

Union County Government

EST. 1842



Popular Annual Financial Report

For the Fiscal Year Ended June 30, 2017

Union County, North Carolina



2017 Popular Annual Financial Report



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UNION COUNTY GOVERNMENT

NORTH CAROLINA

BOARD of COUNTY COMMISSIONERS



Frank Aikmus,
Chairman



Richard Helms,
Vice - Chairman



Jerry Simpson



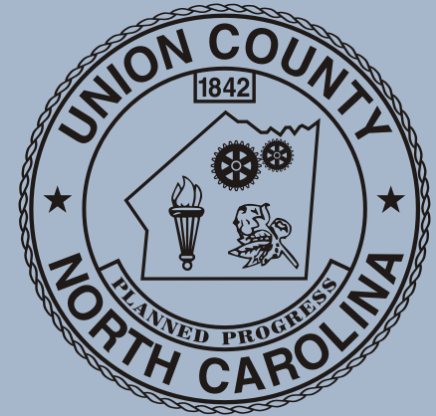
Stony Rushing



Lance Simpson



Letter from the County Manager Cindy Coto

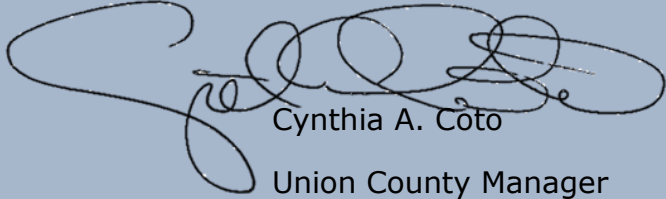


On behalf of the Board of County Commissioners and the Management of Union County, I am proud to present the County's Popular Annual Financial Report (PAFR). Provided in this report are the financial highlights from the fiscal year ended June 30, 2017.

The Comprehensive Annual Financial Report (CAFR) provides significant financial detail; however, unless you have an accounting back-ground, the information found in this report may seem overwhelming. In a continuing effort to provide transparency, the county has compiled the pertinent financial information into a user friendly document. This report is not intended to be comprehensive, but provides users with a clear picture of the County's general financial condition.

We welcome your comments, questions, and concerns; and we appreciate your interest in the County and its financial information.

Sincerely,



Cynthia A. Coto
Union County Manager



Quick Facts About *Union County*

Established in 1842, Union County was formed by combining portions of Anson County and Mecklenburg County. Its name was a compromise between Whigs, who wanted to name the new county for Henry Clay, and Democrats, who wanted to name it for Andrew Jackson. Situated in the south central Piedmont area of North Carolina, Union County is approximately 643 square miles of land south-east of Charlotte.

Population
224,029

State Rank: 8th

Public School Enrollment
42,278

(as of August 2017)
State Rank: 6th

Median Age
37.2

State Rank: 16th

Households
Homeownership Rate
70,711/ 79.9%

State Rank:
9th/ 3rd

Median Household Income
\$65,903

State Rank: 2nd

Unemployment
4.0%

(as of August 2017)
State Rank: 7th

Average Temperatures
January - 48°
July - 83°

About the PAFR

As part of its continuing efforts to improve governmental transparency, the County publishes the PAFR as a supplement to the CAFR. This document provides an overview of government, the service areas, your elected officials, and provide an easy to read overview of the County's overall fiscal health.

We hope you find the PAFR to be concise, informative and easy to read. As you review this document, we encourage you to share your thoughts with us, as we value your input and comments. The FY 2017 Comprehensive Annual Financial Report (CAFR) can be found on the Union County, NC Finance Website by clicking [here](#).

If you have interest in our previous financial documents (monthly reports, annual budgets, annual audits or other information), please visit us at the [Finance Division Website](#).

Union County

Government

EST. 1842



**Union County, North Carolina
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2017**

<http://unioncountync.gov>

Overview

Union County's financial cycle begins July 1st and ends on June 30th, during which we perform two major processes - Annual Audit and the Annual Operating and Capital Budget process. The diagram below shows our Plan of Work Model. As the flow chart indicates, the Manager's Plan of Work is the starting place for the annual cycle, establishing the foundation and priorities for the budget process and providing measureable and tangible goals.

The Plan of Work is built on the concept of establishing objectives, determining deliverables, reporting and feedback, adjusting the deliverables, and ultimately celebrating successes. The Plan of Work is revisited every year through the budget process, evaluated, and adjusted.

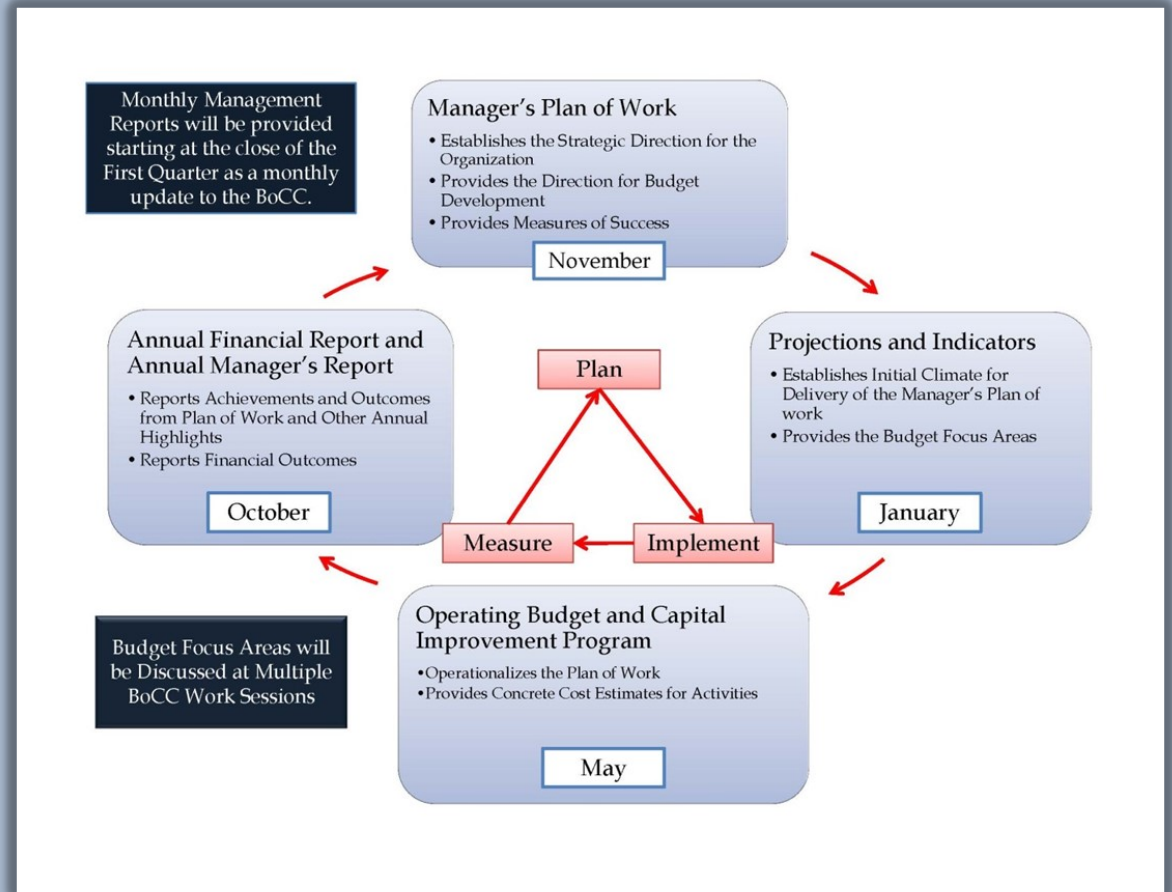
Our end of year financial statements are audited by an independent external auditing firm (Cherry Bekaert LLP), and we have received an unmodified or clean audit opinion.

Contact:

[Jeffrey Yates](#)

Executive Director of
Administrative Services/ CFO

500 N. Main Street, Suite 700
Monroe, NC 28112
704.283.3813



FY 2016 Financial Award

The Government Finance Officers Association (GFOA) of the United States and Canada has given its Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) to Union County for the fiscal year ended June 30, 2016. This Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**Union County
North Carolina**

For its Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

A handwritten signature in black ink, appearing to read 'Jeffrey R. Emen'.

Executive Director/CEO

County Services by Service Area and Division

Service Area	
Division	
Administrative Services	
Finance	Information Technology
Procurement	Budget
Board of Elections	
Community Services	
Cooperative Extension	Library
Parks & Recreation	Soil & Water Conservation
Emergency Services	
911 Communications	Emergency Management
Emergency Medical Services	Fire Marshal's Office
Volunteer Fire Departments (Funding Only)	
General County Administration	
Board of County Commissioners	Central Administration
Human Resources	Legal
Tax Administration	
Growth Management	
Building Code Enforcement	Planning
Human Services	
Public Health	Social Services
Transportation and Nutrition	Veterans Services
Outside Agencies and Community Partners (Funding Only)	
Public Works	
Water & Sewer	Solid Waste
Stormwater	Facilities Management
Register of Deeds	
Union County Sheriff's Office	
Union County Public Schools (Funding Only)	

Primary Employers:

Company Name	Industry	Employment Range
Union County Schools	Education & Health Services	1,000+
Tyson Farms Inc.	Manufacturing	1,000+
TDY Industries LLC	Manufacturing	1,000+
County of Union	Public Administration	1,000+
Harris Teeter Inc. (Kroger)	Trade, Transportation & Utilities	1,000+
Wal-Mart Associates Inc.	Trade, Transportation & Utilities	500-999
Pilgrims Pride Corporation	Manufacturing	500-999
City of Monroe	Public Administration	500-999
Food Lion	Trade, Transportation & Utilities	500-999
Charlotte Mecklenburg Hospital	Education & Health Services	500-999

Largest Taxpayers:

Name	Type of Business	Percentage of Total Assessed Valuation
Allegheny Technologies (Allvac)	Metals	0.63%
Union Electric Membership Corp.	Utility	0.60%
Duke Power Company	Plastics	0.38%
Charlotte Pipe & Foundry Co.	Utility	0.35%
Piedmont Natural Gas Co.	Utility	0.24%
AEP Industries	Manufacturer	0.17%
Walmart Real Estate Business Trust	Retail	0.17%
Time Warner Cable Southeast LLC	Utility	0.13%
Inland American Monroe Poplin	Retail	0.13%
TDY Industries, Inc.	Manufacturer	0.12%
Total assessed valuation % of top 10 taxpayers		2.94%

Fiscal Sustainability - Keeping Union County's Fiscal House in Order

How would you know if the County's finances were in good shape? Considering the economic pitfalls that impacted the housing industry and the County's dependence on ad valorem taxes, what is the measure of performance among municipal government? Below are the performance measurement tools Union County uses to gauge our annual results.

Municipal Credit Rating

Similar to a personal credit score, the County has engaged three independent rating agencies to monitor the County's finances. A municipal credit rating has a direct impact on the County's ability to successfully attract investors, and more importantly achieve the lowest interest rate possible.

Debt

The Board of County Commissioners has identified Fiscal Sustainability in their Plan of Work for the past two years, and with good reason. Union County's residential growth imposed significant pressure on the budget during the prior decade, requiring additional taxes to pay for debt service associated with new schools. There are limits and like most households, counties do not have the ability to cash fund significant investments, so funds are raised through debt issuance.

Budget

"There is no dignity quite so impressive, and no one independence quite so important, as living within your means" - Calvin Coolidge. The installation of a modified zero-based budget requires a ground up cost approach, and NC General Statutes require a balanced budget. The County's historical performance versus budget has been sound and often better than projection.

Fund Balance

If there is one thing history has taught us, it is to always expect the unexpected. Counties prepare for the unplanned by having savings in the form of fund balance. The Board of County Commissioner's Fund Balance Policy establishes a bench mark of 20% of expenditures. The benchmark level will ensure the County's ability to operate during natural disasters as experienced during Hurricane Hugo, or more recently Hurricane Matthew.

Financial Planning

Understanding the long term needs and obligations is paramount to planning for their impacts. Whether accounting for retirement funding, healthcare, or building maintenance, it is important to save today for tomorrow's needs.



Financial Stability and Progress

The County is a mutual asset of all 224,029 residents for the purpose of providing services to the collective whole. The services provided by the County include, but are not limited to, law enforcement and fire protection, water and sewer, health, human and social services, transportation, waste disposal, and funding for education.

Credit Rating

The County is proud of the Aaa/AA+/AAA credit ratings, which signify the highest and second highest rating possible in the municipal rating scale. The County rating has never been downgraded, which is a testament to the continued financial stability. Moody's and Fitch both upgraded the County to AAA/Aaa in November 2015 from Aa1/AA+.

Debt

Between 2000 and 2009 the County issued \$121.40 million in installment debt and \$446.86 million in General Obligation Bonds. At the close of FY 2007, general fund debt obligations totaled \$620 million, or \$3,663 per capita. Today, as a result of proactive debt management, advanced re-funding opportunities, and better financial options, the County has \$338 million in general fund debt outstanding, or \$1,509 per capita.

Budget

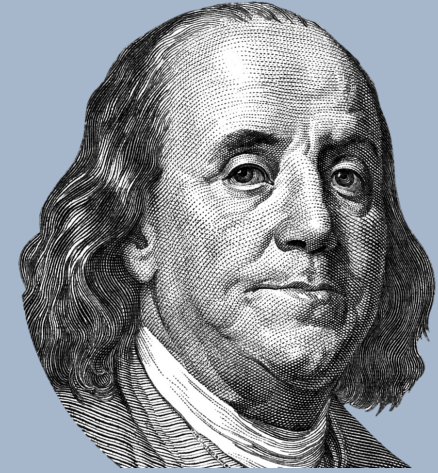
The County is mandated by North Carolina General Statute to provide and pass a balanced budget. The budget provides guidance to the County to make sure the spending is in line with its revenues. Historically, the County has posted above average revenues, and trimmed expenditures throughout the budget year. The County's revenues have exceeded expenditures (not inclusive of transfers) in 18 of the past 20 fiscal years.

Fund Balance

The Board of County Commissioners has passed robust policies outlining the appropriate reserve levels the County is expected to maintain. Historically this percentage was set at 16% of General Fund expenditures. However, in 2014, the BoCC strengthened this position to 20% of the total General Fund's and Schools Budgetary Fund's FY 2015 budgeted expenditures.

Financial Planning

The County utilizes historical budget analysis, revenue projections, long range growth models and the Capital Improvement Program to determine future needs, timing, and acquisition of assets. The County also uses outside actuarial sources for calculations of OPEB, health care and pension obligations in order to proactively fund for future costs on a pro-rata basis.



Government-wide Statements

The government wide financial statement is a review of the financial standing of Union County, and provides year over year change in net position. They are broken down into two distinct categories; governmental activities and business activities. The County's government wide financial statements are prepared on an accrual basis of accounting. Additional information can be found on page C-3 of the FY 2017 Comprehensive Annual Financial Report.

To the right is the Statement of Net Position. It demonstrates the assets and liabilities that are owned and owed by the County, in addition to producing a net position for each category.

For Union County you will notice the assets in the governmental activities are outweighed by the liabilities, yielding a negative net position. This is the result of assets financed by the County, and conveyed to other entities. In the case of Union County, that is primarily the Union County Public School District.

During the previous 10 years the County has financed **\$318 million** in schools, and while the County continues to carry the debt, the assets (namely the buildings) have been conveyed to the District creating a liability without a matching asset.

Year over year, the Governmental Activities have improved by \$41.5 million, and the Business Activities have improved by \$20.4 million. A large part of these changes come from the reduction of outstanding debt through principal reduction.

Net Position (in millions)

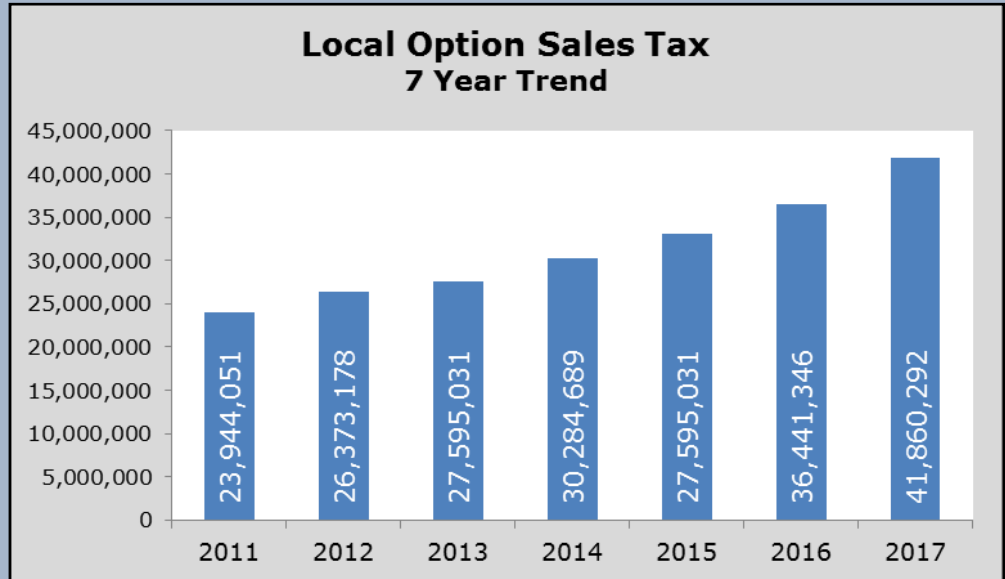
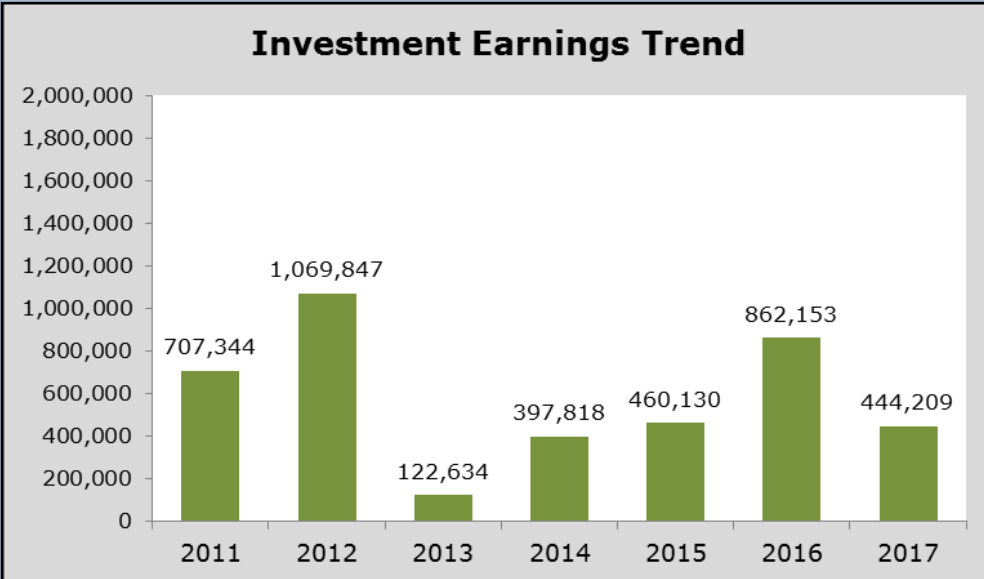
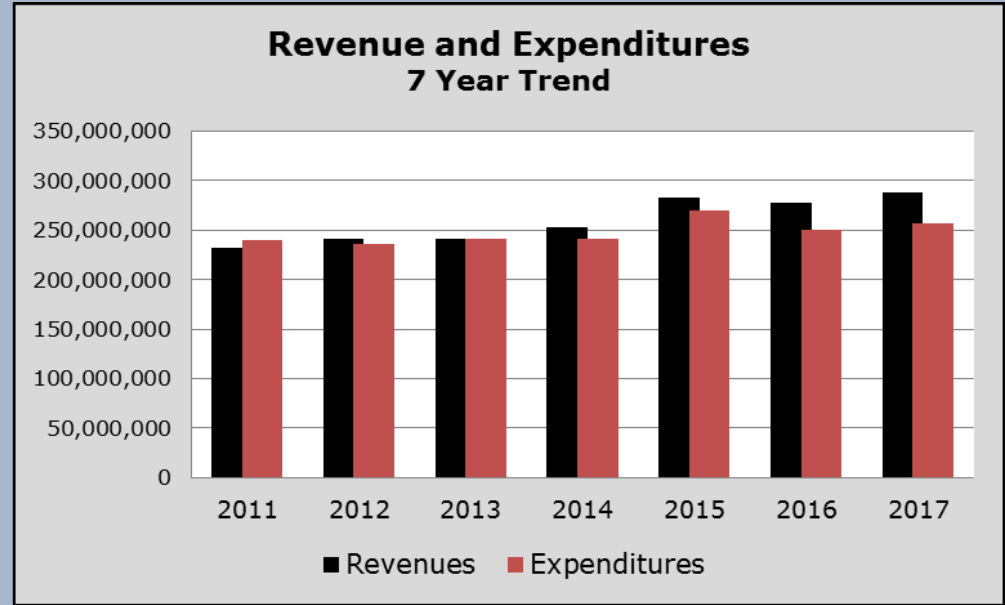
	Governmental Activities		Business Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current Assets	\$141.1	\$149.6	\$76.2	\$89.8	\$217.3	\$239.4
Non current Assets (inclusive of Capital Assets)	130.9	114.4	316.3	282.6	447.2	397.0
Total Assets	272.0	264.0	392.5	372.4	664.5	636.4
Deferred Outflows of Resources	33.5	26.0	5.8	6.2	39.3	32.2
Current Liabilities	52.8	52.5	15.2	12.2	68.0	64.7
Non Current Liabilities	40.5	29.4	12.6	12.7	53.1	42.1
Non Current Long Term debt	322.8	358.9	64.8	68.3	387.6	427.2
Total Liabilities	416.1	440.8	92.6	93.2	508.7	534.0
Deferred Inflows of Resources	6.5	7.8	0.3	0.4	6.8	8.1
<i>Net Position</i>						
Net Investment in Capital Assets	72.4	50.9	205.9	180.4	278.3	231.3
Restricted	52.6	62.5	0.9	0.9	53.5	63.6
Unrestricted	(242.1)	(272.1)	98.6	103.7	(143.6)	(168.4)
Total Net Position	(\$117.1)	(\$158.6)	\$305.4	\$285.0	\$188.2	\$126.5

*Amounts herein may not total as a result of rounding

Total Government Funds Revenues and Expenditures - Hitting our Targets & Trends

The County has successfully controlled expenditures and conservatively budgeted revenues in order to maintain ample reserves in the recent past. As a result of these efforts the County's stability has improved. In the graph to the right you can see the County has stayed "in the black", meaning revenues in excess of expenditures.

Between 2007 and 2010, Union County experienced significant declines in local option sales tax revenue; however, it has since rebounded by \$12.9MM. The County has continually controlled expenses even in the face of significant decreases in certain revenue types since FY 2010. These efforts are a testament to the skilled budgeting performed by Union County.



General Fund

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, with the exception of those required to be accounted for in different funds, such as business type activities.

The lead source of revenues are ad valorem taxes, followed by local option sales tax. Since the economic downturn in 2009, the County has begun to experience growth of the local option sales tax, which grew approximately \$5.5 million from the prior (2016) fiscal year.

Despite seeing a decrease in sales, service, permits and fees and investment earning, all other revenues increased by \$2.9 million.

In addition to being the largest source of revenues in the County, ad valorem taxes are essentially the only revenue source the County has the ability to increase, through the setting of the tax rates. Local option sales tax and the rest of the revenues are essentially based on the market, residential growth, and usage. As a result the County has little flexibility to increase revenues throughout the year.

The change in expenditures by function also had some increases. Public Safety had the largest increase of 3 million, which is an increase of 6.8% from FY 16. Some of the increases were due to additions to staffing for Law Enforcement and Communications to help meet the needs of the County.

Revenues, Expenditures and Changes in Fund Balance (in millions)

	<u>General Fund</u>	
	2017	2016
<u>Revenues</u>		
Ad valorem taxes	\$190.0	\$187.3
Local option sales tax	41.9	36.4
Sales, services, permits and fees	9.2	10.1
Other	46.4	43.5
Investment earnings	0.4	0.9
Total Revenues	287.9	278.2
<u>Expenditures</u>		
General Government	12.9	12.2
Public Safety	46.6	43.6
Economic and Physical Development	2.7	2.6
Human Services	43.9	41.9
Cultural and Recreational	6.9	6.6
Education	97.2	95.0
Debt service	45.9	47.8
Non-Departmental	0.2	0.0
Total Expenditures	256.3	249.7
Excess of revenues over expenditures before transfers	31.6	28.5
Other funding sources	(23.3)	(18.1)
Increase in fund balance	8.3	10.4
Fund Balance-Beginning of Year	92.5	82.1
Fund Balance-End of Year	\$100.8	\$92.5

*Amounts herein may not total as a result of rounding

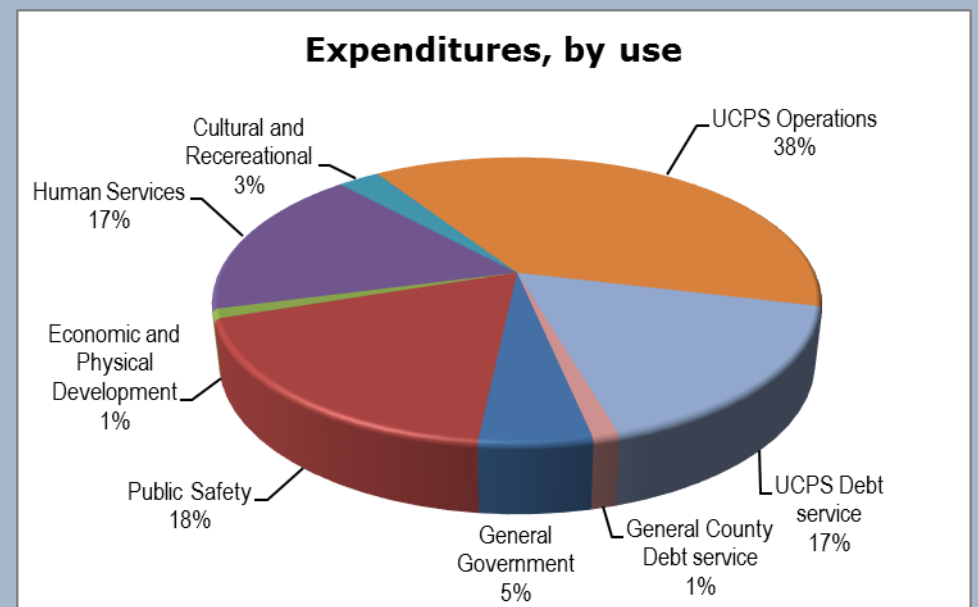
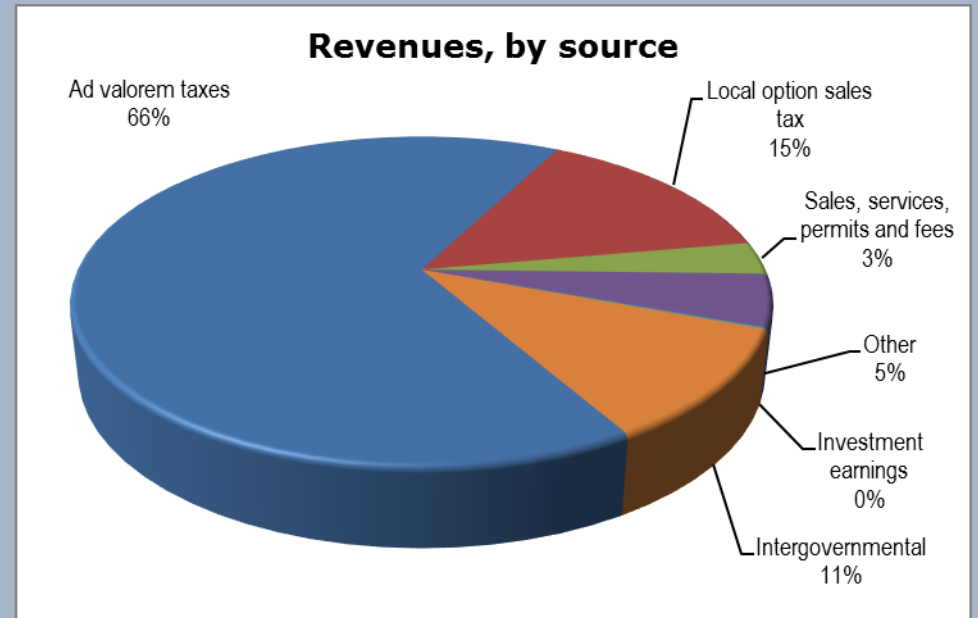
General Fund - Where it comes from & where it goes

Like the majority of North Carolina counties, Union County relies heavily on ad valorem taxes, that is the taxes collected by the County on physical and personal property, based on it's valuation. In FY 2017, ad valorem tax accounted for 66% of all revenues collected by the General Fund. The next largest single revenue source was Local Option Sales Tax, which brought in just over 15% of all revenues last year.

On the expenditure side, we have broken out the uses in a broad spectrum. Educational funding continues to be the greatest use of funds within the County. With roughly 42,000 students, or nearly one in every five residents of the County attending primary school and South Piedmont Community College, education continues to drive expenditures.

The dramatic population growth, combined with the number of students mentioned above, required a level of capital funding that could only be accomplished through debt funding. Today, (combined) debt service remains the third largest expenditure of the county, at 18%.

Public Safety and Human Services both require significant funding for the services they provide. Law enforcement, fire and EMS remain diligent and waiting for the call of need, using funding for new equipment, training, and better apparatus.



A Review of the County's Debt

Outstanding Principal (in millions)

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	\$273.6	\$300.5	\$0.0	\$0.0	\$273.6	\$300.5
Installment Financing	64.5	70.8	0.0	0.0	64.5	70.8
Revenue Bonds	0.0	0.0	64.8	68.2	64.8	68.2
	<u>\$338.1</u>	<u>\$371.3</u>	<u>\$64.8</u>	<u>\$68.2</u>	<u>\$402.9</u>	<u>\$439.5</u>



Outstanding Debt

The County has issued debt for a variety of projects, and have used multiple types of debt to fulfill capital needs. Over the previous year, the County reduced outstanding principal by approximately \$36.6 million.

Capital projects that were completed with debt proceeds include, but are not limited to: Schools, Libraries, Parks, Agriculture and Conference Facility, Water and Sewer Infrastructure, Jail, Public Safety, Emergency Communications equipment and Court Facilities.



General Fund Debt

Outstanding General Fund Debt by Use

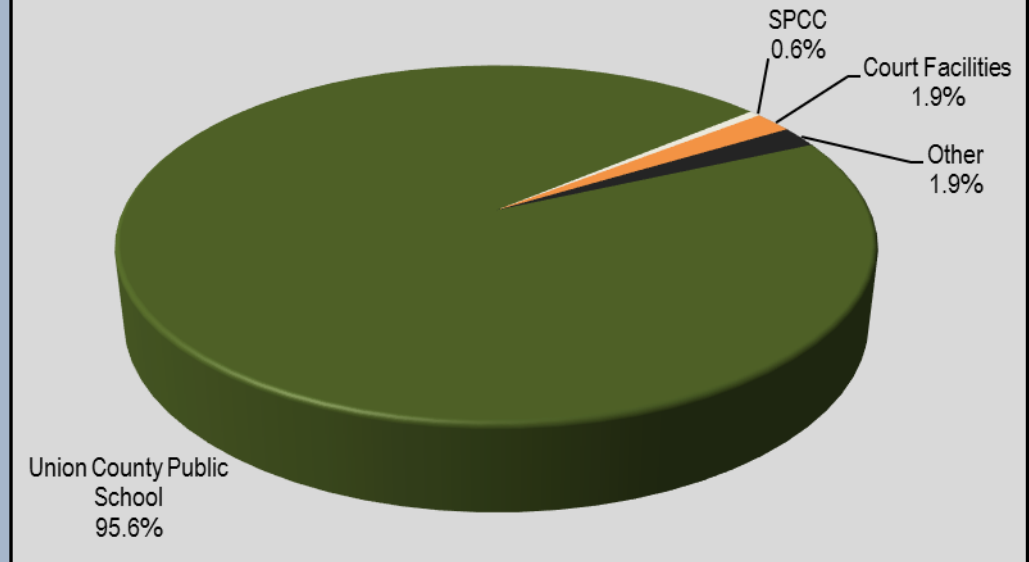
The pie graph is a breakdown of debt which shows the current percentage balances by use. Although the County has not issued school debt in 6 years, it still remains >95.6% of the County's outstanding Government Fund debt portfolio. This is a combined result of the tenure of the debt, and that the majority of the school debt was issued in the previous 12 years.

General Obligation Bond Ratings

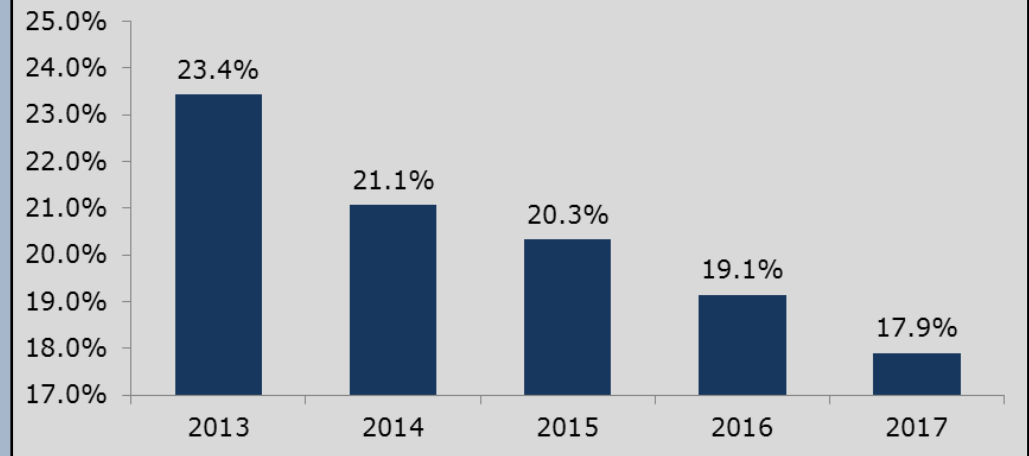
Rating	Agency	Since
Aaa	Moody's Investors Services	FY 2016
AA+	Standard and Poor's	FY 2015
AAA	Fitch Ratings	FY 2016

Debt Service is viewed as a necessary requirement among municipal governments. This is a result of few municipalities having the ability to cash fund large projects. The rating agencies understand this, but discount a rating if the debt service as a percentage of expenditures becomes too high. Union County has been actively working to mitigate debt service, saving residents funds and working toward reducing the debt. Debt as a percentage of expenditures continues to decline from the peak in 2010 of 24%.

Debt by Category - Governmental Funds



Debt Service as % of Expenditures



Enterprise Debt

The County has issued Combined Enterprise System debt for Water and Sewer capital improvements at various times throughout FY 17.

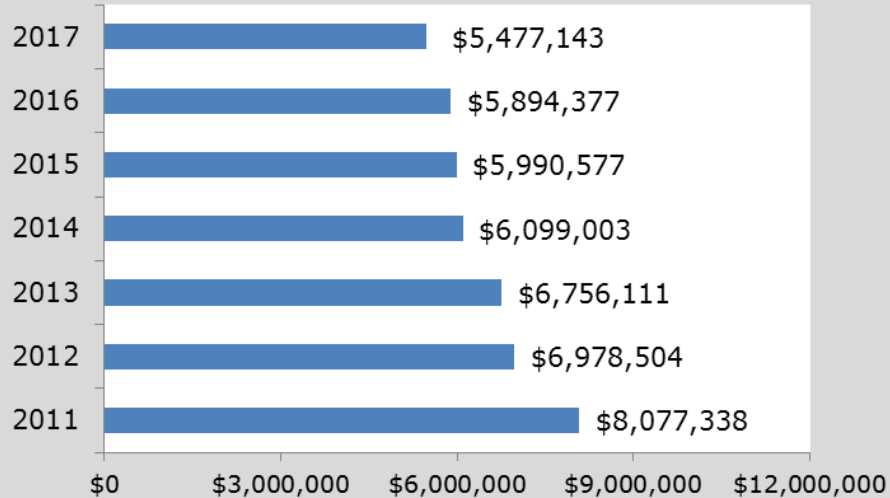
The Enterprise System has three revenue bonds, and two Clean Water Revolving Loans from North Carolina Department of Environmental Natural Resources (NC DENR).

The debt issued has benefitted the County by providing capital funding for projects such as:

- Catawba River Water Treatment Plant
- 12 Mile Waste Water Treatment Plant
- Water pressure, distribution and collection systems



Enterprise Fund Debt Service

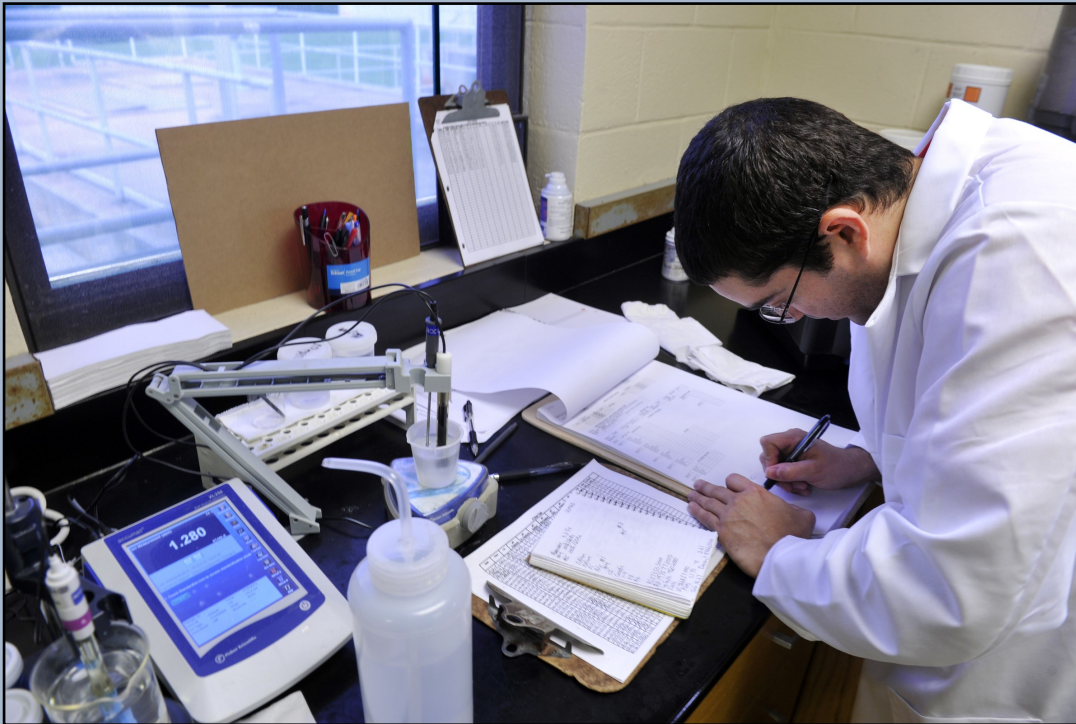


Enterprise System Bond Ratings

<u>Rating</u>	<u>Agency</u>	<u>Since</u>
Aa1	Moody's Investors Services	FY 2016
AA+	Standard and Poor's	FY 2016
AA	Fitch Ratings	FY 2016

Enterprise Revenues and Expenses

The Enterprise System increased revenues by approximately \$3.8 million over FY 2016, this includes revenue of 43.0 million from Water And Sewer operations and 5.6 million from Solid Waste operations. The water and sewer system continues to grow the customer base, both through new development and the short line extension program.



Revenues, Expenses, and Changes in Net Position (in millions)

	Business Type Activities - Enterprise Funds	
	2017	2016
Operating Revenues		
Charges for service	\$46.2	\$42.3
Disposal fees	0.4	0.4
Other Operating Revenues	2.0	2.1
Total Revenues	48.6	44.8
Operating Expenses		
Personnel	8.8	8.2
Operating expenses	19.3	18.9
Depreciation	14.4	12.7
Operating leases	0.3	0.3
Landfill closure	0.0	0.0
Total Expenses	42.8	40.1
Operating gain/(loss)	\$5.8	\$4.7
Nonoperating Revenues (Expenses)		
Investment earnings	0.3	0.6
Intergovernment grant revenues	0.0	0.5
Gain on sale of assets	0.0	0.1
Interest/fees on long term debt	(2.0)	(2.2)
Gain (loss) on investment in joint venture	(0.3)	(0.2)
	(2.0)	(1.2)
Interfund Transfers Out	(0.4)	0.0
Capital contributions	16.8	17.8
Increase in net position	\$20.2	\$21.3

Capital Improvement Program (CIP)

The Adopted FY 2018-2023 Union County Capital Improvement Program (UCCIP) is made up of two specific components and totals \$673.63 million during the six-year plan.

General Capital Program – The General Capital Program provides the six-year capital plan for non-enterprise fund, County projects, including South Piedmont Community College.

Public Works Capital Program – The Public Works Capital Program provides the six-year capital plan for the Water and Wastewater Utility Program.



Major Programs projected for future years in the CIP:

General Capital Program

- Jesse Helms Park Development
- Human Services Campus
- New Library Building, Expansion and Development
- Park Development and Renewal
- South Piedmont Community College Expansion
- Jail/ Sheriff's Office Replacement/ Expansion

Public Works Capital Program

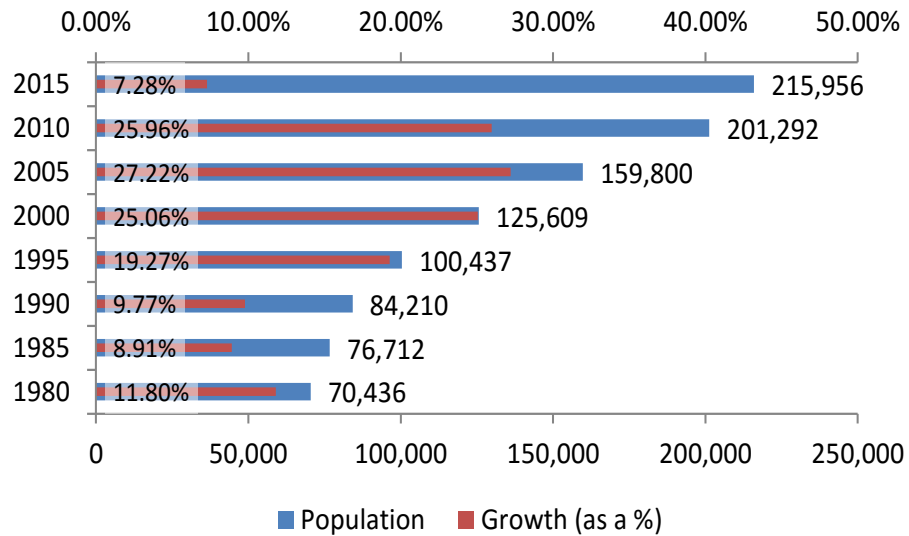
- Twelve Mile Creek WWTP System Improvements
 - Yadkin Water Supply
 - Catawba River Water Treatment Plant Improvements
 - Crooked Creek Basin Improvements
 - Eastside Wastewater Improvements
 - West Zone Improvements
 - Various Rehabilitation and Replacements
- For more information, please see our current CIP.

Employment and Population Demographics

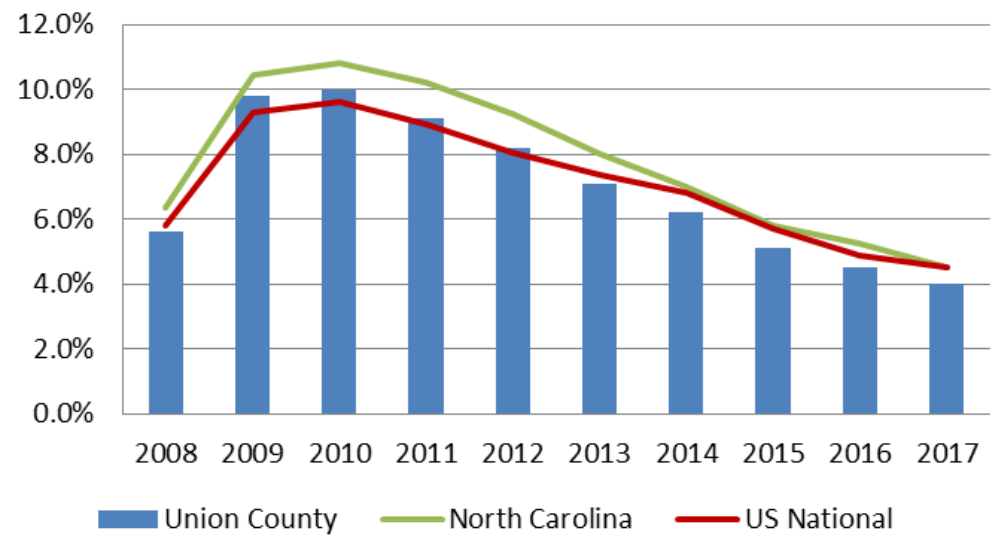
As evidenced by the graphs below, the County has experienced significant growth, and has been affected by the economic shift over the past decade. The County has, historically fared well, yielding lower than State and National unemployment averages during stable economic times. During times of increased economic tension, the County has experienced faster than average unemployment changes, yet has also adapted quicker as jobs became available again.

The 60% increase in population yielded growing pains in the early 2000's, yet the County has adjusted, building necessary infrastructure. The County just ended the slowest 5 year growth cycle since the 1970's, and benefitted from the slowdown. The slowdown allowed the County to better cope with the needs of the residents, focus on demand indexing, and a slowdown in capital needs projects, which ultimately led to the upgrades from Standard and Poor's in June 2015, Moody's in November 2016, and Fitch in November 2016.

Population and Growth

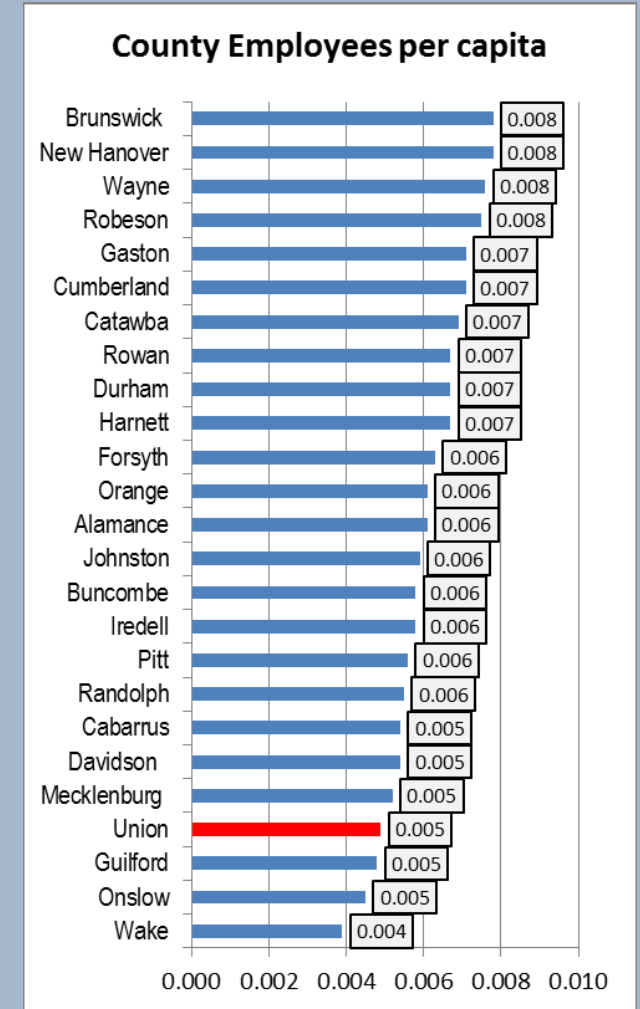
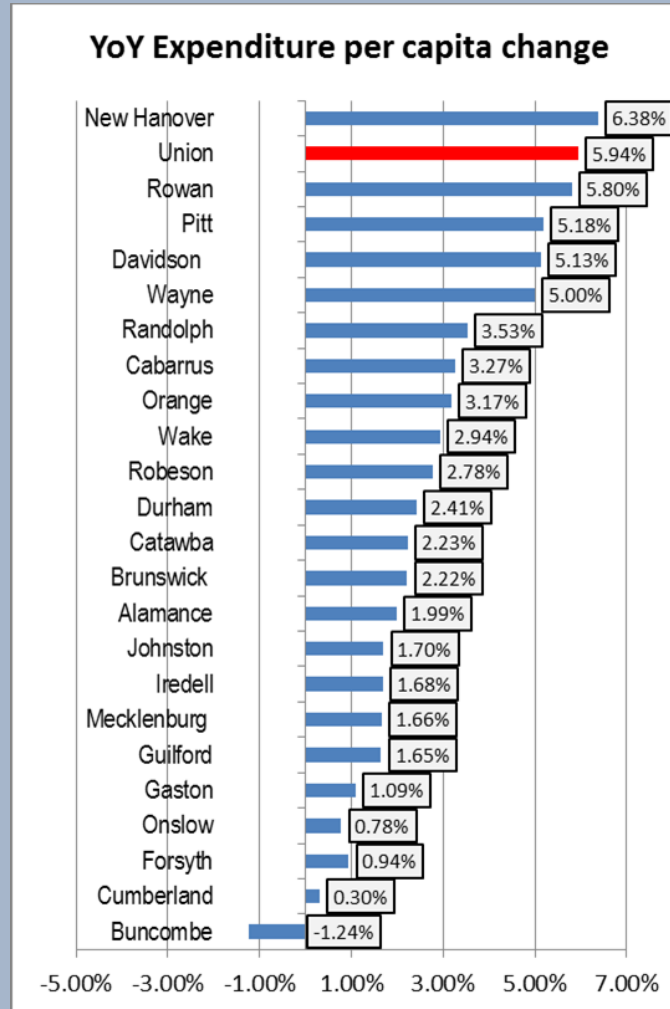
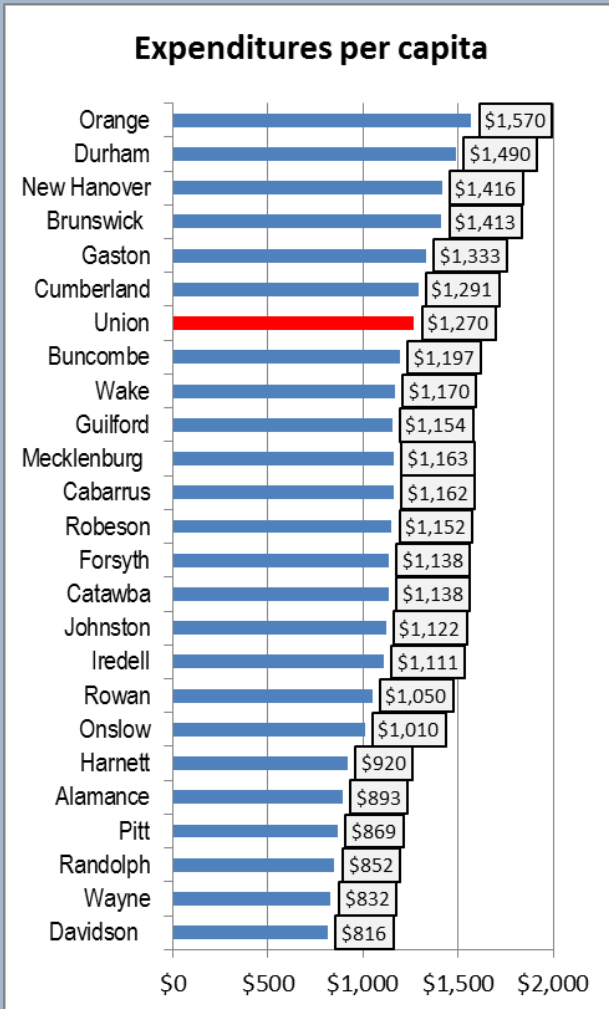


Unemployment Rate



Comparison with other Counties

While year over year comparison can provide good indicators of financial health, it is also helpful to see how our County ranks as compared to other similar sized entities. Below are charts that show where Union County falls in these comparisons:



Governmental Accounting Terms

Accrual basis of accounting is the method of accounting that recognizes the financial effect of transactions, events when they are incurred rather than at the time when cash is received or disbursed.

Assets are resources with present service capacity that the County controls. For example, cash from taxes paid by citizens is an asset that can be put to use to provide public safety.

Capital assets are tangible or intangible nonfinancial assets that have an initial useful life of more than one year and are used in providing services for the County and its residents.

Change in net position represents the increase or decrease in net position over the previous year.

Current assets include cash or near cash items that can be used to liquidate liabilities due within a year.

Deferred inflows of resources is an acquisition of net position (inflow of resources during the year) by the County that is applicable to a future reporting period.

Deferred outflows of resources is a consumption of net position by the County (outflow of resources during the year) that is applicable to a future reporting period.

Fund balance denotes the difference between fund assets, deferred outflows of resources, liabilities, and deferred inflows of resources in governmental funds balance sheets.

Government-wide reporting provides an aggregate view of the County's financial activities by consolidating both the governmental and business type activities using the accrual basis of accounting.

Liabilities are present obligations of the County to sacrifice resources that it has little or no discretion to avoid, such as, the amounts the County owes to suppliers and creditors.

Long-term liabilities include items such as bonds, loans, compensated absences, pension liabilities and other County obligations, typically due beyond the current reporting period.

Modified accrual basis of accounting is the method of accounting used in governmental funds where revenues are not recognized until they are both measurable and available. Expenditures are recognized in the period when the liability is liquidated rather than incurred.

Net investment in capital assets is the portion of net position that represents the County's equity interest in its capital assets (capital assets less the amount of debt used to acquire them).

Net position is the residual of all other financial statement elements in accrual basis statement of net position: the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

Restricted net position is the portion of net position subject to external restrictions (e.g. state law, bond covenants, etc.).

Statement of activities reports both governmental and business -type activities using the accrual basis of accounting showing the County's total expenses and the extent of funding from program revenues and general revenues.

Unrestricted net position is the portion of net position not tied to capital assets or subject to legal restrictions, hence, available to be programmed for services.

Year over year (YoY) is a method of evaluating two or more measured events to compare the results at one time period with those of a comparable time period on an annualized basis. YoY performance is frequently used by investors seeking gauge whether a company's financial performance is improving or worsening.

Going Forward ...

While the financial results for the year ended June 30, 2017 were positive, it is anticipated that in the future the County will continue to experience growth in population resulting in increased demand for public services, such as law enforcement, education, and utilities. The financial management of the County will continue to focus on five key components.

- Fiscal Sustainability – Finding long-term sustainable solutions for the changing needs of the community while making sound financial decisions is a theme that you will find interwoven throughout the adopted operating and capital budget. Whether through consolidation of services, reorganization, or the investment in infrastructure, the long-term sustainability of each decision point will be analyzed.
- Transparency – Transparency is a core value of Union County and the County strives to partner with our residents throughout the budget and financial reporting process. Additionally, staff works to develop documents and information for public consumption that are meaningful and easily understood.
- Stewardship – Maintaining the assets and resources the residents have entrusted to the County.
- Responsiveness – The County is experiencing dynamic service demands. While some services are declining, others are increasing. The County will continue to adapt the County's service offerings to address the changing needs of the residents while continuing to reflect organizational responsiveness.
- Balance – Financial balance and balanced service provision to all residents.

Through these five components, the County can ensure sound financial management and budgetary practices as well as continued financial stability.



Union County, North Carolina Vision Statement:

Through continuity of leadership and direction, and built upon consensus of the community, we identify and implement strategies, programs, and services necessary to promote and sustain the quality of life and lifestyles unique to Union County.

ESTABLISHED 1842

UNION COUNTY GOVERNMENT

NORTH CAROLINA

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