) are anticipated to increase by 3.3 percent or about \$10.5 million from the FY 2020 budget. This increase is a mix of interfund transfers for paygo capital funding, employee costs, and increased expenditures on debt service requirements, contracts and subsidies.

The Adopted FY 2021 General Fund Budget includes no use of fund balance.

Business-type Activities – In December 2019 the Board of County Commissioners approved the Union County Water and Sewer District's adopted rate schedule setting new water and sewer rates effective January 1, 2020 increasing rates by 15.5 percent for the next two calendar years. The FY 2021 budget reflects the first year of that increase. These increases are reflective of the funding necessary for capital and operations of the water and sewer utility.

It is important to note, as in previous years, the enterprise revenues are used only in the operations of the enterprises and are not used to fund general County operations.

Request for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or request for additional information should be directed to Beverly Liles, Finance Director/Chief Financial Officer, Union County, 500 N. Main Street, Monroe, North Carolina. You can also call (704)-283-3813, visit our website at www.unioncountync.gov, or send an email to finance@unioncountync.gov for more information.

¹ NC Department of Commerce – Labor and Economic Analysis Division, News Release, September 2, 2020

² Additional information concerning The Conference Board and the ETI can be found at www.conference-board.org

³ Barings/UNC Charlotte Economic Forecast. September 23, 2020. <http://belkcollege.uncc.edu/forecast>

⁴ The County's data includes permits issued by Union County, City of Monroe, and the Town of Waxhaw



Basic Financial Statements



Statement of Net Position

June 30, 2020

	Governmental Activities	Business Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 116,293,233	\$ 84,899,685	\$ 201,192,918
Property taxes receivable (net)	1,736,638	-	1,736,638
Accounts receivable (net)	22,569,821	9,164,358	31,734,179
Inventories	39,411	778,852	818,263
Internal balances	15,497	(15,497)	-
Prepaid Items	12,664	18,508	31,172
Cash and investments, restricted	102,841,997	38,780,520	141,622,517
Cash and investments, restricted-deposits	511,416	493,405	1,004,821
Total current assets	<u>244,020,677</u>	<u>134,119,831</u>	<u>378,140,508</u>
Noncurrent assets:			
Cash and investments	33,099,202	18,712,089	51,811,291
Accounts receivable	1,575	-	1,575
Net pension asset, ROD	459,398	-	459,398
Unamortized swap termination costs	13,632,373	3,164,273	16,796,646
Investment in joint venture	-	50,220,725	50,220,725
Capital assets:			
Land and other assets not being depreciated	24,235,090	37,767,518	62,002,608
Buildings, equipment and infrastructure	80,801,967	286,424,809	367,226,776
Total noncurrent assets	<u>152,229,605</u>	<u>396,289,414</u>	<u>548,519,019</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>30,459,334</u>	<u>2,621,037</u>	<u>33,080,371</u>
Total assets and deferred outflows of resources	<u>426,709,616</u>	<u>533,030,282</u>	<u>959,739,898</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	15,307,382	6,818,854	22,126,236
Unearned revenue	4,500	-	4,500
Liabilities payable by restricted assets	511,416	493,405	1,004,821
Workers' compensation claims	203,818	-	203,818
Health care benefits	1,232,215	-	1,232,215
Property and casualty claims payable	35,565	-	35,565
Current portion of compensated absences	5,318,172	770,039	6,088,211
Current portion of long-term obligations	38,796,870	5,099,943	43,896,813
Total current liabilities	<u>61,409,938</u>	<u>13,182,241</u>	<u>74,592,179</u>
Noncurrent liabilities:			
Accrued landfill postclosure care costs	-	5,016,955	5,016,955
Noncurrent portion of compensated absences	483,863	2,327	486,190
Net OPEB liability	55,675,745	7,600,171	63,275,916
Net pension liability, LGERS	21,065,294	3,039,462	24,104,756
Net pension liability, separation allowance	10,154,439	1,386,488	11,540,927
Noncurrent portion of long-term obligations	392,147,885	155,169,987	547,317,872
Total noncurrent liabilities	<u>479,527,226</u>	<u>172,215,390</u>	<u>651,742,616</u>
DEFERRED INFLOWS OF RESOURCES	<u>17,239,137</u>	<u>1,519,854</u>	<u>18,758,991</u>
Total liabilities and deferred inflows of resources	<u>558,176,301</u>	<u>186,917,485</u>	<u>745,093,786</u>
NET POSITION			
Net investment in capital assets	14,861,530	197,711,960	212,573,490
Restricted for:			
Stabilization by State statute	35,100,631	-	35,100,631
General government	230,238	-	230,238
Public safety	3,172,618	-	3,172,618
Economic and physical development	358,452	-	358,452
Human services	1,840,577	-	1,840,577
Cultural and recreational	36,218	-	36,218
Education	32,243,291	-	32,243,291
Debt service	-	23,555	23,555
Pension benefits	459,398	-	459,398
Unrestricted	(219,769,638)	148,377,282	(71,392,356)
Total net position	<u>\$ (131,466,685)</u>	<u>\$ 346,112,797</u>	<u>\$ 214,646,112</u>

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

Statement of Activities

For the Year Ended June 30, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
General government	\$ 25,254,536	\$ 13,561,605	\$ 184,258	\$ -	\$ (11,508,673)	\$ -	\$ (11,508,673)
Public safety	72,845,343	8,819,461	4,189,873	-	(59,836,009)	-	(59,836,009)
Economic and physical development	4,939,816	1,034,481	222,023	-	(3,683,312)	-	(3,683,312)
Human services	49,623,331	5,091,502	17,796,125	423,161	(26,312,543)	-	(26,312,543)
Cultural and recreational	8,207,449	572,156	207,909	-	(7,427,384)	-	(7,427,384)
Education	169,570,717	170,775	13,014,041	-	(156,385,901)	-	(156,385,901)
Interest and fees on long term debt	14,266,021	-	-	-	(14,266,021)	-	(14,266,021)
Total governmental activities	344,707,213	29,249,980	35,614,229	423,161	(279,419,843)	-	(279,419,843)
Business-type activities:							
Water and sewer	54,648,868	53,512,791	-	14,126,775	-	12,990,698	12,990,698
Solid waste	6,072,828	6,890,017	16,280	-	-	833,469	833,469
Total business-type activities	60,721,696	60,402,808	16,280	14,126,775	-	13,824,167	13,824,167
Total primary government	\$ 405,428,909	\$ 89,652,788	\$ 35,630,509	\$ 14,549,936	(279,419,843)	13,824,167	(265,595,676)
General revenues:							
Property taxes levied for general purposes					205,248,659	-	205,248,659
Local option sales tax					50,242,063	-	50,242,063
Other taxes and licenses					3,207,810	-	3,207,810
Grants and contributions not restricted to specific programs					167,570	-	167,570
Investment earnings, unrestricted					4,721,500	2,260,714	6,982,214
Gains on sales and disposals of capital assets					132,877	765,699	898,576
Transfers					159,300	(159,300)	-
Total general revenues					263,879,779	2,867,113	266,746,892
Change in net position					(15,540,064)	16,691,280	1,151,216
Net position - beginning					(115,926,621)	329,421,517	213,494,896
Net position - ending					\$ (131,466,685)	\$ 346,112,797	\$ 214,646,112

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

Balance Sheet
Governmental Funds
June 30, 2020

	Major		Nonmajor	Total Governmental Funds
	General Fund	General Capital Project Fund	Other Governmental Funds	
ASSETS				
Cash and investments	\$ 102,569,233	\$ 31,536,759	\$ 7,415,107	\$ 141,521,099
Property taxes receivable, net	1,693,723	-	42,915	1,736,638
Accounts receivable, net	22,070,849	-	492,276	22,563,125
Accounts receivable, long-term	1,575	-	-	1,575
Inventories	39,411	-	-	39,411
Prepaid Item	12,664	-	-	12,664
Advances to other funds	95,116	-	-	95,116
Cash and investments, restricted	8,984,532	93,857,465	-	102,841,997
Cash and investments, restricted-deposits	511,416	-	-	511,416
Total assets	<u>\$ 135,978,519</u>	<u>\$ 125,394,224</u>	<u>\$ 7,950,298</u>	<u>\$ 269,323,041</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 5,675,258	\$ 5,995,556	\$ 257,006	\$ 11,927,820
Unearned revenue	4,500	-	-	4,500
Deposits	511,416	-	-	511,416
Advances from other funds	-	-	95,116	95,116
Total liabilities	<u>6,191,174</u>	<u>5,995,556</u>	<u>352,122</u>	<u>12,538,852</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,740,813</u>	<u>-</u>	<u>3,316,667</u>	<u>5,057,480</u>
FUND BALANCES				
Nonspendable	53,650	-	-	53,650
Restricted	25,853,559	40,923,839	4,956,214	71,733,612
Committed	61,510,365	-	-	61,510,365
Assigned	2,933,011	78,443,355	-	81,376,366
Unassigned	37,695,947	31,474	(674,705)	37,052,716
Total fund balances	<u>128,046,532</u>	<u>119,398,668</u>	<u>4,281,509</u>	<u>251,726,709</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 135,978,519</u>	<u>\$ 125,394,224</u>	<u>\$ 7,950,298</u>	<u>\$ 269,323,041</u>

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

**Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position**
June 30, 2020

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

Ending fund balance - governmental funds	\$ 251,726,709
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	105,037,057
Other long-term assets, related to the net pension asset, are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	459,398
Other long-term assets, related to unearned taxes, are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,336,387
Other long-term assets, related to unearned revenues, are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	-
Other long-term assets, unamortized swap termination costs.	13,632,373
Unamortized gains on advance refunding, deferred inflows.	(3,718,190)
Unamortized loss on advance refunding, deferred outflows.	11,947,137
Contributions to pension plans in the current fiscal year are deferred outflows of resources	5,335,489
Internal service funds are used by management to charge the costs of health and dental insurance to individual funds. The current assets and liabilities are included in governmental activities in the statement of net position.	4,566,559
Internal service funds are used by management to charge the costs of workers' compensation to individual funds. The current assets and liabilities are included in governmental activities in the statement of net position.	1,001,805
Internal service funds are used by management to charge the costs of property and casualty insurance to individual funds. The current assets and liabilities of this are included in governmental activities in the statement of net position.	586,820
Internal balance due from Business-Type Activities to Governmental Activities.	15,497
OPEB related deferrals.	(6,483,371)
Pension related deferrals.	9,860,225
Long-term liabilities for compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(5,802,035)
Long-term liabilities for net other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds.	(55,675,746)
Long-term liabilities for net pension liability for LGERS are not due and payable in the current period and, therefore, are not reported in the funds.	(21,065,294)
Long-term liabilities for net pension liability for separation allowance are not due and payable in the current period and, therefore, are not reported in the funds.	(10,154,439)

**Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position**

June 30, 2020

Long-term liabilities, including bonds and installment financing payable, are not due and payable in the current period and, therefore, are not reported in the funds (principal and unamortized balances for governmental activities, per Note 15. A. 1, in the amount of \$430,944,755, as well as accrued interest payable of \$3,128,311).	<u>(434,073,066)</u>
Net position of governmental activities	<u>\$ (131,466,685)</u>

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

Statement of Revenues, Expenditures, and Changes in Fund Balances**Governmental Funds**

For the Year Ended June 30, 2020

	Major		Nonmajor	Total Governmental Funds
	General Fund	General Capital Project Fund	Other Governmental Funds	
REVENUES				
Ad valorem taxes	\$ 198,284,567	\$ -	\$ 6,734,202	\$ 205,018,769
Local option sales tax	48,720,847	-	1,521,216	50,242,063
Other taxes and licenses	3,207,810	-	746,598	3,954,408
Intergovernmental	36,243,059	-	1,760,383	38,003,442
Permits and fees	5,861,089	-	2,735,771	8,596,860
Sales and services	5,702,988	-	46,035	5,749,023
Investment earnings	3,591,928	1,010,094	7,057	4,609,079
Miscellaneous	7,681,056	170,477	331,380	8,182,913
Total revenues	<u>309,293,344</u>	<u>1,180,571</u>	<u>13,882,642</u>	<u>324,356,557</u>
EXPENDITURES				
Current:				
General government	17,913,976	-	88,133	18,002,109
Public safety	60,390,162	-	11,482,943	71,873,105
Economic and physical development	3,790,662	-	811,181	4,601,843
Human services	47,009,558	-	901,052	47,910,610
Cultural and recreational	7,332,683	-	-	7,332,683
Intergovernmental:				
Education	106,102,982	-	-	106,102,982
Capital outlay:				
General government	-	2,271,470	-	2,271,470
Public safety	-	2,576,846	-	2,576,846
Environmental Protection	-	368,114	-	368,114
Economic and physical development	-	135,844	-	135,844
Human services	-	127,229	-	127,229
Cultural and recreational	-	363,174	-	363,174
Education	-	63,452,079	-	63,452,079
Debt service:				
Principal retirement	24,947,000	-	-	24,947,000
Interest and fees	14,048,665	-	-	14,048,665
Total expenditures	<u>281,535,688</u>	<u>69,294,756</u>	<u>13,283,309</u>	<u>364,113,753</u>
Excess (deficiency) of revenues over (under) expenditures	<u>27,757,656</u>	<u>(68,114,185)</u>	<u>599,333</u>	<u>(39,757,196)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	15,838,661	26,192,970	220,124	42,251,755
Transfer in - Solid Waste Fund	-	159,300	-	159,300
Transfers to other funds	(31,884,538)	(5,979,231)	-	(37,863,769)
Issuance of general obligation bonds	21,428,270	111,341,730	-	132,770,000
Issuance of general obligation bonds, premiums	3,997,414	11,794,249	-	15,791,663
Payments to refunded bonds escrow agents	(18,465,000)	-	-	(18,465,000)
Total other financing sources (uses)	<u>(9,085,193)</u>	<u>143,509,018</u>	<u>220,124</u>	<u>134,643,949</u>
Net change in fund balances	<u>18,672,463</u>	<u>75,394,833</u>	<u>819,457</u>	<u>94,886,753</u>
FUND BALANCES				
Beginning	109,374,069	44,003,835	3,462,052	156,839,956
Ending	<u>\$ 128,046,532</u>	<u>\$ 119,398,668</u>	<u>\$ 4,281,509</u>	<u>\$ 251,726,709</u>

The notes to the 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 Year Ended June 30, 2020

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

Net change in fund balances - total governmental funds	\$ 94,886,753
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(1,495,096)
Governmental funds report certain transactions as revenues and reductions in deferred revenue. However, in the statement of activities these transactions are eliminated and reflected as reductions in receivables until their maturity.	(167,000)
Net book value of assets sold.	(64,444)
Revenues in the statement of activities from deferred property taxes that do not provide current financial resources are not reported as revenues in the funds.	229,890
Revenues in the statement of activities from internal service funds' investment earnings.	113,545
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, however, has any effect on net position. Also, governmental funds report the effect of 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.	(105,253,947)
Contributions to the pension plans in the current fiscal year are not included on the statement of activities.	5,335,489
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.	(9,019,517)
The internal service fund, determined to be governmental fund type, is used by management to charge the costs, net of investment earnings, of health and dental insurance program.	967,152
The internal service fund, determined to be governmental fund type, is used by management to charge the costs, net of investment earnings, of workers' compensation program.	(505,653)
The internal service fund, determined to be governmental fund type, is used by management to charge the costs, net of investment earnings, of property and casualty insurance program.	58,828
The internal service fund, determined to be governmental fund type, is used by management to charge the costs, net of investment earnings, of information technology services program.	(637,530)
The internal service fund, determined to be governmental fund type, is used by management to charge the costs, net of investment earnings, of facilities management services program.	38,858
The internal service fund, determined to be governmental fund type, is used by management to charge the costs, net of investment earnings, of fleet management services program.	(27,392)
Change in net position of governmental activities	<u>\$ (15,540,064)</u>

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

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Positive Negative
REVENUES				
Ad valorem taxes	\$ 199,346,600	\$ 199,346,600	\$ 198,284,567	\$ (1,062,033)
Local option sales tax	48,745,636	48,745,636	48,720,847	(24,789)
Other taxes and licenses	3,326,120	3,326,120	3,207,810	(118,310)
Intergovernmental	37,218,007	37,944,105	36,243,059	(1,701,046)
Permits and fees	4,668,631	4,668,631	5,861,089	1,192,458
Sales and services	5,659,397	5,656,897	5,702,988	46,091
Investment earnings	2,112,800	2,112,800	3,591,928	1,479,128
Miscellaneous	7,212,802	7,249,170	7,681,056	431,886
Total revenues	<u>308,289,993</u>	<u>309,049,959</u>	<u>309,293,344</u>	<u>243,385</u>
EXPENDITURES				
Current:				
General government	19,763,183	21,448,202	17,913,976	3,534,226
Public safety	59,949,231	62,768,996	60,390,162	2,378,834
Economic and physical development	5,097,415	5,340,693	3,790,662	1,550,031
Human services	49,977,321	50,938,224	47,009,558	3,928,666
Cultural and recreational	7,683,532	7,595,737	7,332,683	263,054
Intergovernmental:				
Education	106,107,450	106,107,450	106,102,982	4,468
Debt service:				
Principal retirement	24,951,800	24,947,000	24,947,000	-
Interest and fees	13,706,894	14,133,128	14,048,665	84,463
Contingency	-	190,000	-	190,000
Total expenditures	<u>287,236,826</u>	<u>293,469,430</u>	<u>281,535,688</u>	<u>11,933,742</u>
Revenues over (under) expenditures	<u>21,053,167</u>	<u>15,580,529</u>	<u>27,757,656</u>	<u>12,177,127</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	2,244,272	16,721,461	15,838,661	(882,800)
Transfers to other funds	(26,739,242)	(31,664,414)	(31,884,538)	(220,124)
Issuance of general obligation bonds	-	15,270,000	21,428,270	6,158,270
Issuance of general obligation bonds, premiums	423,861	4,067,415	3,997,414	(70,001)
Payments to refunded bonds escrow agents	-	(18,465,000)	(18,465,000)	-
Total other financing sources (uses)	<u>(24,071,109)</u>	<u>(14,070,538)</u>	<u>(9,085,193)</u>	<u>4,985,345</u>
Revenues and other financing sources under expenditures and other financing uses	<u>(3,017,942)</u>	<u>1,509,991</u>	<u>18,672,463</u>	<u>17,162,472</u>
APPROPRIATED FUND BALANCE	<u>3,017,942</u>	<u>(1,509,991)</u>	<u>-</u>	<u>1,509,991</u>
Revenues, other financing sources, and appropriated fund balance over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>18,672,463</u>	<u>\$ 18,672,463</u>
FUND BALANCE				
Beginning			109,374,069	
Ending			<u>\$ 128,046,532</u>	

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



Statement of Net Position

Proprietary Funds

June 30, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major	Nonmajor	Total	
	Water and Sewer Fund	Solid Waste Fund		
ASSETS				
Current assets:				
Cash and investments	\$ 74,605,378	\$ 10,294,307	\$ 84,899,685	\$ 7,871,337
Accounts receivable, net	8,499,499	664,859	9,164,358	6,694
Inventories	778,852	-	778,852	-
Prepaid items	18,508	-	18,508	-
Cash and investments, restricted	38,780,520	-	38,780,520	-
Cash and investments, restricted-deposits	464,475	28,930	493,405	-
Total current assets	123,147,232	10,988,096	134,135,328	7,878,031
Noncurrent assets:				
Cash and investments	17,156,450	1,555,639	18,712,089	-
Unamortized swap termination costs	3,164,273	-	3,164,273	-
Investment in joint venture	50,220,725	-	50,220,725	-
Capital assets:				
Land and other assets not being depreciated	37,433,261	334,257	37,767,518	-
Buildings, equipment, and infrastructure, net of depreciation	283,070,357	3,354,452	286,424,809	-
Total noncurrent assets	391,045,066	5,244,348	396,289,414	-
DEFERRED OUTFLOWS OF RESOURCES				
Total assets and deferred outflows of resources	516,516,962	16,528,817	533,045,779	7,936,571
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	6,103,539	715,315	6,818,854	251,250
Current portion of compensated absences	663,959	106,080	770,039	23,903
Deposits	464,475	28,930	493,405	-
Long-term liabilities, due within one year:				
Revenue bonds payable	5,099,943	-	5,099,943	-
Workers' compensation claims payable	-	-	-	203,819
Health care benefits payable	-	-	-	1,232,215
Property and casualty claims payable	-	-	-	35,565
Total current liabilities	12,331,916	850,325	13,182,241	1,746,752
Noncurrent liabilities:				
Accrued landfill postclosure care costs	-	5,016,955	5,016,955	-
Non current portion of compensated absences	-	2,327	2,327	2,342
Net OPEB liability	6,678,749	921,422	7,600,171	133,440
Net pension liability, LGERS	2,705,078	334,384	3,039,462	73,327
Net pension liability, separation allowance	1,218,393	168,095	1,386,488	24,347
Long-term liabilities, due in more than one year:				
Revenue bonds	155,169,987	-	155,169,987	-
Total noncurrent liabilities	165,772,207	6,443,183	172,215,390	233,456
DEFERRED INFLOWS OF RESOURCES				
Total liabilities and deferred inflows of resources	179,462,156	7,455,329	186,917,485	2,003,642
NET POSITION				
Net investment in capital assets	194,023,251	3,688,709	197,711,960	-
Restricted	23,555	-	23,555	-
Unrestricted	143,008,000	5,384,779	148,392,779	5,932,929
Total net position	\$ 337,054,806	\$ 9,073,488	346,128,294	\$ 5,932,929
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(15,497)	
Net position of business-type activities			\$ 346,112,797	

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

Statement of Revenues, Expenses, and Changes in Fund Net Position**Proprietary Funds**

For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major	Nonmajor	Total	
	Water and Sewer Fund	Solid Waste Fund		
OPERATING REVENUES				
Charges for services	\$ 54,546,320	\$ 6,443,025	\$ 60,989,345	\$ 37,790
Disposal fees	-	437,641	437,641	-
Interfund charges and employee contributions	-	-	-	26,197,248
Miscellaneous revenue	2,508	-	2,508	29,289
Other operating revenue	1,606,052	9,351	1,615,403	37,848
Total operating revenues	<u>56,154,880</u>	<u>6,890,017</u>	<u>63,044,897</u>	<u>26,302,175</u>
OPERATING EXPENSES				
Personnel	12,005,914	1,679,830	13,685,744	(195,829)
Operating expenses	19,180,633	3,999,253	23,179,886	7,311,396
Depreciation	16,496,745	300,323	16,797,068	1,145
Operating leases	411,288	-	411,288	-
Landfill closure	-	83,863	83,863	-
Worker's compensation claims	-	-	-	283,868
Health benefit claims and premiums	-	-	-	17,076,446
Property and casualty claims and premiums	-	-	-	972,191
Total operating expenses	<u>48,094,580</u>	<u>6,063,269</u>	<u>54,157,849</u>	<u>25,449,217</u>
Operating income (loss)	<u>8,060,300</u>	<u>826,748</u>	<u>8,887,048</u>	<u>852,958</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	2,791,930	213,327	3,005,257	113,545
Intergovernmental	-	16,280	16,280	-
Sale of capital assets	765,699	-	765,699	-
Interest and fees on long-term debt	(6,558,390)	-	(6,558,390)	-
Gain (loss) on investment in joint venture	(3,386,632)	-	(3,386,632)	-
Total nonoperating revenue (expenses)	<u>(6,387,393)</u>	<u>229,607</u>	<u>(6,157,786)</u>	<u>113,545</u>
Income (loss) before contributions and transfers	<u>1,672,907</u>	<u>1,056,355</u>	<u>2,729,262</u>	<u>966,503</u>
TRANSFERS AND CONTRIBUTIONS				
Transfers from General Fund	-	-	-	86,872
Transfer to General Fund	-	-	-	(4,014,858)
Transfer to General Capital Project Fund	-	(159,300)	(159,300)	(460,000)
Transfer from OPEB Trust Fund	-	-	-	2,874,731
Capital contributions - cash-other	638,677	-	638,677	-
Capital contributions - system development fees	3,872,195	-	3,872,195	-
Capital contributions - non-cash	9,615,903	-	9,615,903	-
Total transfers and contributions	<u>14,126,775</u>	<u>(159,300)</u>	<u>13,967,475</u>	<u>(1,513,255)</u>
Change in net position	<u>15,799,682</u>	<u>897,055</u>	<u>16,696,737</u>	<u>(546,752)</u>
NET POSITION				
Beginning	321,255,124	8,176,433		6,479,681
Ending	<u>\$ 337,054,806</u>	<u>\$ 9,073,488</u>		<u>\$ 5,932,929</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(5,457)	
Change in net position of business-type activities			<u>\$ 16,691,280</u>	

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

Statement of Cash Flows
Proprietary Funds

For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds			Governmental
	Major	Nonmajor	Total	Activities -
	Water and Sewer Fund	Solid Waste Fund		Internal Service Funds
OPERATING ACTIVITIES				
Cash received from customers for services	\$ 54,649,211	\$ 6,298,429	\$ 60,947,640	\$ 26,214,500
Other operating revenue	1,608,560	446,992	2,055,552	104,927
Cash paid to employees	(11,728,376)	(1,635,494)	(13,363,870)	(3,885,850)
Cash paid for goods and services	(24,633,890)	(4,039,522)	(28,673,412)	(25,547,693)
Net cash provided by operating activities	19,895,505	1,070,405	20,965,910	(3,114,116)
NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	-	-	2,961,603
Transfers to other funds	-	(159,300)	(159,300)	(3,926,899)
Net cash provided (used) by noncapital financing activities	-	(159,300)	(159,300)	(965,296)
CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of capital assets	765,699	-	765,699	-
Proceeds from system development fees	3,872,195	-	3,872,195	-
Proceeds from tap fees	169,831	-	169,831	-
Proceeds from developer contributions	638,677	-	638,677	-
Proceeds from state grant	-	16,280	16,280	-
Payments on principal	(39,505,000)	-	(39,505,000)	-
Interest paid on bonds and other debt	(10,607,840)	-	(10,607,840)	-
Acquisition and construction of capital assets	(24,665,780)	(1,320,780)	(25,986,560)	-
Net cash used by capital and related financing activities	(69,332,218)	(1,304,500)	(70,636,718)	-
INVESTING ACTIVITIES				
Investment earnings	2,791,930	213,328	3,005,258	113,545
Investment in Joint Venture, construction work in progress	(8,551,267)	-	(8,551,267)	-
Net cash provided (used) by investing activities	(5,759,337)	213,328	(5,546,009)	113,545
Net change in cash and investments	(55,196,050)	(180,067)	(55,376,117)	(3,965,867)
CASH AND INVESTMENTS				
Beginning of year	186,202,873	12,058,944	198,261,817	11,837,204
End of year	\$ 131,006,823	\$ 11,878,877	\$ 142,885,700	\$ 7,871,337
Reconciliation of cash and investments to the Statement of Net Position:				
Cash and investments	\$ 74,605,378	\$ 10,294,307	\$ 84,899,685	\$ 7,871,337
Cash and investments, noncurrent	17,156,450	1,555,639	18,712,089	-
Cash and investments, restricted assets	38,780,520	-	38,780,520	-
Cash and investments, restricted assets-deposits	464,475	28,930	493,405	-
Total Statement of Net Position cash and cash equivalents	\$ 131,006,823	\$ 11,878,876	\$ 142,885,699	\$ 7,871,337
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 7,890,469	\$ 826,748	\$ 8,717,217	\$ 852,958
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	16,496,745	300,323	16,797,068	1,145
Provision for uncollectible accounts	20,179	-	20,179	-
Landfill closure and post closure care costs	-	83,863	83,863	-
Change in assets, deferred outflows, liabilities and deferred inflows				
Accounts receivable (net)	250,554	(133,096)	117,458	17,252
Inventories	(109,873)	-	(109,873)	21,194
Prepaid items	(18,508)	-	(18,508)	-
Deferred outflows of resources - LGERS	(15,261)	(14,414)	(29,675)	528,415
Deferred outflows of resources - OPEB	85,681	11,821	97,502	120,204
Deferred outflows of resources - Sep. Allow.	(88,385)	(12,194)	(100,579)	49,158
Accounts payable and accrued liabilities	(4,800,080)	(21,162)	(4,821,242)	(1,295,989)
Deposits	1,989	(11,500)	(9,511)	-
Net pension liability, LGERS	618,921	92,051	710,972	(639,393)
Net OPEB liability	(942,502)	(130,029)	(1,072,531)	(2,083,401)
Net pension liability, separation allowance	97,348	13,433	110,781	(301,735)
Compensated absences payable	105,634	22,577	128,211	(153,652)
Deferred inflows of resources - LGERS	(10,800)	(1,254)	(12,054)	(3,690)
Deferred inflows of resources - OPEB	328,500	45,321	373,821	(217,279)

**Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020**

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major	Nonmajor	Total	
	Water and Sewer Fund	Solid Waste Fund		
Deferred inflows of resources - Sep. Allow.	(15,106)	(2,083)	(17,189)	(9,304)
Total adjustments	12,005,036	243,657	12,267,201	(3,967,074)
Net cash provided by operating activities	\$ 19,895,505	\$ 1,070,405	\$ 20,984,418	\$ (3,114,116)
Noncash investing, capital, and financing activities:				
Loss on investment in joint venture	\$ (3,386,632)	\$ -	\$ (3,386,632)	\$ -
Allocation to contributed capital	\$ -	\$ -	\$ -	\$ -
Contribution of capital infrastructure	\$ 9,615,903	\$ -	\$ 9,615,903	\$ -
Contribution of assets to other entity	\$ -	\$ -	\$ -	\$ -
Transfer of capital assets within governmental funds				\$ 547,959
Change in investment derivative	\$ -	\$ -	\$ -	\$ -



Statement of Fiduciary Net Position**Fiduciary Funds**

June 30, 2020

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 215,129
Investments:		
Separation Allowance Trust Fund	4,030,677	-
State Treasurer's Office OPEB Trust	48,817,331	-
Property taxes receivable, net	-	32
Total assets	<u>52,848,008</u>	<u>215,161</u>
LIABILITIES		
Accounts payable and accrued liabilities	-	26,136
Due to Program Participants	-	189,025
Total liabilities	<u>-</u>	<u>\$ 215,161</u>
NET POSITION RESTRICTED FOR PENSIONS		
Employees' pension benefits	<u>52,848,008</u>	
Total net position	<u>\$ 52,848,008</u>	

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

Statement of Changes in Fiduciary Net Position**Fiduciary Funds - Pension Trust Funds**

For the Year Ended June 30, 2020

	<u>Pension Trust Funds</u>
ADDITIONS	
Employer contributions	\$ 13,200,539
Net investment income	<u>2,318,184</u>
Total additions	<u>15,518,723</u>
DEDUCTIONS	
Benefits	5,384,599
Transfer to Health Fund	<u>2,874,731</u>
Total deductions	<u>8,259,330</u>
Change in net position	7,259,393
NET POSITION RESTRICTED FOR PENSIONS	
Beginning	<u>45,588,615</u>
Ending	<u><u>\$ 52,848,008</u></u>

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

Union County, North Carolina

Notes to the Financial Statements

For the Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Union County, North Carolina (the "County") and its component units conform to generally accepted accounting principles (GAAP) as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a five-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10 (hereinafter references to the North Carolina General Statutes will be cited as G.S.). As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. The County has determined that it has three blended component units, although legally separate entities, which are, in substance, a part of the County's operations.

Union County Industrial Facilities and Pollution Control Financing Authority

Union County Industrial Facilities and Pollution Control Financing Authority ("Authority") is a component unit of the County and exists to issue and service revenue bond debt of private business for economic development purposes. The Authority is governed by a seven-member board, all of whom are appointed by the County Board of Commissioners ("Board"). The Board can remove any Authority member with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Authority does not issue separate financial statements.

Union County Public Facilities Corporation

Union County Public Facilities Corporation ("Corporation") is a blended component unit of the County and exists to encourage the modernization of public facilities, through the financing, acquisition, construction, operation and lease of real estate, improvements, facilities, and equipment for the use of Union County. The Corporation is governed by a three-member board, all of whom are appointed by the County Board of Commissioners. The Board can remove any Corporation member with or without cause. The Corporation's transactions are reported within the General and Capital Projects Funds. The Corporation does not issue separate financial statements.

Union County Water and Sewer District

Union County Water and Sewer District (the "District") is a municipal corporation created on January 3, 2017, pursuant to the authority set forth in Article 6 of Chapter 162A of the North Carolina General Statutes. Pursuant to generally accepted accounting principles, the District is considered a blended component unit of Union County.

The governing body of the District is the Union County Water and Sewer District Board of Governors ("Board of Governors"). Pursuant to N.C.G.S. § 162A-9, the Board of Governors, as the District's governing body, is the Union County Board of Commissioners. The District is subject to the Local Government and Fiscal Control Act.

The District operates the County's Water and Sewer system, continues operations under the name Union County Public Works, sets certain rate and fee schedules, and performs other functions as set forth in an

interlocal agreement between the District and the County (approved by the Board of County Commissioners on February 20, 2017, and the District's Board of Governors on April 17, 2017).

B. Basis of Presentation

Government-Wide Statements: The statement of net position and the statement of activities display information about the primary government net position (Union County). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund activities between the governmental activities and the business-type activities have not been eliminated. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, 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 County and for each function of the County'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, including all taxes, are presented as general revenues.

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating revenues, such as investment earnings, are ancillary activities.

The County reports the following major governmental funds:

General Fund – This is the County's primary operating fund. The General Fund accounts for all financial resources of the general government except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, sales taxes, federal and State grants, and various other taxes and licenses. The primary expenditures are for general government, public safety, human services, education and debt service. The General Fund includes the Schools' Budgetary Fund, the Fire Budgetary Fund, the Emergency Medical Services ("EMS") Budgetary Fund, Debt Service Budgetary Fund, the Schools' Radio Budgetary Fund and the Economic Development Fund. The Schools' Budgetary Fund was established in accordance with the General Assembly of North Carolina Session Law 2014-8, in order to fund the State mandated level of funding for the Union County Public Schools. A portion of the county-wide tax rate is budgeted to the Schools Budgetary Fund to finance Union County Public Schools' current expense appropriations and capital funding. Portions of the county-wide tax rate are also budgeted to the Fire and EMS Budgetary Funds to finance fire and EMS operations within the County. Portions of the county-wide tax rate are also budgeted to the Debt Service Budgetary Fund to cover principal payments, interest payments and service fees on general obligation bonds approved by voters. The Schools' Radio Budgetary Fund was established as part of an Interlocal Agreement with the Union County Board of Education for the purpose of providing the Union County Public Schools' Transportation Department a radio communications system. An appropriation from General Fund Balance was made to the Schools' Radio Budgetary Fund to provide for capital and related expenditures for this radio system. The Economic

Development fund was created to appropriate funding for economic development debt service requirements and future economic development projects.

General Capital Project Fund – The sources of this fund are primarily transfers from the General Fund and general obligation bonds which are expended for capital asset acquisition, improvement and construction of various governmental projects, and funds for recurring capital contributions for educational purposes and facilities.

The County reports the following major enterprise fund:

Water and Sewer Fund – This fund accounts for the County's water and sewer operations. The Water and Sewer Capital Project Fund, the Union County Water and Sewer District Fund, and the Union County Water and Sewer District System Development Fees Capital Reserve Fund are consolidated with the Water and Sewer Fund (the operating fund) for financial reporting purposes.

The County reports the following nonmajor enterprise fund:

Solid Waste Fund – The Solid Waste Fund accounts for the County's solid waste operations. The Solid Waste Capital Reserve Fund is a reserve established by the County to accumulate the funds necessary to cover the post closure care costs that will be incurred by the landfill in the future. The Solid Waste Capital Reserve Fund is consolidated with the Solid Waste Fund (the operating fund) for financial reporting purposes.

Additionally, the County reports the following fund types:

Special Revenue Funds - Special Revenue Funds account for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The County maintains nine Special Revenue Funds: the Springs Fire District Fund, the Waxhaw Fire District Fund, the Hemby Bridge Fire District Fund, the Stallings Fire District Fund, the Wesley Chapel Fire District Fund, the Fee Supported Fire Districts Fund, the Emergency Telephone System Fund, the General Special Revenue Fund, and the Automation Enhancement Fund.

Capital Project Funds - Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Funds are used to account for the County's business-type activities. The County reports the Water and Sewer Fund, and the Solid Waste Fund as major enterprise funds. Proprietary funds also include the following fund types:

Internal Service Funds - Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the government, on a cost reimbursement basis. The County has six Internal Service Funds: the Health Benefits Fund (which includes dental benefits), the Workers' Compensation Fund, the Property and Casualty Fund, the Information Technology Fund, the Facilities Management Fund and the Fleet Management Fund. The Health Benefits Fund accounts for the accumulation and allocation of costs associated with insurance for employee, retiree (under 65 years of age), and family medical and dental claims. The Workers' Compensation Fund accounts for the costs associated with workers' compensation claims. The Property and Casualty Fund, acting as a "self-insurance fund for property and casualty claims, provides for premium payments and losses. County departments contribute funding to the Property and Casualty Fund through an allocation or internal service charge based on the individual department's relative risk of loss and its proportional cost of premiums. The Information Technology Fund, the Facilities Management Fund and the Fleet Management Fund are maintained by internal service charges to the service areas they support and were closed down during fiscal year 2020.

Fiduciary Funds account for the assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Fiduciary Funds include the following funds:

Pension Trust Fund - The County maintains two Pension Trust Funds - the Special Separation Allowance Fund and the Other Postemployment Retiree Healthcare Benefits (OPEB) Fund. Pension Trust Funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefit plans. The Special Separation Allowance Fund is a single-employer, public employee retirement system. The resources in the Special Separation Allowance Fund have been set aside to pay future obligation of the Special Separation Allowance and are held in a trust that meets the criteria outlined in GASB Statement 68, paragraph 4. For reporting purposes, the measurement date for the Special Separation Allowance Trust is December 31, 2016. The resolution to establish the Separation Allowance Trust was approved by the Board of County Commissioners and funded in June 2017 for the fiscal year ending June 30, 2017 (reporting date). The Other Postemployment Retiree Healthcare Benefits Fund accounts for a portion of the County's contributions to the net OPEB obligation for healthcare coverage provided to qualified retirees.

Agency Funds - Agency Funds are custodial in nature and do not involve the measurement of operating results. Agency Funds are used to account for assets the County holds on behalf of others. The County maintains eight Agency Funds: the Social Services Fund, which accounts for monies deposited with the Department of Social Services for the benefit of certain individuals; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to the Union County Board of Education; the Jail Inmate Fund, which accounts for monies deposited and held for individual inmates in the Union County Jail; Union County School District Funds, which accounts for the ad valorem school tax assessed; the Municipal Tax Collection Fund, which accounts for registered motor vehicle property taxes that are billed and collected by the County for various municipalities within the County; the Gross Rental Receipts Tax Fund, which accounts for municipalities that levy a local tax on gross receipts derived from the short-term lease or rental of vehicles at retail to the general public, which serves as a substitute to the ad valorem tax previously levied on such property and the Union County Sheriff's Office Civil Fees Fund, which accounts for proceeds from executions from the Clerk of Courts Office.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

Government-Wide, Proprietary and Fiduciary Fund Financial Statements. The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds, which have no measurement focus. The government-wide, proprietary fund and fiduciary fund financial statements are reported using 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 County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund, Solid Waste Fund and the government's internal service funds are charges to

customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, 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. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Those revenues susceptible to accrual are sales taxes and certain intergovernmental revenues, both collected and held by the state at year-end on behalf of the County. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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

D. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Springs Fire District, Waxhaw Fire District, Hemby Bridge Fire District, Stallings Fire District, Wesley Chapel Fire District, Fee Supported Fire Districts, Emergency Telephone System, and Automation Enhancement Special Revenue Funds; Business Type Activity Funds (operating funds), Pension Trust, and Internal Service Funds. All annual appropriations lapse at fiscal year-end. Project ordinances (multi-year budgets) are adopted for the General Special Revenue Fund, General Capital Project Fund, and the Water and Sewer Capital Projects Fund which is consolidated with the Water and Sewer Fund (enterprise operating fund) for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the service area level for the General Fund; at the fund level for Special Revenue and Enterprise Funds; and at the program level for the Capital Projects Fund. The County Manager is authorized by resolution to transfer appropriations within a service area and between service area appropriations, within the same fund, without limitation. The County Manager is also authorized to transfer personnel compensation pay plan adjustments, limited to the amount approved by the Board of County Commissioners in the original budget ordinance for the fiscal year, and insurance appropriations both contained in non-departmental to the benefiting departments without limitation. The County Manager is authorized to appropriate funds identified as restrictions or assignments of fund balance as reflected in the

financial statements. The County Manager is also authorized to appropriate funds for grant applications authorized by or grant agreements accepted by the governing body thereby increasing the total appropriation for the fund. The County Manager reports to the governing body all budget ordinance transfers, appropriations and adjustments on a monthly basis. During the year, several budget amendments to the original budget became necessary. Budget data presented in the financial statements represent the final authorized amounts as of June 30, 2020. 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, Liabilities, Deferred Inflows and Outflows, and Fund Equity

1. Deposits and Investments

All deposits of the County are made in board-designated official depositories and are secured as required by G.S. 159-31. The County may designate as an official depository any bank or savings association whose principal office is located in North Carolina. Also, the County may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the County 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, and the North Carolina Capital Management Trust ("NCCMT").

General Statute 159-30.1 allows the County to establish an Other Postemployment Benefit (OPEB) Trust managed by the staff of the Department of the State Treasurer and operated in accordance with State laws and regulations. It is not registered with the SEC and G.S. 159-30(g) allows the County to make contributions to the Trust. The State Treasurer, in their discretion, may invest the proceeds in equities of certain publicly held companies and long or short term fixed income investments as detailed in G.S. 147-69.2(b)(1-6) and (8). Funds submitted are managed in three different sub-funds: the State Treasurer's Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1, the Bond Index Fund (BIF) consisting of high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6), and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund authorized under G.S. 147-69.2(b)(8).

The County's investments are carried at fair value as determined by quoted market prices.

The North Carolina Capital Management Trust (NCCMT) is a SEC registered money market mutual fund allowable by G.S. 159-30(c)8. The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAAM rating from S&P. The NCCMT Term Portfolio is a bond fund, has no rating and has a duration of .11 years. Both the NCCMT Government and Term Portfolios are reported at fair value.

Ownership of the STIF is determined on a fair market valuation basis as of fiscal year-end in accordance with the STIF operation procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs - other than quoted prices - included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2020 of 1.3 years. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund.

Ownership of the BIF is determined monthly at fair value using the same Level 2 inputs as the STIF and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. On 6/30/2020 the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 7.97 years at June 30, 2020.

The BlackRock's MSCI ACWI EQ Index Non-Lendable Class B fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The Fund's fair value is the number of

shares times the net asset value as determined by a third party. At June 30, 2020 the fair value of the funds was \$ 23.107392 per share. Fair value for this Blackrock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

2. Cash and Investments

The County pools monies from several funds, except the Social Services Fund, Sheriff's Civil Fee Fund and the Jail Inmate Fund and the portion of the Other Postemployment Retiree Healthcare Benefits (OPEB) Pension Trust Fund that has not yet been remitted to the OPEB Trust managed by the staff of the Department of the State Treasurer (as explained in Note 1. E. 1); 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. The County considers demand deposits and investments with a maturity date of ninety days or less at time of purchase to be cash and cash equivalents.

3. Restricted Assets

The unexpended debt proceeds of the General Fund and the Water and Sewer Fund are due to bonds issued by the County which are classified as restricted assets because their use is completely restricted to the purpose for which the bonds were originally issued. Customer deposits held by the County before any services are supplied and those held as account security deposits are restricted to the services for which the deposits were collected. The restricted assets of the General Capital Project Fund are unexpended recurring capital contributions, from the General Fund, for educational purposes and facilities of the Union County Board of Education. The restricted assets of the General Special Revenue Fund are unexpended funds, which are restricted for the purpose of drug enforcement programs and other multi-year grant programs.

Restricted Cash

Governmental Activities:

General Fund	2017 general obligation bond construction	\$	9,638,420
General Fund	2019A general obligation bond construction		6,112,742
General Fund	2019B general obligation bond construction		7,952,573
General Fund	2019C general obligation bond construction		79,138,262
General Fund	Security Deposits		511,416
			<u>103,353,413</u>

Business-Type Activities:

Water and Sewer Fund	2015 revenue bond debt service reserve		3,827
Water and Sewer Fund	2017 revenue bond debt service reserve		9,473
Water and Sewer Fund	2019 revenue bond construction account		38,762,569
Water and Sewer Fund	2019A revenue bond debt service reserve		4,651
Water and Sewer Fund	Customer deposits		464,475
			<u>39,244,995</u>

Solid Waste Fund	Customer deposits		<u>28,930</u>
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Total Restricted Cash		\$	<u>142,627,338</u>
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4. Ad Valorem Taxes Receivable and Deferred Revenues

In accordance with G.S. 105-347 and G.S. 159-13(a), the County levies ad valorem taxes on property, other than motor vehicles, on July 1, the beginning of the fiscal year. These taxes are due on September 1 (lien date); however, interest and penalties do not accrue until the following January 6, when property taxes attach as enforceable liens. The taxes are based on the assessed values as of January 1, 2019.

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

6. Inventories and Prepaid Items

The inventories of the County are valued at cost (first-in, first-out), which approximates market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures as used rather than when purchased. The inventory of the County's Enterprise Funds consists of materials and supplies held for consumption. The cost is recorded as an expense when the inventory is consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures as used rather than when purchased.

7. Capital Assets

Purchased or constructed capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value at the date of donation. Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The County holds title to certain Union County Board of Education properties that have not been included in the County's capital assets. 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 of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Union County Board of Education.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Furniture and equipment	5-10
Computer software (intangible)	5-10
Vehicles	4-5
Land Improvements	20-30
Buildings	25-40
Building Improvements	7-30
Plant Distribution, Collection	25
Water rights (intangible)	40

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has OPEB related deferrals, and contributions made to the pension plans in the current year. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet the criterion for this category - prepaid taxes, deferred revenue from developers for future water and sewer line extensions, unamortized gains on refunded debt, and other OPEB or pension related deferrals.

9. Long-term Obligations (Debt)

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. The Water and Sewer Fund's revenue bond and general obligation bond debt service requirements are being met by water and sewer revenues, but the County's taxing power is pledged to make the general obligation debt service payments if water and sewer revenues should ever be insufficient.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources.

10. Compensated Absences

The vacation policy of the County provides for the accumulation of up to thirty (30) days earned vacation leave. The compensatory time policy for overtime hours worked provides for time off in lieu of immediate overtime pay for covered nonexempt employees at the option of the County Manager. Time off may be accrued at the rate of one and one-half hours for each hour of overtime worked. The maximum compensatory time that may be accrued by an eligible employee shall be 480 hours (320 actual overtime hours) for nonexempt law enforcement and detention employees and 240 hours (160 actual overtime hours) for all other nonexempt employees. Once the maximums have been met, overtime compensation will be paid for any additional overtime hours worked.

County employees accrue holiday leave within the 12-month period of November 1st through October 31st. Employees must use their accrued holiday leave within the designated 12-month period. Each year, at the end of the pay period that includes October 31st, all unused holiday leave is forfeited.

Vacation leave, holiday leave and compensatory time are fully vested when earned. For the County's government-wide financial statements and in the proprietary fund types in the fund financial statements, an expense and a liability for these compensated absences and the salary-related payments are recorded within those funds as the leave is earned.

11. Sick Leave

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

12. Net Position / Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or 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 five 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:

Non-spendable Fund Balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Long-term Receivables - portion of fund balance that is not an available resource because it represents the portion of receivables that are longer than one year at year-end, therefore, not spendable resources.

Inventories and Prepaid Balances - portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories and prepaid balances, which are not spendable resources.

Restricted Fund Balance - This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or as imposed by law through constitutional provisions or enabling legislation.

Restricted for Stabilization by State Statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that was designed to improve and maintain the fiscal health of local government units. Restricted by State statute ("RSS"), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. 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 deterred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted for Grants and Contributions - portion of fund balance that is restricted by revenue source as delineated in the following tables by function and purpose.

Committed Fund Balance - Portion of fund balance that can only be used for specific purposes imposed by majority vote of the County's Board of Commissioners. Any changes or removal of specific purposes requires majority action by the Board of Commissioners. Such formal action may be in the form of an ordinance, and may only be modified or rescinded by a subsequent formal action.

Committed for Reserves - General Fund - As part of the adopted budget ordinance, the Board of County Commissioners established a twenty-percent fund balance reserve requirement. This commitment is reaffirmed annually in the County's adopted budget.

Assigned Fund Balance - portion of fund balance that the County governing board has budgeted.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body can approve these appropriations. Also, a resolution approved June 20, 2005 authorizes the County Manager, or his/her designee, to transfer appropriations between line item expenditures within a departmental appropriation and fund without limitation. The County Manager may also transfer amounts between departmental appropriations within the same fund. The County Manager is authorized to increase appropriations in the annual operating funds for carryovers representing contract balances, purchase order encumbrances and designations for special projects and purposes as reflected in the audit report.

Assigned for General Capital Project Fund - portion of fund balance that has been budgeted by the board for various projects as delineated in the following table by function and purpose.

Unassigned Fund Balance - 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.

The County's standard practice when an expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the restricted funds should be spent first, followed in order by committed funds, then assigned funds, and finally unassigned funds, if available, unless the Board has provided otherwise in its commitment or assigned actions.

The following table provides the detailed fund balance information for fund balance amounts in Exhibit C:

	Major		Non-major	Total Govern- mental Funds
	General Fund	General Capital Project Fund	Other Govern- mental Funds	
Fund balances:				
Nonspendable:				
Long-term receivables	\$ 1,575	\$ -	\$ -	\$ 1,575
Inventories	39,411	-	-	39,411
Prepaid items	12,664	-	-	12,664
Restricted:				
Stabilization by State Statute	23,903,386	8,680,548	1,180,310	33,764,244
General Government:				
Register of Deeds automation enhancement funds	-	-	230,238	230,238
Public Safety:				
Law enforcement federal forfeited property funds	-	-	831,234	831,234
Law enforcement controlled substance tax funds	-	-	148,150	148,150
Emergency management Catawba Nuclear grant funds	-	-	81,460	81,460
Emergency management CERT grant funds	-	-	46,844	46,844
Communications PSAP funds	-	-	2,069,216	2,069,216
Fire protection	-	-	83,688	83,688
Economic and physical development:				
County-wide economic development grants	-	-	285,074	285,074
Cooperative extension service fee based programs' funds	73,378	-	-	73,378
Human Services:				
Medicaid cost settlement program funds	1,770,431	-	-	1,770,431
Social services federal adoption assistance grant funds	70,146	-	-	70,146
Cultural and Recreational:				
Library contribution and donation program funds	36,218	-	-	36,218
Education:				
School regular capital outlay	-	1,048,492	-	1,048,492
School capital acquisition and construction projects	-	31,194,799	-	31,194,799
Committed:				
Twenty percent reserve policy - General Fund	61,510,365	-	-	61,510,365
Assigned:				
General Government:				
Board of Elections voting equipment	-	1,006	-	1,006
Board of Elections renovations	-	4,357,986	-	4,357,986
Historic courthouse renovations	-	1,317,500	-	1,317,500
County facility repairs	-	403,905	-	403,905
County facility operating capital	-	230,480	-	230,480
Facility audio visual equipment	-	3,068	-	3,068
Information technology infrastructure projects	-	770,937	-	770,937
Information technology phone system upgrade	-	81,058	-	81,058
Pictometry	-	18,180	-	18,180
Solid Waste projects	-	306,608	-	306,608
Tax Administration software	-	154,849	-	154,849
City of Monroe donation	-	350,000	-	350,000
Public Safety:				
Law enforcement firearms range project	-	41,086	-	41,086
Law enforcement Sheriff's Office renovation and expansion	-	25,787,978	-	25,787,978
Law enforcement facilities replacement and renewal	-	113,616	-	113,616
Jail door controls and locks	-	855,627	-	855,627
911 Center renovation	-	106,433	-	106,433
Emergency Services Complex	-	13,148,613	-	13,148,613
Radio towers and microwave replacements	-	1,499,850	-	1,499,850
Economic and physical development:				
JHP 4H Arena	-	76,433	-	76,433
Planning NC DOT projects	-	100,000	-	100,000
EDC Industrial Park	-	65,029	-	65,029
Human Services:				
Human Services Campus	-	844,344	-	844,344
Education:				
SPCC resurfacing of parking lot	-	467,100	-	467,100
SPCC Parking	-	345,000	-	345,000
SPCC Tyson Family Center	-	80,197	-	80,197
SPCC STEM Building	-	2,628,897	-	2,628,897
SPCC Building A	-	6,887,388	-	6,887,388
SPCC Building B	-	1,787,388	-	1,787,388
SPCC Classroom Building Western Union County	-	6,193,100	-	6,193,100
Cultural and Recreational:				
Library RFID	-	1,519	-	1,519
Library R&R	-	14,029	-	14,029
Parks and Recreation Cane Creek Park renovation	-	8,226	-	8,226
Southwest Union Library	-	9,395,925	-	9,395,925
Subsequent year's expenditures	2,933,011	-	-	2,933,011
Unassigned	37,695,947	31,474	(674,705)	37,052,716
Total	<u>\$ 128,046,532</u>	<u>\$ 119,398,668</u>	<u>4,281,509</u>	<u>\$ 251,726,709</u>

The following table provides the detailed fund balance information for the General Fund balance amounts in Schedule 9:

	General Fund	Schools Budgetary Fund	Schools Radios Budgetary Fund	Countywide Fire Budgetary Fund	Countywide EMS Budgetary Fund	Debt Service Budgetary Fund	Economic Development Fund	Total General Fund
Fund balances:								
Nonspendable:								
Long-term receivables	\$ 1,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,575
Inventories	39,411	-	-	-	-	-	-	39,411
Prepaid items	12,664	-	-	-	-	-	-	12,664
Restricted:								
Stabilization by State Statute	22,658,560	1,064,917	-	35,768	56,027	87,755	359	23,903,386
Public Safety:								
Law enforcement SCAAP grant funds	-	-	-	-	-	-	-	-
Economic and physical development:								
Cooperative extension service fee based programs' funds	73,378	-	-	-	-	-	-	73,378
Human Services:								
Medicaid cost settlement program funds	1,770,431	-	-	-	-	-	-	1,770,431
Social services contribution and donation programs' funds	-	-	-	-	-	-	-	-
Social services federal adoption assistance grant funds	70,146	-	-	-	-	-	-	70,146
Cultural and Recreational:								
Library contribution and donation program funds	36,218	-	-	-	-	-	-	36,218
Committed:								
Twenty percent reserve policy - General Fund	61,510,365	-	-	-	-	-	-	61,510,365
Assigned:								
Subsequent year's expenditures	1,331,334	-	275,000	13,577	1,313,100	-	-	2,933,011
Unassigned	8,016,139	286,212	41,829	-	136,426	22,791,993	6,423,348	37,695,947
Total	<u>\$ 95,520,221</u>	<u>\$ 1,351,129</u>	<u>\$ 316,829</u>	<u>\$ 49,345</u>	<u>\$ 1,505,553</u>	<u>\$ 22,879,748</u>	<u>\$ 6,423,707</u>	<u>\$ 128,046,532</u>

The following table provides the detailed fund balance information for fund balance amounts in Schedule 1:

	Springs Fire District Fund	Waxhaw Fire District Fund	Hemby Bridge Fire District Fund	Stallings Fire District Fund	Wesley Chapel Fire District Fund	Fee Supported Fire Districts Fund	Emergency Telephone System Fund	General Special Revenue Fund	Automation Enhance. Fund	Total Special Revenue Funds
Fund balances:										
Restricted:										
Stabilization by State Statute	\$ 50,046	\$ 96,668	\$ 97,331	\$ 87,450	\$ 136,348	\$ -	\$ 5,498	\$ 706,969	\$ -	\$ 1,180,310
General Government:										
Register of Deeds automation enhancement funds	-	-	-	-	-	-	-	-	230,238	230,238
Public Safety:										
Law enforcement federal forfeited property funds	-	-	-	-	-	-	-	831,234	-	831,234
Law enforcement controlled substance tax funds	-	-	-	-	-	-	-	148,150	-	148,150
Emergency mgmt. Catawba Nuclear grant funds	-	-	-	-	-	-	-	81,460	-	81,460
Emergency management CERT grant funds	-	-	-	-	-	-	-	46,844	-	46,844
Communications PSAP funds	-	-	-	-	-	-	2,069,216	-	-	2,069,216
Fire protection	4,413	54,618	-	-	12,360	12,297	-	-	-	83,688
Economic and Physical Development:										
County-wide economic development grants	-	-	-	-	-	-	-	285,074	-	285,074
Assigned:										
Subsequent year's expenditures	-	-	(57,141)	(38,008)	-	-	-	-	-	(674,705)
Unassigned	-	-	(57,141)	(38,008)	-	-	-	(579,556)	-	(674,705)
Total	<u>\$ 54,459</u>	<u>\$ 151,286</u>	<u>\$ 40,190</u>	<u>\$ 49,442</u>	<u>\$ 148,708</u>	<u>\$ 12,297</u>	<u>\$ 2,074,714</u>	<u>\$ 1,520,175</u>	<u>\$ 230,238</u>	<u>\$ 4,281,509</u>

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

State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances and deferred revenues arising from cash receipts, as these amounts stand at the close of the fiscal year next preceding the budget year. Union County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that the fund balance policy level is at least equal to or greater than 20% of the adopted General Fund budgets. Furthermore, on the adoption of the FY 2020 Budget Ordinance, the policy was amended so that the fund balance policy level of the General Fund is at least equal to or greater than 20% of the combined adopted General Fund, Schools

Budgetary Fund, Schools Radio Budgetary Fund, Countywide Fire Budgetary Fund, and Countywide EMS Budgetary Fund budgets. Any portion of the General Fund unassigned fund balance above the fund balance policy level of 20% of the combined budgeted expenditures may be appropriated for one-time expenditures or to reduce long-term liabilities.

The County has also adopted fund balance targets for the maintenance of adequate fund balance, which is necessary to provide working capital, funds for unanticipated expenditures, funds for capital expenditures in advance of their reimbursement from debt proceeds and other revenue sources. The Water and Sewer Operating Fund target fund balances are estimated at 365 days cash on hand, as measured by unrestricted cash and investments minus non-GAAP liabilities divided by operating expenses to include depreciation. General Fund and Water and Sewer Operating Fund fund balances in excess of target levels will be transferred to capital reserve funds to provide equity resources to fund the County's capital improvement plan or will be used to redeem outstanding debt.

13. Defined Benefit Pension and OPEB Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System ("LERS") and the Registers of Deeds' Supplemental Pension Fund ("RODSPF") collectively the "state-administered defined benefit pension plans". The County also administers two single employer defined benefit plans; the Special Separation Allowance (for Law Enforcement and eligible General class employees) and the Other Postemployment Retiree Healthcare Benefits plan (OPEB). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds and installment financing payables are not due and payable in the current period, and therefore, are not recorded in the funds. The details of this \$430,970,093 difference are as follows:

Description	Amount
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:	
Bonds and installment financing principal payments	\$ (430,944,755)
Accrued interest payable	(3,128,311)
Net adjustment attributable to liabilities not recorded in the fund statements	<u>\$ (434,073,066)</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds and installment financing payables are not due and payable in the current period, and therefore, are not recorded in the funds. The details of this \$430,970,093 difference are as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 5,667,998
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	(7,163,094)
Net book value of capital assets disposed of	(64,444)
Contributed capital assets	-
<p>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, however, has any effect on net assets. 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. The details of these differences are as follows:</p>	
Principal payments on debt	24,947,000
Proceeds of debt instruments	(148,561,663)
Debt issuance premium amortization	3,182,828
Debt issuance deferred inflows of gain amortization	462,103
Debt issuance deferred outflows of loss amortization	(25,522)
Remittance of funds to escrow agent to defease debt instruments	18,465,000
Swap termination costs are recorded as a use of funds on the fund statements but again do not affect the Statement of Net Position in the government-wide statements until amortized	(1,489,364)
Defeasance amortization over remaining life of debt	(2,234,329)
<p>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.</p>	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	(113,072)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(1,017,732)
County's portion of collective pension expense	(10,119,043)
County's other post employment benefit expense	2,230,330
Contribution to the pension plan in the current fiscal year	5,335,489
<p>Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.</p>	
Reversal of deferred tax revenue recorded at 7/1/19	(1,106,497)
Recording of tax receipts deferred in the fund statements as of 6/30/20	1,609,991
Decrease in accrued taxes receivable for year ended 6/30/20	(273,604)
Internal service funds' net investment earnings	113,545
Adjustment payment received on a deferred loan to an outside agency	(167,000)
Health and dental insurance costs, net of investment earnings	967,152
Workers' compensation costs, net of investment earnings	(505,653)
Property and casualty costs, net of investment earnings	58,828
Information technology costs, net of investment earnings	(637,530)
Facilities management costs, net of investment earnings	38,858
Fleet management cost, net of investment earnings	(27,392)
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net position-governmental activities	<u>\$ (110,426,817)</u>

NOTE 3 - DEPOSITS AND INVESTMENTS

The County pools cash resources into a centralized cash account (Central Depository) to facilitate the management of cash and maximize investment income. The Central Depository is used by all funds except the Social Services Fund, Sheriff's Office Civil Fee Fund and the Jail Inmate Fund and the portion of the Other Postemployment Retiree Healthcare Benefits (OPEB) Pension Trust Fund that has not yet been remitted to the OPEB Trust managed by the staff of the Department of the State Treasurer (as explained in Note 1. E. 1.). Each fund owns a pro rata share of the cash and investments, and the amount applicable to a particular fund is readily identifiable. Allocation of investment income is made to each fund based on its pro rata share.

The Social Services Fund, the Union County Sheriff's Office Civil Fees Fund and the Jail Inmate Fund monies are each held in official depositories of the County in separate accounts for the benefit of certain individuals.

All of the County'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 County's agent in the County'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 County, these deposits are considered to be held by the County's agent in the County'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 County or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County 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 State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County does not have policies regarding custodial credit risk for deposits.

At June 30, 2020, the County's deposits had a carrying amount of \$40,364,090 and a bank balance of \$40,848,783. Of the bank balance, \$416,972 was covered by federal depository insurance and \$40,431,361 in interest bearing deposits were covered by collateral held under the Pooling Method. Also, at June 30, 2020, the County had \$9,380 cash on hand.

As of June 30, 2020, the County had the following investments and maturities.

Investment Type	Valuation Measurement Method	Fair Value	Less Than			
			6 Months	6 - 12 Months	1 - 3 Years	3 - 5 Years
NC Cash Management Trust - Government Portfolio	Fair Value - Level 1	\$ 119,915,701	\$ 119,915,701	\$ -	\$ -	\$ -
NC Cash Management Trust - Term Portfolio	Fair Value - Level 1	182,111,633	182,111,633	-	-	-
US Government Agencies	Fair Value - Level 1	53,445,872	-	1,634,581	32,454,856	19,356,435
Total		<u>\$ 355,473,206</u>	<u>\$ 302,027,334</u>	<u>\$ 1,634,581</u>	<u>\$ 32,454,856</u>	<u>\$ 19,356,435</u>

All investments are measured using the market value 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.

The cash and investments described above include those recorded in the County's Statement of Net Position (\$395,631,547) and Agency Funds (\$215,129).

Also, at June 30, 2020, the Special Separation Allowance Pension Trust Fund deposits had a carrying amount and bank balance of \$4,030,677 as shown on the Statement of Fiduciary Net Position.

Also, at June 30, 2020, the Other Postemployment Retiree Healthcare Benefits (OPEB) Pension Trust Fund deposits had a carrying amount and bank balance of \$48,817,331 as shown on the Statement of Fiduciary Net Position.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits investments to maturities of no more than five years. Also, the County's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than five years.

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County has no formal policy on managing credit risk. As of June 30, 2020, the County had no investments in commercial paper. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2020. The County's investment in the NC Capital Management Trust Term Portfolio has a duration of 0.11 years and is not rated. The County's investments in US Agencies (Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and Federal Farm Credit Corporation) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no investments with custodial credit risk. The County has no policy on custodial credit risk.

Concentration of Credit Risk – Cash and Investments. The County has adopted a policy stating that of total cash and investments, the County places a limit of 10 percent on the amount that the County may invest in any one issuer of commercial paper, no more exposure than 25 percent in commercial paper, and no limitations on Federal Agencies. At June 30, 2020, the County was not holding more than 10 percent of the total cash and investments portfolio in any one issuer of commercial paper.

Concentration of Credit Risk – Investments. More than 5% of the County's investments are in Federal National Mortgage Association. This investment is 7.87% respectively of the County's total investments.

At June 30, 2020, the County's Other Postemployment Retiree Healthcare Benefits (OPEB) Pension Trust Fund had \$48,817,331 was invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Trust Fund pursuant to G.S. 147-69.4. The amount, valued at fair market value, represents

a portion of the County's contribution to the net OPEB liability. The State Treasurer's OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the State Treasurer's OPEB Trust was invested as follows: State Treasurer's Short-Term Investment Fund (STIF) 20.46%; State Treasurer's Bond Index Fund (BIF) 42.42%; and Black Rock's MSCI ACWI EQ Index Non-Lendable Class B Fund 37.12%.

Interest Rate Risk: The County does not have a formal investment interest rate policy that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer's STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2020. The State Treasurer's STIF investments are measured at fair value by the custodian using Level 2 inputs. The State Treasurer's BIF is unrated and had a weighted average maturity of 7.97 years at June 30, 2020 and was valued at \$1 per unit.

Credit Risk: The County does not have a formal investment policy regarding credit risk for the OPEB Pension Trust Fund invested in the State Treasurer's Local Government OPEB Trust Fund. The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate treasuries, agencies, and money market instruments. The BIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer's BIF is invested in high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6).

Valuation technique: North Carolina Department of State Treasurer OPEB Trust 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.

NOTE 4 - RECEIVABLES

A. Receivables and Allowances for Doubtful Accounts

Receivables and their associated allowance for doubtful accounts at the government-wide level at June 30, 2020, were as follows:

	Accounts	Taxes and Related Accrued Interest	Total
Governmental Activities:			
General	\$ 22,070,851	\$ 2,275,074	\$ 24,345,925
Special Revenue	492,276	42,915	535,191
Internal Service	6,694	-	6,694
Total Receivables	<u>22,569,821</u>	<u>2,317,989</u>	<u>24,887,810</u>
Allowance for doubtful accounts	-	(581,351)	(581,351)
Total-governmental activities	<u>\$ 22,569,821</u>	<u>\$ 1,736,638</u>	<u>\$ 24,306,459</u>
Business-type Activities:			
Water and Sewer	\$ 9,689,717	\$ -	\$ 9,689,717
Solid Waste	710,490	-	710,490
Total Receivables	<u>10,400,207</u>	<u>-</u>	<u>10,400,207</u>
Allowance for doubtful accounts	(1,235,849)	-	(1,235,849)
Total-business-type activities	<u>\$ 9,164,358</u>	<u>\$ -</u>	<u>\$ 9,164,358</u>

B. Property Tax - Use-Value Assessment on Certain Lands

In accordance with the general statutes, the County may tax agriculture, horticulture, and forestland at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation,

the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Fiscal Year	Tax Year	Tax	Interest	Total
2017	2016	\$ 8,030,425	\$ 461,749	\$ 8,492,174
2018	2017	8,152,896	468,792	8,621,688
2019	2018	7,697,476	442,605	8,140,081
2020	2019	7,540,980	433,606	7,974,586
		<u>\$ 31,421,777</u>	<u>\$ 1,806,752</u>	<u>\$ 33,228,529</u>

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended June 30, 2020 was as follows:

	Beginning Balances	Additions	Retirements & Adjustments	Transfers	Ending Balances
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 19,064,264	\$ -	\$ -	\$ -	\$ 19,064,264
Construction in progress	3,506,445	2,558,008	-	(893,627)	5,170,826
Total capital assets not being depreciated	<u>22,570,709</u>	<u>2,558,008</u>	<u>-</u>	<u>(893,627)</u>	<u>24,235,090</u>
Capital assets being depreciated:					
Other improvements	7,873,561	55,012	-	-	7,928,573
Buildings	109,352,115	181,912	-	-	109,534,027
Furniture and equipment	35,568,658	1,296,270	833,482	13,742	36,045,188
Vehicles	11,999,732	1,935,752	1,109,331	-	12,826,153
Computer software	389,655	-	-	520,929	910,584
Total capital assets being depreciated	<u>165,183,721</u>	<u>3,468,946</u>	<u>1,942,813</u>	<u>534,671</u>	<u>167,244,525</u>
Less accumulated depreciation for:					
Other improvements	4,753,331	258,909	-	-	5,012,240
Buildings	39,882,049	3,419,081	-	-	43,301,130
Furniture and equipment	28,310,334	1,852,403	782,885	-	29,379,852
Vehicles	7,856,942	1,519,011	1,095,484	-	8,280,469
Computer software	355,177	113,690	-	-	468,867
Total accumulated depreciation	<u>81,157,833</u>	<u>7,163,094</u>	<u>1,878,369</u>	<u>-</u>	<u>86,442,558</u>
Total capital assets being depreciated, net	<u>84,025,888</u>	<u>(3,694,148)</u>	<u>64,444</u>	<u>534,671</u>	<u>80,801,967</u>
Governmental activities capital assets, net	<u>\$ 106,596,597</u>	<u>\$ (1,136,140)</u>	<u>\$ 64,444</u>	<u>\$ (358,956)</u>	<u>\$ 105,037,057</u>

Transfers of \$893,627 includes a capital improvement project that was completed and placed in service for \$358,956. This capital project was placed in the general fund construction in progress and funded with funds that were transferred over from the Solid Waste operating fund. The fixed asset belongs to the Solid Waste Enterprise system. However at the time of construction the Solid Waste Enterprise Fund did not have a Capital Improvement Fund for the project to be placed in.

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 1,976,951
Public safety	2,505,673
Economic and physical development	192,747
Human services	1,636,763
Education	74,655
Cultural and recreational	776,305
Total depreciation expense	<u>\$ 7,163,094</u>

Capital asset activity for the business-type activities for the year ended June 30, 2020, was as follows:

Business-type activities:	Beginning Balances	Additions	Retirements and Adjustments	Transfers	Ending Balances
Water and Sewer					
Capital assets not being depreciated:					
Land	\$ 2,758,938	\$ -	\$ -	\$ -	\$ 2,758,938
Land - easements	1,113,633	-	-	-	1,113,633
Construction in progress	64,649,340	22,742,864	-	(53,831,514)	33,560,690
Total capital assets not being depreciated	68,521,911	22,742,864	-	(53,831,514)	37,433,261
Capital assets being depreciated:					
Plant and collection systems	237,420,913	5,044,869	52,507	51,771,112	294,184,387
Plant and distribution systems	166,747,159	4,849,210	-	2,060,402	173,656,771
Water rights (intangible asset)	1,902,757	-	-	-	1,902,757
Administration Building	10,816,628	-	-	-	10,816,628
Equipment	3,691,948	713,438	-	-	4,405,386
Vehicles	3,856,838	983,810	163,718	-	4,676,930
Computer Software	107,907	-	-	-	107,907
Total capital assets being depreciated	424,544,150	11,591,327	216,225	53,831,514	489,750,766
Less accumulated depreciation for:					
Plant and collection systems	104,421,642	9,380,174	-	-	113,801,816
Plant and distribution systems	78,334,536	6,041,436	-	-	84,375,972
Water rights intangible asset	1,296,254	47,569	-	-	1,343,823
Administration Building	1,260,599	293,530	-	-	1,554,129
Equipment	2,486,825	263,820	-	-	2,750,645
Vehicles	2,418,751	448,554	163,718	-	2,703,587
Computer Software	128,775	21,662	-	-	150,437
Total accumulated depreciation	190,347,382	16,496,745	163,718	-	206,680,409
Total capital assets being depreciated, net	234,196,768	(4,905,418)	52,507	53,831,514	283,070,357
Water and Sewer capital assets, net	302,718,679	17,837,446	52,507	-	320,503,618
Solid Waste					
Capital assets not being depreciated:					
Land	334,257	-	-	-	334,257
Total capital assets no being depreciated	334,257	-	-	-	334,257
Capital assets being depreciated:					
Other improvements	884,378	-	-	358,956	1,243,334
Plant and collection systems	2,351,306	16,893	-	-	2,368,199
Equipment	3,184,186	944,931	-	-	4,129,117
Vehicles	1,057,096	-	-	-	1,057,096
Total capital assets being depreciated	7,476,966	961,824	-	358,956	8,797,746
Less accumulated depreciation for:					
Other improvements	476,641	44,282	-	-	520,923
Plant and collection systems	1,936,162	25,247	-	-	1,961,409
Equipment	1,966,685	181,880	-	-	2,148,565
Vehicles	763,483	48,914	-	-	812,397
Total accumulated depreciation	5,142,971	300,323	-	-	5,443,294
Total capital assets being depreciated, net	2,333,995	661,501	-	358,956	3,354,452
Solid Waste capital assets, net	2,668,252	661,501	-	358,956	3,688,709
Business-type activities capital assets, net	\$ 305,386,931	\$ 18,498,947	\$ 52,507	\$ 358,956	\$ 324,192,327

NOTE 6 - LIABILITIES

Payables at the government-wide level at June 30, 2020, including liabilities payable from restricted assets, were as follows:

Payables:	Governmental Activities	Business Type Activities	Total
Vendors	\$ 11,027,623	\$ 6,187,282	\$ 17,214,905
Salaries and benefits	1,151,448	162,025	1,313,473
Accrued Interest	3,128,311	469,547	3,597,858
Total	\$ 15,307,382	\$ 6,818,854	\$ 22,126,236

NOTE 7 - PENSION PLAN OBLIGATIONS

A. Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS 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 Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. 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. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% 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. 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. 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 (age 55 for firefighters). 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 (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) 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.

LGERS 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 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2020, was 9.70% of compensation for law enforcement officers and 8.95% for general employees and firefighters, 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 County were \$5,943,682 for the year ended June 30, 2020.

Refunds of Contributions. County employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the County reported a liability of \$24,104,756 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County'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 LGERS employers, actuarially determined. At June 30, 2019, the County's proportion was 0.883%, which was an increase of 0.061% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the County recognized a pension expense of \$11,043,868. At June 30, 2020, the County 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	\$ 4,127,345	\$ -
Changes of assumptions	3,928,676	
Net difference between projected and actual earnings on pension plan investments	587,948	-
Changes in proportion and differences between County contributions and proportionate share of contributions	530,235	-
County contributions subsequent to the measurement date	5,943,682	-
Total	\$ 15,117,886	\$ -

\$5,943,682 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2020	\$	4,468,648
2021		1,471,105
2022		2,456,566
2023		777,885
2024		-
Total	\$	<u>9,174,204</u>

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 8.10 percent
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The assumptions used for the December 31, 2018 actuarial valuation, with the exception of the discount rate, are based on the experience study prepared as of December 31, 2014.

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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0 %	1.4 %
Global Equity	42.0 %	5.3 %
Real Estate	8.0 %	4.3 %
Alternatives	8.0 %	8.9 %
Credit	7.0 %	6.0 %
Inflation Protection	6.0 %	4.0 %
Total	<u>100.0 %</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. 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 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. 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 County’s proportionate share of the net pension asset to changes in the discount rate. The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the County’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 55,131,985	\$ 24,104,756	\$ (1,685,157)

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

B. Special Separation Allowance

Description

The County administers a public employee retirement system (the “Separation Allowance”), a single-employer defined benefit pension plan that provides retirement benefits to the County’s qualified employees. The Separation Allowance was enacted by the General Assembly on January 1, 1987 for law enforcement officers. The Union County Board of Commissioners extended this benefit to all County employees effective July 1, 1990. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the employee for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Separation Allowance is reported in the County’s report as a pension trust fund. The Separation Allowance does not issue separate financial statements.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. General Statute 159.30.2 authorizes a local government to establish and fund an irrevocable trust for the purpose of paying special separation allowance benefits for which the unit of local government is liable. The County established an irrevocable trust for the Separation Allowance plan on June 6, 2016.

The eligibility of local law enforcement officers for special separation allowance shall be determined in accordance with North Carolina General Statute 143-166.42. All permanent full-time and permanent part-time County employees employed before July 1, 2013 are covered by the Separation Allowance. To qualify for the allowance the employee must have completed 30 years or more of creditable service or have attained 55 years of age and completed five or more years of creditable service; and not have attained 62 years of age; and have completed at least five years of continuous service preceding a service retirement.

At the December 31, 2018 valuation date, the Separation Allowance's membership consisted of:

Retirees receiving benefits	86
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>449</u>
Total	<u><u>535</u></u>

Summary of Significant Accounting Policies

Financial statements for the Separation Allowance are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the current year, the County contributed \$1,613,579 or 5.91% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

Actuarial Assumptions

The total pension liability for the fiscal year ended June 30, 2020 was determined as part of the December 31, 2018 actuarial valuation, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	3.50-7.35% for Law Enforcement Officers 3.50-7.75% for General Employees
Investment rate of return	3.64%, net of pension plan investment expense, including inflation
Mortality	The rates of mortality for the period after service retirement are according to the RP-2014 Healthy Annuitant base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015. For Law Enforcement Officers, rates are adjusted by 104% for males and 100% for females. For General Employees, rates are adjusted by 115% for males and 79% for females for ages under 78; by 135% for males and 116% for females for age 78 and older.

Discount Rate

The discount rate used to measure the total pension liability as of December 31, 2019 (measurement date) was 3.26%. Since the Separation Allowance assets are not invested, the discount rate used is equal to the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating AA/Aa or higher. The index used for this purpose is the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2019.

The projection of cash flows used to determine the discount rate assumed that the employer would contribute the actuarially determined contribution in the future. The long-term expected rate of return on pension plan investments is assumed to be 3.64% annually.

Net Pension Liability

The components of the net pension liability of the County as of June 30, 2020 are as follows:

Total pension liability	\$ 15,423,765
Plan fiduciary assets	3,882,838
Net pension liability	<u>\$ 11,540,927</u>
Plan fiduciary assets as a percentage of total pension liability	25.17%

At June 30, 2020, the County reported a net pension liability of \$11,540,927. The net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of December 31, 2019.

For the fiscal year ended June 30, 2020, the County recognized pension expense in the amount of \$1,458,869. As of the December 31, 2019 measurement date, the County 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	\$ 1,730,247	\$ -
Changes of assumptions and other inputs	646,013	411,672
Net difference between projected and actual earnings on plan investments	111,703	-
Employer contributions subsequent to the measurement date	129,949	-
Total	<u>\$ 2,617,912</u>	<u>\$ 411,672</u>

\$129,949 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Amount recognized in Pension Expense as an increase or (decrease) to Pension
2021	\$ 749,475	\$ 143,085	\$ 606,390
2022	750,151	143,085	607,066
2023	587,720	106,739	480,981
2024	358,457	18,763	339,694
2025	39,337	-	39,337
Thereafter	2,823	-	2,823
Total	<u>\$ 2,487,963</u>	<u>\$ 411,672</u>	<u>\$ 2,076,291</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan, calculated using the discount rate of percent, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 2.26%	Current Discount Rate 3.26%	1% Increase 4.26%
Net pension liability	\$ 12,748,054	\$ 11,540,927	\$ 10,430,466

Changes in the Net Pension Liability

	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance as of December 31, 2018	\$ 14,154,845	\$ 3,536,079	\$ 10,618,766
Changes for the year:			
Service Cost	493,598	-	493,598
Interest	492,518	-	492,518
Difference between expected and actual experience	1,268,260	-	1,268,260
Changes of assumptions or other inputs	262,802	-	262,802
Contributions - employer	-	1,518,778	(1,518,778)
Net investment income	-	76,239	(76,239)
Benefits paid	(1,248,258)	(1,248,258)	-
Net changes	<u>1,268,920</u>	<u>346,759</u>	<u>922,161</u>
Balance as of December 31, 2019	<u>\$ 15,423,765</u>	<u>\$ 3,882,838</u>	<u>\$ 11,540,927</u>

Total Pension Liability Roll-Forward

December 31, 2018 is the actuarial valuation date upon which the Total Pension Liability (TPL) is based. An expected TPL is determined as of December 31, 2019 using standard roll-forward techniques. The roll-forward calculation adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year and then applies the expected investment rate of return for the year. The procedure was used to determine the TPL as of December 31, 2019, as shown in the following table:

Total Pension Liability Roll-Forward	TPL Reported for Year Ending 2018	Development of TPL for Year Ending 2019 Prior to Assumption Change	Development of TPL for Year Ending 2019 After Assumption Change
Interest Rate	3.64%	3.64%	3.26%
Valuation Date for Measurement	12/31/2017	12/31/2018	12/31/2018
TPL as of December 31, 2018	\$ 14,154,845	\$ 15,378,562	\$ 15,671,824
Entry Age Normal Cost for the period January 1, 2019 - December 31, 2019 at the end of the year	493,598	493,598	509,644
Actual Benefit Payments for the period January 1, 2019 - December 31, 2019	1,248,258	1,248,258	1,248,258
TPL as of December 31, 2019	13,892,703	15,160,963	15,423,765
Experience (Gain)/Loss	-	1,268,260	-
Discount Rate Change (Gain)/Loss	-	-	262,802

Since the prior measurement date, the assumed rate of return decreased from 3.64% to 3.26% to reflect the change from the municipal bond rate. There were no changes in benefit terms that affected measurement of the total pension liability since the prior measurement period.

C. Supplemental Retirement Income Plan

Description

All regular full-time and regular part-time Union County employees participate in the Supplemental Retirement Income Plan 401(k), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The plan provides retirement benefits to law enforcement officers employed by the County, and the Union County Board of County Commissioners has agreed to extend this benefit to all non-law enforcement employees. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan is included in the CAFR for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy

Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to 5% of each officer's salary and the Union County Board of County Commissioners has agreed to contribute an equal amount for all regular full-time and regular part-time non-law enforcement employee salaries. All amounts contributed are vested immediately. County employees may also make voluntary contributions to the plan. Contributions for the year ended June 30, 2020 totaled \$5,396,456, consisting of \$2,159,831 in employee contributions and \$3,236,625 in employer contributions.

D. Register of Deeds' Supplemental Pension Fund

Plan Description. Carolina County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS 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 Registers of Deeds' Supplemental Pension Fund is included in the CAFR for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. 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. An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$26,932 for the year ended June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the County reported an asset of \$459,398 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension asset was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At the June 30, 2019 measurement date, the County's proportion was 2.327%, which was a decrease of 0.175% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$47,269. At June 30, 2020, the County 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	\$ -	\$ 22,153
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	4,701	-
Changes in proportion and differences between County contributions and proportionate share of contributions	33,431	-
County contributions subsequent to the measurement date	26,932	-
Total	<u>\$ 65,064</u>	<u>\$ 22,153</u>

\$26,932 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2020	\$ 7,579
2021	12,997
2022	4,478
2023	(9,075)
2024	-
Total	<u>\$ 15,979</u>

Actuarial Assumptions. The total pension asset in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	12/31/2018
Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar Closed
Amortization Period	29 Years
Asset Valuation Method	Asset returns in excess of or less than the expected return on market value of assets reflected over a five year period (not greater than 120% or market value and not less than 80% of market value)

Actuarial Assumptions	
Investment Rate of Return	3.75%
Projected Salary Increases	3.50% - 7.75%
Includes Inflation of	3.00%
Includes Inflation of and productivity of	3.50%
Cost of Living Adjustments	N/A

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, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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. 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 adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class.

Discount rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. 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 County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (379,745)	\$ (459,398)	\$ (526,742)

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

The net pension liability for LGERS and ROD was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for Special Separation Allowance was measured as of December 31, 2019, with an actuarial valuation date of December 31, 2018.

The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	\$ 24,104,756	\$ (459,398)	N/A	\$ 23,645,358
Proportion of the Net Pension Liability (Asset)	0.883%	(2.327)%	N/A	
Total Pension Liability	-	-	15,423,765	15,423,765
Pension Expense	\$ 11,043,868	\$ 47,269	\$ 1,458,869	\$ 12,550,006

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	ROD	LEOSSA	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	\$ 4,127,345	\$ -	\$ 1,730,247	\$ 5,857,592
Change of assumptions	3,928,676	-	646,013	4,574,689
Net difference between projected and actual earnings on pension plan investments	587,948	4,701	111,703	704,352
Changes in proportion and differences between County contributions and proportionate share of contributions	530,235	33,431	-	563,666
County contributions subsequent to the measurement date	5,943,682	26,932	129,949	6,100,563
Deferred Inflows of Resources				
Differences between expected and actual experience	\$ -	\$ 22,153	\$ -	\$ 22,153
Changes of assumptions	-	-	411,672	411,672
Changes in proportion and differences between County contributions and proportionate share of contributions	-	-	-	-

NOTE 8 - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation distribution is not available to employees until termination, retirement, death, or unforeseeable emergency.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS

A: Other Postemployment Retiree Healthcare Benefits (OPEB)

Plan Description - Eligibility. Under the terms of a County resolution, the County administers a single-employer defined benefit Retiree Healthcare Benefits Plan (the RHCB Plan). As of July 1, 2008, this plan provides postemployment healthcare benefits to retirees of the County who (1) retire from service under the provisions of the North Carolina Local Governmental Employees' Retirement System or the North Carolina Law Enforcement Officer's Benefit and Retirement Fund (together the "Systems") and (2) immediately prior to such retirement earns ten (10) consecutive years of credible, continuous service with the County. Employees hired on or after July 1, 2008 require twenty (20) years of credible, continuous service with the County and must retire from service under the Systems to receive the postemployment healthcare benefit. Employees hired on or after July 1, 2013, are not eligible to participate in the Retiree Healthcare Benefits Plan.

Benefits Provided. Eligible retirees younger than age 65 and their eligible dependents receive the same medical benefits (including prescription drug and vision benefits) as active, full-time employees through the County group health and dental plan. Retirees pay the same monthly premium(s) for coverage as active employees.

Coverage for eligible retirees and covered spouses in the County group health and dental plan ends on the day the retiree attains age 65. In addition, all coverage (except COBRA) in the group health and dental plan ends for eligible dependents upon the death of an eligible retiree who had not attained age 65.

Upon attaining age 65, eligible retirees are enrolled by the County in a Supplement to Medicare plan that is combined with a prescription Part D plan. These plans are sponsored and premium is paid by the County. Retiree participants do not contribute towards the premium cost of these plans. Spouses of post-65 retirees

are not eligible for coverage in either supplemental plan. All employees hired on or after July 1, 2013, are not eligible to receive Supplement to Medicare Benefit.

Plan membership. At June 30, 2020 the HCB Plan membership consisted of the following:

	2020
Inactive plan members or beneficiaries currently receiving benefit payments	370
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	506
Total	876

Contributions. The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a County resolution that can be amended, subject to certain limitations, by the County Board of County Commissioners. The County has chosen to fund the healthcare benefits on a pay as you go basis. Active employees do not contribute to the plan. The County determines the annual contribution to the trust based on the actuarial determined contribution suggested by the prior year actuarial report. Once approved by the Board of County Commissioners, the County makes cash contributions to the trust throughout the year.

Investment Policy. The County makes cash contributions to the Trust throughout the fiscal year. The Trustee is responsible for maintaining records and accounts for the assets of the Trust. The County invests the assets of the Trust pursuant to the North Carolina General Statute 159-30 or deposited with the State Treasurer for investment pursuant to General Statute 147-69.2.

Several factors should be considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) are developed by the investment consultant for each major asset class. These ranges should be 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 then adding expected inflation. The capital market assumptions developed by the investment consultant may cover a shorter investment horizon and may not be useful in setting the long-term rate of return for funding OPEB plans which are likely to cover a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

As of the most recent adoption of the current long-term rate of return by the Plan, the target asset allocation for each major asset class, as provided by the Plan, are summarized in the following table:

Asset Class	Target Allocation
Fixed Income	40.00%
Equity Funds	35.00%
Cash and Cash Equivalents	25.00%
Total	100.00%

Rate of return. For the year ended June 30, 2020, the annual money weighted rate of return on investments, net of investment expense, was 4.43 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability. The Net OPEB Liability is equal to the Total OPEB Liability less the Fiduciary Net Position. The result as the June 30, 2020 measurement date is presented in the table below:

Measurement Date of June 30, 2020	
Total OPEB Liability	\$ 112,093,247
Fiduciary Net Position	48,817,331
Net OPEB Liability	<u>\$ 63,275,916</u>
Ratio of Fiduciary Net Position to Total OPEB Liability	43.55%

Actuarial Assumptions. The Total OPEB Liability was determined by an actuarial valuation as of June 30, 2018, using the following key actuarial assumptions and other inputs:

Inflation	2.50%
Real wage growth	1.00%
Wage inflation	3.50%
Salary increases, including wage inflation	
General Employees	3.50% - 7.75%
Law Enforcement Officers	3.50% - 7.35%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflation	4.43%
Municipal Bond Index Rate	
Prior Measurement Date	3.50%
Measurement Date	2.21%
Year Fiduciary Net Position to be depleted	
Prior Measurement Date	N/A
Measurement Date	N/A
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior Measurement Date	4.08%
Measurement Date	4.43%
Health Care Cost Trends	
Pre-Medicare	7.75% for 2018 decreasing to an ultimate rate of 4.75% by 2028
Medicare	5.38% for 2018 decreasing to an ultimate rate of 4.75% by 2022
Dental	4.00%

The discount rate used to measure the TOL was based upon the long-term expected rate of return. Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014, adopted by the LGERS Board. The remaining actuarial assumptions (e.g., health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2018 valuation.

Discount Rate. The discount rate used to measure the TOL as of the measurement date was 4.43%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection's basis was an actuarial valuation performed as of June 30, 2018. In addition to the actuarial methods and assumptions of the June 30, 2018 actuarial valuation, the following

actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present of the valuation date. In subsequent projection years, total payroll was assumed to increase at a rate of 3.50%.
- Active employees do not explicitly contribute to the Plan.
- Projected assets include employer contributions each year of an amount equal to the average of the last five years employer contribution. The contribution consists of deposits to the trust and direct payments to plan members as benefits come due. The employer is assumed to have the ability and willingness to make benefit payments from its own resources for all periods in the projection
- Projected assets do not include employer contributions that fund the estimated service costs of future employees.
- Cash flows occur mid-year.

Based on these assumptions, the Plan's fiduciary net position was projected to not be depleted.

The FNP projections are based upon the Plan's financial status on the Valuation Date, the indicated set of methods and assumptions, and the requirements of GASB 74. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of the Plan, or the Plan's ability to make benefit payments in future years.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following exhibit presents the Net OPEB Liability (NOL) of the Plan, calculated using the discount rate of 4.43%, as well as what the Plan's NOL would be if it were calculated using a Discount Rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Changes in the Discount Rate		
	1% Decrease 3.43%	Current Discount Rate 4.43%	1% Increase 5.43%
Net OPEB Liability	\$ 81,079,802	\$ 63,275,916	\$ 48,998,902

Sensitivity of the Net OPEB Liability to Changes in Health Care Cost Trends. The following exhibit presents the Net OPEB Liability (NOL) of the Plan, calculated using the health care cost trend rates, as well as what the Plan's NOL would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	Health Care Cost Trend Rates		
	1% Decrease	Current	1% Increase
Net OPEB Liability	\$ 45,919,747	\$ 63,275,916	\$ 85,368,530

Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows or Resources Related to OPEB. At June 30, 2020, the County reported a net OPEB liability of \$63,275,916. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The total pension liability was then rolled forward to the

measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2020, the components of the net OPEB liability of the County, measured as of June 30, 2020, were as follows:

	Total OPEB Liability	Increase/(Decrease) Plan Fiduciary Net Position	Net OPEB Liability
Balance as of June 30, 2019	\$ 114,093,248	\$ 41,888,120	\$ 72,205,128
Changes for the year:			
Services Cost at the end of the year	2,936,199	-	2,936,199
Interest on TOL and Cash Flows	4,573,417	-	4,573,417
Difference between expected and actual experience	308,146	-	308,146
Changes of assumptions or other inputs	(5,777,993)	-	(5,777,993)
Contributions - employer	-	8,712,229	(8,712,229)
Net investment income	-	2,256,752	(2,256,752)
Benefit payments	(4,039,770)	(4,039,770)	-
Net changes	<u>(2,000,001)</u>	<u>6,929,211</u>	<u>(8,929,212)</u>
Balance as of June 30, 2020	<u>\$ 112,093,247</u>	<u>\$ 48,817,331</u>	<u>\$ 63,275,916</u>

For the year ended June 30, 2020, the County recognized OPEB expense of \$3,707,080. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,344,381	\$ -
Changes of assumptions or other inputs	987,991	9,850,926
Net difference between projected and actual earnings on plan investments	-	849,847
Total	<u>\$ 3,332,372</u>	<u>\$ 10,700,773</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB benefits will be recognized in OPEB Expense as follows:

Measurement Period Ended	
June 30:	
2021	\$ (1,999,136)
2022	(1,999,138)
2023	(2,029,024)
2024	(1,140,856)
2025	(200,247)
Thereafter	-
Total	<u>\$ (7,368,401)</u>

B. Other Employment Benefits - Death Benefits

Under the terms of the Board of Commissioner’s resolution, the County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death, are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.05% and 0.14% of covered payroll, respectively. For the fiscal year ended June 30, 2020, the County contributed \$25,327 for employees not engaged in law enforcement and \$18,626 for employees for law enforcement officers for a total of \$43,953.

NOTE 10 - CLOSURE AND POST CLOSURE CARE COSTS - LANDFILL FACILITY

State and federal laws and regulations required the County to place a final cover on its landfill facility when it stopped accepting municipal solid waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure of the municipal solid waste collection cell. The County has continued to collect construction and demolition waste in different cells which are opened based on demand and closed when each cell reaches its capacity. Closure and post closure care costs have been accumulated up to the dates of closure for each of the cells; therefore, the County has reported these closure and post closure care costs as an operating expense in each prior period based on landfill capacity used as of each balance sheet date. The County stopped accepting municipal solid waste into its Austin-Chaney Road facility, permit number 90-01, on December 31, 1997. The site still serves as a transfer station for the collection of local municipal solid waste, which is transported to other sites outside of the County. The \$5,016,955 reported as landfill closure and post closure care liability at June 30, 2020 represents a cumulative liability amount reported to date, based on the use of 100% of the total estimated post closure maintenance and monitoring costs associated with the closed municipal solid waste collection and construction and demolition cells and closure costs associated with 38% of the construction and demolition capacity. At June 30, 2020, there was an increase of \$83,863 from the prior year. The liability represents the estimated present value of the amount needed to fund the post closure

care costs that will be incurred during the 30-year period after closure. Actual post closure costs may be higher due to inflation, changes in technology, or changes in regulations.

The County has met and continues to meet the requirements of a local government financial test that is one option under state and federal laws and regulations that helps determine if a unit is financially able to meet closure and post closure care requirements. The County elected to establish a reserve fund several years ago to accumulate resources for the payment of closure and post closure care costs. The actual landfill closure and post closure costs have been less than engineering estimates due to use of County personnel for closure activities and proper planning for closure. The Solid Waste Capital Reserve Fund has remaining funds being held in investments with a fair value of \$6,537,047. The County expects that future inflation costs will be paid from the interest earnings on these remaining funds. However, if interest earnings are inadequate or additional post closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future transfer station users or by future tax revenues.

NOTE 11 – COMMITMENTS

A. Contractual Commitments

The County had several outstanding projects as of June 30, 2020. At year-end, the significant contractual commitments include the following:

Project	Spent to Date	Remaining Commitment
<u>General Capital Projects Fund:</u>		
Jesse Helms Park Event Center	\$ 10,000	\$ 2,503,687
Emergency Services Complex	295,610	975,390
Sheriff's Office Expansion & Renovation	801,050	1,173,150
Radio Tower & Microwave	127,906	1,467,430
<u>Water Capital Projects:</u>		
CRWTP Plant Expansion	9,099,412	254,872
Yadkin River Supply	18,922,143	3,401,026
853 West Pressure Zone Improvements	1,273,944	6,056
762 Zone Elevated Tank	1,428,600	1,191,525
Short Water Line Extensions	984,256	290,835
<u>Sewer Capital Projects:</u>		
12 Mile Creek WWTP Expansion	5,301,172	170,868
Blythe Creek Sewer Improvement	5,632,790	556,228
Total	<u>\$ 43,876,883</u>	<u>\$ 11,991,067</u>

The General capital projects are commitments of the General Capital Projects Fund and are funded by a combination of certificates of participation, installment financing, general obligation bonds, grants, and General Fund monies. The Water and Sewer Capital Projects are commitments of the County's Water and Sewer Capital Projects Fund and are funded by a combination of revenue bonds and other enterprise fund monies.

B. Other Commitments

The County has an economic development and incentive grants program that is offered to companies meeting certain agreed upon criteria. Amounts to be paid in the future under these agreements are not readily determinable; however, management estimates an amount of up to \$10,046,942 and expects the payments to be made over the next five years.

NOTE 12 - RISK MANAGEMENT - PROPERTY, LIABILITY, WORKERS' COMPENSATION AND SELF INSURED EMPLOYEE MEDICAL COVERAGE

The County is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County carries commercial insurance for these risks of loss, with the exception of injuries to employees. The County self-insures workers' compensation, medical, and dental claims and purchases stop-loss insurance for workers' compensation and medical claims that exceed certain amounts.

There has been no significant reduction in insurance coverage from the previous year and settled claims subject to insurance coverage have not exceeded insurance policy limits in the last three years.

The County has established three Internal Service Funds to account for self-insured risk financing. Funding of the Health Benefit Fund is based upon an analysis of historical and projected medical and dental claims paid by the third party administrator and the availability of contributions from the County, the County's employees, and unrestricted net position to fund projected claims. Funding of the Workers' Compensation Fund is based upon payroll rates established by the State of North Carolina and the availability of unrestricted net position to fund projected claims. Funding of the Property and Casualty Fund is allocated based on a percentage of the department's budget.

The County's medical and Rx benefits are partially self-insured. Individual member claims are self-insured up to \$200,000 annually. Specific Stop-Loss Insurance is purchased to cover individual member claims in excess of the self-insured retention. In addition, Aggregate Stop-Loss Insurance is purchased to cover the combined eligible claims expense of all members in excess of 125% of expected eligible claims incurred and paid during the coverage period. Claims paid through an individual member HRA (Health Reimbursement Account) are excluded from specific and aggregate stop-loss coverage. Claims are administered under contract with a third-party administrator. Claim reserves are established at the end of the plan year (currently June 30) based on a combination of insurance industry standards, the County and third-party administrator's analysis of claims submission, processing, and payment.

The County's workers' compensation is self-insured; stop-loss insurance provides statutory worker compensation benefits above the County's self-insurance limit of \$450,000 per occurrence for police/fire employees and \$375,000 per occurrence for all other employees. A "buffer" layer of insurance provides coverage of \$100,000 over the \$450,000 limit for police/fire employees and \$175,000 over the \$375,000 for all other employees. An excess workers' compensation carrier provides coverage in excess over \$550,000. Claims are administered under contract with a third party administrator. Claim reserves are established when an injury occurs and the ultimate expected exposure of each claim can be reasonably estimated by the third-party claims administrator.

Unpaid liabilities at year end are as follows:

	Health Benefit Fund		Workers' Compensation Fund		Property and Casualty Fund	
	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Unpaid Claims beginning of fiscal year	\$ 1,528,074	877,679	\$ 281,815	165,038	\$ 127,344	92,529
Incurred claims and premiums	16,780,587	15,962,114	205,872	625,852	880,412	973,857
Claims and premiums paid	(17,076,446)	(15,311,719)	(283,868)	(509,075)	(972,191)	(939,042)
Unpaid Claims end of fiscal year	\$ 1,232,215	\$ 1,528,074	\$ 203,819	\$ 281,815	\$ 35,565	\$ 127,344

The County carries commercial insurance for its exposure to various risks related to torts, theft, damage to, and destruction of assets and errors and omissions. The finance officer is bonded at \$100,000, the tax administrator is bonded at \$60,000, the sheriff is bonded at \$5,000, and the register of deeds is bonded at \$25,000. The remaining employees are covered by a crime insurance policy with limits of \$1,000,000 per loss. The County has \$10,000,000 in flood coverage with a \$50,000 deductible for all structures.

The County also has Security & Privacy Liability insurance (Cyber) with limits of \$3,000,000.

NOTE 13 - CLAIMS AND JUDGEMENTS

At June 30, 2020, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

The County has consolidated claims filed on behalf of residential and commercial developer entities. Union County currently collects water and sewer capacity fees from developers who wish to reserve water and/or sewer capacity in the County's utility system to serve proposed developments. Under the County's water and sewer extension ordinance (the Ordinance), the Capacity Fees are paid after the State of North Carolina has approved the construction of the water or sewer infrastructure that must be built to serve the proposed developments. Upon payment of the Capacity Fees and the signing of a standard water and sewer services extension agreement by the County and the developer, the County allocates water and/or sewer capacity in its utility system for the proposed development, and the developer can move forward with construction with the assurance that water and/or sewer capacity will be available for its development when it is completed.

These claims are asserted on the basis of the following; In the case of *Quality Built Homes, Inc. v. Town of Carthage*, No. 369 N.C. 15, 789 S.E. 2d 454 (2016) ("*Carthage I*"), in which the NC Supreme Court invalidated a municipality's water-sewer impact fee. On August 19, 2016, the North Carolina Supreme Court, in the case of *Quality Built Homes, Inc. v. Town of Carthage*, No. 315PA15, N.C., issued an opinion in which the Court held that the Town of Carthage's ordinances that required developers to pay an "impact fee" for expansion of the Town's water and/or sewer system before the Town would issue building permits or approve subdivision plats exceeded the Town's authority that had been delegated by the North Carolina Legislature. The Court has further determined that the statute of limitations applicable to such claims is three years, *Quality Built Homes, Inc. v. Town of Carthage*, 813 S.E.2d 218 (N.C. 2018) ("*Carthage II*"), which decision led to voluntary dismissals by a number of the original plaintiffs in the Capacity Fee Suits.

The County believes that its capacity fees are distinguishable from the impact fees at issue in *Carthage* and have been lawfully collected. The County also has, during pendency of the litigation, enacted retroactive, current legislation to cure the alleged defect in the authority under which the fees were collected. The County is contesting the Capacity Fee Suits.

The County moved for summary judgement as to the effect of its curative legislation. An order denying the County's motion was entered March 14, 2019. The County filed a notice of appeal to the North Carolina Court of Appeals on April 5, 2019. The appeal was determined to be interlocutory and the issues were not decided by the Court of Appeals. Discovery is now preceding in the trial court.

NOTE 14 - OPERATING LEASES

The County has entered into a three-year lease with Lancaster County Water and Sewer District ("LCWSD") to utilize temporary 3 Millions of Gallons per Day (MGD) of excess allocated water capacity between Union and LCWSD, as stated in our Joint Venture Agreement. Under this lease, the County will be able to supply any anticipated demand in excess of the County's Allocated Capacity of 18 MGD. Rents paid under all operating leases totaled \$624,765 for the year ended June 30, 2020.

Minimum future lease payments are as follows:

Year Ending June 30	Lancaster County	Other
2021	\$ 411,252	\$ 181,801
2022	411,252	35,618
2023	-	34,760
2024- 2025	-	30,122
	<u>\$ 822,504</u>	<u>\$ 282,301</u>

NOTE 15 - LONG-TERM OBLIGATIONS

A. General Obligation Bonds, Notes from Direct Borrowings and Direct Placements, Installment Financings, Revenue Bonds' Indebtedness, and Derivatives

General Obligation Bonds: The general obligation bonds are issued for school facilities and various general government capital projects and items are serviced by the General Fund. The general obligation bonds are collateralized by the full faith, credit, and taxing power of the County. Principal and interest requirements are appropriated when due for all debt.

General Obligation Bonds from direct placements: The County's outstanding notes from direct borrowings and direct placements were issued for school facilities capital projects and are serviced by the General Fund. The outstanding notes were entered into to mitigate interest rate risk associated with variable rate debt by converting the variable interest rates on the 2004A, 2007A, and 2007C general obligation bonds to fixed rate bonds. The County's outstanding notes are secured by a general obligation pledge of the full faith and credit of the County. The outstanding notes contain a provision that in the event of default the outstanding amounts of the obligation become immediately due and payable. The outstanding notes have no subjective acceleration clauses.

Installment Financing: Installment financing, certificates of participation ("COPs") and limited obligation bonds (LOBs) are issued for school facilities and various general government capital projects and items are serviced by the General Fund. The COPs and Installment Financing are collateralized by the assets financed and are not secured by the taxing power of the County. The 2011 Limited Obligation Bonds were issued pursuant to a deed of trust that requires that legal title to the tract of land that the Union County Sheriff's Office and Jail (the property) resides on remain with the County as long as the debt is outstanding because the property is pledged as collateral for debt. The 2012 and 2013 Limited Obligation Bonds were issued pursuant to a deed of trust that requires that legal title to the tract of land that Marvin Ridge Schools (the property) resides on remain with the County as long as the debt is outstanding because the property is pledged as collateral for debt. The COPs and Installment Financings require the County to follow customary covenants including providing insurance certificates, budget data, and financial information on an annual basis.

Revenue Bonds: The revenue bonds are secured by the pledge of net revenues derived from the acquired or constructed assets of the water and sewer system. The derivative is an interest swap agreement with the objective of protecting Union County against the risk of interest rate changes in connection with revenue bond variable rate debt and to effect lower debt service costs on the County's fixed rate debt. Any derivative that the County enters into must first have the approval of the Local Government Commission (LGC) and the County Commissioners. Revenue Bonds are described further in Note 15. D.

The other long-term obligations, were issued for acquired or constructed assets of the water and sewer system are described further in Note 15. E.

1. Long-term obligations at June 30, 2020 are reflected in the following table. Bonds and installment financings appearing in the table that have associated derivative products are denoted with a lower case letter of the alphabet in parenthesis.

	Issue Date	Due Serially To	Interest Rate	Original Issue	Principal Balance June 30, 2020
1. General Obligation Bonds (GO Bonds)					
2010 Refunding Bonds (School Facility) - Series A	July 08, 2010	March 01, 2022	3.00% - 5.00%	55,010,000	\$ 9,110,000
2012 Refunding Bonds (School Facility)	May 01, 2012	March 01, 2024	2.00% - 5.00%	28,845,000	21,005,000
2013A Refunding Bonds (School Facility)	March 19, 2013	March 01, 2029	1.50% - 5.00%	42,890,000	34,550,000
2015 Refunding Bonds (School Facility)	Dec. 08, 2015	Sept. 01, 2029	2.00% - 5.00%	41,020,000	41,020,000
2017 Schools Facility	Nov. 21, 2017	Sept. 01, 2037	2.00% - 5.00%	50,000,000	45,000,000
2019 Multipurpose Bonds - Series C	Aug 22, 2019	Sept. 01, 2039	2.00% - 5.00%	91,910,000	91,910,000
2019 Refunding Bonds (School Facility) - Series D	Aug 22, 2019	Sept. 01, 2032	2.00% - 5.00%	15,260,000	15,260,000
					<u>257,855,000</u>
2. GO Bonds from direct placements					
2004 School Facility - Series A	Dec. 14, 2004	March 01, 2029	2.28%	\$ 48,265,000	26,521,618
2004 Law Enf. Facility - Series A	Dec. 14, 2004	March 01, 2029	2.28%	1,735,000	953,382
2007 School Facility - Series A	Sept. 06, 2007	March 01, 2033	2.19%	65,365,000	30,745,000
2007 School Facility - Series C	Sept. 06, 2007	March 01, 2033	2.19%	26,145,000	11,295,000
2019 Economic Development Series A	July 23, 2019	March 01, 2039	2.63% - 2.95%	17,555,000	17,555,000
2019 Multipurpose Series B	July 23, 2019	March 01, 2039	2.07% - 2.33%	8,045,000	7,793,000
					<u>94,863,000</u>
3. Installment Financing					
2012 Limited Obligation Bonds	May 01, 2012	December 01, 2024	1.00% - 5.00%	27,850,000	20,875,000
2013 Limited Obligation Bonds	March 19, 2013	December 01, 2031	2.00 - 5.00%	29,310,000	25,940,000
					<u>46,815,000</u>
4. Revenue Bonds					
2015 Enterprise System	December 9, 2015	June 01, 2040	2.00% - 5.00%	22,955,000	20,520,000
2017 Enterprise System	August 30, 2017	June 01, 2040	3.00% - 5.00%	58,990,000	55,570,000
2019 Enterprise System - Series A	May 30, 2019	June 01, 2044	3.00% - 5.00%	68,430,000	68,430,000
					<u>144,520,000</u>
Total General Obligation Bonds, GO Bond Notes from direct placement, Installment Financings, Revenue Bonds and Other Long-term Obligation					<u>\$ 544,053,000</u>

2. During the year ended June 30, 2020 the County terminated a derivative which was classified as cash flow hedge. The impact of this termination was that the County experienced a change in the fair value of its deferred outflows of \$2,854,187.

(a) Derivative Disclosure – Pay-Fixed, Receive-Floating Interest Rate Forward Swap Agreement dated October 11, 2005 (subsequently amended and restated on May 3, 2007 and June 26, 2008) and effective June 15, 2009 – Assumptions

Objective of the interest rate swap. In order to protect against the potential of higher future interest rates in connection with its issuance of Water and Sewer Enterprise System Variable Rate Revenue Bonds, Series 2009 (“Series 2009 Bonds”), the County entered into a pay-fixed, receive-variable interest rate swap on October 11, 2005 with an effective date of June 15, 2009. The forward swap agreement would effectively change the County’s interest rate on the Series 2009 Bonds to a synthetic fixed rate of 3.82%, excluding liquidity, remarketing, and other fees associated with the Series 2009 Bonds. The Series 2009 Bonds were issued August 20, 2009.

The County deemed it advisable to terminate this swap in connection with the repayment of the Series 2009 Bonds. Therefore, on February 3, 2020, the County terminated the swap originally entered into in association with the Series 2009 Bonds. The County paid \$3,182,000 in total to terminate the swap, inclusive of accrued interest through the termination date. The County used cash-on-hand to repay the Series 2009 Bonds and fund the termination payment.

3. The preceding long-term obligations are included in Exhibit A as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General Obligation Bonds	\$ 285,832,049	\$ -	\$ 285,832,049
GO Bonds from direct placements	94,863,000	-	94,863,000
Certificates of Participation	50,249,706	-	50,249,706
Revenue Bonds	-	160,269,930	160,269,930
Total	<u>\$ 430,944,755</u>	<u>\$ 160,269,930</u>	<u>\$ 591,214,685</u>

4. The table in Note 15 part A differs from the long-term obligations in Note 15 part B due to the following:

	<u>Unamortized Premium</u>
<u>General Obligation Bonds</u>	
2010 Refunding Bonds (School Facility) - Series A	\$ (1,068,722)
2012 School Refunding	(1,082,147)
2013A School Refunding	(2,129,405)
2015 School Refunding	(5,045,435)
2017 School Facility	(3,555,547)
2019C Multipurpose Bonds	(12,004,432)
2019D School Refunding	(3,091,361)
<u>Installment Financing</u>	
2012 Limited Obligation Bonds (Schools)	(1,059,693)
2012 Limited Obligation Bonds (Other)	(297,689)
2013 Limited Obligation Bonds (Schools)	(2,077,324)
<u>Revenue Bonds</u>	
2015 Enterprise System Revenue Bonds	(1,808,133)
2017 Enterprise System Revenue Bonds	(4,334,961)
2019 Enterprise System Revenue Bonds	(9,606,836)
Total	<u>(47,161,685)</u>
Long-term Obligations (per Note 15, A,4)	<u>591,214,685</u>
Future Maturities of Long-term Obligations (per Note 15, B)	<u>\$ 544,053,000</u>

B. Future Maturities of Long-Term Obligations

Annual debt service requirements to maturity, including interest, are as follows (excluding compensated absences, net OPEB liability and net pension liability (LGERS)):

	General Obligation Bonds		General Obligation Bonds from Direct Placement		Total General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
Governmental Activities						
2021	\$ 25,660,000	\$ 9,961,575	\$ 5,225,000	\$ 2,226,458	\$ 30,885,000	\$ 12,188,033
2022	25,500,000	8,925,775	5,185,000	2,101,912	30,685,000	11,027,687
2023	22,015,000	7,723,550	8,375,000	1,978,297	30,390,000	9,701,847
2024	19,090,000	6,678,575	8,125,000	1,784,884	27,215,000	8,463,459
2025	18,925,000	5,820,175	7,890,000	1,597,121	26,815,000	7,417,296
2026-2030	75,795,000	18,060,988	45,958,000	4,909,558	121,753,000	22,970,546
2031-2035	40,420,000	6,829,463	8,774,000	1,233,266	49,194,000	8,062,729
2036-2040	30,450,000	1,875,150	5,331,000	327,570	35,781,000	2,202,720
	<u>\$ 257,855,000</u>	<u>\$ 65,875,251</u>	<u>\$ 94,863,000</u>	<u>\$ 16,159,066</u>	<u>\$ 352,718,000</u>	<u>\$ 82,034,317</u>
	Certificates of Participation and Installment Financing		Total Governmental Activities			
Governmental Activities	Principal	Interest	Principal	Interest		
2021	4,935,000	1,906,350	35,620,000	12,934,037		
2022	4,900,000	1,709,650	35,290,000	11,411,497		
2023	4,875,000	1,514,150	32,090,000	9,977,609		
2024	4,930,000	1,293,400	31,745,000	8,710,696		
2025	4,855,000	1,048,775	126,608,000	24,019,321		
2026-2030	16,095,000	2,656,675	65,289,000	10,719,404		
2031-2035	6,225,000	183,375	42,006,000	2,386,095		
	<u>\$ 46,815,000</u>	<u>\$ 10,312,375</u>	<u>\$ 368,648,000</u>	<u>\$ 92,346,692</u>		
	Revenue Bonds		Total Long-term Obligations for Governmental and Business-type Activities			
Business Type Activities	Principal	Interest	Principal	Interest		
2021	\$ 4,390,000	\$ 5,926,000	\$ 40,210,000	\$ 20,020,383		
2022	4,600,000	5,715,050	40,185,000	18,452,387		
2023	4,805,000	5,508,850	40,070,000	16,724,847		
2024	5,035,000	5,277,650	37,180,000	15,034,509		
2025	5,280,000	5,033,200	36,950,000	13,499,271		
2026-2030	30,535,000	21,033,300	168,383,000	46,660,521		
2031-2035	36,820,000	13,719,950	92,239,000	21,969,053		
2036-2040	39,255,000	7,137,938	75,036,000	9,340,657		
2041-2045	13,800,000	1,407,000	13,800,000	1,407,000		
	<u>\$ 144,520,000</u>	<u>\$ 70,758,938</u>	<u>\$ 544,053,000</u>	<u>\$ 163,108,628</u>		

As of June 30, 2020, Union County had no general obligation bonds authorized and unissued and had a legal debt margin of \$1,765,648,120.

C. Changes in Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2020 (and agrees to table in Note 15 part A):

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Governmental Activities:					
Bonds Payable					
General obligation bonds	\$ 167,970,000	\$ 107,170,000	\$ 17,285,000	\$ 257,855,000	\$ 25,660,000
GO Bonds from direct placements	90,320,000	25,600,000	21,057,000	94,863,000	5,225,000
Certificates of participation	51,885,000	-	5,070,000	46,815,000	4,935,000
Installment financing	-	-	-	-	-
Premium	18,802,920	15,791,663	3,182,828	31,411,755	2,976,870
Total Bonds Payable	328,977,920	148,561,663	46,594,828	430,944,755	38,796,870
Compensated absences	4,937,956	6,164,669	5,300,589	5,802,036	5,318,172
Net OPEB liability	63,532,426	-	7,856,681	55,675,745	-
Net pension liability (LGERS)	17,178,329	3,886,965	-	21,065,294	-
Net pension liability, separation allowance	9,343,059	811,380	-	10,154,439	-
Government activities long term liabilities	\$ 423,969,690	\$ 159,424,677	\$ 59,752,098	\$ 523,642,269	\$ 44,115,042
Business-type Activities:					
Bonds Payable					
Revenue bonds	\$ 177,275,000	\$ -	\$ 32,755,000	\$ 144,520,000	\$ 4,390,000
NC Clean Water Revolving Loan from direct borrowing	6,750,000	-	6,750,000	-	-
Premium	17,591,255	-	1,841,325	15,749,930	709,943
Total Bonds Payable	201,616,255	-	41,346,325	160,269,930	5,099,943
Compensated absences	644,155	880,920	752,709	772,366	770,039
Accrued landfill postclosure care costs	4,933,092	83,863	-	5,016,955	-
Net OPEB liability	8,672,702	-	1,072,531	7,600,171	-
Net pension liability (LGERS)	2,328,490	710,972	-	3,039,462	-
Net pension liability, separation allowance	1,275,707	110,781	-	1,386,488	-
Business-type activities long term liabilities	\$ 219,470,401	\$ 1,786,536	\$ 43,171,565	\$ 178,085,372	\$ 5,869,982

Compensated absences, LGERS, Separation Allowance, and OPEB for governmental activities typically have been liquidated in the General Fund or one of the Enterprise Funds depending on the location status of the employee at the time of liquidation.

D. Revenue Bonds

The County issued combined system enterprise revenue bonds for water and sewer system improvements pursuant to a General Trust Indenture dated as of May 1, 1996; Series Indenture Number 2, dated as of May 15, 2003; Series Indenture Number 3, dated as of August 1, 2009; Series Indenture Number 4, dated as August 4, 2011; Series Indenture Number 5, dated as of December 1, 2011; Series Indenture Number 6, dated as of December 1, 2015; and Series Indenture Number 7, dated as of August 1, 2017; and Series Indenture Number 8, (together the "Indentures") between the County and First Union National Bank of North Carolina (now succeeded by U.S. Bank National Association), as trustee. The Indentures authorize and secure all outstanding revenue bonds of the County's water and sewer system and contain several financial and operating covenants governing such matters as rates, additional bonds, reserve funds, annual budgets, maintenance of the system, and insurance. The General Trust Indenture contains a provision that in the event of default the trustee may, or if required by the owners of not less than a majority of the principal amount of the bonds, must declare the bonds to be immediately due and payable. The net revenues of the combined water and sewer system are the assets pledged as collateral for the outstanding revenue bonds.

The rate covenant of the County is as follows: Before the commencement of each Fiscal Year, the County will fix, establish or maintain or cause to be fixed, established and maintained such rates and

charges for the provision of services of the Enterprise Systems and revise or cause to be revised the same, as necessary, as will produce revenues at least equal in such Fiscal Year to the total of the current expenses budgeted for such Fiscal Year, as may be amended from time to time, plus 120% of (1.20 times) the Principal and Interest Requirements on the Bonds to become due during that Fiscal Year plus 100% of (1.00 times) the Principal and Interest Requirement on General Obligation Indebtedness and Subordinate Indebtedness to become due in such Fiscal Year plus 100% of (1.00 times) the Principal and Interest Requirements on Other Indebtedness to become due in such Fiscal Year plus 100% (1.00 times) the amount required to reimburse the provider of a qualified reserve fund substitute for any amounts owing hereunder.

Revenues mean all rates, fees (including any tap, system development fees (formerly named capacity impact fees), rental, assessments or other charges or other money received by the County in connection with the ownership, management and operation of the water and sewer system, and all parts thereof, including amounts received from the investments of moneys (with the exception of investment earnings on revenue bonds construction funds), all as calculated in accordance with generally accepted accounting principles. Current expenses means the current expenses of operation, maintenance and current repair of the water and sewer system, as calculated in accordance with generally accepted accounting principles. Current expenses do not include depreciation expense or moneys payable as interest on bonds.

The County believes it is in compliance with all such covenants during the fiscal year ended June 30, 2020. The calculation for the various debt service coverage ratios for the year ended June 30, 2020 is as follows:

Revenues	\$ 62,713,139
Current Expenses	31,597,835
Net revenues available for debt service	<u>\$ 31,115,304</u>
Senior debt service coverage:	
Debt service, principal and interest paid	\$ 8,804,110
Subordinate debt service:	
Debt service, principal and interest paid	<u>865,515</u>
Total debt service:	
Total debt service, principal and interest paid	9,669,625
Add: 20% of senior debt service	<u>1,760,822</u>
Adjusted debt service requirements	<u>\$ 11,430,447</u>
Coverage Test 1	
Net revenues / adjusted debt service	2.72
Coverage Test 2	
Net revenues / total debt service	3.22

On February 3, 2020 the County cash defeased the Series 2011A Revenue Bonds, totaling \$14,475,000. The 2011A bonds are not fully callable until 2022. The payment for the cash defeasance was placed in an irrevocable trust with an escrow agent, US Bank to provide for all future debt service payments on the cash defeased debt. As a result, the bonds described above are considered to be defeased and the liability for the bonds has been removed from the statement of net position. The cash defeasance did not result in a gain or loss. At June 30, 2020, \$14,475,000 of defeased bonds remain in escrow.

E. Other Long-Term Debt from Direct Borrowing

North Carolina Clean Water Revolving Loans - During fiscal year ending June 30, 2020, the County paid off all outstanding loans from the North Carolina Clean Water Revolving Loan and Grant Fund.

F. Conduit Debt Obligations

Union County Industrial Facility and Pollution Control Financing Authority (the "Authority") has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, or any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2020, there was one series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$10,000,000.

G. Debt Related to Capital Activities

As of June 30, 2020, of the total Governmental Activities debt listed, \$87,162,309 relates to assets the County holds title to. As of June 30, 2020, there is \$72,058,743 in unspent restricted cash related to this debt amount. The remaining \$340,679,473 in outstanding debt is for Union County Public Schools Facilities and South Piedmont Community College.

NOTE 16 - INTERFUND BALANCES AND ACTIVITY

A. INTERFUND BALANCES

The composition of inter-fund balances as of June 30, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water & Sewer Fund	\$ 5,676 *
General Fund	Solid Waste Fund	9,821 *
		<u>\$ 15,497</u>

*Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds (as shown on Exhibit A).

B. INTERFUND ACTIVITY

Transfers to/from other funds at June 30, 2020, consist of the following:

Governmental activities:

From Information Technology Fund to General Fund for the closure of Information Technology Fund	\$ 2,111,568
From Facilities Fund to General Fund for the closure of Facilities Internal Service Fund	1,688,143
From Fleet Fund to General Fund for the closure of Fleet Internal Service Fund	212,481
From School Radio Fund to General Fund for the purchase equipment for the RNC event	251,300
From Fire Budgetary Fund to General Fund for the purchase equipment for the RNC event	49,000
From EMS Fund to General Fund to establish emergency funding for COVID-19	300,000
From Property & Casualty Fund to General Fund related to insurance refund of a wrecked vehicle	2,666
From General Fund to Fire Budgetary Fund to supplement operating expense increases	769,199
From Economic Development Fund to Fire Budgetary Fund to supplement operating expense increases	1,475,073
From General Capital Fund to Debt Budgetary Fund to appropriate funding for debt service payments	5,979,231
From General Fund to Debt Budgetary Fund to appropriate funding for debt service payments	3,000,000
From General Fund to PSAP Fund to adjust fund balance to amount approved by PSAP Board	220,124
From Information Technology Internal Service Fund to General Capital Project Fund related to closure of Information Technology Internal Service Fund	460,000
From General Fund to General Capital Project Fund to support ongoing projects	4,301,025
From School Budgetary Fund to General Capital Project Fund	21,431,945
From Solid Waste Operating Fund to General Capital Project Fund	159,300
From Postemployment Retiree Healthcare Benefits Pension Trust Fund to Health Benefit Fund	2,874,731
From General Fund to Fleet Internal Service Fund to provide funding for the newly established Tire Shop	86,872
Total governmental activities	45,372,658

Business-type activities:

From the Solid Waste Fund to the General Capital Project Fund to provide funding for solid waste convenience site	159,300
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Total business-type activities	<u>159,300</u>
Total transfers	<u>\$ 45,531,958</u>

NOTE 17 - BLENDED COMPONENT UNIT

Union County's Water and Sewer District's sole purpose is to operate the County's Water and Sewer system, continues operations under the name Union County Public Works, sets certain rate and fee schedules, and performs other functions as set forth in an interlocal agreement between the District and the County. The Water and Sewer District also collects system development fees in the Water and Sewer District System Development Fees Capital Reserve Fund. The Water and Sewer District is a blended component unit of the County and includes both the Water and Sewer District operations and the Water and Sewer District Capital Reserve Fund.

Summary business-type activities financial information for the County's Water and Sewer Fund and Water and Sewer District blended component unit are presented as follows.

	Water and Sewer Operating Fund	Water and Sewer District	Total Water and Sewer Fund
<i>Combining Statement of Net Position</i>			
Assets			
Current assets	\$ 65,469,786	\$ 18,432,451	\$ 83,902,237
Restricted assets	39,244,995	-	39,244,995
Non-current assets	70,541,448	-	70,541,448
Capital Assets	320,503,618	-	320,503,618
Total assets	495,759,847	18,432,451	514,192,298
Deferred Outflows of Resources	2,324,664	-	2,324,664
Total assets and deferred outflows of resources	498,084,511	18,432,451	516,516,962
Liabilities			
Current liabilities	11,867,441	-	11,867,441
Current liabilities payable from restricted assets	464,475	-	464,475
Non-current liabilities	165,772,207	-	165,772,207
Total liabilities	178,104,123	-	178,104,123
Deferred Inflows of Resources	1,358,033	-	1,358,033
Total liabilities and deferred inflows of resources	179,462,156	-	179,462,156
Net position			
Net invested in capital assets	194,023,251	-	194,023,251
Restricted for debt service	38,780,520	-	38,780,520
Unrestricted	85,818,584	18,432,451	104,251,035
Total net position	\$ 318,622,355	\$ 18,432,451	\$ 337,054,806

	Water and Sewer Operating Fund	Water and Sewer District	Total Water and Sewer Fund
<i>Combining Statement of Revenues, Expenses, and Changes in Net Position</i>			
Operating Revenues			
Charges for services	\$ (392,366)	\$ 54,768,855	\$ 54,376,489
Miscellaneous revenue	2,508	-	2,508
Other operating revenue	3,131	1,602,921	1,606,052
Total operating revenue	(386,727)	56,371,776	55,985,049
Operating expenses			
Personnel	12,005,914	-	12,005,914
Other operating expenses	(12,143,113)	31,323,746	19,180,633
Depreciation	16,496,745	-	16,496,745
Operating leases	411,288	-	411,288
Total operating expenses	16,770,834	31,323,746	48,094,580
Operating income (loss)	(17,157,561)	25,048,030	7,890,469
Non-operating revenues (expenses)			
Investment earnings	2,791,930	-	2,791,930
Sale of capital assets	765,699	-	765,699
Interest and fees on long term debt	(6,558,390)	-	(6,558,390)
Gain (loss) on investment in joint venture	(3,386,632)	-	(3,386,632)
Total non-operating revenues (expenses)	(6,387,393)	-	(6,387,393)
Income (loss) before contributions and transfers	(23,544,954)	25,048,030	1,503,076
Transfers	14,897,034	(14,897,034)	-
Capital contributions-system development fees	-	3,872,195	3,872,195
Capital contributions-other	808,508	-	808,508
Capital contributions-non-cash	9,615,903	-	9,615,903
Total transfers and contributions	25,321,445	(11,024,839)	14,296,606
Change in net position	1,776,491	14,023,191	15,799,682
Beginning net position	317,015,695	4,239,429	321,255,124
Ending net position	\$ 318,792,186	\$ 18,262,620	\$ 337,054,806

	<u>Water and Sewer Operating Fund</u>	<u>Water and Sewer District</u>	<u>Total Water and Sewer Fund</u>
<i>Combining Statement of Cash Flows</i>			
Net cash provided (used) by:			
Operating activities	\$ (5,152,526)	\$ 25,048,031	\$ 19,895,505
Noncapital financing activities	14,897,034	(14,897,034)	-
Capital and related financing activities	(73,374,243)	4,042,025	(69,332,218)
Investing activities	(5,759,337)	-	(5,759,337)
Net increase (decrease)	(69,389,072)	14,193,022	(55,196,050)
Beginning cash and cash equivalents	172,023,219	14,179,654	186,202,873
Ending cash and cash equivalents	<u>\$ 102,634,147</u>	<u>\$ 28,372,676</u>	<u>\$ 131,006,823</u>

NOTE 18 - DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

<u>Governmental Activities:</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Pensions - difference between expected and actual experience		
LGERS	\$ 3,606,912	\$ -
Register of Deeds	-	22,153
Separation Allowance	1,522,382	-
OPEB	2,062,793	-
Pensions - Changes of assumptions and other inputs		
LGERS	3,433,294	-
Register of Deeds	-	-
Separation Allowance	568,403	362,215
OPEB	869,322	8,667,715
Pensions - difference between projected and actual investment earnings		
LGERS	513,811	-
Register of Deeds	4,701	-
Separation Allowance	98,283	-
OPEB	-	747,771
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	463,376	-
Register of Deeds	33,431	-
Contributions to pension plans subsequent to measurement date		
LGERS	5,194,220	-
Register of Deeds	26,932	-
Separation Allowance	114,337	-
CARES Act revenue not yet earned (Special Revenue)		3,249,242
Prepaid taxes not yet earned (General)	-	47,091
Prepaid taxes not yet earned (Special Revenue)	-	79
Taxes receivable, net, less penalties (General)	-	357,335
Taxes receivable, net, less penalties (Special Revenue)	-	67,346
Unamortized Loss on Debt Refundings	11,947,137	-
Unamortized Gain of Debt Refundings	-	3,718,190
Total governmental activities	<u>30,459,334</u>	<u>17,239,137</u>
 <u>Business-Type Activities:</u>		
Pensions - difference between expected and actual experience		
LGERS	520,433	-
Separation Allowance	207,865	-
OPEB	281,588	-
Pensions - changes of assumptions		
LGERS	495,382	-
Separation Allowance	77,610	49,457
OPEB	118,669	1,183,211
Pensions - difference between projected and actual investment earnings		
LGERS	74,137	-
Separation Allowance	13,420	-
OPEB	-	102,076
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions - LGERS	66,859	-
Contributions to pension plans subsequent to measurement date		
LGERS	749,462	-
Separation Allowance	15,612	-
Developer contributions for future Water and Sewer line extensions, not yet earned	-	185,110
Total business type activities	<u>2,621,037</u>	<u>1,519,854</u>
Total	<u>\$ 33,080,371</u>	<u>\$ 18,758,991</u>

NOTE 19 - JOINT VENTURES

A. Catawba River Treatment Plant

Union County and Lancaster County Water and Sewer District ("district") constructed a water impoundment and treatment facility on the Catawba River in Lancaster County. The joint venture is known as the Catawba River Water Treatment Plant (the "CRWTP"). The agreement between the two parties called for the payment of one-half the audited and agreed upon costs of acquiring, constructing, and equipping the project. The County has a 50% undivided interest in the facility. Management of the facility is the responsibility of a joint board. The joint board is composed of an equal number of members from the district and County. A minimum of three (3) members from the district and County each serve on the joint board. The district has responsibility for operating the facility under the joint board's direction.

The agreement further calls for an annual audit each June 30 to determine actual expenses and gallons used. A final settlement will be made each year based on audited amounts. Operating costs of the facility will be split between the parties based on metered gallons drawn by each. The joint venture serves only the County and district as customers. All purchases of water are considered to be related party transactions. During the year, the County purchased \$3,035,299 of water.

The County's net investment is recorded in the Water and Sewer Enterprise Fund and is accounted for on the equity method. The County's equity interest as of June 30, 2020 was \$50,220,725. This included the County's recognized loss of \$3,386,632 for the year. Complete separate financial statements for the joint venture may be obtained from Catawba River Water Treatment Plant, 5107 Riverside Road, P.O. Box 214, Van Wyck, SC 29744. Summary financial information as of, and for the fiscal year ended June 30, 2020, is as follows:

Cash and investments	\$ 2,561,724
Other assets	103,083,090
Total assets and deferred outflows	<u>\$ 105,644,814</u>
Total liabilities and deferred inflows	\$ 5,203,365
Total net position	100,441,449
Total liabilities, deferred inflows and net position	<u>\$ 105,644,814</u>
Total revenues	\$ 5,491,830
Total expenses	(7,550,797)
Capital contributions	12,384,356
Net increase in net position	<u>\$ 10,325,389</u>

B. Union Memorial Regional Medical Center

Union Memorial Regional Medical Center, Inc. d/b/a Carolinas Medical Center-Union ("CMC-Union") is a not-for-profit organization which provides health care service to the residents of Union and surrounding counties. The County has an agreement, originally entered into August 27, 1995, between the County, CMC-Union and a subsidiary of the Charlotte-Mecklenburg Hospital Authority, d/b/a Carolina HealthCare System ("CHS") to operate and manage CMC-Union. An amendment to the agreement was entered into as of December 6, 1999, whereby the term was extended to August 26, 2020, with options to extend and renew the agreement for additional periods not to exceed nine years each, upon mutual agreement of the parties. A new amendment was negotiated and entered into effective January 1, 2012 and remaining in effect until December 31, 2061. The new amended agreement with CMC-Union requires an annual payment of lease to the County of \$6,100,000 per year payable on or before January 15th of each year. The new lease payment of \$6,100,000 per year increases by one percent (1%) on January 1, 2017, and on the first January 1 of each five-year period thereafter. In addition to the annual lease for 2012, CHS paid the remainder of the annual rent under the old lease (\$1,566,879). Under the new amendment, in addition to the annual lease, CHS paid the County an upfront lease payment in the amount of \$54,000,000. The County does not provide any financial assistance for operating expenses.

On January 29, 2007, the County entered into a contract with CMC-Union whereby the County reimburses CMC-Union for 50% of the costs for qualifying physicians providing indigent care services to Union County residents through the emergency department. The County's participation is conditioned upon annual funding and limited to \$250,000 per fiscal year. The amount of funding for the current fiscal year was \$0. The County does not have an equity interest in the joint venture; therefore, no equity interest is reflected in the County's financial statements. Complete financial statements may be obtained at the Carolinas Medical Center-Union offices at P.O. Box 5003, Monroe, NC 28111.

The North Carolina Medical Care Commission (the "Commission") issued \$25,000,000 Health Care Facilities Revenue Bonds, Series 2002A (the "Series 2002A Bonds") dated June 15, 2002 and \$15,000,000 Health Care Facilities Revenue Bonds, Series 2002B (the "Series 2002B Bonds" and collectively with the Series 2002A Bonds the "Bonds") dated July 11, 2002 for the Union Regional Medical Center Project (the "Project").

Concurrently with the issuance of the Bonds, the Commission entered into a loan agreement with Union Regional Memorial Medical Center, Inc. currently d/b/a Carolinas Medical Center-Union (the "Corporation"), a North Carolina nonprofit corporation. The Commission lent the proceeds of the Bonds to the Corporation for the purpose of providing funds, together with other available funds, for the purpose of paying costs of facility expansions and improvements, repayment of an interim financing incurred by the Corporation in connection with the Project, a debt service reserve fund and issuance expenses.

The Bonds are limited obligations of the Commission, payable solely from money received from the Corporation pursuant to the terms of the loan agreement issued by the Corporation to the Commission. Neither the faith and credit nor the taxing power of the State of North Carolina or Union County is pledged as security for the Bonds.

C. South Piedmont Community College

The County, in conjunction with the State of North Carolina and Anson County Community College, participates in a joint venture to operate the Union Campus of South Piedmont Community College. The County appoints three members of the 14-member board of trustees of each community college. The president of the community colleges' student government association serves as a non-voting, ex-officio member of the board of trustees. The community colleges are included as component units of the state. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues debt to provide financing for new and restructured facilities. The outstanding principal debt as of June 30, 2020 is, \$36,513,729. The County contributed \$2,226,709 to South Piedmont Community College for operating and \$19,734,464 for capital purposes during the fiscal year ended June 30, 2020. The majority of the capital purchases are being paid for by general obligation bond proceeds that were issued on August 22, 2019. In addition, the County made debt service payments of \$1,153,301 during the fiscal year on debt issued for the community college capital facilities. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2020. Complete financial statements for the community colleges may be obtained from the community colleges' administrative offices at South Piedmont Community College, East Campus, P.O. Box 126, Polkton, NC 28135.

D. Piedmont Behavioral Healthcare and Cardinal Innovations Healthcare Solutions

The County also participates in a joint venture to operate Piedmont Behavioral Healthcare ("PBH") with five other counties; Cabarrus, Davidson, Rowan, Stanly, and Union counties. PBH provides mental health, intellectual/other developmental disability treatment, and substance abuse services for the residents of these counties. Each participating government appoints four board members to the 20-member board. The County has an ongoing financial responsibility for the joint venture because PBH's continued existence depends on the participating governments' continued funding. None of the

participating governments have any equity interest in PBH, so no equity interest has been reflected in the financial statements at June 30, 2020.

In accordance with the intergovernmental agreement between the participating governments, Union County has contracted with Daymark Recovery Services, Inc. to deliver mental health and substance abuse services to the citizens of Union County. The cost for these services were \$690,000 for the year ended June 30, 2020.

On June 23, 2011, the State of North Carolina passed Session Law 2011-264, which requires state wide expansion of the 1915 (b)/(c) Medicaid waiver to be managed by area authorities operating as managed care organizations. In response, PBH and four local management entities ("LME's") comprised of 15 counties, negotiated to merge the counties of each LME into one organization. The four LME's are comprised of (1) Alamance-Caswell (counties), (2) Five County (consisting of Franklin, Granville, Halifax, Vance, and Warren counties), (3) Orange-Person-Chatham (counties), and (4) the PBH LME (consisting of Cabarrus, Davidson, Rowan, Stanly, and Union counties). The merger allows for the expansion of the Medicaid waivers, and will meet minimum population requirements as established by the North Carolina General Assembly. Over the past several months, each of the 15 County's Board of Commissioners have adopted a resolution to be served by a single area authority operating as a managed care organization which is now known as Cardinal Innovations Healthcare Solutions ("Cardinal Innovations"). The Union County Board of Commissioners adopted this resolution on June 4th, 2012. The joint resolution became effective July 1, 2012. On October 11, 2012, PBH announced that it was rebranding to (becoming) Cardinal Innovations Healthcare Solutions. This area authority is comprised of a single Governing Board and four Community Oversight Boards ("COB"); one for each Community Operations Center previously served by the four LME's. The COB's will be responsible for recommending priorities for expenditure of state/county funds for development of the annual budget, determine local priorities for inclusion in the area wide strategic plan, identify community needs and concerns, and monitor resolution of issues. Each COB will consist of the following members: a local Consumer and Family Advisory Committee ("CFAC") Chair or designee and three members from each county appointed by the County Commission (County Commissioner or designee, consumer of family member, other citizen, or stakeholder). The Governing Board will consist of 13 members with one representative from each of the four COB's, two at large County Commissioners from among the counties, one representative for the Regional CFAC, and six members with special expertise in healthcare, insurance, finance and health/behavioral health, intellectual/developmental disabilities, physician, or other profession.

As with PBH, the County has an ongoing financial responsibility for the Cardinal Innovations joint venture because its continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in Cardinal Innovations, so no equity interest has been reflected in the financial statements at June 30, 2020. Complete financial statements for Cardinal Innovations can be obtained from the same address of the PBH's offices; 245 LePhillip Court, NE, Concord, NC 28025.

NOTE 20 - JOINTLY GOVERNED ORGANIZATION

Centralina Council of Governments

The Centralina Council of Governments is a voluntary association of nine County governments and seventy municipalities. The Council was established by the participating governments to coordinate funding from federal and state agencies. Each participating government appoints one member to the council's governing board, whose responsibilities include approving the budget and designating the management of the Council. The County paid membership dues of \$62,038 during the fiscal year ended June 30, 2020. The County was the sub-recipient of a grant for \$959,840 from the U.S. Department of Health and Human Services and the Division of Aging of the North Carolina Department of Human Resources that was passed through the Council.

NOTE 21 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

NOTE 22 - SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS

In July of 2020 the Federal Energy Regulatory Commission approved the Yadkin River Water Supply Project Lake Use Permit for the County to move forward with the Yadkin raw water intake, water treatment plant and finished water lines. The construction contracts were entered into in July of 2020 with total cost at approximately \$300 million. Construction will begin in the fall of 2020 and will end in two and a half to three years with completion anticipated in 2023. The County plans to issue revenue bonds for this project and other various water and sewer capital projects in early calendar year 2021. The revenue bond debt service will be paid back over a 30 year period and will include twenty months of capitalized interest. The County will increase water and sewer rates by 15.5% in January of 2021 to generate adequate revenue for the bond trust indenture debt service ratio requirements.

The County received an additional \$4,655,171 in CARES Act Relief Funding (CRF Funding) in August of 2020 for a total of \$8,807,756. The County is required to share 25% of funding with local municipalities. All expense related to CRF funding are anticipated to be expended by December 2020.

On October 15, 2020 the County closed on Series 2020 Installment Financing in the amount of \$5,600,000. The Installment Financing is being used for acquisition and renovations for a multipurpose building for general governmental use.

The 2019 novel coronavirus ("COVID-19") has adversely affected, and may continue to adversely affect global, national and local economic activity. It is unknown the extent to which COVID-19 may continue to have an effect on financial and economic activity or how it may adversely affect the County's financial condition, demand for County services, and results of operations. In addition, COVID-19 may result in health or other governmental authorities requiring the closure of County or other business operations which could disrupt the County's ability to provide services and procure needed supplies and materials. The full extent of the adverse impact of the COVID-19 outbreak on the County cannot be predicted at this time. The County has not experienced any destabilizing effects on the financial condition, demand for services or inability to operate. The County does not heavily rely on sales tax from tourism and has not seen a significant reduction in sales tax revenue compared to other counties in our area. The County believes we will continue to remain financially stable throughout the COVID-19 pandemic.

Required Supplementary Information

This section contains additional information required by generally accepted accounting principles.

Special Separation Allowance

Schedule of Changes in the Total Pension Liability

Schedule of the Total Pension Liability

Schedule of Employer Contributions

Notes to the Required Schedules

Other Postemployment Retiree Healthcare Benefits (OPEB)

Schedule of Changes in the Total OPEB Liability and Related Ratios

Schedule of Employer Contributions

Schedule of Investment Returns

Notes to the Required Schedules

Local Government Employees' Retirement System

Schedule of the County's Proportionate Share of the Net Pension
Local Governmental Employees' Retirement System

Schedule of County Contributions
Local Governmental Employees' Retirement System

Register of Deeds Supplemental Pension Fund

Schedule of the County's Proportionate Share of the Net Pension
Register of Deeds Supplemental Pension Fund

Schedule of County Contributions
Register of Deeds Supplemental Pension Fund



**Special Separation Allowance
 Required Supplementary Information
 Schedule of Changes in Total Pension Liability**

Fiscal Year Ending June 30	Beginning Total Pension Liability Balance	Service Cost	Interest	Difference Between Expected and Actual Experience	Change of Assumptions or Other Inputs	Benefit Payments	Ending Total Pension Liability Balance
2017	\$ 13,520,682	\$ 445,951	\$ 462,632	\$ -	\$ (273,929)	\$ (1,123,610)	\$ 13,031,726
2018	13,031,726	450,939	481,447	323,619	845,945	(1,118,031)	14,015,645
2019	14,015,645	519,249	423,659	926,298	(512,563)	(1,217,443)	14,154,845
2020	14,154,845	493,598	492,518	1,268,260	262,802	(1,248,258)	15,423,765

The amounts presented for each fiscal year were determined as of the prior December 31.

This schedule will not present ten years' worth of fiscal information until 2026.

**Special Separation Allowance
Required Supplementary Information
Schedule of Total Pension Liability**

Fiscal Year Ending June 30	Total Pension Liability	Plan Net Position	Net Pension Liability	Ratio of Plan Net Position to Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage Covered Payroll
2016	\$ 13,520,682	\$ -	\$ 13,520,682	0.00%	\$ 25,506,915	53.01%
2017	13,031,726	2,383,519	10,648,207	18.29%	25,506,915	41.75%
2018	14,015,645	3,185,872	10,829,773	22.73%	27,555,943	39.30%
2019	14,154,845	3,536,079	10,618,766	24.98%	26,620,711	39.89%
2020	15,423,765	3,882,838	11,540,927	25.17%	27,297,241	42.28%

The amounts presented for each fiscal year were determined as of the prior December 31.

This schedule will not present ten years' worth of fiscal information until 2025.

**Special Separation Allowance
Required Supplementary Information
Schedule of Employer Contributions**

Fiscal Year Ending June 30	Actuarially Determined Employer Contribution	Actual Employer Contributions	Annual Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a Percentage of Covered Payroll
2011	725,358	564,349	161,009	37,245,068	1.52%
2012	695,688	723,890	(28,202)	36,870,843	1.96%
2013	728,783	1,092,962	(364,179)	37,225,200	2.94%
2014	903,943	1,207,462	(303,519)	27,184,187	4.44%
2015	1,135,321	1,766,810	(631,489)	27,091,069	6.52%
2016	1,216,080	1,947,863	(731,783)	27,091,069	7.19%
2017	1,490,931	2,250,437	(759,506)	25,506,915	8.82%
2018	1,506,851	1,546,579	(39,728)	27,555,943	5.61%
2019	1,496,331	1,613,579	(117,248)	26,269,401	6.14%
2020	1,600,437	1,613,579	(13,142)	27,297,241	5.91%

Notes to the Required Schedules:

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Changes of benefit terms. None

Changes of assumption. The assumed rate of return remained at 3.64%. The assumed inflation rate remained at 2.50% and assumed wage inflation remained at 1.00%

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates are determined on an annual basis. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Remaining amortization method	12 years as of December 31, 2018
Asset valuation method	Market value
Inflation	2.50%
Salary increase	3.50-7.75%, including inflation
Investment rate of return	3.64%, net of pension plan investment expense, including inflation

**Other Postemployment Retiree Healthcare Benefits (OPEB)
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios**

Total OPEB Liability	2020	2019	2018	2017
Service Cost at end of year	\$ 2,936,199	\$ 3,153,453	\$ 3,564,909	\$ 4,117,337
Interest on the Total OPEB Liability	4,573,417	4,350,254	3,952,508	3,641,969
Difference between expected and actual experience	308,146	2,656,661	910,489	-
Changes of assumptions or other inputs	(5,777,993)	1,607,421	(10,205,157)	(12,808,598)
Benefit payments	(4,039,770)	(3,459,789)	(3,816,691)	(3,634,511)
Net change in Total OPEB Liability	(2,000,001)	8,308,000	(5,593,942)	(8,683,803)
Total OPEB Liability - beginning	114,093,248	105,785,248	111,379,190	120,062,993
Total OPEB Liability - ending	<u>\$ 112,093,247</u>	<u>\$ 114,093,248</u>	<u>\$ 105,785,248</u>	<u>\$ 111,379,190</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 8,712,229	\$ 11,006,979	\$ 13,221,916	\$ 3,634,511
Net investment income	2,256,752	2,402,748	947,514	1,610,803
Benefit payments	(4,039,770)	(3,459,789)	(3,816,691)	(3,634,511)
Administrative expense	-	(1,926)	(2,308)	(26,295)
Net change in Plan Fiduciary Net Position	6,929,211	9,948,012	10,350,431	1,584,508
Plan Fiduciary Net Position - beginning	41,888,120	31,940,108	21,589,677	20,005,169
Plan Fiduciary Net Position - ending	48,817,331	41,888,120	31,940,108	21,589,677
Net OPEB Liability - ending	<u>\$ 63,275,916</u>	<u>\$ 72,205,128</u>	<u>\$ 73,845,140</u>	<u>\$ 89,789,513</u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	43.55%	36.71%	30.19%	19.38%
Covered Payroll	\$ 29,668,870	\$ 29,668,870	\$ 31,621,099	\$ 31,621,099
Net OPEB Liability as a percentage of covered payroll	213.27%	243.37%	233.53%	283.95%

This schedule will not present ten years' worth of fiscal information until 2026.

**Other Postemployment Retiree Healthcare Benefits (OPEB)
 Required Supplementary Information
 Schedule of Employer Contributions**

<u>Fiscal Year Ending June 30</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in relation to the Actuarially Determined Contribution</u>	<u>Annual Contribution Deficiency/ (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contributions as a percentage of Covered Payroll</u>
2017	\$ 5,447,207	\$ 3,634,511	\$ 1,812,696	\$ 31,621,099	11.49%
2018	7,483,692	13,221,916	(5,738,224)	31,621,099	41.81%
2019	7,483,692	11,006,979	(3,523,287)	29,668,870	37.10%
2020	7,290,354	8,712,229	(1,421,875)	29,668,870	29.36%

This schedule will not present ten years' worth of fiscal information until 2026.

**Other Postemployment Retiree Healthcare Benefits (OPEB)
Required Supplementary Information
Schedule of Investment Returns**

<u>Fiscal Year Ending June 30</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2017	4.18%
2018	3.57%
2019	6.64%
2020	4.75%

This schedule will not present ten years' worth of fiscal information until 2026.

Other Postemployment Retiree Healthcare Benefits (OPEB)
Required Supplementary Information
Schedule of Investment Returns

Notes to the Required Schedules:

Methods and assumptions used in calculations of Actuarially Determined Contributions. The Actuarially Determined Contribution rates, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions (Schedule A) are calculated with each biennial actuarial valuation. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule for the year ending June 30, 2020:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Amortization period	30 years, Closed
Asset valuation method	Market Value of Assets
Inflation	2.50%
Real wage growth	1.00%
Wage inflation	3.50%
Salary increases, including wage inflation	
General Employees	3.50% - 7.75%
Law Enforcement Officers	3.50% - 7.35%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflation	4.43%
Municipal Bond Index Rate	
Prior Measurement Date	3.50%
Measurement Date	2.21%
Year FNP is projected to be depleted	
Prior Measurement Date	N/A
Measurement Date	N/A
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior Measurement Date	4.08%
Measurement Date	4.43%
Health Care Cost Trends	
Pre-Medicare	7.25% for 2018 decreasing to an ultimate rate of 4.75% by 2028
Medicare	5.38% for 2018 decreasing to an ultimate rate of 4.75% by 2022
Dental	4.00%

Schedule of the County's Proportionate Share of the Net Pension Local Governmental Employees' Retirement System Liability (Asset)

<u>Fiscal Year Ending June 30</u>	<u>County's Proportion of the Net Pension Liability (Asset) %</u>	<u>County's Proportionate Share of the Net Pension Liability (Asset) \$</u>	<u>County's Covered Payroll</u>	<u>County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2014	0.677 %	\$ 8,156,834	\$ 37,047,982	22.02 %	94.35 %
2015	0.698 %	(4,115,601)	39,641,790	(10.38) %	102.64 %
2016	0.751 %	3,371,206	41,860,837	8.05 %	98.09 %
2017	0.781 %	16,575,224	45,271,231	36.61 %	91.47 %
2018	0.809 %	12,366,765	48,703,037	25.39 %	94.18 %
2019	0.822 %	19,506,819	51,978,550	37.53 %	92.00 %
2020	0.883 %	24,104,756	58,149,314	41.45 %	90.86 %

This schedule will not present ten years' worth of fiscal information until 2024.

Union County, North Carolina
Schedule of County Contributions
Local Governmental Employees' Retirement System

Exhibit T

Fiscal Year Ending June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 2,828,849	\$ 2,828,849	\$ -	\$ 39,641,790	7.14 %
2015	2,987,462	2,987,462	-	41,860,837	7.14 %
2016	3,101,050	3,101,050	-	45,271,231	6.85 %
2017	3,644,496	3,644,496	-	48,703,037	7.48 %
2018	4,011,757	4,011,757	-	51,978,550	7.72 %
2019	4,648,254	4,648,254	-	58,149,314	7.99 %
2020	5,944,013	5,944,013	-	64,741,584	9.18 %

This schedule will not present ten years' worth of fiscal information until 2024.

Schedule of the County's Proportionate Share of the Net Pension Register of Deed's Supplemental Pension Fund Liability (Asset)

<u>Fiscal Year Ending June 30</u>	<u>County's Proportion of the Net Pension Liability (Asset) %</u>	<u>County's Proportionate Share of the Net Pension Liability (Asset) \$</u>	<u>County's Covered Payroll</u>	<u>County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2014	2.580 %	\$ (551,028)	\$ 74,068	(743.95) %	190.50 %
2015	2.508 %	(568,361)	77,365	(734.65) %	193.88 %
2016	2.618 %	(606,651)	79,911	(759.16) %	197.29 %
2017	2.607 %	(487,471)	83,109	(586.54) %	160.17 %
2018	2.613 %	(446,073)	85,526	(521.56) %	153.77 %
2019	2.502 %	(414,353)	88,014	(470.78) %	153.31 %
2020	2.327 %	(459,398)	92,101	(498.80) %	164.11 %

This schedule will not present ten years' worth of fiscal information until 2024.

Union County, North Carolina
Schedule of County Contributions
Register of Deed's Supplemental Pension Fund

Exhibit V

Fiscal Year Ending June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 20,473	\$ 20,473	\$ -	\$ 77,365	26.46 %
2015	20,947	20,947	-	79,911	26.21 %
2016	21,300	21,300	-	83,109	25.63 %
2017	22,706	22,706	-	85,526	26.55 %
2018	21,409	21,409	-	88,014	24.32 %
2019	22,118	22,118	-	92,101	24.01 %
2020	26,932	26,932	-	104,610	25.75 %

This schedule will not present ten years' worth of fiscal information until 2024.



Combining and Individual Fund Statements

Union County, North Carolina

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2020

	Springs Fire District Fund	Waxhaw Fire District Fund	Hemby Bridge Fire District Fund	Stallings Fire District Fund
ASSETS				
Cash and investments	\$ 4,415	\$ 54,655	\$ -	\$ -
Property taxes receivable, net	9,050	9,050	11,334	7,363
Accounts receivable, net	50,046	96,668	97,331	87,450
Total assets	<u>\$ 63,511</u>	<u>\$ 160,373</u>	<u>\$ 108,665</u>	<u>\$ 94,813</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Advances from other funds	-	-	57,136	37,980
Total liabilities	<u>-</u>	<u>-</u>	<u>57,136</u>	<u>37,980</u>
DEFERRED INFLOWS OF RESOURCES	<u>9,052</u>	<u>9,087</u>	<u>11,339</u>	<u>7,391</u>
FUND BALANCES				
Restricted	54,459	151,286	97,331	87,450
Unassigned	-	-	(57,141)	(38,008)
Total fund balances	<u>54,459</u>	<u>151,286</u>	<u>40,190</u>	<u>49,442</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 63,511</u>	<u>\$ 160,373</u>	<u>\$ 108,665</u>	<u>\$ 94,813</u>

Schedule 1

Wesley Chapel Fire District Fund	Fee Supported Fire Districts Fund	Emergency Telephone System Fund	General Special Revenue Fund	Automation Enhancement Fund	Total Nonmajor Special Revenue Funds
\$ 12,365	\$ 12,297	\$ 2,077,540	\$ 5,023,597	\$ 230,238	\$ 7,415,107
6,118	-	-	-	-	42,915
136,348	24,433	-	-	-	492,276
<u>\$ 154,831</u>	<u>\$ 36,730</u>	<u>\$ 2,077,540</u>	<u>\$ 5,023,597</u>	<u>\$ 230,238</u>	<u>\$ 7,950,298</u>
\$ -	\$ -	\$ 2,826	\$ 254,180	\$ -	\$ 257,006
-	-	-	-	-	95,116
-	-	2,826	254,180	-	352,122
6,123	24,433	-	3,249,242	-	3,316,667
148,708	12,297	2,074,714	2,099,731	230,238	4,956,214
-	-	-	(579,556)	-	(674,705)
148,708	12,297	2,074,714	1,520,175	230,238	4,281,509
<u>\$ 154,831</u>	<u>\$ 36,730</u>	<u>\$ 2,077,540</u>	<u>\$ 5,023,597</u>	<u>\$ 230,238</u>	<u>\$ 7,950,298</u>

Union County, North Carolina

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended June 30, 2020

	Springs Fire District Fund	Waxhaw Fire District Fund	Hemby Bridge Fire District Fund	Stallings Fire District Fund
REVENUES				
Ad valorem taxes	\$ 701,639	\$ 1,402,303	\$ 1,364,741	\$ 1,266,642
Local option sales tax	158,842	309,300	312,982	288,906
Other taxes and licenses	-	-	-	-
Intergovernmental	-	-	-	-
Permits and fees	-	-	-	-
Sales and services	-	-	-	-
Investment earnings	118	216	240	165
Miscellaneous	-	-	-	-
Total revenues	<u>860,599</u>	<u>1,711,819</u>	<u>1,677,963</u>	<u>1,555,713</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	818,961	1,602,881	1,646,623	1,551,696
Economic and physical development	-	-	-	-
Human services	-	-	-	-
Total expenditures	<u>818,961</u>	<u>1,602,881</u>	<u>1,646,623</u>	<u>1,551,696</u>
Excess (deficiency) of revenues over (under) expenditures	41,638	108,938	31,340	4,017
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	41,638	108,938	31,340	4,017
FUND BALANCES				
Beginning	12,821	42,348	8,850	45,425
Ending	<u>\$ 54,459</u>	<u>\$ 151,286</u>	<u>\$ 40,190</u>	<u>\$ 49,442</u>

Schedule 2

Wesley Chapel Fire District Fund	Fee Supported Fire Districts Fund	Emergency Telephone System Fund	General Special Revenue Fund	Automation Enhancement Fund	Total Nonmajor Special Revenue Funds
\$ 1,998,877	\$ -	\$ -	\$ -	\$ -	\$ 6,734,202
451,186	-	-	-	-	1,521,216
-	-	746,598	-	-	746,598
-	-	-	1,760,383	-	1,760,383
-	2,582,177	-	-	153,594	2,735,771
-	-	-	46,035	-	46,035
237	-	3,576	2,505	-	7,057
-	-	-	331,380	-	331,380
<u>2,450,300</u>	<u>2,582,177</u>	<u>750,174</u>	<u>2,140,303</u>	<u>153,594</u>	<u>13,882,642</u>
-	-	-	-	88,133	88,133
2,348,150	2,595,056	839,626	79,950	-	11,482,943
-	-	-	811,181	-	811,181
-	-	-	901,052	-	901,052
<u>2,348,150</u>	<u>2,595,056</u>	<u>839,626</u>	<u>1,792,183</u>	<u>88,133</u>	<u>13,283,309</u>
102,150	(12,879)	(89,452)	348,120	65,461	599,333
-	-	220,124	-	-	220,124
-	-	220,124	-	-	220,124
<u>102,150</u>	<u>(12,879)</u>	<u>130,672</u>	<u>348,120</u>	<u>65,461</u>	<u>819,457</u>
46,558	25,176	1,944,042	1,172,055	164,777	3,462,052
<u>\$ 148,708</u>	<u>\$ 12,297</u>	<u>\$ 2,074,714</u>	<u>\$ 1,520,175</u>	<u>\$ 230,238</u>	<u>\$ 4,281,509</u>

Union County, North Carolina

Combining Statement of Net Position

Internal Service Funds

June 30, 2020

	Health Benefits Fund	Workers' Compensation Fund	Property and Casualty Fund	Information Technology Fund
ASSETS				
Current assets:				
Cash and investments	\$ 5,991,965	\$ 1,221,756	\$ 657,616	\$ -
Accounts receivable, net	4,909	1,288	497	-
Total assets	<u>5,996,874</u>	<u>1,223,044</u>	<u>658,113</u>	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES				
	21,435	18,931	18,174	-
Total assets and deferred outflows of resources	<u>6,018,309</u>	<u>1,241,975</u>	<u>676,287</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	198,101	17,421	35,728	-
Current portion of compensated absences	8,633	7,762	7,508	-
Workers' compensation claims payable	-	203,819	-	-
Health care benefits payable	1,232,215	-	-	-
Property and casualty claims payable	-	-	35,565	-
Non-current liabilities:				
Non-current portion of compensated absences	830	692	820	-
Net OPEB liability	55,117	40,612	37,711	-
Net pension liability, LGERS	25,911	24,094	23,322	-
Net pension liability, separation allowance	10,056	7,410	6,881	-
Total liabilities	<u>1,530,863</u>	<u>301,810</u>	<u>147,535</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
	9,680	7,132	6,622	-
Total liabilities and deferred inflows of resources	<u>1,540,543</u>	<u>308,942</u>	<u>154,157</u>	<u>-</u>
NET POSITION				
Unrestricted	<u>4,477,766</u>	<u>933,033</u>	<u>522,130</u>	<u>-</u>
Total net position	<u>\$ 4,477,766</u>	<u>\$ 933,033</u>	<u>\$ 522,130</u>	<u>\$ -</u>

Facilities Management Fund	Fleet Management Fund	Total
\$ -	\$ -	\$ 7,871,337
-	-	6,694
-	-	<u>7,878,031</u>
-	-	58,540
-	-	<u>7,936,571</u>
-	-	251,250
-	-	23,903
-	-	203,819
-	-	1,232,215
-	-	35,565
-	-	2,342
-	-	133,440
-	-	73,327
-	-	24,347
-	-	<u>1,980,208</u>
-	-	23,434
-	-	<u>2,003,642</u>
-	-	5,932,929
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,932,929</u>

Union County, North Carolina

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Internal Service Funds

For the Year Ended June 30, 2020

	Health Benefits Fund	Workers' Compensation Fund	Property and Casualty Fund	Information Technology Fund
OPERATING REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ 37,790
Interfund charges and employee contributions	18,328,422	-	1,117,215	2,478,144
Miscellaneous revenue	-	977	27,846	-
Other operating revenue	33,670	-	-	-
Total operating revenues	<u>18,362,092</u>	<u>977</u>	<u>1,145,061</u>	<u>2,515,934</u>
OPERATING EXPENSES				
Personnel	107,176	96,301	92,812	(273,350)
Operating expenses	2,951,931	193,506	-	1,316,651
Depreciation	-	-	-	1,145
Worker's compensation claims	-	283,868	-	-
Health benefit claims and premiums	17,076,446	-	-	-
Property and casualty claims and premiums	-	-	972,191	-
Total operating expenses	<u>20,135,553</u>	<u>573,675</u>	<u>1,065,003</u>	<u>1,044,446</u>
Operating income (loss)	(1,773,461)	(572,698)	80,058	1,471,488
NONOPERATING REVENUES				
Investment earnings	89,795	22,542	8,929	(4,197)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS				
	(1,683,666)	(550,156)	88,987	1,467,291
TRANSFERS AND CONTRIBUTIONS				
Transfers from General Fund	-	-	-	-
Transfer to General Fund	-	-	(2,666)	(2,111,568)
Transfer to General Capital Project Fund	-	-	-	(460,000)
Transfer from OPEB Trust Fund	2,874,731	-	-	-
TOTAL TRANSFERS	<u>2,874,731</u>	<u>-</u>	<u>(2,666)</u>	<u>(2,571,568)</u>
Change in net position	1,191,065	(550,156)	86,321	(1,104,277)
NET POSITION				
Beginning	3,286,701	1,483,189	435,809	1,104,277
Ending	<u>\$ 4,477,766</u>	<u>\$ 933,033</u>	<u>\$ 522,130</u>	<u>\$ -</u>

Schedule 4

Facilities Management Fund	Fleet Management Fund	Total
\$ -	\$ -	\$ 37,790
3,903,277	370,190	26,197,248
240	226	29,289
4,178	-	37,848
<u>3,907,695</u>	<u>370,416</u>	<u>26,302,175</u>
(138,163)	(80,605)	(195,829)
2,419,673	429,635	7,311,396
-	-	1,145
-	-	283,868
-	-	17,076,446
-	-	972,191
<u>2,281,510</u>	<u>349,030</u>	<u>25,449,217</u>
1,626,185	21,386	852,958
<u>(2,982)</u>	<u>(542)</u>	<u>113,545</u>
1,623,203	20,844	966,503
-	86,872	86,872
(1,688,143)	(212,481)	(4,014,858)
-	-	(460,000)
-	-	2,874,731
<u>(1,688,143)</u>	<u>(125,609)</u>	<u>(1,513,255)</u>
(64,940)	(104,765)	(546,752)
<u>64,940</u>	<u>104,765</u>	<u>6,479,681</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,932,929</u>

Combining Statement of Cash Flows
Internal Service Funds
 For the Year Ended June 30, 2020

	Health Benefits Fund	Workers' Compensation Fund	Property and Casualty Fund	Information Technology Fund	Facilities Management Fund	Fleet Management Fund	Total
OPERATING ACTIVITIES							
Cash received from customers for services	\$ 18,339,921	\$ 705	\$ 1,117,242	\$ 2,479,922	\$ 3,906,290	\$ 370,420	\$ 26,214,500
Other operating revenue	33,670	977	27,846	37,790	4,418	226	104,927
Cash paid to employees	(105,728)	(94,489)	(90,944)	(2,299,105)	(1,031,484)	(264,100)	(3,885,850)
Cash paid for goods and services	(20,377,597)	(568,407)	(1,050,554)	(238,817)	(2,806,091)	(506,227)	(25,547,693)
Net cash provided (used) by operating activities	<u>(2,109,734)</u>	<u>(661,214)</u>	<u>3,590</u>	<u>(20,210)</u>	<u>73,133</u>	<u>(399,681)</u>	<u>(3,114,116)</u>
NONCAPITAL FINANCING ACTIVITIES							
Transfers from other funds	2,874,731	-	-	-	-	86,872	2,961,603
Transfers to other funds	-	-	(2,666)	(2,571,568)	(1,688,143)	(212,481)	(3,926,899)
Net cash provided (used) by noncapital	<u>2,874,731</u>	<u>-</u>	<u>(2,666)</u>	<u>(2,571,568)</u>	<u>(1,688,143)</u>	<u>(125,609)</u>	<u>(965,296)</u>
CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Acquisition and construction of capital assets	-	-	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
INVESTING ACTIVITIES							
Investment earnings	89,795	22,542	8,929	(4,197)	(2,982)	(542)	113,545
Net cash provided by investing activities	<u>89,795</u>	<u>22,542</u>	<u>8,929</u>	<u>(4,197)</u>	<u>(2,982)</u>	<u>(542)</u>	<u>113,545</u>
Net change in cash and investments	854,792	(638,672)	9,853	(2,595,975)	(1,617,992)	(525,832)	(3,965,867)
CASH AND INVESTMENTS							
Beginning of year	5,137,173	1,860,428	647,763	2,224,809	1,511,287	455,744	11,837,204
End of year	<u>\$ 5,991,965</u>	<u>\$ 1,221,756</u>	<u>\$ 657,616</u>	<u>\$ (371,166)</u>	<u>\$ (106,705)</u>	<u>\$ (70,088)</u>	<u>\$ 7,871,337</u>
Reconciliation of operating income to net cash provided (used) by operating activities:							
Operating income	\$ (1,773,461)	\$ (572,698)	\$ 80,058	\$ 1,471,488	\$ 1,626,185	\$ 21,386	\$ 852,958
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation	-	-	-	1,145	-	-	1,145
Change in assets, deferred outflows, liabilities and deferred inflows							
Accounts receivable	11,499	705	27	1,778	3,013	230	17,252
Inventories	-	-	-	-	-	21,194	21,194
Deferred outflows of resources - LGERS	1,467	1,428	1,425	241,586	221,998	60,511	528,415
Deferred outflows of resources - OPEB	706	521	484	53,584	49,671	15,238	120,204
Deferred outflows of resources - Sep. Allow.	(730)	(538)	(500)	23,030	21,347	6,549	49,158
Accounts payable and accrued liabilities	(349,220)	(91,033)	(78,363)	(270,755)	(421,876)	(84,742)	(1,295,989)
Compensated absences payable	572	180	158	(64,514)	(59,969)	(30,079)	(153,652)
Net pension liability, LGERS	3,927	3,573	3,406	(299,761)	(275,456)	(75,082)	(639,393)
Net OPEB liability	(7,774)	(5,743)	(5,323)	(933,612)	(865,451)	(265,498)	(2,083,401)
Net pension liability, separation allowance	807	593	552	(137,333)	(127,298)	(39,056)	(301,735)
Deferred inflows of resources - LGERS	(114)	(106)	(103)	(1,552)	(1,426)	(389)	(3,690)
Deferred inflows of resources - OPEB	(124)	(93)	(85)	(98,119)	(90,955)	(27,903)	(217,279)
Deferred inflows of resources - Sep. Allow.	2,711	1,996	1,854	(7,175)	(6,650)	(2,040)	(9,304)
Total adjustments	<u>(336,273)</u>	<u>(88,516)</u>	<u>(76,468)</u>	<u>(1,491,698)</u>	<u>(1,553,052)</u>	<u>(421,067)</u>	<u>(3,967,074)</u>
Net cash provided (used) by operating activities	<u>\$ (2,109,734)</u>	<u>\$ (661,214)</u>	<u>\$ 3,590</u>	<u>\$ (20,210)</u>	<u>\$ 73,133</u>	<u>\$ (399,681)</u>	<u>\$ (3,114,116)</u>
Noncash investing, capital, and financing activities:							
Transfer of capital assets to other funds				\$ 371,166	\$ 106,705	\$ 70,088	\$ 547,959

Combining Statement of Fiduciary Net Position - Pension Trust Funds

June 30, 2020

	Special Separation Allowance Pension Trust Fund	Other Postemployment Retiree Healthcare Benefits (OPEB) Pension Trust Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Investments:			
Separation Allowance Trust Fund	\$ 4,030,677	\$ -	\$ 4,030,677
State Treasurer's Office OPEB Trust	<u> -</u>	<u>48,817,331</u>	<u>48,817,331</u>
Total assets	<u>4,030,677</u>	<u>48,817,331</u>	<u>52,848,008</u>
 NET POSITION			
Employees' pension benefits	<u>\$ 4,030,677</u>	<u>\$ 48,817,331</u>	<u>\$ 52,848,008</u>

Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds

For the Year Ended June 30, 2020

	Special Separation Allowance Pension Trust Fund	Other Postemployment Retiree Healthcare Benefits (OPEB) Pension Trust Fund	Total
ADDITIONS			
Employer contributions	\$ 1,613,579	\$ 11,586,960	\$ 13,200,539
Net investment income	61,432	2,256,752	2,318,184
Total additions	<u>1,675,011</u>	<u>13,843,712</u>	<u>15,518,723</u>
DEDUCTIONS			
Benefits	1,344,829	4,039,770	5,384,599
Transfer to Health Fund	-	2,874,731	2,874,731
Total deductions	<u>1,344,829</u>	<u>6,914,501</u>	<u>8,259,330</u>
Change in net position	330,182	6,929,211	7,259,393
NET POSITION			
Beginning	<u>3,700,495</u>	<u>41,888,120</u>	<u>45,588,615</u>
Ending	<u>\$ 4,030,677</u>	<u>\$ 48,817,331</u>	<u>\$ 52,848,008</u>



Union County, North Carolina

Combining Statement of Fiduciary Assets and Liabilities - Agency Funds

June 30, 2020

	Social Services Fund	Fines and Forfeitures Fund	Jail Inmate Fund	Union County School District Fund
ASSETS				
Cash and cash equivalents	\$ 135,396	\$ 7,760	\$ 49,610	\$ -
Property taxes receivable, net	-	-	-	32
Total assets	<u>\$ 135,396</u>	<u>\$ 7,760</u>	<u>\$ 49,610</u>	<u>\$ 32</u>
LIABILITIES				
Accounts payable and accrued liabilities	-	\$ 7,760	-	\$ 32
Due to Program Participants	135,396	-	49,610	-
Total liabilities	<u>\$ 135,396</u>	<u>\$ 7,760</u>	<u>\$ 49,610</u>	<u>\$ 32</u>

Municipal Tax Collection Fund	Gross Rental Receipts Tax Fund	Civil Fees Fund	Total
\$ 17,296	\$ 1,048	\$ 4,019	\$ 215,129
-	-	-	32
<u>\$ 17,296</u>	<u>\$ 1,048</u>	<u>\$ 4,019</u>	<u>\$ 215,161</u>
\$ 17,296	\$ 1,048	\$ -	\$ 26,136
-	-	4,019	189,025
<u>\$ 17,296</u>	<u>\$ 1,048</u>	<u>\$ 4,019</u>	<u>\$ 215,161</u>



General Fund

The General Fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.



Union County, North Carolina

General Fund - Combining

Balance Sheet

June 30, 2020

	General	Schools Budgetary Fund	Schools Radios Budgetary Fund	Countywide Fire Budgetary Fund
ASSETS				
Cash and investments	\$ 80,135,368	\$ 313,964	\$ 405,329	\$ 31,463
Property taxes receivable, net	578,747	982,108	-	23,084
Accounts receivable, net	20,829,011	1,064,917	-	32,780
Accounts receivable, long-term	1,575	-	-	-
Inventories	39,411	-	-	-
Prepaid Item	12,664	-	-	-
Advances to other funds	95,116	-	-	-
Cash and investments, restricted	-	-	-	-
Cash and investments, restricted-deposits	511,416	-	-	-
Total assets	<u>\$ 102,203,308</u>	<u>\$ 2,360,989</u>	<u>\$ 405,329</u>	<u>\$ 87,327</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 5,572,421	\$ -	\$ 88,500	\$ 14,337
Unearned revenue	4,500	-	-	-
Deposits	511,416	-	-	-
Total liabilities	<u>6,088,337</u>	<u>-</u>	<u>88,500</u>	<u>14,337</u>
DEFERRED INFLOWS OF RESOURCES	<u>594,750</u>	<u>1,009,860</u>	<u>-</u>	<u>23,645</u>
FUND BALANCE				
Nonspendable	53,650	-	-	-
Restricted	24,608,733	1,064,917	-	35,768
Committed	61,510,365	-	-	-
Assigned	1,331,334	-	275,000	13,577
Unassigned	8,016,139	286,212	41,829	-
Total fund balance	<u>95,520,221</u>	<u>1,351,129</u>	<u>316,829</u>	<u>49,345</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 102,203,308</u>	<u>\$ 2,360,989</u>	<u>\$ 405,329</u>	<u>\$ 87,327</u>

Countywide EMS Budgetary Fund	Debt Service Budgetary Fund	Economic Development Budgetary Fund	Total
\$ 1,450,971	\$ 19,955,295	\$ 276,843	\$ 102,569,233
51,825	57,959	-	1,693,723
56,027	87,755	359	22,070,849
-	-	-	1,575
-	-	-	39,411
-	-	-	12,664
-	-	-	95,116
-	2,838,027	6,146,505	8,984,532
-	-	-	511,416
<u>\$ 1,558,823</u>	<u>\$ 22,939,036</u>	<u>\$ 6,423,707</u>	<u>\$ 135,978,519</u>
\$ -	\$ -	\$ -	\$ 5,675,258
-	-	-	4,500
-	-	-	511,416
-	-	-	6,191,174
<u>53,270</u>	<u>59,288</u>	<u>-</u>	<u>1,740,813</u>
-	-	-	53,650
56,027	87,755	359	25,853,559
-	-	-	61,510,365
1,313,100	-	-	2,933,011
<u>136,426</u>	<u>22,791,993</u>	<u>6,423,348</u>	<u>37,695,947</u>
<u>1,505,553</u>	<u>22,879,748</u>	<u>6,423,707</u>	<u>128,046,532</u>
<u>\$ 1,558,823</u>	<u>\$ 22,939,036</u>	<u>\$ 6,423,707</u>	<u>\$ 135,978,519</u>

Union County, North Carolina

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances

General Fund

For the Year Ended June 30, 2020

	<u>General</u>	<u>Schools Budgetary Fund</u>	<u>Schools Radios Budgetary Fund</u>	<u>Countywide Fire Budgetary Fund</u>
REVENUES				
Ad valorem taxes	\$ 56,939,364	\$ 120,522,319	\$ -	\$ 3,568,729
Local option sales tax	48,720,847	-	-	-
Other taxes and licenses	3,207,810	-	-	-
Intergovernmental	36,076,059	-	167,000	-
Permits and fees	5,861,089	-	-	-
Sales and services	4,996,501	-	-	-
Investment earnings	2,004,421	716,655	(838)	40,052
Miscellaneous	7,493,162	-	-	-
Total revenues	<u>165,299,253</u>	<u>121,238,974</u>	<u>166,162</u>	<u>3,608,781</u>
EXPENDITURES				
Current:				
General government	17,885,504	-	-	-
Public safety	47,432,259	-	-	5,945,839
Economic and physical development	3,784,068	-	-	-
Human services	47,009,558	-	-	-
Cultural and recreational	7,332,683	-	-	-
Intergovernmental:				
Education	2,232,603	103,737,323	133,056	-
Debt service:				
Principal retirement	22,195,000	-	-	-
Interest and fees	9,176,042	-	-	-
Total expenditures	<u>157,047,717</u>	<u>103,737,323</u>	<u>133,056</u>	<u>5,945,839</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,251,536</u>	<u>17,501,651</u>	<u>33,106</u>	<u>(2,337,058)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	4,615,158	-	-	2,244,272
Transfers to other funds	(8,377,220)	(21,431,945)	(251,300)	(49,000)
Issuance of general obligation bonds	15,260,000	-	-	-
Issuance of general obligation bonds, premiums	3,295,798	-	-	-
Payments to refunded bonds escrow agents	(18,465,000)	-	-	-
Total other financing sources (uses)	<u>(3,671,264)</u>	<u>(21,431,945)</u>	<u>(251,300)</u>	<u>2,195,272</u>
Net change in fund balances	4,580,272	(3,930,294)	(218,194)	(141,786)
FUND BALANCES				
Beginning	90,939,949	5,281,423	535,023	191,131
Ending	<u>\$ 95,520,221</u>	<u>\$ 1,351,129</u>	<u>\$ 316,829</u>	<u>\$ 49,345</u>

Countywide EMS Budgetary Fund	Debt Service Budgetary Fund	Economic Development Budgetary Fund	Total
\$ 6,333,080	\$ 8,894,237	\$ 2,026,838	\$ 198,284,567
-	-	-	48,720,847
-	-	-	3,207,810
-	-	-	36,243,059
-	-	-	5,861,089
706,487	-	-	5,702,988
42,334	679,455	109,849	3,591,928
187,894	-	-	7,681,056
<u>7,269,795</u>	<u>9,573,692</u>	<u>2,136,687</u>	<u>309,293,344</u>
-	28,472	-	17,913,976
7,012,064	-	-	60,390,162
-	-	6,594	3,790,662
-	-	-	47,009,558
-	-	-	7,332,683
-	-	-	106,102,982
-	2,752,000	-	24,947,000
-	4,483,040	389,583	14,048,665
<u>7,012,064</u>	<u>7,263,512</u>	<u>396,177</u>	<u>281,535,688</u>
<u>257,731</u>	<u>2,310,180</u>	<u>1,740,510</u>	<u>27,757,656</u>
-	8,979,231	-	15,838,661
(300,000)	-	(1,475,073)	(31,884,538)
-	10,000	6,158,270	21,428,270
-	701,616	-	3,997,414
-	-	-	(18,465,000)
<u>(300,000)</u>	<u>9,690,847</u>	<u>4,683,197</u>	<u>(9,085,193)</u>
<u>(42,269)</u>	<u>12,001,027</u>	<u>6,423,707</u>	<u>18,672,463</u>
<u>1,547,822</u>	<u>10,878,721</u>	<u>-</u>	<u>109,374,069</u>
<u>\$ 1,505,553</u>	<u>\$ 22,879,748</u>	<u>\$ 6,423,707</u>	<u>\$ 128,046,532</u>

General Fund
Comparative Balance Sheet
 June 30, 2020 and 2019

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
ASSETS		
Cash and investments	\$ 80,135,368	\$ 61,510,723
Property taxes receivable, net	578,747	468,152
Accounts receivable, net	20,829,011	20,228,530
Accounts receivable, long-term	1,575	1,575
Inventories	39,411	10,261
Prepaid Item	12,664	-
Advances to other funds	95,116	14,676,629
Cash and investments, restricted	-	3,754
Cash and investments, restricted-deposits	511,416	513,686
Total assets	<u>\$ 102,203,308</u>	<u>\$ 97,413,310</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 5,572,421	\$ 5,486,625
Unearned revenue	4,500	-
Deposits	511,416	513,686
Total liabilities	<u>6,088,337</u>	<u>6,000,311</u>
DEFERRED INFLOWS OF RESOURCES	<u>594,750</u>	<u>473,050</u>
FUND BALANCE		
Nonspendable	53,650	11,836
Restricted	24,608,733	38,125,845
Committed	61,510,365	60,998,762
Assigned	1,331,334	-
Unassigned	8,016,139	(8,196,494)
Total fund balance	<u>95,520,221</u>	<u>90,939,949</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 102,203,308</u>	<u>\$ 97,413,310</u>

General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance Positive (Negative)	2019
	Final Budget	Actual		Actual
REVENUES				
Ad valorem taxes	\$ 57,763,211	\$ 56,939,364	\$ (823,847)	\$ 58,380,755
Local option sales tax	48,745,636	48,720,847	(24,789)	45,818,820
Other taxes and licenses	3,326,120	3,207,810	(118,310)	3,182,688
Intergovernmental	37,777,105	36,076,059	(1,701,046)	34,452,380
Permits and fees	4,668,631	5,861,089	1,192,458	4,682,370
Sales and services	4,856,897	4,996,501	139,604	5,495,656
Investment earnings	1,525,000	2,004,421	479,421	2,504,675
Miscellaneous	7,049,170	7,493,162	443,992	6,807,199
<i>Total revenues</i>	<u>165,711,770</u>	<u>165,299,253</u>	<u>(412,517)</u>	<u>161,324,543</u>
EXPENDITURES				
General Government				
Board of Commissioners	704,615	647,450	57,165	726,145
Budget	643,147	634,616	8,531	468,823
Central Administration	668,455	666,464	1,991	890,946
Legal	760,467	748,058	12,409	643,535
Human Resources	1,658,961	1,410,573	248,388	1,346,023
Finance	1,113,699	1,018,565	95,134	916,803
Tax Administration	5,933,542	5,520,961	412,581	5,400,068
Court Facilities	1,177,138	1,105,664	71,474	1,440,853
Board of Elections	1,992,420	1,790,917	201,503	1,461,667
Register of Deeds	1,378,058	1,382,802	(4,744)	1,302,699
Information Technology	1,893,306	739,667	1,153,639	-
G.I.S. Department	193,507	164,343	29,164	12
Procurement	616,472	579,556	36,916	479,938
Public Communications	575,050	494,033	81,017	955
Fleet Management	367,500	241,381	126,119	1,834
Property Management	1,292,676	598,709	693,967	(915,942)
<i>Total General Government</i>	<u>20,969,013</u>	<u>17,743,759</u>	<u>3,225,254</u>	<u>14,164,359</u>
Public Safety				
Law Enforcement	39,483,319	37,688,146	1,795,173	36,330,243
911 Communications	4,873,372	4,637,267	236,105	4,923,272
Emergency Management	431,180	302,512	128,668	273,478
Fire Marshal's Office	1,182,596	1,161,219	21,377	1,073,372
Building Code Enforcement	3,369,870	3,291,000	78,870	2,986,955
Other Public Safety Outside Agencies				
Medical Examiner	130,000	109,184	20,816	68,053
Juvenile Detention	283,575	237,931	45,644	237,691
American Red Cross	5,000	5,000	-	5,000
<i>Total Public Safety</i>	<u>49,758,912</u>	<u>47,432,259</u>	<u>2,326,653</u>	<u>45,898,064</u>

Continued on next page.

General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Economic and Physical Development				
Planning	\$ 1,152,784	\$ 911,068	\$ 241,716	\$ 926,145
Cooperative Extension Service	1,467,939	1,318,438	149,501	1,332,330
Soil and Water Conservation	394,930	204,775	190,155	170,599
Other Economic and Physical Dev. Outside Agencies				
Economic Development	2,243,440	1,285,747	957,693	1,126,050
Forest Resources	81,600	64,040	17,560	68,023
<i>Total Economic and Physical Development</i>	<u>5,340,693</u>	<u>3,784,068</u>	<u>1,556,625</u>	<u>3,623,147</u>
Human Services				
Public Health	12,990,297	11,870,658	1,119,639	12,255,842
Social Services	29,422,992	27,392,428	2,030,564	27,004,287
Community Support & Outreach	3,692,642	3,181,761	510,881	-
Transportation	2,498,288	2,418,874	79,414	-
Transportation and Nutrition	-	-	-	3,268,505
Veterans' Services	569,422	483,209	86,213	513,383
Other Human Services Outside Agencies				
Mental Health	714,850	690,000	24,850	838,878
Health Quest	22,784	22,784	-	22,784
DJJDP - Programs	470,658	397,251	73,407	300,263
Turning Point	45,576	45,576	-	45,576
Community Shelter	11,906	11,906	-	11,906
Community Action	69,263	69,263	-	69,263
Council of Aging	429,546	425,848	3,698	420,181
<i>Total Human Services</i>	<u>50,938,224</u>	<u>47,009,558</u>	<u>3,928,666</u>	<u>44,750,868</u>
Cultural and Recreational				
Library	5,284,716	5,150,889	133,827	5,454,844
Parks and Recreation	2,219,938	2,090,711	129,227	2,489,591
Other Cultural and Recreational Outside Agencies				
Arts Council	52,018	52,018	-	52,018
Historical Properties	34,965	34,965	-	26,601
A.J. Historical Foundation	4,100	4,100	-	4,100
<i>Total Cultural and Recreational</i>	<u>7,595,737</u>	<u>7,332,683</u>	<u>263,054</u>	<u>8,027,154</u>
Education				
Public Schools - current expense	4,703	4,703	-	430,060
Community College - operations	2,226,709	2,226,709	-	2,074,386
Literacy Council	2,382	1,191	1,191	2,382
<i>Total Education</i>	<u>2,233,794</u>	<u>2,232,603</u>	<u>1,191</u>	<u>2,506,828</u>

Continued on next page.

General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance Positive (Negative)	2019
	Final Budget	Actual		Actual
Debt Service				
Principal retirement	\$ 22,195,000	\$ 22,195,000	\$ -	\$ 42,183,633
Interest and fees	9,187,096	9,176,042	11,054	10,607,344
<i>Total Debt Service</i>	<u>31,382,096</u>	<u>31,371,042</u>	<u>11,054</u>	<u>52,790,977</u>
Contingency	190,000	-	190,000	-
Nondepartmental	454,089	141,745	312,344	126,863
Total expenditures	<u>168,862,558</u>	<u>157,047,717</u>	<u>11,814,841</u>	<u>171,888,260</u>
Revenues over (under) expenditures	<u>(3,150,788)</u>	<u>8,251,536</u>	<u>11,402,324</u>	<u>(10,563,717)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	5,497,958	4,615,158	(882,800)	6,993,613
Transfers to other funds	(8,157,096)	(8,377,220)	(220,124)	(2,607,470)
Issuance of general obligation bonds	15,260,000	15,260,000	-	-
Issuance of general obligation bonds, premiums	3,295,798	3,295,798	-	-
Payments to refunded bonds escrow agents	<u>(18,465,000)</u>	<u>(18,465,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,568,340)</u>	<u>(3,671,264)</u>	<u>(1,102,924)</u>	<u>4,386,143</u>
Revenues and other financing sources over (under) expenditures and other financing uses	(5,719,128)	4,580,272	10,299,400	(6,177,574)
APPROPRIATED FUND BALANCE	<u>5,719,128</u>	<u>-</u>	<u>(5,719,128)</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>4,580,272</u>	<u>\$ 4,580,272</u>	<u>(6,177,574)</u>
FUND BALANCE				
Beginning		90,939,949		97,117,523
Ending		<u>\$ 95,520,221</u>		<u>\$ 90,939,949</u>

Schools Budgetary Fund
Comparative Balance Sheet
 June 30, 2020 and 2019

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
ASSETS		
Cash and investments	\$ 313,964	\$ 4,166,754
Property taxes receivable, net	982,108	656,152
Accounts receivable, net	<u>1,064,917</u>	<u>1,124,682</u>
Total assets	<u>\$ 2,360,989</u>	<u>\$ 5,947,588</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued liabilities	\$ -	\$ 83
Total liabilities	<u>-</u>	<u>83</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,009,860</u>	<u>666,082</u>
FUND BALANCE		
Restricted	1,064,917	1,124,682
Assigned	-	2,667,777
Unassigned	<u>286,212</u>	<u>1,488,964</u>
Total fund balance	<u>1,351,129</u>	<u>5,281,423</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 2,360,989</u>	<u>\$ 5,947,588</u>

Schools Budgetary Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance Positive (Negative)	2019
	Final Budget	Actual		Actual
REVENUES				
Ad valorem taxes	\$ 120,718,424	\$ 120,522,319	\$ (196,105)	\$ 117,355,202
Investment earnings	510,000	716,655	206,655	860,544
Total revenues	<u>121,228,424</u>	<u>121,238,974</u>	<u>10,550</u>	<u>118,215,746</u>
EXPENDITURES				
Public Schools - current expense	102,942,093	102,942,093	-	100,273,768
Public Schools - other costs	760,163	795,230	(35,067)	361,206
Total expenditures	<u>103,702,256</u>	<u>103,737,323</u>	<u>(35,067)</u>	<u>100,634,974</u>
Revenues over (under) expenditures	<u>17,526,168</u>	<u>17,501,651</u>	<u>(24,517)</u>	<u>17,580,772</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(21,431,945)	(21,431,945)	-	(19,125,969)
Total other financing sources (uses)	<u>(21,431,945)</u>	<u>(21,431,945)</u>	<u>-</u>	<u>(19,125,969)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(3,905,777)</u>	<u>(3,930,294)</u>	<u>(24,517)</u>	<u>(1,545,197)</u>
APPROPRIATED FUND BALANCE	<u>3,905,777</u>	<u>-</u>	<u>(3,905,777)</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(3,930,294)</u>	<u>\$ (3,930,294)</u>	<u>(1,545,197)</u>
FUND BALANCE				
Beginning		<u>5,281,423</u>		<u>6,826,620</u>
Ending		<u>\$ 1,351,129</u>		<u>\$ 5,281,423</u>

Schools Radios Budgetary Fund**Comparative Balance Sheet**

June 30, 2020 and 2019

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
ASSETS		
Cash and investments	\$ 405,329	\$ 534,668
Accounts receivable, net	<u>-</u>	<u>167,355</u>
Total assets	<u>\$ 405,329</u>	<u>\$ 702,023</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 88,500	\$ -
Total liabilities	<u>88,500</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>167,000</u>
FUND BALANCE		
Restricted	-	355
Assigned	275,000	-
Unassigned	<u>41,829</u>	<u>534,668</u>
Total fund balance	<u>316,829</u>	<u>535,023</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 405,329</u>	<u>\$ 702,023</u>

Schools Radios Budgetary Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance Positive (Negative)	2019
	Final Budget	Actual		Actual
REVENUES				
Intergovernmental	\$ 167,000	\$ 167,000	\$ -	\$ 167,000
Investment earnings	4,400	(838)	(5,238)	9,072
Total revenues	171,400	166,162	(5,238)	176,072
EXPENDITURES				
Public Schools - other costs	171,400	133,056	38,344	52,587
Total expenditures	171,400	133,056	38,344	52,587
Revenues over (under) expenditures	-	33,106	33,106	123,485
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(251,300)	(251,300)	-	-
Total other financing sources (uses)	(251,300)	(251,300)	-	-
Revenues and other financing sources over (under) expenditures and other financing uses	(251,300)	(218,194)	33,106	123,485
APPROPRIATED FUND BALANCE	251,300	-	(251,300)	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	\$ -	(218,194)	\$ (218,194)	123,485
FUND BALANCE				
Beginning		535,023		411,538
Ending		\$ 316,829		\$ 535,023

Countywide Fire Budgetary Fund**Comparative Balance Sheet**

June 30, 2020 and 2019

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
ASSETS		
Cash and investments	\$ 31,463	\$ 229,379
Property taxes receivable, net	23,084	13,278
Accounts receivable, net	<u>32,780</u>	<u>27,095</u>
Total assets	<u>\$ 87,327</u>	<u>\$ 269,752</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 14,337	\$ 65,113
Total liabilities	<u>14,337</u>	<u>65,113</u>
DEFERRED INFLOWS OF RESOURCES	<u>23,645</u>	<u>13,508</u>
FUND BALANCE		
Restricted	35,768	30,083
Assigned	13,577	111,291
Unassigned	<u>-</u>	<u>49,757</u>
Total fund balance	<u>49,345</u>	<u>191,131</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 87,327</u>	<u>\$ 269,752</u>

Countywide Fire Budgetary Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance Positive (Negative)	2019
	Final Budget	Actual		Actual
REVENUES				
Ad valorem taxes	\$ 3,599,021	\$ 3,568,729	\$ (30,292)	\$ 2,711,404
Investment earnings	27,200	40,052	12,852	48,083
Total revenues	<u>3,626,221</u>	<u>3,608,781</u>	<u>(17,440)</u>	<u>2,759,487</u>
EXPENDITURES				
Emergency Management	<u>5,984,772</u>	<u>5,945,839</u>	<u>38,933</u>	<u>2,874,967</u>
Total expenditures	<u>5,984,772</u>	<u>5,945,839</u>	<u>38,933</u>	<u>2,874,967</u>
Revenues over (under) expenditures	<u>(2,358,551)</u>	<u>(2,337,058)</u>	<u>21,493</u>	<u>(115,480)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	2,244,272	2,244,272	-	-
Transfers to other funds	<u>(49,000)</u>	<u>(49,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>2,195,272</u>	<u>2,195,272</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(163,279)</u>	<u>(141,786)</u>	<u>21,493</u>	<u>(115,480)</u>
APPROPRIATED FUND BALANCE	<u>163,279</u>	<u>-</u>	<u>(163,279)</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(141,786)</u>	<u>\$ (141,786)</u>	<u>(115,480)</u>
FUND BALANCE				
Beginning		<u>191,131</u>		<u>306,611</u>
Ending		<u>\$ 49,345</u>		<u>\$ 191,131</u>

Countywide EMS Budgetary Fund
Comparative Balance Sheet
 June 30, 2020 and 2019

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
ASSETS		
Cash and investments	\$ 1,450,971	\$ 1,386,547
Property taxes receivable, net	51,825	36,610
Accounts receivable, net	<u>56,027</u>	<u>161,862</u>
Total assets	<u>\$ 1,558,823</u>	<u>\$ 1,585,019</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Total liabilities	<u>\$ -</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES		
	<u>53,270</u>	<u>37,197</u>
FUND BALANCE		
Restricted	56,027	198,292
Assigned	1,313,100	-
Unassigned	<u>136,426</u>	<u>1,349,530</u>
Total fund balance	<u>1,505,553</u>	<u>1,547,822</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,558,823</u>	<u>\$ 1,585,019</u>

Countywide EMS Budgetary Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance	2019
	Final Budget	Actual	Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 6,305,054	\$ 6,333,080	\$ 28,026	\$ 6,930,254
Sales and services	800,000	706,487	(93,513)	1,027,939
Investment earnings	21,600	42,334	20,734	41,680
Miscellaneous	200,000	187,894	(12,106)	97,118
Total revenues	<u>7,326,654</u>	<u>7,269,795</u>	<u>(56,859)</u>	<u>8,096,991</u>
EXPENDITURES				
Emergency Medical Services	7,025,312	7,012,064	13,248	7,658,142
Total expenditures	<u>7,025,312</u>	<u>7,012,064</u>	<u>13,248</u>	<u>7,658,142</u>
Revenues over (under) expenditures	301,342	257,731	(43,611)	438,849
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(300,000)	(300,000)	-	-
Total other financing sources (uses)	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	1,342	(42,269)	(43,611)	438,849
APPROPRIATED FUND BALANCE	<u>(1,342)</u>	<u>-</u>	<u>1,342</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(42,269)</u>	<u>\$ (42,269)</u>	<u>438,849</u>
FUND BALANCE				
Beginning		<u>1,547,822</u>		<u>1,108,973</u>
Ending		<u>\$ 1,505,553</u>		<u>\$ 1,547,822</u>

Debt Service Budgetary Fund
Comparative Balance Sheet
 June 30, 2020 and 2019

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
ASSETS		
Cash and investments	\$ 19,955,295	\$ 10,800,290
Property taxes receivable, net	57,959	36,927
Accounts receivable, net	87,755	79,121
Cash and investments, restricted	<u>2,838,027</u>	<u>-</u>
Total assets	<u>\$ 22,939,036</u>	<u>\$ 10,916,338</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
DEFERRED INFLOWS OF RESOURCES		
	<u>\$ 59,288</u>	<u>\$ 37,617</u>
FUND BALANCE		
Restricted	87,755	79,121
Unassigned	<u>22,791,993</u>	<u>10,799,600</u>
Total fund balance	<u>22,879,748</u>	<u>10,878,721</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 22,939,036</u>	<u>\$ 10,916,338</u>

Debt Service Budgetary Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance Positive (Negative)	2019
	Final Budget	Actual		Actual
REVENUES				
Ad valorem taxes	\$ 8,931,366	\$ 8,894,237	\$ (37,129)	\$ 8,121,842
Investment earnings	24,600	679,455	654,855	80,236
Total revenues	<u>8,955,966</u>	<u>9,573,692</u>	<u>617,726</u>	<u>8,202,078</u>
EXPENDITURES				
Tax Administration	25,100	28,472	(3,372)	25,066
Principal retirement	\$ 2,752,000	\$ 2,752,000	-	\$ 2,500,000
Interest and fees	4,476,043	4,483,040	(6,997)	1,904,375
Total expenditures	<u>7,253,143</u>	<u>7,263,512</u>	<u>(10,369)</u>	<u>4,429,441</u>
Revenues over (under) expenditures	<u>1,702,823</u>	<u>2,310,180</u>	<u>607,357</u>	<u>3,772,637</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	8,979,231	8,979,231	-	-
Issuance of general obligation bonds	10,000	10,000	-	-
Issuance of general obligation bonds, premiums	701,617	701,616	(1)	-
Total other financing sources (uses)	<u>9,690,848</u>	<u>9,690,847</u>	<u>(1)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	11,393,671	12,001,027	607,356	3,772,637
APPROPRIATED FUND BALANCE	<u>(11,393,671)</u>	<u>-</u>	<u>11,393,671</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>12,001,027</u>	<u>\$ 12,001,027</u>	<u>3,772,637</u>
FUND BALANCE				
Beginning		<u>10,878,721</u>		<u>7,106,084</u>
Ending		<u>\$ 22,879,748</u>		<u>\$ 10,878,721</u>

Economic Development Budgetary Fund**Comparative Balance Sheet**

June 30, 2020 and 2019

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
ASSETS		
Cash and investments	\$ 276,843	\$ -
Accounts receivable, net	359	-
Cash and investments, restricted	<u>6,146,505</u>	<u>-</u>
Total assets	<u>\$ 6,423,707</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
FUND BALANCE		
Restricted	\$ 359	\$ -
Unassigned	<u>6,423,348</u>	<u>-</u>
Total fund balance	<u>6,423,707</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 6,423,707</u>	<u>\$ -</u>

Economic Development Budgetary Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance Positive (Negative)	2019
	Final Budget	Actual		Actual
REVENUES				
Ad valorem taxes	\$ 2,029,524	\$ 2,026,838	\$ (2,686)	\$ -
Investment earnings	-	109,849	109,849	-
Total revenues	<u>2,029,524</u>	<u>2,136,687</u>	<u>107,163</u>	<u>-</u>
EXPENDITURES				
Economic Development	-	6,594	(6,594)	-
Interest and fees	469,989	389,583	80,406	-
Total expenditures	<u>469,989</u>	<u>396,177</u>	<u>73,812</u>	<u>-</u>
Revenues over (under) expenditures	<u>1,559,535</u>	<u>1,740,510</u>	<u>180,975</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(1,475,073)	(1,475,073)	-	-
Issuance of general obligation bonds	-	6,158,270	6,158,270	-
Issuance of general obligation bonds, premiums	70,000	-	(70,000)	-
Total other financing sources (uses)	<u>(1,405,073)</u>	<u>4,683,197</u>	<u>6,088,270</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	154,462	6,423,707	6,269,245	-
APPROPRIATED FUND BALANCE	<u>(154,462)</u>	<u>-</u>	<u>154,462</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>6,423,707</u>	<u>\$ 6,423,707</u>	<u>-</u>
FUND BALANCE				
Beginning		-		-
Ending		<u>\$ 6,423,707</u>		<u>\$ -</u>



Special Revenue Funds

Special Revenue Funds account for specific revenues that are legally restricted to expenditure for particular purposes.

Springs Fire District Fund - This fund accounts for the ad valorem tax levies of this fire district in Union County.

Waxhaw Fire District Fund - This fund accounts for the ad valorem tax levies of this fire district in Union County.

Hemby Bridge Fire District Fund - This fund accounts for the ad valorem tax levies of this fire district in Union County.

Stallings Fire District Fund - This fund accounts for the ad valorem tax levies of this fire district in Union County.

Wesley Chapel Fire District Fund - This fund accounts for the ad valorem tax levies of this fire district in Union County.

Fee Supported Fire Districts Fund - This fund accounts for the fees levied in these fire districts in Union County.

Emergency Telephone System Fund - This fund accounts for the user fees charged to support the emergency telephone system.

General Special Revenue Fund - This multi-year fund accounts for multi-year special revenues.

Automation Enhancement Fund - This fund accounts for ten percent (10%) of the fees collected, by the County's Register of Deeds, pursuant to G.S. 161-10 and retained by the county, or three dollars and twenty cents (\$3.20) in the case of a fee collected pursuant to G.S. 161-10(a)(1a) for the first page of a deed trust or mortgage, which is set aside annually and placed in a nonreverting Automation Enhancement (and Preservation) Fund, the proceeds of which shall be expended on computer or imaging technology and needs associated with the preservation and storage of public records in the office of the register of deeds.



Springs Fire District Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		2019	
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 698,087	\$ 701,639	\$ 3,552	\$ 682,550
Local option sales tax	120,816	158,842	38,026	142,328
Investment earnings	70	118	48	111
Total revenues	<u>818,973</u>	<u>860,599</u>	<u>41,626</u>	<u>824,989</u>
EXPENDITURES				
Public safety	<u>818,973</u>	<u>818,961</u>	<u>12</u>	<u>808,861</u>
Total expenditures	<u>818,973</u>	<u>818,961</u>	<u>12</u>	<u>808,861</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>41,638</u>	<u>\$ 41,638</u>	<u>16,128</u>
FUND BALANCE				
Beginning of year - July 1		<u>12,821</u>		<u>(3,307)</u>
End of year - June 30		<u>\$ 54,459</u>		<u>\$ 12,821</u>

Waxhaw Fire District Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance Positive (Negative)	2019
	Final Budget	Actual		Actual
REVENUES				
Ad valorem taxes	\$ 1,407,770	\$ 1,402,303	\$ (5,467)	\$ 1,333,827
Local option sales tax	180,818	309,300	128,482	215,761
Investment earnings	100	216	116	177
Total revenues	<u>1,588,688</u>	<u>1,711,819</u>	<u>123,131</u>	<u>1,549,765</u>
EXPENDITURES				
Public safety	<u>1,601,967</u>	<u>1,602,881</u>	<u>(914)</u>	<u>1,529,493</u>
Total expenditures	<u>1,601,967</u>	<u>1,602,881</u>	<u>(914)</u>	<u>1,529,493</u>
Revenues over (under) expenditures	(13,279)	108,938	122,217	20,272
APPROPRIATED FUND BALANCE				
	<u>13,279</u>	<u>-</u>	<u>(13,279)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	108,938	<u>\$ 108,938</u>	20,272
FUND BALANCE				
Beginning of year - July 1		<u>42,348</u>		<u>22,076</u>
End of year - June 30		<u>\$ 151,286</u>		<u>\$ 42,348</u>

Hemby Bridge Fire District Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 1,370,688	\$ 1,364,741	\$ (5,947)	\$ 1,339,325
Local option sales tax	272,027	312,982	40,955	285,576
Investment earnings	140	240	100	217
Total revenues	<u>1,642,855</u>	<u>1,677,963</u>	<u>35,108</u>	<u>1,625,118</u>
EXPENDITURES				
Public safety	<u>1,646,742</u>	<u>1,646,623</u>	<u>119</u>	<u>1,663,186</u>
Total expenditures	<u>1,646,742</u>	<u>1,646,623</u>	<u>119</u>	<u>1,663,186</u>
Revenues over (under) expenditures	(3,887)	31,340	35,227	(38,068)
APPROPRIATED FUND BALANCE				
	<u>3,887</u>	<u>-</u>	<u>(3,887)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>31,340</u>	<u>\$ 31,340</u>	<u>(38,068)</u>
FUND BALANCE				
Beginning of year - July 1		<u>8,850</u>		<u>46,918</u>
End of year - June 30		<u>\$ 40,190</u>		<u>\$ 8,850</u>

Stallings Fire District Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance Positive (Negative)	2019
	Final Budget	Actual		Actual
REVENUES				
Ad valorem taxes	\$ 1,277,891	\$ 1,266,642	\$ (11,249)	\$ 1,240,231
Local option sales tax	214,026	288,906	74,880	258,565
Investment earnings	100	165	65	161
Total revenues	<u>1,492,017</u>	<u>1,555,713</u>	<u>63,696</u>	<u>1,498,957</u>
EXPENDITURES				
Public safety	<u>1,551,501</u>	<u>1,551,696</u>	<u>(195)</u>	<u>1,577,431</u>
Total expenditures	<u>1,551,501</u>	<u>1,551,696</u>	<u>(195)</u>	<u>1,577,431</u>
Revenues over (under) expenditures	(59,484)	4,017	63,501	(78,474)
APPROPRIATED FUND BALANCE				
	<u>59,484</u>	<u>-</u>	<u>(59,484)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>4,017</u>	<u>\$ 4,017</u>	<u>(78,474)</u>
FUND BALANCE				
Beginning of year - July 1		<u>45,425</u>		<u>123,899</u>
End of year - June 30		<u>\$ 49,442</u>		<u>\$ 45,425</u>

Wesley Chapel Fire District Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance Positive (Negative)	2019
	Final Budget	Actual		Actual
REVENUES				
Ad valorem taxes	\$ 2,006,680	\$ 1,998,877	\$ (7,803)	\$ 1,937,913
Local option sales tax	316,947	451,186	134,239	348,736
Investment earnings	125	237	112	228
Total revenues	<u>2,323,752</u>	<u>2,450,300</u>	<u>126,548</u>	<u>2,286,877</u>
EXPENDITURES				
Public safety	<u>2,347,042</u>	<u>2,348,150</u>	<u>(1,108)</u>	<u>2,298,415</u>
Total expenditures	<u>2,347,042</u>	<u>2,348,150</u>	<u>(1,108)</u>	<u>2,298,415</u>
Revenues over (under) expenditures	(23,290)	102,150	125,440	(11,538)
APPROPRIATED FUND BALANCE				
	<u>23,290</u>	-	<u>(23,290)</u>	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	102,150	<u>\$ 102,150</u>	(11,538)
FUND BALANCE				
Beginning of year - July 1		<u>46,558</u>		<u>58,096</u>
End of year - June 30		<u>\$ 148,708</u>		<u>\$ 46,558</u>

Fee Supported Fire Districts Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Permits and fees	\$ 2,595,056	\$ 2,582,177	\$ (12,879)	\$ 2,564,293
Total revenues	<u>2,595,056</u>	<u>2,582,177</u>	<u>(12,879)</u>	<u>2,564,293</u>
EXPENDITURES				
Public safety	<u>2,595,056</u>	<u>2,595,056</u>	-	<u>2,595,056</u>
Total expenditures	<u>2,595,056</u>	<u>2,595,056</u>	-	<u>2,595,056</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(12,879)</u>	<u>\$ (12,879)</u>	<u>(30,763)</u>
FUND BALANCE				
Beginning of year - July 1		<u>25,176</u>		<u>55,939</u>
End of year - June 30		<u>\$ 12,297</u>		<u>\$ 25,176</u>

Emergency Telephone System Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Other taxes and licenses	\$ 772,840	\$ 746,598	\$ (26,242)	\$ 790,714
Investment earnings	-	3,576	3,576	5,598
Total revenues	<u>772,840</u>	<u>750,174</u>	<u>(22,666)</u>	<u>796,312</u>
EXPENDITURES				
Hardware maintenance	775,298	83,470	691,828	431,309
Implemental functions	142,021	142,021	-	129,752
Software maintenance	272,634	304,016	(31,382)	172,983
Telephone	263,007	301,058	(38,051)	140,522
Training	12,194	9,061	3,133	15,696
Total expenditures	<u>1,465,154</u>	<u>839,626</u>	<u>625,528</u>	<u>890,262</u>
Revenues over (under) expenditures	(692,314)	(89,452)	602,862	(93,950)
OTHER FINANCING SOURCES				
Transfers from other funds	-	220,124	220,124	35,332
Total other financing sources (uses)	<u>-</u>	<u>220,124</u>	<u>220,124</u>	<u>35,332</u>
APPROPRIATED FUND BALANCE				
	<u>692,314</u>	<u>-</u>	<u>(692,314)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>130,672</u>	<u>\$ 130,672</u>	<u>(58,618)</u>
FUND BALANCE				
Beginning of year - July 1		<u>1,944,042</u>		<u>2,002,660</u>
End of year - June 30		<u>\$ 2,074,714</u>		<u>\$ 1,944,042</u>

General Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual	Total To Date	Variance Positive (Negative)
REVENUES					
Intergovernmental	\$ 10,260,754	\$ 3,774,538	\$ 1,760,383	\$ 5,534,921	\$ (4,725,833)
Sales and services	247,900	247,900	46,035	293,935	46,035
Investment earnings	59,276	65,088	2,505	67,593	8,317
Miscellaneous	1,692,291	2,272,517	331,380	2,603,897	911,606
Total revenues	<u>12,260,221</u>	<u>6,360,043</u>	<u>2,140,303</u>	<u>8,500,346</u>	<u>(3,759,875)</u>
EXPENDITURES					
Human Service					
CARES Act	4,152,585	-	901,052	901,052	3,251,533
CARES Act Relief Funds	226,550	-	-	-	226,550
Community Shelter State Aid	1,500,000	1,500,000	-	1,500,000	-
Public Safety					
Cert Grant Program	68,500	57,580	-	57,580	10,920
Controlled Substance Tax	578,379	469,098	34,688	503,786	74,593
EDC Grant Marshville Gas Line	100,000	71,032	-	71,032	28,968
Federal Forfeited Property	1,718,174	1,358,342	28,382	1,386,724	331,450
Homeland Security-Catawba Nuclear	263,475	211,137	16,880	228,017	35,458
Indian Trail GHSP Grant	547,616	498,296	-	498,296	49,320
Economic and Physical Development					
Community Development Block Grant	3,137,263	1,066,055	811,181	1,877,236	1,260,027
Total expenditures	<u>12,292,542</u>	<u>5,231,540</u>	<u>1,792,183</u>	<u>7,023,723</u>	<u>5,268,819</u>
Revenues over (under) expenditures	(32,321)	1,128,503	348,120	1,476,623	1,508,944
OTHER FINANCING SOURCES					
Transfers from other funds	157,893	169,124	-	169,124	11,231
Transfers to other funds	(125,572)	(125,572)	-	(125,572)	-
Total other financing sources (uses)	<u>32,321</u>	<u>43,552</u>	<u>-</u>	<u>43,552</u>	<u>11,231</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 1,172,055</u>	348,120	<u>\$ 1,520,175</u>	<u>\$ 1,520,175</u>
FUND BALANCE					
Beginning of year - July 1			<u>1,172,055</u>		
End of year - June 30			<u>\$ 1,520,175</u>		

Automation Enhancement Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance Positive (Negative)	2019
	Final Budget	Actual		Actual
REVENUES				
Permits and fees	\$ 100,000	\$ 153,594	\$ 53,594	\$ 125,806
Total revenues	<u>100,000</u>	<u>153,594</u>	<u>53,594</u>	<u>125,806</u>
EXPENDITURES				
General government	100,000	88,133	11,867	142,206
Total expenditures	<u>100,000</u>	<u>88,133</u>	<u>11,867</u>	<u>142,206</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	65,461	<u>\$ 65,461</u>	(16,400)
FUND BALANCE				
Beginning of year - July 1		<u>164,777</u>		<u>181,177</u>
End of year - June 30		<u>\$ 230,238</u>		<u>\$ 164,777</u>



Capital Project Funds

Capital Project Funds account for the acquisition and construction of major capital facilities other than those financed by Proprietary Funds and Trust Funds.

General Capital Project Fund - This fund accounts for various capital improvement projects that will be financed from General Fund resources, as well as general obligation and installment financing(s).



General Capital Project Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
From Inception and for the Year Ended June 30, 2020

	Actual				Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total To Date	
REVENUES					
Investment earnings	\$ 2,697,511	\$ 2,659,340	\$ 1,010,094	\$ 3,669,434	\$ 971,923
Miscellaneous	6,555,675	6,555,675	170,477	6,726,152	170,477
Total revenues	9,253,186	9,215,015	1,180,571	10,395,586	1,142,400
EXPENDITURES					
Capital outlay					
General Government					
Board of Elections Voting Machines	1,057,630	-	1,056,624	1,056,624	1,006
Board of Elections Renovations	4,625,000	-	57,515	57,515	4,567,485
City of Monroe Donation	350,000	-	-	-	350,000
County Facilities Audio Visual Equipment	725,000	667,334	12,611	679,945	45,055
County Facilities Operating Capital FY 2020	800,000	-	142,820	142,820	657,180
County Facilities Repairs	2,090,828	217,325	567,649	784,974	1,305,854
Government Facilities Renovations	5,764,652	5,754,382	10,269	5,764,651	1
Historic Courthouse Renovation	1,490,000	121,777	13,109	134,886	1,355,114
I.T. Infrastructure	1,536,238	1,118,596	53,923	1,172,519	363,719
Phone System Upgrade	655,000	543,619	-	543,619	111,381
Pictometry	425,000	206,888	131,888	338,776	86,224
Tax Administration Software	800,000	395,898	225,062	620,960	179,040
Public Safety					
911 Center Renovations	830,000	-	711,075	711,075	118,925
Emergency Management Radios	1,522,652	915,598	572,277	1,487,875	34,777
Emergency Services Complex	14,509,984	5,472	327,995	333,467	14,176,517
Jail Door Control and Lock System	850,000	-	-	-	850,000
Law Enforcement-Firearms Range	8,805,665	8,688,307	41,632	8,729,939	75,726
Law Enforcement-Jail Expansion	1,812,629	1,812,629	-	1,812,629	-
Radio Microwave Replacement	536,000	42,344	-	42,344	493,656
Radio Towers SW Union	2,520,335	45,965	32,250	78,215	2,442,120
Sheriff's Office Operating Capital FY 2020	300,000	-	45,582	45,582	254,418
Sheriff's Office R&R FY 2020	600,000	-	14,452	14,452	585,548
Sheriff's Office Renovations	27,780,016	90,408	831,584	921,992	26,858,024
Human Services					
Human Services Campus	38,067,959	36,979,902	127,229	37,107,131	960,828
Cultural and Recreation					
Cane Creek Park Campground R&R FY 2020	175,070	-	29,128	29,128	145,942
Community Services Facility Repair	510,314	510,314	-	510,314	-
Jesse Helms Park	977,195	973,744	3,451	977,195	-
Library RFID	219,356	107,388	110,449	217,837	1,519
Library R&R FY 2020	50,000	-	10,972	10,972	39,028
Parks & Recreation Paving	170,743	170,743	-	170,743	-
Parks and Recreation R&R FY 2020	211,254	-	57,049	57,049	154,205
Southwest Union Library	10,100,000	137,800	152,125	289,925	9,810,075
Economic and Physical Development					
4H Pavilion	91,107	91,107	-	91,107	-
Ag Center Display Sign	100,706	706	100,000	100,706	-
EDC-Industrial Park	18,212,405	18,088,703	25,198	18,113,901	98,504
Jesse Helms Park Improvements 4H Arena	2,593,121	-	10,646	10,646	2,582,475
Planning-NC DOT Projects	300,000	-	-	-	300,000

Continued on next page.

General Capital Project Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
From Inception and for the Year Ended June 30, 2020

	Actual				
	Project Authorization	Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Environmental Protection					
C&D Cell Expansion at Landfill	250,000	-	-	-	250,000
Austin Chaney Site Improvements	159,300	-	40,568	40,568	118,732
Sun Valley SW Convenience Site	580,000	195,846	327,546	523,392	56,608
Education					
ADA Projects	\$ 4,236,249	\$ 4,223,076	\$ -	\$ 4,223,076	\$ 13,173
Antioch Roof Repair	476,809	440,709	-	440,709	36,100
Emergency Management Radios-Schools	1,200,000	-	1,200,000	1,200,000	-
Facilities Vehicle Replacements	109,354	109,247	-	109,247	107
Facilities GPS System Upgrade	137,000	136,474	-	136,474	526
Forest Hills Emergency Lighting	16,500	-	-	-	16,500
Juniper Upgrades	400,760	390,048	10,712	400,760	-
Kensington Roof Repair	66,455	26,250	-	26,250	40,205
Monroe High Windows/Doors	415,000	272,569	142,432	415,001	(1)
Monroe High School Bond Project	4,075,313	3,889,196	178,379	4,067,575	7,738
Piedmont Area Land Purchase	199,000	191,553	1,446	192,999	6,001
Piedmont High Bond Project	1,597,653	1,534,419	1,937	1,536,356	61,297
Parkwood Area Land Purchase	45,000	40,899	-	40,899	4,101
Parkwood High Outside Air	275,000	-	-	-	275,000
Parkwood High Strategic Fencing & HID	11,000	-	-	-	11,000
Piedmont High Lighting	357,500	338,125	19,375	357,500	-
Piedmont Middle Chiller Replacement	62,700	62,633	-	62,633	67
Porter Ridge Chiller	172,000	145,512	-	145,512	26,488
Porter Ridge Middle Bond Project	4,975,900	3,291,921	1,058,691	4,350,612	625,288
Prospect ADA Access to Mobile Classrooms	152,781	136,802	-	136,802	15,979
Rock Rest Roof Repair	556,860	512,928	-	512,928	43,932
Sun Valley High School Bond Project	34,419,925	9,527,378	16,433,917	25,961,295	8,458,630
Sun Valley Middle ADA Restrooms	12,672	-	-	-	12,672
Sun Valley Middle HVAC/Chiller Replacement	662,895	660,581	-	660,581	2,314
Transportation Facility-Bond Project	14,565,656	1,631,805	11,732,182	13,363,987	1,201,669
Unionville Elementary DDC Building System	220,000	192,858	-	192,858	27,142
Various Locations OCR Compliance	218,480	45,470	-	45,470	173,010
Various Locations Building Automation System	278,646	278,129	-	278,129	517
Various Locations Roofing Repair	3,000,000	2,935,011	-	2,935,011	64,989
Warehouse Demo of Gym	65,000	51,852	-	51,852	13,148
Warehouse Roofing	139,395	60,630	-	60,630	78,765
Weddington Elementary DDC System	192,500	174,230	18,270	192,500	-
Weddington Middle DDC Control	300,000	-	300,000	300,000	-
Wesley Chapel Outside Air	170,500	-	-	-	170,500
Wesley Chapel Storm Drain	85,000	-	-	-	85,000
Western Union ES Bond Project	517,759	435,279	55,925	491,204	26,555
Schools Capital Outlay FY 2016-Security Cameras	1,307,250	1,261,880	45,370	1,307,250	-
Schools Capital Outlay FY 2018 ADA	2,064,080	794,472	581,542	1,376,014	688,066
Schools Capital Outlay FY 2018 Building Systems	1,935,002	1,116,895	158,279	1,275,174	659,828
Schools Capital Outlay FY 2018 Exp. & Renov.	5,753,167	3,885,836	1,663,428	5,549,264	203,903
Schools Capital Outlay FY 2018 Roofing	822,841	266,704	-	266,704	556,137
Schools Capital Outlay FY 2018 Safety & Security	850,000	795,766	-	795,766	54,234
Schools Capital Outlay FY 2018 Technology	1,580,959	1,505,201	75,767	1,580,968	(9)
Schools Capital Outlay FY 2019 ADA	289,800	86,891	49,532	136,423	153,377
Schools Capital Outlay FY 2019 Building Systems	5,144,000	2,099,080	1,641,416	3,740,496	1,403,504
Schools Capital Outlay FY 2019 Exp. & Renov.	1,067,709	87,207	943,738	1,030,945	36,764
Schools Capital Outlay FY 2019 Technology	152,206	152,012	-	152,012	194
Schools Capital Outlay FY 2019 Roofing	2,000,000	4,850	-	4,850	1,995,150
Schools Capital Outlay FY 2019 Safety & Security	425,800	166,979	92,913	259,892	165,908

Continued on next page.

General Capital Project Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
 From Inception and for the Year Ended June 30, 2020

	Actual				
	Project Authorization	Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Schools Capital Outlay FY 2020 ADA	515,550	-	286,006	286,006	229,544
Schools Capital Outlay FY 2020 UCPS Building Syste	4,689,000	-	704,260	704,260	3,984,740
Schools Capital Outlay FY 2020 Exp. & Renov.	7,346,324	-	717,313	717,313	6,629,011
Schools Capital Outlay FY 2020 Technology	1,282,632	-	1,280,984	1,280,984	1,648
Schools Capital Outlay FY 2020 Roofing	200,000	-	-	-	200,000
Schools Capital Outlay FY 2020 Safety & Security	1,233,000	-	417,593	417,593	815,407
Schools Capital Outlay FY 2020 FF&E	1,285,000	-	795,885	795,885	489,115
Schools Capital Outlay FY 2020 Band Uniforms	50,000	-	-	-	50,000
Schools Capital Outlay FY 2020 Bus Cameras	120,987	-	120,361	120,361	626
Schools Capital Outlay FY 2020 Vehicles	164,892	-	164,892	164,892	-
Schools Capital Outlay FY 2020 Painting	960,000	-	466,190	466,190	493,810
Schools Capital Outlay 5YR Laptop Lease	7,749,280	2,343,816	2,336,828	4,680,644	3,068,636
Schools Capital Outlay FY 2020 True Up Funding	1,238,000	-	22,050	22,050	1,215,950
Schools Capital Outlay FY 2021 Roofing	1,050,000	-	-	-	1,050,000
Schools Capital Outlay FY 2021 ADA	505,763	-	-	-	505,763
Schools Capital Outlay FY 2021 Building Systems	6,595,500	-	-	-	6,595,500
Schools Capital Outlay FY 2021 Exp. & Renov.	4,905,037	-	-	-	4,905,037
Schools Capital Outlay FY 2021 Safety & Security	858,000	-	-	-	858,000
Schools Capital Outlay FY 2021 Classroom F&E	472,700	-	-	-	472,700
Schools Capital Outlay FY 2021 Transportation Equi	120,500	-	-	-	120,500
Schools Capital Outlay FY 2021 Vehicles & Related	862,000	-	-	-	862,000
Schools Capital Outlay FY 2021 Band Equipment	50,000	-	-	-	50,000
SPCC Capital Maintenance	1,464,093	1,264,093	100,000	1,364,093	100,000
SPCC HVAC and Security	505,000	305,000	100,000	405,000	100,000
SPCC Parking	345,000	-	-	-	345,000
SPCC Resurfacing of Parking Lot	467,100	-	-	-	467,100
SPCC Technology	1,868,315	1,518,315	175,000	1,693,315	175,000
SPCC Classroom Building	6,200,000	-	6,900	6,900	6,193,100
SPCC Tyson Center	5,463,000	1,062,104	4,320,698	5,382,802	80,198
SPCC STEM Building	19,837,000	2,569,318	15,006,641	17,575,959	2,261,041
SPCC Renovations Building A	6,900,000	-	12,613	12,613	6,887,387
SPCC Renovations Building B	1,800,000	-	12,613	12,613	1,787,387
Total expenditures	338,038,908	130,904,798	69,294,756	200,199,554	137,839,354
Revenues under expenditures	(328,785,722)	(121,689,783)	(68,114,185)	(189,803,968)	138,981,754
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	158,529,649	112,561,093	26,192,970	138,754,063	(19,775,586)
Transfer in-Water and Sewer Fund	552,500	552,500	-	552,500	-
Transfer in - Solid Waste Fund	989,300	830,000	159,300	989,300	-
Transfers to other funds	(9,031,231)	(3,052,000)	(5,979,231)	(9,031,231)	-
Issuance of general obligation bonds	171,036,273	50,992,500	111,341,730	162,334,230	(8,702,043)
Issuance of general obligation bonds, premiums	6,709,231	3,809,525	11,794,249	15,603,774	8,894,543
Total other financing sources (uses)	328,785,722	165,693,618	143,509,018	309,202,636	(19,583,086)
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 44,003,835</u>	75,394,833	<u>\$ 119,398,668</u>	<u>\$ 119,398,668</u>
FUND BALANCE					
Beginning of year - July 1			44,003,835		
End of year - June 30			<u>\$ 119,398,668</u>		



Enterprise Funds

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

Water and Sewer Fund - This fund accounts for the County's water and sewer operations.

Solid Waste Fund - This fund accounts for the County's solid waste operations.



Water and Sewer Fund**Schedule of Revenues and Expenditures -****Budget and Actual (Non-GAAP)**

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)	2019 Actual
REVENUES				
Operating revenues				
Charges for services	\$ -	\$ (392,366)	\$ (392,366)	\$ 926,894
Miscellaneous revenue	-	2,508	2,508	63,963
Other operating revenue	-	3,131	3,131	(3,405)
Total	-	(386,727)	(386,727)	987,452
Nonoperating revenues				
Investment earnings	1,687,732	2,047,387	359,655	2,591,335
Sale of capital assets	70,000	765,699	695,699	84,916
Total	1,757,732	2,813,086	1,055,354	2,676,251
Total revenues	1,757,732	2,426,359	668,627	3,663,703
EXPENDITURES				
Administration	(20,474,290)	(19,269,000)	(1,205,290)	(16,733,548)
Water regulatory compliance	8,052	1,831	6,221	-
Water system operations	6,565,776	6,007,536	558,240	5,852,963
Water system maintenance and repairs	2,832,622	2,719,129	113,493	2,483,499
Sewer-county customers system operations	12,187,831	11,068,224	1,119,607	8,742,843
Sewer-county customers system maint and repairs	600,222	643,332	(43,110)	959,405
Sewer-Marshville/Monroe system operations	1,104,333	390,796	713,537	232,816
Sewer-Marshville/Monroe system maint and repairs	109,086	55,756	53,330	24,262
Sewer regulatory compliance	210,668	114,086	96,582	25,014
Revenue bonds - principal	32,755,000	32,755,000	-	4,240,000
State sanitary loan - principal	6,750,000	6,750,000	-	750,000
Interest and fees	11,375,481	10,724,793	650,688	5,317,297
Total expenditures	54,024,781	51,961,483	2,063,298	11,894,551
Revenues over (under) expenditures	(52,267,049)	(49,535,124)	2,731,925	(8,230,848)
OTHER FINANCING SOURCES (USES)				
Transfers out				
Transfer to General Capital Project Fund	-	-	-	(150,000)
Transfers out Water and Sewer Capital Project Fund	-	-	-	(1,016,140)
Transfers In				
Water and Sewer District Fund	1,553,348	1,553,348	-	-
Transfer in Water and Sewer District Fund	15,841,318	10,889,589	(4,951,729)	10,849,581
Capital contributions - cash-other	-	1,295	1,295	1,905
Revenue bonds issuance premiums	-	-	-	643,600
Total other financing sources (uses)	17,394,666	12,444,232	(4,950,434)	10,328,946
APPROPRIATED FUND BALANCE	34,872,383	-	(34,872,383)	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	\$ -	\$ (37,090,892)	\$ (37,090,892)	\$ 2,098,098

Water and Sewer District Fund**Schedule of Revenues and Expenditures -****Budget and Actual (Non-GAAP)**

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)	2019 Actual
REVENUES				
Operating revenues				
Charges for services	\$ 49,946,201	\$ 54,938,686	\$ 4,992,485	\$ 46,690,636
Other operating revenue	1,840,398	1,602,921	(237,477)	1,902,033
Total	<u>51,786,599</u>	<u>56,541,607</u>	<u>4,755,008</u>	<u>48,592,669</u>
Total revenues	<u>51,786,599</u>	<u>56,541,607</u>	<u>4,755,008</u>	<u>48,592,669</u>
EXPENDITURES				
Operating expense	<u>34,706,205</u>	<u>31,323,746</u>	<u>3,382,459</u>	<u>27,793,764</u>
Total expenditures	<u>34,706,205</u>	<u>31,323,746</u>	<u>3,382,459</u>	<u>27,793,764</u>
Revenues over (under) expenditures	<u>17,080,394</u>	<u>25,217,861</u>	<u>8,137,467</u>	<u>20,798,905</u>
OTHER FINANCING SOURCES (USES)				
Transfers out				
Transfers out Water and Sewer Capital Project Fund	(1,239,076)	(1,239,076)	-	(5,270,200)
Transfers out Water and Sewer Operating Fund	(15,841,318)	(10,889,588)	4,951,730	(10,849,581)
Capital contributions - cash-other	-	-	-	155,345
Total other financing sources (uses)	<u>(17,080,394)</u>	<u>(12,128,664)</u>	<u>4,951,730</u>	<u>(15,964,436)</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 13,089,197</u>	<u>\$ 13,089,197</u>	<u>\$ 4,834,469</u>

**Water and Sewer District - System Development Fees
Capital Reserve Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non-GAAP)**

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)	2019 Actual
OTHER FINANCING SOURCES (USES)				
Transfers out Water and Sewer Capital Project Fund	\$ (1,215,022)	\$ (1,215,022)	\$ -	\$ (4,670,025)
Transfers out Water and Sewer Operating Fund	(1,553,348)	(1,553,348)	-	-
Capital contributions - system development fees	2,573,020	3,872,195	1,299,175	4,909,735
Total other financing sources (uses)	<u>(195,350)</u>	<u>1,103,825</u>	<u>1,299,175</u>	<u>239,710</u>
APPROPRIATED FUND BALANCE	<u>195,350</u>	<u>-</u>	<u>(195,350)</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,103,825</u>	<u>\$ 1,103,825</u>	<u>\$ 239,710</u>

Water and Sewer Capital Project Fund**Schedule of Revenues, Expenditures, and Changes**

in Fund Balance - Budget and Actual (Non-GAAP)

From Inception and for the Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual	Total To Date	Variance Positive (Negative)
REVENUES					
Nonoperating revenues					
Investment earnings	\$ -	\$ 245,494	\$ 744,543	\$ 990,037	\$ 990,037
Total revenues	-	245,494	744,543	990,037	990,037
EXPENDITURES					
Administrative Capital Outlay					
12 ML Storage Building Improvement	400,000	-	-	-	400,000
12 ML WRF Adm Building	1,300,000	-	-	-	1,300,000
CCWRF Admin Building	1,300,000	-	-	-	1,300,000
Marshville System Acquisition	200,000	42,034	95,737	137,771	62,229
Master Plan Update	1,000,000	-	-	-	1,000,000
Op Center Expansion & Renovation	3,700,000	-	-	-	3,700,000
Op Center Storage	2,900,000	-	-	-	2,900,000
Water Capital Outlay					
762 Zone Misc Improvements	400,000	80,053	223,457	303,510	96,490
853 South Zone Tank	412,000	-	-	-	412,000
853 West Zone Transmission Main	16,855,296	1,491,827	156,267	1,648,094	15,207,202
853 W Zone Transmission Main Ph 2	3,300,000	-	-	-	3,300,000
880 Zone Charlotte Interconnection	600,000	-	193,779	193,779	406,221
935 Zone Study	100,000	-	-	-	100,000
Advanced Metering Infrastructure	15,600,000	-	-	-	15,600,000
Billy Howey Waterline Extension	700,000	51,697	310,091	361,788	338,212
CDBG Hwy 218 Water Main Ext	570,000	-	14,295	14,295	555,705
CRWTP Fencing	209,721	-	-	-	209,721
CRWTP Plant Expansion	9,831,208	2,986,907	6,158,066	9,144,973	686,235
CRWTP Process Improvements	5,721,814	5,586,782	50,621	5,637,403	84,411
CRWTP Reservoir Expansion	29,510,411	28,758,061	96,114	28,854,175	656,236
CSX Relocation of Lines	297,328	23,200	207,890	231,090	66,238
Galvanized Water Line Replacement	2,583,203	219,512	726,018	945,530	1,637,673
Indian Trail Additional Tank	139,704	139,704	-	139,704	-
Marshville Water System Improvement	1,250,000	-	-	-	1,250,000
Marshville Water Tank Rehab	639,000	17,400	-	17,400	621,600
Misc Water 762 Zone Main (Bypass)	1,681,700	73,800	-	73,800	1,607,900
NC 75 Rocky River Road Waterline	132,000	-	7,111	7,111	124,889
New Additional Marshville Tank	3,800,000	207,166	1,513,252	1,720,418	2,079,582
SCADA Master Plan Water	7,600,000	574,310	56,421	630,731	6,969,269
Short Line Extensions Water	11,397,901	21,866	1,326,059	1,347,925	10,049,976
Stallings Rd Waterline	400,000	-	11,628	11,628	388,372
Stallings Water Tank Rehabilitation	498,381	39,328	346,376	385,704	112,677
Storage Tank Rehabilitation	500,000	-	-	-	500,000
Water R&R Program	2,336,383	1,353,932	795	1,354,727	981,656
Worwood Acres Waterline Replacement	850,000	-	13,280	13,280	836,720
Yadkin Basin WL Ext Assessment	200,000	16,263	22,345	38,608	161,392
Yadkin-Montgomery County Settlement	784,943	661,331	31,217	692,548	92,395
Yadkin Program Management	16,417,818	4,162,013	2,141,973	6,303,986	10,113,832
Yadkin Raw Water Intake & Pump Station	159,862,114	4,359,034	3,557,550	7,916,584	151,945,530
Yadkin-Stanly County Settlement	1,016,140	600,685	50,000	650,685	365,455
Yadkin Water Supply	5,030,410	3,820,094	104,494	3,924,588	1,105,822
Yadkin Water Treatment Plant	115,462,698	5,011,516	2,173,356	7,184,872	108,277,826
Sewer Capital Outlay					
12 Mile Creek WWTP Expansion	42,379,577	37,571,363	3,415,471	40,986,834	1,392,743
12 ML Creek I&I Abatement	1,200,000	33,000	-	33,000	1,167,000
Blythe Creek Sewer Improvements	7,390,731	2,013,274	4,470,538	6,483,812	906,919
CCWRF Electrical Improvements	1,900,000	-	70,054	70,054	1,829,946
CCWRF Process Improvements	1,500,000	-	18,290	18,290	1,481,710
Collection System SSES & Rehab	734,800	47,436	218,297	265,733	469,067

Water and Sewer Capital Project Fund**Schedule of Revenues, Expenditures, and Changes**

in Fund Balance - Budget and Actual (Non-GAAP)

From Inception and for the Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual	Total To Date	Variance Positive (Negative)
Crooked Creek Diversion Pump. Impr.	\$ 646,721	\$ -	\$ -	\$ -	\$ 646,721
Crooked Creek Headworks Improvements	9,166,794	8,849,414	277,380	9,126,794	40,000
Crooked Creek Interceptor Improv. Ph I	5,390,860	112,636	195,370	308,006	5,082,854
Deese PS Decommission	250,000	-	48,897	48,897	201,103
East Side Clay Lining WW R&R	295,000	-	3,495	3,495	291,505
East Side Improvements	400,000	47,793	-	47,793	352,207
EDC Industrial Park Pump Station	3,000,000	-	122,503	122,503	2,877,497
Fairfield Plantation R&R	3,000,000	-	33,521	33,521	2,966,479
Fairview Downtown WW Service	206,000	-	-	-	206,000
Forest Park PS Replacement	4,000,000	1,631,485	2,243,143	3,874,628	125,372
Marshville Sewer System Improvement	1,250,000	-	-	-	1,250,000
Old Sycamore WRF Process Improvement	1,400,000	-	81,532	81,532	1,318,468
Poplin Road Pump Station Interim IP	15,800,000	238,449	140,934	379,383	15,420,617
Pumping Station Upgrades	359,246	359,246	-	359,246	-
SCADA Master Plan Wastewater	7,600,000	574,310	56,421	630,731	6,969,269
STEG Asset Inventory/Assessment	1,987,000	128,305	128,142	256,447	1,730,553
Suburban Estates PS & Force Main	1,071,000	157,803	362	158,165	912,835
Stallings- Collection System	574,544	64,200	-	64,200	510,344
Tarkhill Force Main R&R	1,690,000	39,378	75,363	114,741	1,575,259
Unionville Comm Center WW Service	103,000	-	-	-	103,000
Unionville PS Replacement	450,000	71,588	15,283	86,871	363,129
Waxhaw Clay Lining WW R&R	310,000	-	4,507	4,507	305,493
Waxhaw Interceptor	5,900,000	46,203	436,339	482,542	5,417,458
Wastewater Pump Station Improvement	1,096,587	1,096,587	(52,506)	1,044,081	52,506
Wastewater R&R Program	4,502,138	4,068	76,308	80,376	4,421,762
Wastewater Treatment Plant R&R	1,891,800	179,310	-	179,310	1,712,490
Weddington Downtown Development	100,000	-	-	-	100,000
West Fork 12ML Interceptor Improvement	13,459,295	745,805	4,454	750,259	12,709,036
WRF Electrical Improvements	465,000	-	-	-	465,000
WRF Process Evaluation	443,200	270,069	111,930	381,999	61,201
WW Pump Station Improvements	3,154,367	-	-	-	3,154,367
Yadkin Basin WRF	2,000,000	152,276	-	152,276	1,847,724
Total expenditures	574,557,833	114,732,513	31,784,220	146,516,733	428,041,100
Revenues over expenditures	(574,557,833)	(114,487,019)	(31,039,677)	(145,526,696)	429,031,137
OTHER FINANCING SOURCES					
Transfer from General Capital Project Fund	3,000,000	3,000,000	-	3,000,000	-
Transfers from water and sewer operating fund	86,802,526	73,862,928	2,454,097	76,317,025	(10,485,501)
Capital contributions - cash-other	2,045,250	2,481,050	637,382	3,118,432	1,073,182
Revenue bonds issuance premiums	12,072,321	12,072,321	-	12,072,321	-
Revenue bonds issuance	470,637,736	131,716,787	-	131,716,787	(338,920,949)
Total other financing sources	574,557,833	223,133,086	3,091,479	226,224,565	(348,333,268)
Revenues and other financing sources over (under) expenditures	\$ -	\$ 108,646,067	(27,948,198)	\$ 80,697,869	\$ 80,697,869
FUND BALANCE					
Beginning of year - July 1			108,646,067		
End of year - June 30			\$ 80,697,869		

Water and Sewer Fund**Schedule of Reconciliation of Budgetary Basis (Non-GAAP)****to Full Accrual Basis**

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020	2019
Revenues and other financing sources over (under) expenditures and other financing uses		
Operating Fund	\$ (37,090,892)	\$ 2,098,098
Water and Sewer District	13,089,197	4,834,469
Water and Sewer District SDF CRF	1,103,825	239,710
Water and Sewer Capital Project Fund	(27,948,198)	57,726,094
Total	<u>(50,846,068)</u>	<u>64,898,371</u>
Reconciling items		
Amortization of G.O. and revenue bond defeasance	(836,113)	(82,107)
Amortization of G.O. and revenue bond premium	1,841,325	463,633
Amortization of G.O. and revenue bond gains and (losses) on refunding	28,557	3,031
Revenue bond proceeds	-	(68,430,000)
Revenue bond premiums proceeds	-	(10,043,600)
Payment of debt principal	39,505,000	4,990,000
Increase (decrease) in compensated absences payable	(105,636)	(63,680)
Increase (decrease) in interest expense accrual	116,953	(207,017)
Increase (decrease) in inventories	109,873	152,201
Decrease in allowance for uncollectible accounts	78,935	(54,835)
Increase (decrease) in net pension asset, separation allowance	6,142	(23,517)
Increase (decrease) in net other post employment benefit liability	528,321	117,992
Capital Outlay	33,217,047	33,925,590
Capital contributions	9,615,903	8,380,063
Gain on investment in joint venture	(3,386,632)	(233,040)
Loss on disposal of capital asset	-	(18,378)
Depreciation	(16,496,745)	(15,322,643)
Increase (decrease) in pension expense	(592,861)	(127,903)
Amortization of revenue bond swap termination cost	3,015,681	(77,395)
Total	<u>66,645,750</u>	<u>(46,651,605)</u>
Change in net position	<u>\$ 15,799,682</u>	<u>\$ 18,246,766</u>

Solid Waste Fund**Schedule of Revenues and Expenditures -****Budget and Actual (Non-GAAP)**

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)	2019 Actual
REVENUES				
Operating Revenues				
Charges for services	\$ 5,791,668	\$ 6,443,025	\$ 651,357	\$ 5,727,621
Disposal fees	450,400	437,641	(12,759)	480,909
Other operating revenue	2,000	9,351	7,351	8,065
Total	<u>6,244,068</u>	<u>6,890,017</u>	<u>645,949</u>	<u>6,216,595</u>
Nonoperating Revenue				
Investment earnings	141,000	213,327	72,327	259,612
Intergovernmental	16,000	16,280	280	-
Total	<u>157,000</u>	<u>229,607</u>	<u>72,607</u>	<u>259,612</u>
Total revenues	<u>6,401,068</u>	<u>7,119,624</u>	<u>718,556</u>	<u>6,476,207</u>
EXPENDITURES				
Personnel	1,717,641	1,654,603	63,038	1,509,971
Operating expense	5,687,819	5,293,895	393,924	3,884,215
Total expenditures	<u>7,405,460</u>	<u>6,948,498</u>	<u>456,962</u>	<u>5,394,186</u>
Revenues over (under) expenditures	<u>(1,004,392)</u>	<u>171,126</u>	<u>1,175,518</u>	<u>1,082,021</u>
OTHER FINANCING SOURCES (USES)				
Transfer to General Capital Project Fund	(159,300)	(159,300)	-	(830,000)
Transfers in				
Total other financing sources (uses)	<u>(159,300)</u>	<u>(159,300)</u>	<u>-</u>	<u>(830,000)</u>
APPROPRIATED FUND BALANCE	<u>1,163,692</u>	<u>-</u>	<u>(1,163,692)</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 11,826</u>	<u>\$ 11,826</u>	<u>\$ 252,021</u>

Solid Waste Capital Reserve Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non-GAAP)

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)	2019 Actual
TOTAL	\$ -	\$ -	\$ -	\$ -
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Solid Waste Fund**Schedule of Reconciliation of Budgetary Basis (Non-GAAP)****to Full Accrual Basis**

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020	2019
Revenues and other financing sources over (under) expenditures and other financing uses		
Operating Fund	\$ 11,826	\$ 252,021
Total	<u>11,826</u>	<u>252,021</u>
Reconciling items		
Increase (decrease) in compensated absences payable	(22,577)	(17,071)
Decrease in allowance for uncollectible accounts	(26,139)	405
Increase (decrease) in net pension asset, separation allowance	846	10,289
Increase (decrease) in net other post employment benefit liability	72,887	128,991
Capital Outlay	1,320,781	543,617
Depreciation	(300,323)	(325,119)
Increase in accrued landfill postclosure care costs	(83,863)	(106,191)
Increase (decrease) in pension expense	<u>(76,383)</u>	<u>(10,798)</u>
Total	<u>885,229</u>	<u>224,123</u>
Change in net position	<u>\$ 897,055</u>	<u>\$ 476,144</u>



Internal Service Funds

The Internal Service Funds account for the financing of goods or services provided by one department to other departments of the County on a cost-reimbursement basis.

Health Benefits Fund - This fund accounts for amounts from individual departments and employees to pay health benefit costs.

Workers' Compensation Fund - This fund accounts for amounts from individual departments to pay workers' compensation claims.

Property and Casualty Fund - This fund accounts for amounts from individual departments to pay property and casualty claims and premiums.

Information Technology Fund - This fund accounts for amounts from individual departments to pay for information technology services.

Facilities Management Fund - This fund accounts for amounts from individual departments to pay for facilities/property management services.

Fleet Management Fund - This fund accounts for amounts from individual departments to pay for fleet management services.



Health Benefits Fund
Schedule of Revenues and Expenditures
(Non-GAAP)

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance Positive (Negative)	2019
	Final Budget	Actual		Actual
REVENUES				
Operating revenues				
Interfund charges and employee contributions	\$ 18,063,877	\$ 18,328,422	\$ 264,545	\$ 17,480,482
Total	18,063,877	18,328,422	264,545	17,480,482
Nonoperating revenues				
Other operating revenue	-	33,670	33,670	-
Investment earnings	66,500	89,795	23,295	115,973
Total revenues	18,130,377	18,451,887	321,510	17,596,455
EXPENDITURES				
Operating expenditures				
Personnel	104,295	105,727	(1,432)	100,046
Other operating expenditures	2,871,082	2,951,931	(80,849)	2,822,416
Health benefit claims and premiums	16,980,000	17,061,464	(81,464)	15,332,133
Total expenditures	19,955,377	20,119,122	(163,745)	18,254,595
Revenues over (under) expenditures	(1,825,000)	(1,667,235)	157,765	(658,140)
TRANSFERS				
Transfers from General Fund	-	-	-	3,306
Transfer from OPEB Trust Fund	2,874,731	2,874,731	-	-
Total transfers	2,874,731	2,874,731	-	3,306
APPROPRIATED FUND BALANCE	(1,049,731)	-	1,049,731	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ 1,207,496	\$ 1,207,496	\$ (654,834)

**Reconciliation from budgetary basis (modified accrual) to full
accrual basis**

Revenues over expenditures	\$ 1,207,496	\$ (654,834)
Increase (decrease) in health benefit claims payable	(14,982)	20,413
Increase (decrease) in compensated absences payable	(572)	(77)
Increase (decrease) in net pension asset, separation allowance	47	631
Increase (decrease) in pension expense	(5,280)	(1,042)
Increase (decrease) in net other post employment benefit liability	4,356	7,863
Capital Outlay	-	-
Depreciation Expense	-	-
Capital contributions - non-cash	-	-

Change in net position \$ 1,191,065 \$ (627,046)

Workers Compensation Fund
Schedule of Revenues and Expenditures
(Non-GAAP)

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance Positive (Negative)	2019
	Final Budget	Actual		Actual
REVENUES				
Operating revenues				
Interfund charges and employee contributions	\$ -	\$ -	\$ -	\$ 501,758
Insurance Reimbursement	-	977	977	409
Total	-	977	977	502,167
Nonoperating revenues				
Investment earnings	24,000	22,542	(1,458)	41,531
Total revenues	24,000	23,519	(481)	543,698
EXPENDITURES				
Operating expenditures				
Personnel	91,996	94,488	(2,492)	89,418
Other operating expenditures	184,842	193,506	(8,664)	175,446
Worker's compensation claims	403,500	361,865	41,635	392,297
Total expenditures	680,338	649,859	30,479	657,161
Revenues over (under) expenditures	(656,338)	(626,340)	29,998	(113,463)
TRANSFERS				
Transfers from General Fund	-	-	-	2,668
APPROPRIATED FUND BALANCE				
	656,338	-	(656,338)	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ (626,340)	\$ (626,340)	\$ (110,795)
Reconciliation from budgetary basis (modified accrual) to full accrual basis				
Revenues over expenditures		\$ (626,340)		\$ (110,795)
Increase (decrease) in workers' compensation claims payable		77,997		(116,778)
Increase (decrease) in compensated absences payable		(181)		(1,787)
Increase (decrease) in net pension asset, separation allowance		37		2,450
Increase (decrease) in pension expense		(4,894)		(888)
Increase (decrease) in net other post employment benefit liability		3,225		1,227
Capital Outlay		-		-
Depreciation Expense		-		-
Capital contributions - non-cash		-		-
Change in net position		\$ (550,156)		\$ (226,571)

Property and Casualty Fund
Schedule of Revenues and Expenditures
(Non-GAAP)

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance Positive (Negative)	2019
	Final Budget	Actual		Actual
REVENUES				
Operating revenues				
Interfund charges and employee contributions	\$ 1,117,104	\$ 1,117,215	\$ 111	\$ 972,103
Miscellaneous revenue	-	27,846	27,846	-
Total	1,117,104	1,145,061	27,957	972,103
Nonoperating revenues				
Investment earnings	7,700	8,929	1,229	13,701
Total revenues	1,124,804	1,153,990	29,186	985,804
EXPENDITURES				
Operating expenditures				
Personnel	88,483	90,944	(2,461)	86,251
Property and casualty claims and premiums	1,083,655	1,063,970	19,685	906,007
Total expenditures	1,172,138	1,154,914	17,224	992,258
Revenues over (under) expenditures	(47,334)	(924)	46,410	(6,454)
TRANSFERS				
Transfers from General Fund	-	-	-	2,595
Transfer to General Fund	(2,666)	(2,666)	-	(28,900)
Total transfers	(2,666)	(2,666)	-	(26,305)
APPROPRIATED FUND BALANCE				
	50,000	-	(50,000)	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ (3,590)	\$ (3,590)	\$ (32,759)

**Reconciliation from budgetary basis (modified accrual) to full
accrual basis**

Revenues over (under) expenditures	\$ (3,590)	\$ (32,759)
Increase (decrease) in property and casualty claims payable	91,779	(34,815)
Increase (decrease) in compensated absences payable	(158)	(1,787)
Increase (decrease) in net pension asset, separation allowance	33	462
Increase (decrease) in pension expense	(4,727)	(877)
Increase (decrease) in net other post employment benefit liability	2,984	5,360
Capital Outlay	-	-
Depreciation Expense	-	-
Capital contributions - non-cash	-	-
Change in net position	\$ 86,321	\$ (64,416)

Information Technology Fund
Schedule of Revenues and Expenditures
(Non-GAAP)

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance Positive (Negative)	2019
	Final Budget	Actual		Actual
REVENUES				
Operating revenues				
Charges for services	\$ 37,735	\$ 37,790	\$ 55	\$ 49,543
Interfund charges and employee contributions	2,478,144	2,478,144	-	3,243,806
Other operating revenue	-	-	-	3,116
Total	2,515,879	2,515,934	55	3,296,465
Nonoperating revenues				
Investment earnings	(4,197)	(4,197)	-	45,894
Total revenues	2,511,682	2,511,737	55	3,342,359
EXPENDITURES				
Personnel	950,723	950,517	206	1,431,708
Other operating expenditures	957,698	945,485	12,213	1,832,322
Total expenditures	1,908,421	1,896,002	12,419	3,264,030
Revenues over (under) expenditures	603,261	615,735	12,474	78,329
TRANSFERS				
Transfers from General Fund	-	-	-	52,868
Transfer to General Fund	(2,358,514)	(2,111,568)	246,946	-
Transfer to General Capital Project Fund	(460,000)	(460,000)	-	(75,000)
Total transfers	(2,818,514)	(2,571,568)	246,946	(22,132)
APPROPRIATED FUND BALANCE	2,215,253	-	(2,215,253)	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ (1,955,833)	\$ (1,955,833)	\$ 56,197
Reconciliation from budgetary basis (modified accrual) to full accrual basis				
Revenues over (under) expenditures		\$ (1,955,833)		\$ 56,197
Increase (decrease) in compensated absences payable		64,515		16,398
Increase (decrease) in net pension asset, separation allowance		121,477		178
Increase (decrease) in pension expense		59,727		(17,371)
Increase (decrease) in net other post employment benefit liability		978,148		39,174
Capital Outlay		(371,166)		241,039
Depreciation Expense		(1,145)		(108,332)
Capital contributions - non-cash		-		-
Change in net position		<u>\$ (1,104,277)</u>		<u>\$ 227,283</u>

Facilities Management Fund
Schedule of Revenues and Expenditures
(Non-GAAP)

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance Positive (Negative)	2019
	Final Budget	Actual		Actual
REVENUES				
Operating revenues				
Charges for services	\$ -	\$ -	\$ -	\$ 1,560
Interfund charges and employee contributions	3,902,769	3,903,277	508	5,651,977
Miscellaneous revenue	255	240	(15)	490
Other operating revenue	5,853	4,178	(1,675)	2,927
Total	3,908,877	3,907,695	(1,182)	5,656,954
Nonoperating revenues				
Investment earnings	(2,982)	(2,982)	-	32,639
Total revenues	3,905,895	3,904,713	(1,182)	5,689,593
EXPENDITURES				
Personnel	996,025	996,027	(2)	1,331,857
Other operating expenditures	2,345,610	2,312,968	32,642	4,108,893
Total expenditures	3,341,635	3,308,995	32,640	5,440,750
Revenues over (under) expenditures	564,260	595,718	31,458	248,843
TRANSFERS				
Transfers from General Fund	-	-	-	9,351
Transfer to General Fund	(2,075,548)	(1,688,143)	387,405	-
APPROPRIATED FUND BALANCE	1,511,288	-	(1,511,288)	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ (1,092,425)	\$ (1,092,425)	\$ 258,194
Reconciliation from budgetary basis (modified accrual) to full accrual basis				
Revenues over (under) expenditures		\$ (1,092,425)		\$ 258,194
Increase (decrease) in compensated absences payable		59,970		(28,355)
Increase (decrease) in net pension asset, separation allowance		112,601		(16,229)
Increase (decrease) in pension expense		54,884		(26,731)
Increase (decrease) in net other post employment benefit liability		906,735		(100,326)
Capital Outlay		(106,705)		24,369
Depreciation Expense		-		(30,019)
Capital contributions - non-cash		-		-
Change in net position		\$ (64,940)		\$ 80,903

Fleet Management Fund
Schedule of Revenues and Expenditures
(Non-GAAP)

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance Positive (Negative)	2019
	Final Budget	Actual		Actual
REVENUES				
Operating revenues				
Interfund charges and employee contributions	\$ 361,071	\$ 370,190	\$ 9,119	\$ 1,067,310
Miscellaneous revenue	226	226	-	67
Total	361,297	370,416	9,119	1,067,377
Nonoperating revenues				
Investment earnings	(542)	(542)	-	5,586
Total revenues	360,755	369,874	9,119	1,072,963
EXPENDITURES				
Personnel	277,156	277,144	12	375,244
Other operating expenditures	364,233	359,547	4,686	596,085
Total expenditures	641,389	636,691	4,698	971,329
Revenues over (under) expenditures	(280,634)	(266,817)	13,817	101,634
TRANSFERS				
Transfers from General Fund	86,872	86,872	-	70,745
Transfer to General Fund	(261,982)	(212,481)	49,501	-
APPROPRIATED FUND BALANCE				
	455,744	-	(455,744)	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ (392,426)	\$ (392,426)	\$ 172,379
Reconciliation from budgetary basis (modified accrual) to full accrual basis				
Revenues over (under) expenditures		\$ (392,426)		\$ 178,689
Increase (decrease) in compensated absences payable		30,079		(1,207)
Increase (decrease) in net pension asset, separation allowance		34,547		2,622
Increase (decrease) in pension expense		14,960		(3,387)
Increase (decrease) in net other post employment benefit liability		278,163		33,153
Capital Outlay		(70,088)		5,501
Depreciation Expense		-		(25,307)
Capital contributions - non-cash		-		6,310
Change in net position		\$ (104,765)		\$ 196,374

Fiduciary Funds

Trust Funds account for assets held by the County in a trustee capacity. Agency Funds account for assets held by the County as an agent for individuals or other governments.

Pension Trust Fund

Special Separation Allowance Fund - This fund accounts for the accumulation of resources for the payment of special separation benefits to qualified County employees.

Other Postemployment Retiree Healthcare Benefits (OPEB) Fund - This fund accounts for the accumulation of resources for the payment of retirees' healthcare benefits to qualified County employees.

Agency Funds

Social Services Fund - This fund accounts for monies held by the Department of Social Services for the benefit of certain individuals.

Fines and Forfeitures Fund - This fund accounts for fines and forfeitures collected by the County that are required to be remitted to the Union County Public Schools Board of Education.

Jail Inmate Fund - This fund accounts for monies held by the Union County Sheriff's Office (Jail) for the benefit of certain individuals.

Monroe and Union County School District Funds - These funds account for the proceeds of the special tax levies that are collected by the County on behalf of these school districts.

Municipal Tax Collection Fund - This fund accounts for the proceeds of taxes that are collected by the County on behalf of the municipalities within the County.

Gross Rental Receipts Tax Fund - This fund accounts for the proceeds of municipalities that levy a local tax on gross receipts derived from the short-term lease or rental of vehicles at retail to the general public, which are collected by the County on behalf of the municipalities within the County.

Union County Sheriff's Office Civil Fees Fund - This fund accounts for monies held by the Union County Sheriff's Office for court costs related to civil cases, estates or special proceedings. The Sheriff is authorized to distribute payment of monies collected upon execution.

Special Separation Allowance Fund
Schedule of Revenues, Expenses, and Changes in
Fiduciary Net Position - Pension Trust Fund

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	<u>2019</u>	<u>2018</u>
ADDITIONS		
Operating revenues		
Employer contributions	\$ 1,613,579	\$ 1,613,579
Net investment income	61,432	68,145
Total revenues	<u>1,675,011</u>	<u>1,681,724</u>
DEDUCTIONS		
Operating expenses		
Employee benefits	<u>1,344,829</u>	<u>1,333,976</u>
Transfer to Health Fund	-	-
Revenues under expenses	330,182	347,748
NET POSITION		
Beginning of year-July 1	<u>3,700,495</u>	<u>3,352,747</u>
End of year-June 30	<u>\$ 4,030,677</u>	<u>\$ 3,700,495</u>

Other Postemployment Retiree Healthcare Benefits (OPEB) Fund**Schedule of Revenues, Expenses, and Changes in****Fiduciary Net Position - Pension Trust Fund**

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	<u>2019</u>	<u>2018</u>
ADDITIONS		
Operating revenues		
Employer contributions	\$ 11,586,960	\$ 11,006,979
Net investment income	<u>2,256,752</u>	<u>2,400,822</u>
Total revenues	<u>13,843,712</u>	<u>13,407,801</u>
DEDUCTIONS		
Operating expenses		
Employee benefits	<u>4,039,770</u>	<u>3,459,789</u>
Transfer to Health Fund	<u>2,874,731</u>	<u>-</u>
Revenues under expenses	6,929,211	9,948,012
NET POSITION		
Beginning of year-July 1	<u>41,888,120</u>	<u>31,940,108</u>
End of year-June 30	<u>\$ 48,817,331</u>	<u>\$ 41,888,120</u>

Agency Funds
Combining Statement of Changes in Assets and Liabilities
 For The Year Ended June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<u>SOCIAL SERVICES</u>				
ASSETS				
Cash and investments	\$ 90,692	\$ 403,221	\$ 358,518	\$ 135,396
LIABILITIES				
Due to program participants	\$ 90,692	\$ 403,221	\$ 358,518	\$ 135,396
<u>FINES AND FORFEITURES</u>				
ASSETS				
Cash and investments	\$ -	\$ 725,341	\$ 717,581	\$ 7,760
Accounts receivable, net	11,803	-	11,803	-
	<u>\$ 11,803</u>	<u>\$ 725,341</u>	<u>\$ 729,384</u>	<u>\$ 7,760</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ 7,760	\$ -	\$ 7,760
Advances from other funds	11,803	-	11,803	-
Due to program participants	-	714,944	714,944	-
Total Liabilities	<u>\$ 11,803</u>	<u>\$ 722,704</u>	<u>\$ 726,747</u>	<u>\$ 7,760</u>
<u>JAIL INMATE FUND</u>				
ASSETS				
Cash and investments	\$ 23,959	\$ 644,645	\$ 618,994	\$ 49,610
LIABILITIES				
Due to program participants	\$ 23,959	\$ 644,645	\$ 618,994	\$ 49,610
<u>MONROE AND UNION COUNTY SCHOOL DISTRICT</u>				
ASSETS				
Property taxes receivable (net)	\$ 82	\$ -	\$ 51	\$ 32
LIABILITIES				
Accounts payable and accrued liabilities	\$ 82	\$ -	\$ 51	\$ 32
<u>MUNICIPAL TAX COLLECTION</u>				
ASSETS				
Cash and investments	\$ 3,637	\$ 12,043,642	\$ 12,029,983	\$ 17,296
LIABILITIES				
Accounts payable and accrued liabilities	\$ 3,637	\$ 21,818,505	\$ 21,804,846	\$ 17,296

Agency Funds
Combining Statement of Changes in Assets and Liabilities
For The Year Ended June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<u>GROSS RENTAL RECEIPTS TAX FUND</u>				
ASSETS				
Cash and investments	\$ 4,221	\$ 161,723	\$ 164,897	\$ 1,048
LIABILITIES				
Accounts payable and accrued liabilities	\$ 4,221	\$ 207,607	\$ 210,780	\$ 1,048
<u>CIVIL FEES FUND</u>				
ASSETS				
Cash and investments	\$ 3,212	\$ 359,749	\$ 358,943	\$ 4,019
LIABILITIES				
Due to program participants	\$ 3,212	\$ 359,749	\$ 358,943	\$ 4,019
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and investments	\$ 125,722	\$ 14,338,323	\$ 14,248,916	\$ 215,129
Property taxes receivable (net)	82	-	51	32
Accounts receivable (net)	\$ 11,803	-	\$ 11,803	-
Total assets	\$ 137,607	\$ 14,338,323	\$ 14,260,769	\$ 215,161
LIABILITIES				
Accounts payable and accrued liabilities	\$ 7,941	\$ 22,033,872	\$ 22,015,677	\$ 26,136
Advances from other funds	11,803	-	11,803	-
Due to program participants	117,863	2,122,559	2,051,398	189,025
Total liabilities	\$ 137,607	\$ 24,156,431	\$ 24,078,878	\$ 215,161



Additional Financial Data

This section contains additional information on property taxes.

Schedule of Ad Valorem Taxes Receivable - General Fund

Analysis of Current Tax Levy - County-Wide Levy

Schedule of Ad Valorem Taxes Receivable - General Fund
June 30, 2020

Fiscal Year	Uncollected Balance June 30, 2019	Additions and Adjustments	Collections and Credits	Uncollected Balance June 30, 2020
2019-2020	\$ -	\$ 442,470	\$ 47,092	\$ 395,378
2018-2019	143,269	197,546,817	196,786,125	903,961
2017-2018	619,330	69,583	451,289	237,624
2016-2017	229,000	78,739	171,924	135,815
2015-2016	144,847	37,226	83,592	98,481
2014-2015	89,194	1,093	28,227	62,060
2013-2014	114,739	(924)	28,053	85,762
2012-2013	96,441	(445)	17,222	78,774
2011-2012	86,135	-	14,394	71,741
2010-2011	94,943	(1)	13,699	81,243
2009-2010	136,487	(1)	12,251	124,235
2008-2009	219,113	-	219,113	-
	<u>\$ 1,973,498</u>	<u>\$ 198,174,557</u>	<u>\$ 197,872,981</u>	<u>2,275,074</u>
Less: Allowance for uncollectible ad valorem taxes receivable				(581,351)
Ad valorem taxes receivable (net)				<u>\$ 1,693,723</u>
Reconcilement with revenues				
Taxes - ad valorem				<u>\$ 198,284,567</u>
Reconciling items				
2020-2021 tax prepayments				47,092
Write-offs per statute of limitations				219,113
Collections in advance				(16,336)
Interest, advertising cost recovery, and garnishments				(645,722)
Foreclosure fees and overpayments				(15,734)
Rounding adjustment				1
Total reconciling items				<u>(411,586)</u>
Total collections and credits				<u>\$ 197,872,981</u>

**Analysis of Current Tax Levy
County-Wide Levy
For the Year Ended June 30, 2020**

	County-wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy					
Property taxed at current year's rate	\$ 26,221,545,926	0.7309	\$ 191,651,497	\$ 176,402,714	\$ 15,248,783
Motor vehicles taxed at prior year's rate	689,525,023	0.7309	5,039,671	-	5,039,671
Motor vehicles taxed at prior year's rate	4,994,564	0.7309	38,853	-	38,853
Total	<u>26,916,065,513</u>		<u>196,730,021</u>	<u>176,402,714</u>	<u>20,327,307</u>
Discoveries					
Property taxed at current year's rate	203,652,011	0.7309	1,218,222	1,218,222	-
Total	<u>203,652,011</u>		<u>1,218,222</u>	<u>1,218,222</u>	<u>-</u>
Abatements					
Property taxed at current year's rate	54,953,426	0.7309	401,426	401,426	-
Total	<u>54,953,426</u>		<u>401,426</u>	<u>401,426</u>	<u>-</u>
Total property valuation	<u>\$ 27,064,764,098</u>				
Net levy			197,546,817	177,219,510	20,327,307
Add: Uncollected taxes at June 30, 2019			143,269	143,269	-
Less: Uncollected taxes at June 30, 2020			(903,961)	(903,961)	-
Total collections and credits for 2019-2020			<u>\$ 196,786,125</u>	<u>\$ 176,458,818</u>	<u>\$ 20,327,307</u>
Percent current year collected			99.61 %	99.57 %	100.00 %

SECONDARY MARKET DISCLOSURES

	County-wide		
	Property Valuation	Rate	Amount of Levy
Assessed valuation			
Assessment ratio	100%		
Real property	\$ 22,293,188,863		
Personal property	1,617,889,183		
Public service companies	372,931,159		
	<u>24,284,009,205</u>	0.7309	<u>\$ 177,219,510</u>
Personal property-motor vehicles	2,086,235,306	0.7309	15,248,783
Personal property-motor vehicles	689,525,023	0.7309	5,039,671
Personal property-motor vehicles	4,994,564	0.7309	38,853
	<u>2,780,754,893</u>		<u>20,327,307</u>
Total	<u>\$ 27,064,764,098</u>		<u>\$ 197,546,817</u>

In addition to the county-wide rate, the following table lists the levies by the county on behalf of school districts and fire protection districts for the fiscal year ended June 30, 2020:

Fire protection districts	\$ 6,007,691
Total	<u>\$ 6,007,691</u>



Statistical Section

The information presented in this section is provided for additional analysis purposes only and has not been subjected to audit verification as presented.

Financial Trends – These tables contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.

Net Position by Component	Table 1
Changes in Net Position	Table 2
Fund Balances of Governmental Funds	Table 3
Changes in Fund Balances of Governmental Funds	Table 4

Revenue Capacity – These tables contain information to help the reader assess the government’s most significant local revenue source, the property tax

Ad Valorem Taxes	Table 5
Assessed Value of Taxable Property	Table 6
Estimated Actual Value of Taxable Property	Table 7
Property Tax Rates – Direct and Overlapping Governments	Table 8
Construction Information	Table 9
Principal Property Taxpayers	Table 10
Property Tax Levies and Collections	Table 11

Debt Capacity – These tables present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.

Ratios of Outstanding Debt by Type	Table 12
Ratios of General Bonded Debt Outstanding	Table 13
Legal Debt Margin Information	Table 14
Pledged Revenue Coverage per Revenue Bond Indenture – Water and Sewer Bonds	Table 15
Pledged Revenue Coverage – Water and Sewer Bonds	Table 16

Demographic and Economic Information – These tables offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.

Demographic and Economic Statistics	Table 17
Principal Employers	Table 18

Operating Information – These tables contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.

Full-time Equivalent Governmental Employees by Function/Program	Table 19
Operating Indicators by Function/Program	Table 20
Capital Asset Statistics by Function/Program	Table 21



Table 1

**Union County, North Carolina
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year									
	2011	2012	2013	2014	2015	Restated 2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 43,648,788	\$ 44,186,127	\$ 44,668,785	\$ 44,817,727	\$ 47,600,898	\$ 50,856,584	\$ 72,437,355	\$ 86,556,007	\$ 98,903,188	\$ 14,861,530
Restricted	24,290,336	22,189,074	20,887,064	34,036,154	40,924,767	62,691,666	52,573,379	101,469,756	97,719,693	73,441,423
Unrestricted	(451,413,958)	(363,868,077)	(336,677,648)	(309,410,731)	(274,480,903)	(272,131,081)	(242,163,566)	(319,114,878)	(312,549,502)	(219,769,638)
Total governmental activities net position	\$ (383,474,834)	\$ (297,492,876)	\$ (271,121,799)	\$ (230,556,850)	\$ (185,955,238)	\$ (158,582,831)	\$ (117,152,832)	\$ (131,089,115)	\$ (115,926,621)	\$ (131,466,685)
Business-type activities:										
Net investment in capital assets	\$ 151,130,981	\$ 152,962,211	\$ 158,884,335	\$ 163,571,185	\$ 170,517,222	\$ 180,438,094	\$ 205,909,308	\$ 182,818,412	\$ 142,191,339	\$ 197,711,960
Restricted	2,880,533	554,740	1,052,416	1,319,906	1,323,962	913,570	876,897	18,235,580	55,468,003	23,555
Unrestricted	90,030,700	91,292,755	89,214,629	96,864,668	93,757,609	103,696,563	98,608,352	109,741,302	131,762,175	148,377,282
Total business-type activities net position	\$ 244,042,214	\$ 244,809,706	\$ 249,151,380	\$ 261,755,759	\$ 265,598,793	\$ 285,048,227	\$ 305,394,557	\$ 310,795,294	\$ 329,421,517	\$ 346,112,797
Primary government:										
Net investment in capital assets	\$ 194,779,769	\$ 197,148,338	\$ 203,553,120	\$ 208,388,912	\$ 218,118,120	\$ 231,294,678	\$ 278,346,663	\$ 269,374,419	\$ 241,094,527	\$ 212,573,490
Restricted	27,170,869	22,743,814	21,939,480	35,356,060	42,248,729	63,605,236	53,450,276	119,705,336	153,187,696	73,464,978
Unrestricted	(361,383,258)	(272,575,322)	(247,463,019)	(212,546,063)	(180,723,294)	(168,434,518)	(143,555,214)	(209,373,576)	(180,787,327)	(71,392,356)
Total primary government net position	\$ (139,432,620)	\$ (52,683,170)	\$ (21,970,419)	\$ 31,198,909	\$ 79,643,555	\$ 126,465,396	\$ 188,241,725	\$ 179,706,179	\$ 213,494,896	\$ 214,646,112

Table 2

Union County, North Carolina
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	Restated 2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
General government	\$ 12,770,039	\$ 13,154,999	\$ 12,753,596	\$ 12,881,769	\$ 9,816,624	\$ 17,427,812	\$ 16,134,611	\$ 15,906,013	\$ 16,065,707	\$ 25,254,536
Public safety	38,692,049	42,417,985	41,235,748	45,991,521	49,473,142	52,402,492	57,578,659	59,894,161	67,026,282	72,845,343
Economic and physical development	3,710,570	2,930,309	2,329,378	2,588,795	2,612,048	2,729,040	2,933,004	3,598,518	4,905,724	4,939,816
Human services	37,806,928	38,855,691	37,146,051	36,905,034	43,219,454	38,311,835	44,403,278	41,198,351	45,685,378	49,623,331
Cultural and recreational	6,153,502	6,432,361	6,492,900	6,470,275	6,716,756	6,996,026	7,487,519	8,153,459	8,341,339	8,207,449
Education	90,656,362	83,419,258	90,964,332	89,813,013	106,525,203	114,373,247	114,522,089	117,388,325	142,232,139	169,570,717
Interest and fees on long term debt	22,974,484	21,943,425	18,770,059	16,686,228	15,560,572	12,220,595	13,009,921	13,236,217	12,208,660	14,266,021
Total Governmental Activities	\$ 212,765,945	\$ 209,156,040	\$ 209,692,064	\$ 211,336,635	\$ 233,923,799	\$ 244,461,047	\$ 256,069,081	\$ 259,375,044	\$ 296,465,229	\$ 344,707,213
Business-type Activities:										
Water and sewer	27,785,295	29,762,394	30,349,615	32,291,195	34,271,677	37,743,763	44,396,330	46,256,524	50,629,603	54,648,868
Solid waste	4,184,286	4,497,006	4,505,743	4,534,458	4,566,593	4,480,119	4,746,161	5,066,103	5,183,839	6,072,828
Stormwater	191,859	148,634	200,613	235,519	135,036	166,741	359,971	-	-	-
Total Business-type Activities	\$ 32,161,440	\$ 34,408,034	\$ 35,055,971	\$ 37,061,172	\$ 38,973,306	\$ 42,390,623	\$ 49,502,462	\$ 51,322,627	\$ 55,813,442	\$ 60,721,696
Total Expenses	\$ 244,927,385	\$ 243,564,074	\$ 244,748,035	\$ 248,397,807	\$ 272,897,105	\$ 286,851,670	\$ 305,571,543	\$ 310,697,671	\$ 352,278,671	\$ 405,428,909
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,561,605
Public safety	4,370,029	5,135,843	5,840,128	7,104,127	6,981,473	7,755,805	7,542,449	7,986,731	7,735,875	8,819,461
Human services	3,512,006	3,607,474	2,906,371	9,795,257	10,046,988	9,895,788	9,602,369	4,909,306	6,226,127	5,091,502
Other activities	1,872,790	2,298,505	2,202,798	2,175,261	2,361,696	2,524,474	2,966,685	9,353,755	9,826,010	1,777,412
Operating grants and contributions:										
Human services	19,217,655	19,465,996	19,274,946	18,670,709	19,629,643	20,348,777	20,894,206	18,200,442	17,153,949	17,796,125
Education	7,714,618	7,410,421	7,819,965	7,548,402	9,836,712	9,119,985	10,335,409	10,844,845	12,193,079	13,014,041
General government	-	-	-	-	-	-	-	-	-	184,258
Other activities	5,044,980	4,810,361	5,067,919	4,101,117	3,871,387	3,977,275	4,828,443	4,797,940	5,171,314	4,619,805
Capital grants and contributions	423,685	573,183	150,079	270,327	41,598	68,520	242,226	-	16,310	423,161
Total Governmental Activities	\$ 42,155,763	\$ 43,301,783	\$ 43,262,206	\$ 49,665,200	\$ 52,769,497	\$ 53,690,624	\$ 56,411,787	\$ 56,093,019	\$ 58,322,664	\$ 65,287,370
Business-type Activities:										
Charges for services:										
Water and sewer	\$ 26,321,204	\$ 26,073,700	\$ 28,526,457	\$ 34,120,018	\$ 39,350,178	\$ 39,992,024	\$ 52,611,512	\$ 50,908,521	\$ 49,747,920	\$ 53,512,791
Solid waste	3,507,672	3,790,340	4,386,568	4,639,562	4,150,265	5,200,090	5,581,482	5,434,204	6,216,595	6,890,017
Stormwater	-	-	-	16,100	28,694	46,386	-	-	-	-
Operating grants and contributions	344,414	372,658	362,703	2,120,364	392,039	-	-	-	-	-
Capital grants and contributions:										
Water and sewer	3,890,400	6,679,066	7,361,297	8,471,433	4,458,111	17,816,555	11,322,960	8,363,042	13,487,093	14,126,775
Total Business-type Activities	\$ 34,063,690	\$ 36,915,764	\$ 40,637,025	\$ 49,367,477	\$ 48,379,287	\$ 63,055,055	\$ 69,515,954	\$ 64,705,767	\$ 69,451,608	\$ 74,545,863
Total Primary Revenues	\$ 76,219,453	\$ 80,217,547	\$ 83,899,231	\$ 99,032,677	\$ 101,148,784	\$ 116,745,679	\$ 125,927,741	\$ 120,798,786	\$ 127,774,272	\$ 139,833,233
Net (Expense) /Revenue										
Governmental Activities	\$ (182,952,348)	\$ (165,852,245)	\$ (166,429,858)	\$ (161,671,435)	\$ (181,154,302)	\$ (190,770,423)	\$ (199,657,294)	\$ (203,282,025)	\$ (238,142,565)	\$ (279,419,843)
Business-type Activities	1,902,250	2,507,730	5,581,054	12,306,305	9,405,981	20,664,432	20,013,492	13,383,140	13,638,166	13,824,167
Total primary government net expense	\$ (181,050,098)	\$ (163,344,515)	\$ (160,848,804)	\$ (149,365,130)	\$ (171,748,321)	\$ (170,105,991)	\$ (179,643,802)	\$ (189,898,885)	\$ (224,504,399)	\$ (265,595,676)

Note: Beginning in fiscal year 2020, General Government revenues were reported separately from Other Activities.

Table 2 (continued)

Union County, North Carolina
Changes in Net Position (continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	Restated 2014	2015	2016	2017	2018	2019	2020
General Revenues										
Governmental Activities:										
Property taxes levied for general purposes	\$ 159,049,464	\$ 160,375,634	\$ 161,590,726	\$ 168,913,593	\$ 193,496,714	\$ 191,316,580	\$ 194,800,497	\$ 205,216,133	\$ 199,894,266	\$ 205,248,659
Local option sales tax	23,944,051	26,373,178	27,595,031	30,284,689	33,023,307	37,420,598	42,828,128	44,074,996	47,069,786	50,242,063
Other taxes and licenses	1,568,697	1,742,152	2,093,213	2,410,251	2,433,979	2,622,315	2,822,173	2,916,298	3,182,688	3,207,810
Unrestricted grants and contributions	108,028	86,716	89,481	75,773	82,050	115,081	120,366	180,174	160,000	167,570
Unrestricted rental income	3,156,330	7,666,879	6,100,000	-	-	-	-	-	-	-
Unrestricted investment earnings	1,223,133	1,429,626	(687,300)	420,138	491,943	923,829	483,772	1,910,293	5,020,147	4,721,500
Unrestricted miscellaneous	34,914	32,836	182,066	8,380	10,313	714	112	2	-	-
Transfers in/out	-	-	-	-	327,500	-	-	-	(2,070,572)	159,300
Gain / (loss) on sale of capital assets	85,935	127,182	(178,573)	123,560	91,095	126,632	32,245	55,177	48,744	132,877
Extraordinary item	-	54,000,000	-	-	-	-	-	-	-	-
Total general revenues and transfers	189,170,552	251,834,203	196,784,644	202,236,384	229,956,901	232,525,749	241,087,293	254,353,073	253,305,059	263,879,779
Business-type Activities:										
Unrestricted investment earnings	1,173,194	490,219	(193,033)	232,586	399,689	636,881	274,237	1,179,405	2,850,947	2,260,714
Transfers	-	-	-	-	(327,500)	-	-	-	2,070,572	(159,300)
Gain / (loss) on sale of capital assets	(24,662)	53,637	19,729	65,488	126,724	113,935	58,601	88,781	66,538	765,699
Total Business-type activities	1,148,532	543,856	(173,304)	298,074	198,913	750,816	332,838	1,268,186	4,988,057	2,867,113
Total primary government	\$ 190,319,084	\$ 252,378,059	\$ 196,611,340	\$ 202,534,458	\$ 230,155,814	\$ 233,276,565	\$ 241,420,131	\$ 255,621,259	\$ 258,293,116	\$ 266,746,892
Change in Net Position										
Governmental Activities	\$ 18,562,381	\$ 85,981,958	\$ 30,354,786	\$ 40,564,949	\$ 48,802,599	\$ 41,755,326	\$ 41,429,999	\$ 51,071,048	\$ 15,162,494	\$ (15,540,064)
Business-type Activities	3,050,782	3,051,586	5,407,750	12,604,379	9,604,894	21,415,248	20,346,330	14,651,326	18,628,223	16,691,280
Total Change in Net Position	\$ 21,613,163	\$ 89,033,544	\$ 35,762,536	\$ 53,169,328	\$ 58,407,493	\$ 63,170,574	\$ 61,776,329	\$ 65,722,374	\$ 33,790,717	\$ 1,151,216

Table 3

**Union County, North Carolina
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 103,287	\$ 84,618	\$ 279,914	\$ 204,937	\$ 783,121	\$ 547,783	\$ 342,875	\$ 176,614	\$ 11,836	\$ 53,650
Restricted	12,754,599	13,161,506	13,342,913	14,979,838	17,830,894	19,608,677	21,323,211	23,728,459	39,558,378	25,853,559
Committed	-	-	-	31,916,595	53,982,762	57,191,296	60,642,715	62,893,854	60,998,762	61,510,365
Assigned	1,656,054	1,497,776	3,761,390	31,104,920	3,382,024	6,043,138	7,284,270	9,053,252	2,779,068	2,933,011
Unassigned	39,980,344	51,249,617	62,284,839	1,941,549	6,107,032	9,080,301	11,172,122	17,025,170	6,026,025	37,695,947
Total general fund	<u>\$ 54,494,284</u>	<u>\$ 65,993,517</u>	<u>\$ 79,669,056</u>	<u>\$ 80,147,839</u>	<u>\$ 82,085,833</u>	<u>\$ 92,471,195</u>	<u>\$ 100,765,193</u>	<u>\$ 112,877,349</u>	<u>\$ 109,374,069</u>	<u>\$ 128,046,532</u>
All other governmental funds										
Restricted:										
Special revenue funds	\$ 4,230,291	\$ 2,977,249	\$ 3,234,227	\$ 3,491,543	\$ 3,474,171	\$ 3,632,849	\$ 3,380,379	\$ 3,412,616	\$ 3,850,487	\$ 4,956,214
Debt service funds	1,510,656	-	-	-	-	-	-	-	-	-
Capital project funds	5,676,015	4,425,317	2,403,336	15,396,322	18,661,115	38,677,208	26,483,745	72,131,480	52,622,978	40,923,839
Assigned:										
Capital project funds	20,587,727	73,084,142	43,260,589	41,227,050	48,605,776	22,168,732	16,020,630	11,375,682	-	78,443,355
Public Safety	-	-	-	-	354,782	302,782	174,782	390,125	663,389	-
Unassigned:										
Public Safety	-	-	-	-	(20,941)	-	-	(142,370)	(1,051,824)	(674,705)
Capital project funds	-	-	-	-	-	-	-	(8,619,143)	(8,619,143)	31,474
Total all other governmental funds	<u>\$ 32,004,689</u>	<u>\$ 80,486,708</u>	<u>\$ 48,898,152</u>	<u>\$ 60,114,915</u>	<u>\$ 71,074,903</u>	<u>\$ 64,781,571</u>	<u>\$ 46,059,536</u>	<u>\$ 87,167,533</u>	<u>\$ 47,465,887</u>	<u>\$ 123,680,177</u>

Table 4

Union County, North Carolina
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Ad valorem taxes	\$ 159,650,925	\$ 160,909,290	\$ 162,147,454	\$ 169,710,100	\$ 194,255,775	\$ 192,395,861	\$ 195,274,372	\$ 205,544,367	\$ 200,033,303	\$ 205,018,769
Local option sales tax	23,944,051	26,373,178	27,595,031	30,284,689	33,023,307	37,420,598	42,828,128	44,074,996	47,069,786	50,242,063
Other taxes and licenses	2,813,162	2,746,674	3,068,956	3,492,149	3,201,693	3,136,056	3,652,751	3,789,364	3,973,402	3,954,408
Intergovernmental revenue	30,829,071	31,053,330	31,130,202	29,679,942	31,928,468	33,831,925	36,527,796	34,516,783	36,880,791	38,003,442
Permits and fees	4,371,446	5,099,529	6,098,103	6,982,279	6,783,000	7,472,415	7,227,386	7,862,126	7,372,469	8,596,860
Sales and services	5,083,297	5,281,772	4,398,686	4,911,808	5,182,376	5,173,794	4,599,967	5,914,930	6,546,595	5,749,023
Investment earnings	707,344	1,069,847	122,634	397,818	467,683	867,318	451,706	1,824,378	4,764,823	4,609,079
Miscellaneous	4,027,650	8,804,467	7,171,956	7,250,003	7,433,477	7,145,607	7,583,456	7,377,686	13,543,304	8,182,913
Extraordinary item	-	54,000,000	-	-	-	-	-	-	-	-
Total Revenues	231,426,946	295,338,087	241,733,022	252,708,788	282,275,779	287,443,574	298,145,562	310,904,630	320,184,473	324,356,557
Expenditures										
Current:										
General government	11,487,049	11,238,063	11,493,384	11,625,201	11,254,881	12,344,165	13,165,184	13,381,265	14,665,382	18,002,109
Public safety	35,812,639	39,997,069	39,134,681	43,980,663	48,720,595	52,681,383	57,008,242	62,734,029	67,937,224	71,873,105
Economic and physical development	3,534,815	2,734,165	2,158,639	2,383,306	2,565,477	2,629,698	2,813,512	3,322,030	4,534,087	4,601,843
Human services	37,826,248	37,796,024	36,855,320	37,430,037	40,496,633	41,848,033	43,900,232	43,083,568	45,941,880	47,910,610
Cultural and recreational	5,554,470	5,788,887	5,791,576	6,006,214	6,278,455	6,579,913	6,888,443	7,597,933	8,027,154	7,332,683
Intergovernmental:										
Education	80,781,286	80,562,304	82,882,387	85,180,373	89,885,541	94,996,333	97,247,541	99,713,171	103,194,389	106,102,982
Debt Service:										
Principal	27,231,937	29,506,575	30,542,075	31,705,585	33,368,401	33,292,147	33,251,165	33,201,602	44,683,633	24,947,000
Interest and fiscal charges	23,561,225	22,861,021	21,236,696	15,643,292	14,968,596	14,522,294	12,607,982	12,355,204	12,511,719	14,048,665
Capital Outlay	13,941,595	5,643,198	11,208,917	7,058,571	22,134,201	23,343,138	39,935,681	34,419,297	59,785,746	69,294,756
Total Expenditures	239,731,264	236,127,306	241,303,675	241,013,242	269,672,780	282,237,104	306,817,982	309,808,099	361,281,194	364,113,753
Excess (Deficiency) of Revenues over (under) Expenditures	(8,304,318)	59,210,781	429,347	11,695,546	12,602,999	5,206,470	(8,672,420)	1,096,531	(41,096,721)	(39,757,196)
Other Financing Sources (Uses)										
Transfers from other funds	3,304,238	58,516,401	20,075,766	21,428,507	32,648,952	16,932,270	21,594,116	22,808,549	22,750,806	42,411,055
Transfers to other funds	(3,304,238)	(58,516,401)	(20,075,766)	(21,428,507)	(32,681,469)	(18,386,710)	(23,349,733)	(24,765,252)	(24,859,011)	(37,863,769)
Transfer in-Water and Sewer Fund	-	-	-	-	327,500	-	-	-	-	-
Proceeds from borrowing	-	-	-	-	-	-	-	54,080,325	-	148,561,663
Proceeds from refunding	61,411,729	76,440,701	79,521,253	-	-	48,555,017	-	-	-	-
Proceeds from termination	-	-	953,000	-	-	-	-	-	-	-
Payments to escrow agent	(55,380,000)	(75,670,230)	(78,792,830)	-	-	(48,215,017)	-	-	-	(18,465,000)
Payments to terminate swaps	(5,544,147)	-	(20,023,787)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	487,582	770,471	(18,342,364)	-	294,983	(1,114,440)	(1,755,617)	52,123,622	(2,108,205)	134,643,949
Net change in fund balances	\$ (7,816,736)	\$ 59,981,252	\$ (17,913,017)	\$ 11,695,546	\$ 12,897,982	\$ 4,092,030	\$ (10,428,037)	\$ 53,220,153	\$ (43,204,926)	\$ 94,886,753
Debt service as a percentage of non-capital expenditures	21.6%	22.6%	21.9%	20.0%	18.4%	17.3%	16.3%	15.6%	16.6%	10.9%

Table 5

**Union County, North Carolina
Ad Valorem Taxes - General Fund
Last Ten Fiscal Years
(in thousands of dollars)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Ad Valorem Taxes										
Current year levy	\$ 150,435,645	\$ 152,186,072	\$ 153,550,056	\$ 160,701,501	\$ 186,316,459	\$ 184,604,610	\$ 188,197,662	\$ 198,305,186	\$ 191,662,309	\$ 196,802,461
Prior years' levy	3,959,296	3,158,223	2,888,114	2,692,210	1,741,779	1,641,647	1,060,434	819,774	1,065,474	820,652
Penalties and interest	1,013,773	1,201,507	1,265,282	1,636,238	1,105,634	1,024,575	804,102	690,864	771,674	661,454
Total	<u>\$ 155,408,714</u>	<u>\$ 156,545,802</u>	<u>\$ 157,703,452</u>	<u>\$ 165,029,949</u>	<u>\$ 189,163,872</u>	<u>\$ 187,270,832</u>	<u>\$ 190,062,198</u>	<u>\$ 199,815,824</u>	<u>\$ 193,499,457</u>	<u>\$ 198,284,567</u>

Table 6

**Union County, North Carolina
Assessed Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)**

Fiscal Year	Tax Year	Real Property		Personal Property		Public Service Company Property	Total Taxable Assessed Value	Total Direct Tax Rate
		Commercial	Residential	Motor Vehicles	Other			
2011	2010	\$ 2,632,122	\$ 17,258,428	\$ 1,545,618	\$ 1,337,551	\$ 357,989	\$ 23,131,708	0.665
2012	2011	2,639,194	17,452,960	1,654,529	1,297,412	351,399	23,395,494	0.665
2013	2012	2,656,787	17,536,158	1,718,147	1,281,969	357,878	23,550,939	0.660
2014	2013	2,672,689	18,273,843	2,484,134	1,314,726	354,966	25,100,358	0.660
2015	2014	2,676,766	18,273,843	2,111,720	1,250,481	352,249	24,665,059	0.7614
2016	2015	2,553,722	17,728,191	2,352,928	1,283,277	387,277	24,305,395	0.7765
2017	2016	2,549,763	17,728,191	2,529,384	1,358,790	413,136	24,579,264	0.7665
2018	2017	2,621,248	18,233,252	2,615,387	1,514,990	420,816	25,405,693	0.7810
2019	2018	2,693,966	18,851,451	2,736,204	1,524,403	427,253	26,233,277	0.7309
2020	2019	2,209,115	20,084,074	2,780,755	1,617,889	372,931	27,064,764	0.7309

Source: County Assessor's Office

Note: Assessed valuations are established by the Board of County Commissioners at 100% of estimated market value. A revaluation of real property is required by the North Carolina General Statutes at least every eight years. The Board of County Commissioners may accelerate the frequency of revaluations. Prior revaluations were completed for tax years 2008 and 2015.

Table 7

Union County, North Carolina
Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year	Tax Year	Sales Assessment Ratio	Real Property	Personal Property		Public Service Company Property	Estimated Actual Taxable Value
				Motor Vehicles	Other		
2011	2010	106.46%	\$ 18,683,590	\$ 1,545,618	\$ 1,337,551	\$ 357,989	\$ 21,924,748
2012	2011	111.16%	18,074,986	1,654,529	1,297,412	351,399	21,378,326
2013	2012	119.78%	16,872,206	1,776,330	1,292,083	357,878	20,298,497
2014	2013	117.86%	17,373,000	2,484,134	1,314,726	354,966	21,526,826
2015	2014	110.96%	18,646,043	2,111,720	1,240,541	352,249	22,350,553
2016	2015	99.71%	19,830,812	2,352,928	1,283,277	387,277	23,854,294
2017	2016	95.33%	21,271,325	2,529,384	1,358,790	413,136	25,572,635
2018	2017	88.40%	23,591,063	2,615,387	1,514,990	420,816	28,142,256
2019	2018	84.48%	25,503,571	2,736,204	1,524,403	427,253	30,191,431
2020	2019	79.04%	28,204,946	2,780,755	1,617,889	372,931	32,976,521

Source: County Assessor's Office

Table 8

**Union County, North Carolina
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
TaxYear	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Taxes Levied by Union County										
County-wide rate	0.665	0.665	0.660	0.660	0.7614	0.7765	0.7665	0.7810	0.7309	0.7309
Supplemental School Districts (Approved by the Voters)										
Monroe Schools District	-	-	-	-	-	-	-	-	-	-
County Schools District	-	-	-	-	-	-	-	-	-	-
Supplemental Fire Districts										
Hemby VFD	0.0476	0.0493	0.0526	0.0526	0.0526	0.0512	0.0485	0.0503	0.0488	0.0488
Springs VFD	0.03	0.0315	0.0355	0.0355	0.0483	0.0474	0.0437	0.0567	0.0552	0.0552
Stallings VFD	0.0428	0.0428	0.0428	0.0428	0.0428	0.0509	0.0503	0.0503	0.0502	0.0502
Waxhaw VFD	0.037	0.0372	0.0386	0.0386	0.0386	0.038	0.0357	0.0413	0.0545	0.0545
Wesley VFD	0.022	0.022	0.0241	0.0241	0.0281	0.0282	0.0293	0.0293	0.0354	0.0354
Total County Rates										
Maximum	0.7126	0.7143	0.7126	0.7126	0.8140	0.8277	0.8168	0.8377	0.7861	0.7861
Minimum	0.665	0.665	0.66	0.66	0.7614	0.7765	0.7665	0.7810	0.7309	0.7309
Average	0.6888	0.6897	0.6863	0.6863	0.7877	0.8021	0.7917	0.8094	0.7585	0.7585
Overlapping Taxes Levied by Municipalities										
City of Monroe	0.495	0.495	0.555	0.555	0.555	0.5863	0.5863	0.5863	0.6163	0.6163
Downtown Monroe District	0.2	0.2	0.2	0.2	0.2	0.219	0.219	0.219	0.219	0.219
Town of Fairview	0.02	0.0151	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Town of Hemby Bridge	0.025	0.025	-	-	-	-	-	-	-	-
Town of Indian Trail	0.15	0.145	0.145	0.185	0.185	0.185	0.185	0.185	0.185	0.185
Town of Marshville	0.38	0.38	0.41	0.48	0.48	0.48	0.48	0.51	0.51	0.51
Town of Mineral Springs	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025
Town of Mint Hill	0.215	0.275	0.275	-	-	-	-	-	-	-
Town of Stallings	0.22	0.215	0.215	0.215	0.215	0.215	0.215	0.215	0.215	0.215
Town of Unionville	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Town of Waxhaw	0.34	0.34	0.34	0.34	0.34	0.36	0.36	0.36	0.39	0.385
Town of Weddington	0.03	0.03	0.03	0.052	0.052	0.052	0.052	0.052	0.052	0.052
Town of Wingate	0.39	0.39	0.39	0.39	0.39	0.42	0.42	0.43	0.43	0.43
Village of Lake Park	0.21	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.24	0.25
Village of Marvin	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Village of Wesley Chapel	0.017	0.0165	0.0165	0.0165	0.0165	0.0165	0.0165	0.0165	0.0165	0.0165

Table 9

**Union County, North Carolina
Construction Information
Last Ten Fiscal Years
(in thousands of dollars except for number of units)**

Fiscal Year	Commercial Construction		Residential Construction	
	Number of Units	Value	Number of Units	Value
2011	210	\$ 56,050	1537	\$ 134,358
2012	232	66,330	1829	178,837
2013	255	150,362	2385	269,294
2014	400	104,010	3285	320,781
2015	519	85,815	3177	284,674
2016	592	189,488	3751	370,714
2017	518	113,835	3445	366,948
2018	636	203,181	3778	437,898
2019	589	244,562	3348	356,261
2020	569	455,379	4018	440,606

Building Permits are compiled from Union County Planning Dept., City of Monroe, and Town of Waxhaw.

*Number of units include all building permit types: COM, MF, RES, ROC, Home Daycare, SFD, RAC, ELEC, PLUM, MECH, MSF, & SH.

Table 10

**Union County, North Carolina
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	Type of Business	June 30, 2020			June 30, 2011		
		Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Allegheny Technologies	Manufacturing	\$ 154,647,975	1	0.57 %	\$ 316,413,338	1	1.37 %
Union Electric Membership Corp	Utility	122,817,379	2	0.45 %	109,496,250	3	0.47 %
Duke Power Company	Utility	100,295,486	3	0.37 %	69,744,395	5	0.30 %
Charlotte Pipe & Foundry Co	Manufacturing	98,414,133	4	0.36 %	111,122,130	2	0.48 %
Piedmont Natural Gas	Utility	54,952,711	5	0.20 %	64,836,108	6	0.28 %
AMH, NC Properties LP	Developer	52,764,900	6	0.19 %	-	-	-
Consolidated Metco Inc.	Manufacturing	48,902,520	7	0.18 %	-	-	-
William H reule Sr Revocable Trust	Developer	44,840,600	8	0.17 %	-	-	-
ATI Powder Metals LLC	Manufacturing	43,389,541	9	0.16 %	-	-	-
Greiner Bio-One North America	Manufacturing	41,734,246	10	0.15 %	-	-	-
Atlas Union SPE LLC	Banking	-	-	-	90,690,530	4	0.39 %
Sandler at Kensington LLC	Home Builder	-	-	-	46,556,230	7	0.20 %
Pace/Dowd Properties LTD	Home Builder	-	-	-	38,860,705	8	0.17 %
Walmart Real Estate Trust	Retail	-	-	-	35,926,610	9	0.16 %
AEP Industries	Manufacturer	-	-	-	34,647,040	10	0.15 %
Total assessed valuation of top 10 taxpayers		<u>\$ 762,759,491</u>		<u>2.80 %</u>	<u>\$ 918,293,336</u>		<u>3.97 %</u>
Total county-wide assessed valuation		<u>\$ 27,064,764,098</u>			<u>\$ 23,131,707,907</u>		

Source: County Assessor's Office.

Table 11

**Union County, North Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Tax Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date		
			Amount Collected	Percentage of Levy			Amount Collected	Percentage of Levy	
2011	2010	\$ 153,958,954	\$ 150,315,372	97.6	%	\$ 3,080,702	\$ 153,396,074	99.6	%
2012	2011	155,268,603	152,028,139	97.9	%	2,728,183	154,756,322	99.7	%
2013	2012	156,181,568	153,431,297	98.2	%	2,149,481	155,580,778	99.6	%
2014	2013	162,787,247	160,654,217	98.7	%	1,055,880	161,710,097	99.3	%
2015	2014	187,119,188	186,043,063	99.4	%	273,396	186,316,459	99.6	%
2016	2015	184,680,886	184,123,235	99.7	%	481,373	184,604,608	100.0	%
2017	2016	188,432,411	187,912,101	99.7	%	285,561	188,197,662	99.9	%
2018	2017	198,297,575	197,993,083	99.8	%	312,102	198,305,185	100.0	%
2019	2018	192,056,954	191,557,613	99.7	%	104,696	191,662,309	99.8	%
2020	2019	197,546,817	196,786,125	99.6	%	16,336	196,802,461	99.6	%

Table 12

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

Fiscal Year	Governmental Activities						Debt Per Capita
	General Obligation Bonds	C.O.P.'s and Installment Financing	Total Governmental Activities	Debt to Assessed Value	Percentage of Personal Income	Debt Per Capita	
2011	\$ 425,754,698	\$ 99,707,327	\$ 525,462,025	2.27 %	7.3 %	\$ 2,610	
2012	403,388,123	94,726,484	498,114,607	2.13 %	6.1 %	2,421	
2013	383,275,223	89,587,309	472,862,532	2.00 %	5.8 %	2,247	
2014	357,818,458	83,338,489	441,156,947	1.79 %	5.0 %	2,085	
2015*	346,375,424	83,222,053	429,597,477	1.74 %	4.3 %	1,989	
2016*	318,941,151	76,303,778	395,244,929	1.66 %	3.8 %	1,792	
2017*	289,513,224	69,396,598	358,909,822	1.46 %	3.2 %	1,602	
2018*	314,233,363	62,571,111	376,804,474	1.48 %	n/a %	1,629	
2019*	273,169,328	55,808,592	328,977,920	1.25 %	n/a %	1,385	
2020*	380,695,049	50,249,706	430,944,755	1.58 %	n/a %	1,797	

Fiscal Year	Business-Type Activities				Total Primary Government			
	General Obligation Bonds	Revenue Bonds	Other Long-term Obligations	Total Business-Type Activities	Debt Per Water Connections	Total Primary Government	Percentage of Personal Income	Debt Per Capita
2011	\$ 1,420,302	\$ 58,065,000	\$ 14,152,180	\$ 73,637,482	\$ 1,854	\$ 599,099,507	9.4 %	\$ 2,976
2012	871,877	52,655,000	13,168,483	66,695,360	1,621	564,809,967	8.4 %	2,746
2013	329,777	49,955,000	12,184,787	62,469,564	1,462	535,332,096	6.5 %	2,544
2014	191,542	47,175,000	11,201,090	58,567,632	1,336	499,724,579	5.5 %	2,362
2015*	59,943	45,966,718	10,217,393	56,244,054	1,247	485,841,531	4.8 %	2,250
2016*	-	62,627,835	9,233,697	71,861,532	1,554	467,106,461	5.1 %	2,118
2017*	-	60,021,984	8,250,000	68,271,984	1,457	427,181,806	3.8 %	1,907
2018*	-	121,096,288	7,500,000	128,596,288	2,605	505,400,762	n/a %	2,184
2019*	-	194,866,255	6,750,000	201,616,255	3,992	530,594,175	n/a %	2,234
2020*	-	160,269,930	-	160,269,930	3,173	591,214,685	n/a %	2,465

* - Includes unamortized premiums.

Table 13

**Union County, North Carolina
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

General Obligation Debt				
Fiscal Year	Total General Obligation Debt	Percentage of Actual Taxable Value of Property		Debt Per Capita
2011	\$ 427,175,000	1.85	%	\$ 2,122
2012	404,260,000	1.74	%	1,965
2013	383,605,000	1.63	%	1,823
2014	358,010,000	1.45	%	1,637
2015	346,375,424	1.35	%	1,604
2016	318,941,151	1.25	%	1,446
2017	289,513,224	1.11	%	1,221
2018	314,233,363	1.24	%	1,358
2019	273,169,328	1.04	%	1,150
2020	380,695,049	1.40	%	1,587

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

Table 14

**Union County, North Carolina
Legal Debt Margin Information
Last Ten Fiscal Years**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed value of taxable property (in 000's)	\$ 23,131,708	\$ 23,395,494	\$ 23,635,819	\$ 24,629,645	\$ 24,665,059	\$ 23,796,785	\$ 24,579,264	\$ 25,405,693	\$ 26,233,277	\$ 27,064,764
Applicable percentage:	x 0.08	x 0.08	x 0.08	x 0.08	x 0.08	x 0.08	x 0.08	x 0.08	x 0.08	x 0.08
Debt limit - 8 percent of assessed value	1,850,536,640	1,871,639,520	1,890,865,520	1,970,371,600	1,973,204,720	1,903,742,804	1,966,341,124	2,032,455,440	2,098,662,160	2,165,181,120
Gross debt										
General obligation debt	427,175,000	404,260,000	383,605,000	358,010,000	330,795,000	300,545,000	273,565,000	296,700,000	258,290,000	352,718,000
Authorized and unissued	-	-	-	-	-	-	-	104,320,000	54,320,000	54,320,000
Certificates of Participation	91,930,000	87,795,000	83,535,000	78,200,000	72,860,000	67,565,000	62,320,000	57,050,000	51,885,000	46,815,000
Installment Financing	7,777,327	6,931,484	6,052,309	5,138,489	4,188,659	3,201,399	2,175,234	1,108,633	-	-
NC Clean Water Revolving Loan	14,152,180	13,168,483	12,184,787	11,201,090	10,217,393	9,233,697	8,250,000	7,500,000	6,750,000	-
Total Gross Debt	541,034,507	512,154,967	485,377,096	452,549,579	418,061,052	380,545,096	450,630,234	416,678,633	371,245,000	399,533,000
Less: Sewer bonds issued and outstanding	(1,420,302)	(871,877)	(329,777)	(191,542)	(55,113)	-	-	-	-	-
NC Clean Water Revolving Loan	(14,152,180)	(13,168,483)	(12,184,787)	(11,201,090)	(10,217,393)	(9,233,697)	(8,250,000)	(7,500,000)	(6,750,000)	-
Total Less	(15,572,482)	(14,040,360)	(12,514,564)	(11,392,632)	(10,272,506)	(9,233,697)	(8,250,000)	(7,500,000)	(6,750,000)	-
Total amount of debt applicable to debt limit	525,462,025	498,114,607	472,862,532	441,156,947	407,788,546	371,311,399	442,380,234	409,178,633	364,495,000	399,533,000
Legal debt margin	\$ 1,325,074,615	\$ 1,373,524,913	\$ 1,418,002,988	\$ 1,529,214,653	\$ 1,565,416,174	\$ 1,532,431,405	\$ 1,523,960,890	\$ 1,623,276,807	\$ 1,734,167,160	\$ 1,765,648,120
Legal debt margin as a percentage of the debt limit	71.60%	73.39%	74.99%	77.61%	79.26%	80.50%	82.81%	79.87%	82.63%	81.55%

Table 15

Union County, North Carolina
Pledged Revenue Coverage per Revenue Bond Indenture
Water and Sewer Bonds
Last Ten Fiscal Years

Fiscal Year	Revenues	Current Expenses	Net Revenues Available for Debt Service	20% Preceding Year's Surplus	Senior Debt Service	Subordinate Debt Service	Total Debt Service	Adj. Total Debt Service + 20% Senior Debt	Coverage Tests	
									Adj. Net Rev / Adj. Dbt. Svc.	Net Rev / Total Dbt. Svc.
2011	\$ 29,346,454	\$ 16,397,633	\$ 12,948,821	\$ 5,411,524	\$ 4,836,739	\$ 2,963,395	\$ 7,800,134	\$ 8,767,482	2.09	1.66
2012	30,976,060	16,476,867	14,499,193	5,608,788	4,810,493	1,926,747	6,737,240	7,699,339	2.61	2.15
2013	30,379,214	17,316,934	13,062,280	6,075,579	4,628,653	1,872,481	6,501,134	7,426,865	2.58	2.01
2014	38,601,784	20,513,746	18,088,038	5,646,039	4,565,677	1,270,573	5,836,250	6,749,385	3.52	3.10
2015	34,506,748	20,688,255	13,818,493	7,234,929	4,497,648	1,245,569	5,743,217	6,642,747	3.17	2.41
2016	39,566,770	23,088,726	16,478,044	n/a	4,395,673	1,220,566	5,616,239	6,495,374	2.54	2.93
2017	43,316,500	24,128,401	19,188,099	n/a	4,185,374	1,195,562	5,380,936	6,218,011	3.09	3.57
2018	52,189,497	26,876,944	25,312,553	n/a	5,978,606	936,863	6,915,469	8,111,190	3.12	3.66
2019	57,433,831	30,006,897	27,426,934	n/a	8,636,232	919,875	9,556,107	11,283,353	2.43	2.87
2020	62,713,139	31,597,835	31,115,304	n/a	8,804,110	865,515	9,669,625	11,430,447	2.72	3.22

Notes: In FY2003, the County issued its 2003 Revenue Bonds and authorized its Series Indenture, Number 2. The Indenture modified certain rate covenants contained in the General Indenture by providing for a two prong test - one test which permits the inclusion of 20% of the balance in the Surplus Fund from the prior fiscal year with other test omitting the Surplus Fund. In FY2003, the State Loan Agreement was subordinated to senior debt service.

Table 16

**Union County, North Carolina
Pledged Revenue Coverage
Water and Sewer Bonds
Last Ten Fiscal Years**

Fiscal Year	Revenues	Current Expenses	Net Revenues Available for Debt Service	Revenue Bond Debt Service		Coverage
				Principal	Interest	
2011	\$ 29,346,454	\$ 16,397,633	\$ 12,948,821	\$ 2,575,000	\$ 2,261,739	2.68
2012	30,976,060	16,476,867	14,499,193	2,695,000	2,115,493	3.01
2013	30,379,214	17,316,934	13,062,280	2,700,000	1,928,653	2.82
2014	38,601,784	20,513,746	18,088,038	2,780,000	1,785,677	3.96
2015	34,506,748	20,688,255	13,818,493	2,820,000	1,677,648	3.07
2016	39,566,770	23,088,726	16,478,044	1,735,000	1,895,513	4.54
2017	43,316,500	24,128,401	19,188,099	2,395,000	2,339,646	4.05
2018	52,189,497	26,876,944	25,312,553	2,475,000	3,945,954	3.94
2019	57,433,831	30,006,897	27,426,934	4,240,000	4,396,232	3.18
2020	62,713,139	31,597,835	31,115,304	4,395,000	4,409,110	3.53

Table 17

**Union County, North Carolina
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Personal					
	Population (1)	Income (thousands of dollars) (2)	Capita Personal Income (2)	School Enrollment (3)	Unemployment Rate (4)	Sales (5) (thousands of dollars)
2011	202,171	\$ 7,710,379	\$ 36,770	39,900	9.6 %	\$ 1,122,433
2012	205,321	8,441,964	39,611	40,359	8.6 %	1,197,951
2013	207,775	8,651,849	39,417	40,958	8.0 %	1,321,781
2014	211,539	9,420,509	43,224	42,047	6.2 %	1,460,830
2015	215,956	10,324,744	46,456	41,266	5.3 %	1,610,426
2016	220,546	10,812,551	47,729	41,780	4.3 %	1,799,712
2017	224,029	11,486,771	49,648	42,000	4.0 %	2,018,468
2018	231,366	n/a	n/a	41,500	3.6 %	2,068,107
2019	237,477	n/a	n/a	41,372	3.9 %	2,191,524
2020	239,859	n/a	n/a	41,395	7.2 %	2,326,821

Sources:

1. North Carolina State Demographic Unit
2. United States Dept of Commerce, Bureau of Economic Analysis
3. Amounts are estimated by UCPS. <https://www.ucps.k12.nc.us/Page/218>
4. North Carolina Department of Commerce, Labor Market Publications
5. North Carolina Department of Revenue

Table 18

**Union County, North Carolina
Principal Employers
Current Year and Nine Years Ago**

Employer	Type of Business	2020		2011	
		Employees	Rank	Employees	Rank
Union County Schools	Education & Health Services	1,000+	1	1,000+	1
TDY Industries LLC	Manufacturing	1,000+	2	1,000+	4
County of Union	Public Administration	1,000+	3	1,000+	5
Tyson Farms Inc	Manufacturing	1,000+	4	1,000+	2
Harris Teeter	Trade, Transportation & Utilities	1,000+	5	500-999	7
Walmart Associates Inc.	Trade, Transportation & Utilities	500-999	6	500-999	6
Pilgrims Pride Corporation	Manufacturing	500-999	7	250-499	-
City of Monroe	Public Administration	500-999	8	500-99	8
Wingate University	Education & Health Services	500-999	9	250-499	-
Food Lion	Trade, Transportation & Utilities	500-999	10	250-499	-
Charlotte Pipe & Foundry Company	Manufacturing			250-499	10

Source: North Carolina Department of Commerce

Table 19

Union County, North Carolina
Full-time Equivalent Employees by Function / Program
Last Ten Fiscal Years

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
General government										
Board of Commissioners	5.0	5.0	5.0	5.0	5.0	2.1	2.1	2.1	2.1	2.1
Central Administration	6.3	6.1	7.1	7.10	8.1	5.0	4.5	4.5	4.8	2.8
Internal Audit	1.0	1.0	-	-	-	-	-	-	-	-
Legal	3.0	3.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Personnel	6.0	6.0	6.0	6.0	8.1	8.1	9.1	9.1	9.1	10.3
Finance	8.0	8.0	8.8	8.8	8.8	8.8	9.8	9.8	10.9	13.9
Tax Administration	42.5	42.5	46.7	47.80	48.7	48.7	50.4	50.9	52.9	54.4
Elections	12.0	18.8	12.7	12.70	12.8	18.1	17.1	13.1	15.5	18.8
Register of Deeds	9.0	9.1	10.5	10.50	10.5	10.5	10.6	10.5	11.4	11.4
Information Systems (and GIS)	10.0	10.0	10.1	10.10	11.1	11.1	12.1	13.1	15.2	14.3
Public Communications	-	-	-	-	-	-	-	-	-	5.0
General Services	10.0	10.0	-	-	-	-	-	-	-	-
Procurement	-	-	-	3.0	4.1	5.1	5.1	5.2	5.2	5.2
Fleet Management	-	-	-	-	-	-	-	-	-	5.0
Property Management	-	-	-	4.0	4.0	5.1	5.1	13.1	15.1	18.5
Outside Agencies - DWI Treatment Coordinator	-	-	-	-	-	-	-	1.0	1.0	1.0
Public safety										
Law Enforcement (and AC)	261.1	262.3	284.5	284.90	284.8	295.9	300.6	308.9	325.2	328.8
Communications	41.4	42.1	43.4	42.80	42.2	42.2	50.0	54.0	52.0	52.4
Emergency Management	3.0	3.0	2.3	1.30	1.34	1.3	1.3	1.3	1.6	2.4
Fire Services	5.0	5.0	4.3	4.30	4.3	5.3	4.3	5.3	7.6	7.4
Building Code Enforcement	12.0	12.0	17.8	18.80	18.9	18.9	19.8	19.8	26.0	27.6
Economic and physical development										
Planning	4.0	4.0	4.3	4.30	5.3	5.3	6.3	6.3	3.2	4.2
Economic Development	-	-	-	-	-	-	-	-	-	-
Cooperative Extension	11.0	10.0	9.8	9.90	11.7	12.3	12.4	14.4	14.4	15.1
Soil Conservation	1.0	1.0	1.0	1.0	1.5	2.0	2.0	2.0	2.0	2.0
Human services										
Community Support & Outreach	-	-	-	-	-	-	-	-	32.9	35.5
Environmental Health	-	-	-	-	-	-	-	-	25.7	27.5
Public Health	100.2	93.2	90.1	90.1	90.4	90.4	95.7	94.4	72.8	89.0
Social Services	197.4	188.1	193.6	194.10	200.1	216.1	231.6	225.9	252.6	281.5
Transportation and Nutrition	30.9	30.0	34.6	34.60	34.6	36.0	37.0	60.0	35.7	36.4
Veterans' Services	3.0	3.5	4.0	4.00	4.0	4.0	4.0	4.0	4.0	5.1
Cultural and recreational										
Library	56.2	54.6	55.1	53.80	54.0	54.0	54.0	55.0	53.7	53.9
Parks and Recreation	23.7	23.7	24.2	24.20	24.3	24.7	25.7	26.8	27.5	28.3
Sub-total	863	853	880	887	903	935	975	1,014	1,084	1,164
Business-type activities:										
Water and Sewer	94.0	93.6	104.8	84.80	88.0	93.9	99.9	116.5	129.4	143.8
Solid Waste	20.4	18.8	19.4	19.50	21.0	20.6	21.6	22.4	22.5	27.9
Stormwater	2.1	2.1	2.1	2.10	2.0	1.0	-	-	-	-
Sub-total	117	115	126	106	111	116	122	139	152	172
Total	980	967	1,006	994	1,014	1,051	1,096	1,153	1,236	1,335

Table 20

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government:										
Personnel										
Number of full-time employees	804	790	822	821	820	864	864	898	951	1,013
Number of part-time employees	38	50	56	66	83	72	98	106	157	159
Elections										
Number of registered voters	125,401	129,821	136,500	139,836	138,597	145,645	148,448	154,300	150,789	160,261
Information Systems (and GIS)										
Number of users in system	1,214	1,230	1,313	1,397	1,239	1,242	1,257	1,883	1,772	1,815
General Services										
Number of vehicle service requests	1,040	1,031	1,113	1,721	3,805	4,501	4,629	4,462	4,552	4,518
Fire Services										
Number of volunteer fire personnel	550	550	550	550	500	500	500	500	500	500
Number of inspections	1,201	2,057	2,640	2,136	1,196	1,106	906	1,172	1,798	1,375
Human services										
Public Health										
Number of patients	13,426	11,952	9,408	8,237	8,142	6,786	10,198	8,904	6,497	4,382
Number of visits	25,907	23,869	23,650	20,729	20,681	15,716	17,508	15,099	12,728	10,667
Social Services										
Number of client visits	56,601	57,985	57,351	49,722	48,786	47,064	53,125	58,693	58,803	44,275
Transportation and Nutrition										
Number of trips	86,067	78,156	84,623	84,533	77,784	74,176	75,342	69,402	79,674	1,417
Congregate, home delivered and supplemental meals	82,324	71,276	69,835	60,968	68,573	70,497	75,134	71,963	66,978	101,619
Veterans Services										
Number of visitors	3,431	3,178	3,451	3,479	3,598	3,652	3,576	3,556	3,628	3,048
Number of phone calls	11,155	11,907	12,374	12,564	11,734	12,166	11,047	11,215	12,472	12,464
Cultural and recreational										
Library										
Number of volumes	228,169	225,174	225,788	225,181	212,961	207,748	190,370	166,742	145,582	149,573
Education										
Number of licensed employees	2,834	2,555	3,192	3,117	2,928	N/A	2,976	2,603	3,111	3,117
Number of students	39,900	40,359	40,958	42,047	41,266	41,780	42,000	41,500	41,300	41,395
Business-type Activities:										
Personnel										
Number of full-time employees	106	109	109	100	100	109	107	126	137	155
Number of part-time employees	11	6	17	6	11	7	18	21	18	18
Water and Sewer										
Average daily consumption in gallons (in 000's)	11,420	11,280	11,100	11,740	12,460	13,100	13,880	13,870	14,160	14,228
Number of water service connections	39,710	41,147	42,406	43,828	45,095	46,236	47,489	49,363	50,509	51,961
Number of sewer service connections	28,452	29,110	30,306	31,597	32,688	33,632	34,711	36,402	37,319	38,834

Source: Various county departments

Table 21

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government:										
Tax Administration										
Number of tax parcels	107,287	108,297	108,297	109,941	110,998	113,574	118,525	117,378	118,431	125,580
Elections										
Number of precincts	52	52	52	52	52	52	52	52	52	52
Public safety										
Law Enforcement (and AC)										
Number of stations	8	8	8	8	8	8	8	8	8	8
Number of patrol units	309	318	318	N/A	N/A	332	335	278	284	299
Fire Services										
Number of stations-main	18	18	18	18	17	17	17	17	17	17
Number of stations-sub	7	7	7	7	8	8	8	8	8	8
Cultural and recreational										
Library										
Number of libraries	3	4	4	4	4	4	4	4	4	4
Parks and Recreation										
Number of parks	3	3	3	3	3	3	3	3	3	3
Number of acres in parks	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,290
Number of acres in lakes	350	350	350	350	350	350	350	350	350	350
Education										
Number of schools	53	53	53	53	53	53	53	53	53	53
Number of classrooms	2,322	2,322	2,322	1,902	1,902	N/A	2,379	2,075	2,084	2,084
Business-type activities:										
Water and Sewer										
Number of fire hydrants	4,559	4,579	4,571	4,638	4,736	4,843	4,964	5,041	5,096	5,189
Miles of water mains	972	980	980	993	1,020	1,043	1,065	1,082	1,095	1,114
Miles of sewer mains	606	607	610	620	640	663	684	698	708	727

Source: Various county departments