



# Annual Comprehensive Financial Report

Fiscal Year Ended  
June 30, 2021





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# Union County, North Carolina

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## Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021

Prepared by  
**Finance Department**



Union County, North Carolina  
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# Introductory Section

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November 5, 2021

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 Annual Financial Report for the fiscal year ended June 30, 2021. The Annual Comprehensive Financial Report 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, 2021.

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, 2021. 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.

**Finance Department**  
500 N. Main Street Suite 709  
Monroe, NC 28112  
T 704.283.3813

[Unioncountync.gov](http://Unioncountync.gov)

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 242,657 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 County 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 2021, on a fund level by function 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 trends 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 28.89 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, 2021 shows us that 73.15 percent of the assessed value in Union County comes from residential property; this is up from 72.13 percent in 2017. The County conducted a revaluation of real property during FY 2021 to reflect new values in FY 2022. The reappraisal added significant growth to the County's total assessed value. This growth added 29.1 percent to the total assessed value. 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's economic indicators were trending in a positive direction at the end of 2021, however with the effect of COVID-19 numbers have only slightly increased. The Consumer Price Index (Base Year 1982-84 = 100) for calendar year 2021 indicates an increase of 5.6 percent, meaning that during the last year, the relative buying power of the dollar has increased over last year. Historically inflation of two percent is about "normal", yet recent history has yielded a decrease due to the unforeseen events related to COVID-19. Union County's unemployment rate had been trending in a positive direction during 2021 averaging 4.63 for the first six months from a peak of 7.3 percent in 2021 due to the current COVID-19 pandemic .

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 water and sewer capital projects were funding during previous fiscal years with the current cash that were reimbursed from bond proceeds in March of FY 2021. 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, 10.9 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. At the end of FY 2021, the County's outstanding debt is \$808,218,000.

The debt burden ratio has seen a reduction of 6.4 percent from 2016. 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 all-County general debt.

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 \$153 per person during the last five years; however, the County remains the 9<sup>th</sup> highest debt per capita in the state. FY 2021, the County issued \$5.6 million of installment financing bonds and \$298 million of revenue bonds during March 2021. The per capita decreased in FY 2021 from FY 2020.

### ***Management Comments on Financial Condition***

The indicators and financial data provided through the Annual Comprehensive Financial Report for the Year Ended June 30, 2021, 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. While residential property is the largest component (approximately 84%), all indicators point to continued strong growth. The County completed a countywide reappraisal of effective January 1, 2021 which resulted in approximately a 30% increase in the ad valorem tax base. The sales to assessment ratio at the beginning of the year was 99.86%. As of June 30, 2021, it was 84% indicating approximately 16% growth in real property values since the reappraisal was completed. This strong growth and value indicate that the County will have enough resources in the future to provide for services and meet its 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 \$105.3 million since FY 2011 (from \$427.17 million in FY 2011 to \$321.83 million in FY 2021). Comparing this reduction as a percentage of assessed value, the County has gone from 1.85 percent in FY 2011 to just 1.15 percent in FY 2021. 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 2021 the Board of County Commissioners continued its focus on sound financial policy making. During the last two quarters of FY 2021, the County show an increase in sales tax revenue compared to the original adopted budget. The Board of County Commissioners took action at this time to continue the commitment to funding the OPEB liability as well as funding onetime items needed for public safety. 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 Annual Comprehensive Financial Report. 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 FY2021, several significant events and initiatives will occur during the upcoming year (FY 2022).

- The general fund capital improvement projects adopted for FY 2022 include several major capital facility infrastructure projects that the County plans to issue 2/3rds general obligation bond for in the spring of 2022 in the amount of \$20 million.
- Union County Public Works, \$300 million, Yadkin River Supply project is under construction. 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 issued revenue bonds in the spring of 2021 for the Yadkin River Supply and other various water and sewer capital projects.
- The County completed 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 2022 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2019. This is the 9<sup>th</sup> consecutive year in which the County has received this recognition. Union County is still awaiting confirmation of the FY 2021 Annual Comprehensive Financial Report. To be awarded a Certificate of Achievement, the government was required to publish an easily readable and efficiently organized Annual Comprehensive Financial Report 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, Alex Whitaker, Heather Howey, and Trina Horne who compiled, edited and reviewed information included in the County's Annual Comprehensive 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  
Finance Director



Amy L. Hollingsworth  
Assistant Finance Director

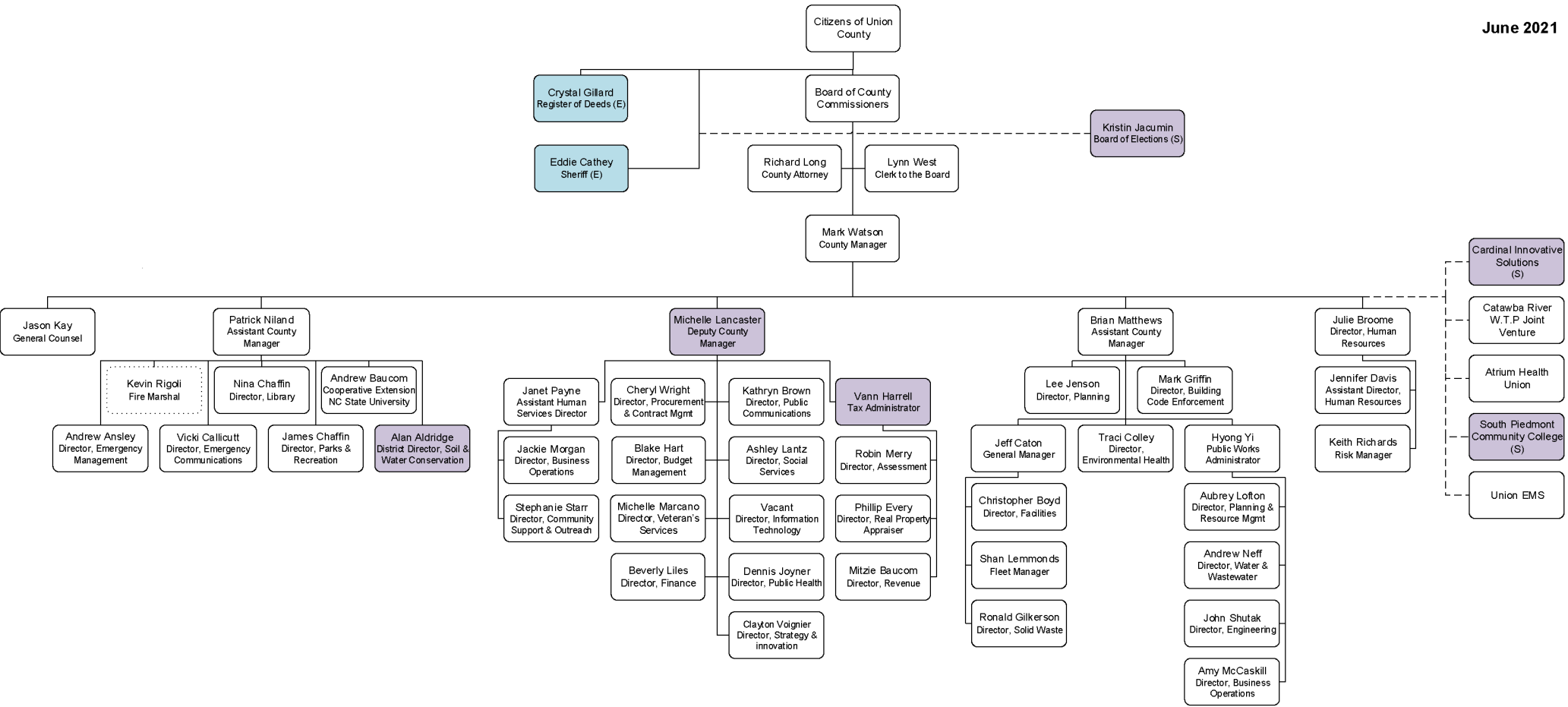
Union County, North Carolina  
**List of Principal Officials**  
June 30, 2021

Board of County Commissioners

Richard Helms, Chairman  
Dennis Rape, Vice-Chairman  
Stony Rushing  
Jerry Simpson  
David Williams

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
Christopher Liersaph	Interim Information Technology Director
Kathryn Brown	Public Communications Director
Michelle Marcano	Veteran's Services Director
Ashley Lantz	Social Services Director
Janet Payne	Assistant Human Services Director
Dennis Joyner	Public Health Director
Beverly Liles	Finance Director
Vann Harrell	Tax Administrator
Andrew Baucom	Cooperative Extension Director
Nina Chaffin	Library Director
Kevin Rigoli	Fire Marshall
Andrew Ansley	Emergency Management Director
Vicki Callicutt	Emergency Communications Director
James Chaffin	Parks & Recreation Director
Alan Alridge	Soil & Water Conservation District Director
Clayton Voignier	Strategy & Innovation Director



(S) Statutory Appt. Board  
 (E) Elected Agency  
 — Direct  
 - - - Support  
 [Dotted Box] Statutory Title



Government Finance Officers Association

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Reporting

Presented to

**Union County  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



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# Financial Section

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## **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, 2021, 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, 2021, 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.

## **Emphasis of Matter**

As discussed in Note 24 to the financial statements, effective July 1, 2020, the entity adopted new accounting guidance promulgated in GASB Statement No. 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis starting on page B-7, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, on pages D-10 and D-11 respectively, and Register of Deed's Supplemental Pension Fund Schedules of County Proportionate Share of the Net Pension Asset and Contributions, on pages D-12 and D-13, respectively, and Law Enforcement Officers' Special Separation Allowance Schedules of Changes in the Total Pension liability, Total Pension Liability and Employer Contributions on pages D-3, D-4 and D-5, respectively, and the Other Postemployment Benefits Schedule of Changes in the Total OPEB Liability and Related Ratios, Employer Contributions and Investment Returns on pages D-5, D-6 and D-7, respectively, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary and 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, schedule of ad valorem taxes receivable, analysis of current tax levy, introductory information, statistical section, and the schedule of expenditures of federal and state awards as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act* 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.

## Supplementary and Other Information, Continued

The combining and individual fund financial statements, budget and actual comparisons, schedule of ad valorem taxes receivable, analysis of current tax levy and the schedule of expenditures of federal and state awards 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. In our opinion, based on our audit, the procedures performed as previously described, the combining and individual fund financial statements, budget and actual comparisons, schedule of ad valorem taxes receivable, analysis of current tax levy and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory information 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, 2021, 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.



Raleigh, North Carolina  
November 5, 2021



## 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, 2021. 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.

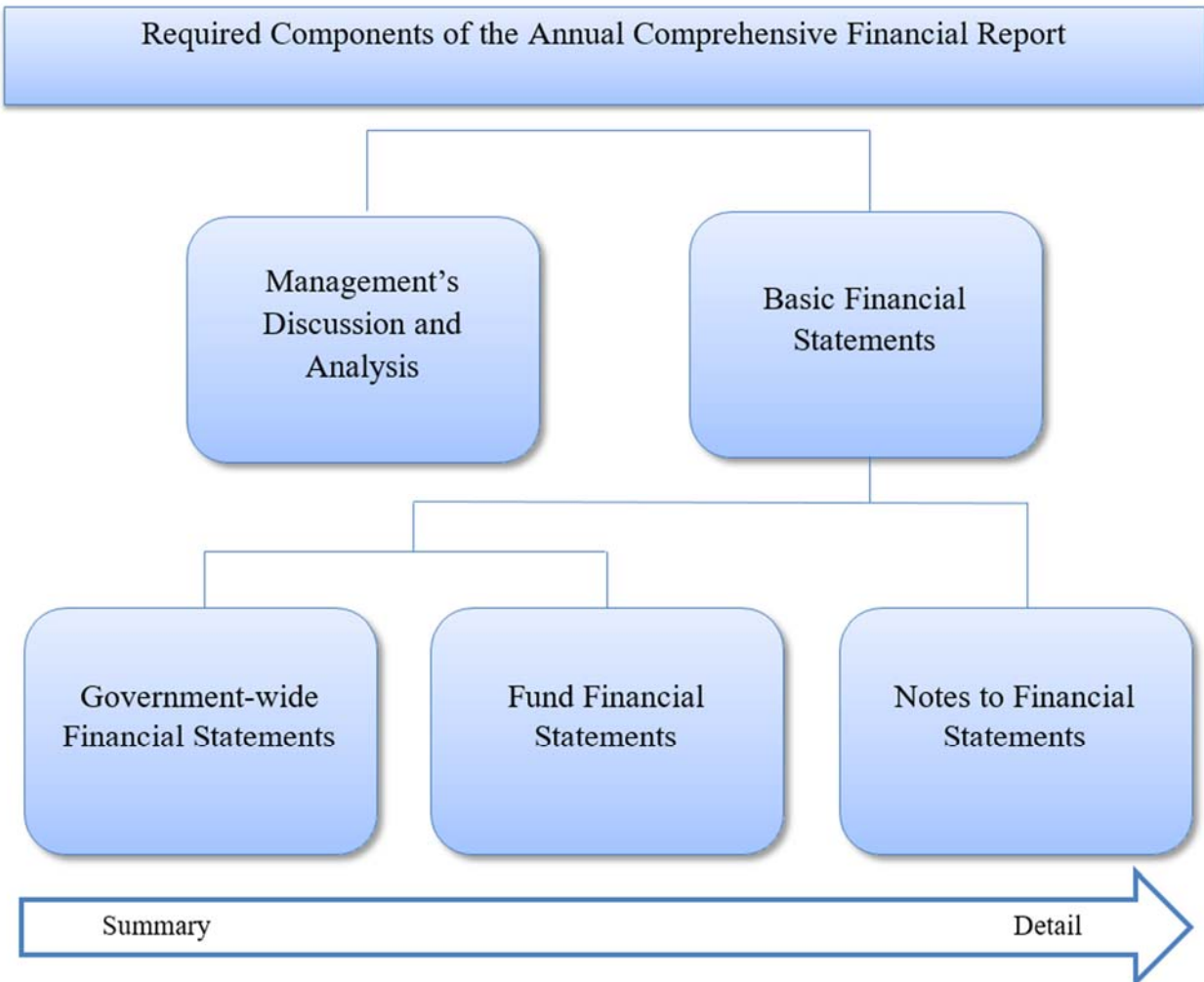
### **Financial Highlights**

- 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 \$267,481,176 (*net position*), an increase of \$52,835,064.
- Union County's governmental activities' total net position reflected a deficit of \$106,005,710 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 \$235,812,679, an decrease of \$(15,959,541) in comparison with the prior year. Approximately 4.6 percent of this amount \$10,923,920 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 \$95,886,237, or approximately 32.0 percent of total general fund expenditures for FY 2021.
- Union County's total outstanding long-term debt increased by \$258,565,000 or 10.09 percent during the current fiscal year. The key factors in this change in the debt balance were annual debt service payments and new revenue bond 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+/AA bond ratings from Standard & Poor's and Fitch, respectively. Moody's downgraded the County's enterprise system revenue bonds from Aa1 to an Aa2. The downgrade reflects the significant increase in debt burden following the issuance of the Series 2021 revenue bonds and projected decreases in debt service coverage over the next few years.

### **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 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 five 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 *Custodial Funds* report resources held by Union County in a custodial capacity for individuals, private organizations, or other governments. These funds include the Jail Inmate Fund, Municipal Tax Collection Fund, and Gross Rental Receipts Tax 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 custodial 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 \$258,568,511 as of June 30, 2021. One of the largest portions, \$239,219,881, 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, \$121,949,804, represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$102,601,174 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.

Net Position						
June 30, 2021 and 2020						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 300,653,438	\$ 291,213,225	\$ 511,945,917	\$ 206,216,918	\$ 812,599,355	\$ 497,430,143
Capital Assets	119,194,901	105,037,057	375,519,409	324,192,327	494,714,310	429,229,384
<b>Total Assets</b>	<b>419,848,339</b>	<b>396,250,282</b>	<b>887,465,326</b>	<b>530,409,245</b>	<b>1,307,313,665</b>	<b>926,659,527</b>
Total Deferred Outflows of Resources	34,731,240	30,459,334	3,742,313	2,621,037	38,473,553	33,080,371
Long-Term Liabilities	439,593,141	479,527,226	494,079,534	172,215,390	933,672,675	651,742,616
Other Liabilities	97,498,415	61,409,938	29,383,895	13,182,241	126,882,310	74,592,179
<b>Total Liabilities</b>	<b>537,091,556</b>	<b>540,937,164</b>	<b>523,463,429</b>	<b>185,397,631</b>	<b>1,060,554,985</b>	<b>726,334,795</b>
Total Deferred Inflows of Resources	23,493,733	17,239,137	3,169,989	1,519,854	26,663,722	18,758,991
<b>Net Position:</b>						
Net investment in capital assets	28,905,072	14,861,530	210,314,809	197,711,960	239,219,881	212,573,490
Restricted	107,862,145	73,441,423	14,087,659	23,555	121,949,804	73,464,978
Unrestricted	(242,772,927)	(219,769,638)	140,171,753	148,377,282	(102,601,174)	(71,392,356)
<b>Total net position</b>	<b>\$ (106,005,710)</b>	<b>\$ (131,466,685)</b>	<b>\$ 364,574,221</b>	<b>\$ 346,112,797</b>	<b>\$ 258,568,511</b>	<b>\$ 214,646,112</b>

As with many counties in the State of North Carolina, the County's Governmental Activities deficit in unrestricted net position in the amount of \$242,772,927 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 financing. 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 \$43,876,888 from the prior fiscal year. Key elements of this increase are included below:

Union County, North Carolina Changes in Net Position June 30, 2021 and 2020						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for Services	\$ 30,389,227	\$ 29,249,980	\$ 41,373,741	\$ 60,402,808	\$ 71,762,968	\$ 89,652,788
Operating grants and contributions	44,134,049	35,614,229	-	16,280	44,134,049	35,630,509
Capital grants and contributions	294,098	423,161	16,088,204	14,126,775	16,382,302	14,549,936
<b>General Revenues:</b>						
Property taxes	216,215,388	205,248,659	-	-	216,215,388	205,248,659
Other taxes	63,048,374	53,449,873	-	-	63,048,374	53,449,873
Grants and contributions not restricted to a specific purpose	257,924	167,570	-	-	257,924	167,570
Other	124,124	4,854,377	(73,783)	3,026,413	50,341	7,880,790
Transfers	(991,908)	159,300	991,908	(159,300)	-	-
<b>Total Revenues</b>	<b>353,471,276</b>	<b>329,167,149</b>	<b>58,380,070</b>	<b>77,412,976</b>	<b>411,851,346</b>	<b>406,580,125</b>
<b>Expenses:</b>						
General government	28,995,405	25,254,536	-	-	28,995,405	25,254,536
Public safety	74,294,108	72,845,343	-	-	74,294,108	72,845,343
Economic and physical Environment	5,067,559	4,939,816	-	-	5,067,559	4,939,816
Human Services	57,758,191	49,623,331	-	-	57,758,191	49,623,331
Cultural and recreational	7,816,884	8,207,449	-	-	7,816,884	8,207,449
Education	140,119,720	169,570,717	-	-	140,119,720	169,570,717
Interest and fees on long-term debt	14,003,945	14,266,021	-	-	14,003,945	14,266,021
Water and sewer	-	-	32,709,337	54,648,868	32,709,337	54,648,868
Solid waste	-	-	7,209,309	6,072,828	7,209,309	6,072,828
<b>Total Expenses</b>	<b>328,055,812</b>	<b>344,707,213</b>	<b>39,918,646</b>	<b>60,721,696</b>	<b>367,974,458</b>	<b>405,428,909</b>
<b>Change in net position</b>	<b>25,415,464</b>	<b>(15,540,064)</b>	<b>18,461,424</b>	<b>16,691,280</b>	<b>43,876,888</b>	<b>1,151,216</b>
Net position as of July 1	(131,466,685)	(115,926,621)	346,112,797	329,421,517	214,646,112	213,494,896
Prior period restatement-change in accounting principle	\$ 45,511				\$ 45,511	
<b>Net position as of June 30</b>	<b>\$ (106,005,710)</b>	<b>\$ (131,466,685)</b>	<b>\$ 364,574,221</b>	<b>\$ 346,112,797</b>	<b>\$ 258,568,511</b>	<b>\$ 214,646,112</b>

**Governmental Activities** – During the current fiscal year, net position for governmental activities increased by \$25,415,464, to reach an ending negative balance of \$106,005,710. This is due primarily to previously mentioned outstanding debt related to the school and community college and net liability for other post employment benefits.

The majority of the County's expenses are related to education, \$140,119,720 (42.7 percent); public safety, \$74,294,108 (22.6 percent); and human services, \$57,758,191 (17.6 percent).

	FY 2021 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	\$ 10,940,379	\$ 11,475,964	\$ 2,232,811	\$ 33,554,427	\$ 987,616	\$ 15,626,177	\$ -
Expenses	28,995,405	74,294,108	5,067,559	57,758,191	7,816,884	140,119,720	14,003,945

**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 \$18,461,424 to reach an ending balance of \$364,574,221.

The majority of the County's business-type expenses are related to water and sewer, \$32,709,337 (81.9 percent) and solid waste, \$7,209,309 (18.1 percent).

FY 2021 Program Revenues and Expenses - Business-type Activities		
	Water and Sewer	Solid Waste
Program Revenues	\$ 49,506,780	\$ 7,955,165
Expenses	32,709,337	7,209,309

### **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, 2021, Union County's governmental funds reported combined fund balances of \$235,812,679, a decrease of \$15,959,541 in comparison with the prior year. Approximately 4.6 percent of this amount \$10,923,920 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 (\$37,638), 2) restricted to specific purposes as imposed by law (\$104,494,584), 3) committed amounts that can be used only for the specific purposes determined by a formal action of the Board of County Commissioners (\$61,178,336), or 4) assigned and intended to be used for specific purposes (\$59,178,201).

Governmental Funds Components of Fund Balance for the Fiscal Year Ended June 30, 2021 and 2020		
	2021	2020
Nonspendable	\$ 37,638	\$ 53,650
Restricted	104,494,584	71,733,612
Committed	61,178,336	61,510,365
Assigned	59,178,201	81,376,366
Unassigned - other	10,923,920	37,052,716

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 \$12,260,033, while total fund balance increased by \$3,513,746, from \$128,046,532 to \$131,560,278. 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, 2021 the County has a fund balance (based on committed, assigned, and unassigned) of 32.0 percent of general fund expenditures, while total fund balances represent 43.9 percent of that same amount.

General Fund Components of Fund Balance for the Fiscal Year Ended June 30, 2021 and 2020		
	2021	2020
Nonspendable	\$ 37,638	\$ 53,650
Restricted	35,636,403	25,853,559
Committed	61,178,336	61,510,365
Assigned	22,447,868	2,933,011
Unassigned - other	12,260,033	37,695,947

The increase in FY 2021 fund balance is primarily due to the County FY 2021 Sales Tax and Ad Valorem collections were higher than estimated, as well as operating cost were down in areas such as training and travel, fuel and utilities due to COVID-19.

The fund balance of the General Capital Project Fund, a major fund, had a net decrease of \$(20,176,352) to \$99,222,316. There were \$49,078,618 of capital and related expenditures during the current fiscal year. There were \$22,780,686 in transfers from other governmental funds, a majority from the school district for capital improvements to existing structures. The expenditures related to previously issued general obligation bonds projects are the primary reason for the decrease in fund balance.

**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 \$134,369,857; an increase of \$8,638,143. The overall net position of the Water and Sewer Fund increased by \$17,968,828 to \$355,023,634. A portion of the net position, net investment in capital assets, decrease by \$12,542,867 to \$206,566,118. The issuance of Series 2021 revenue bonds generating \$298,755,000 in bond proceeds is the primary reason for the increase in the unrestricted net position for the Water and Sewer Fund and the decrease in net interest in capital assets.

Unrestricted net position of the Solid Waste Fund at the end of the year was \$6,627,127; a decrease of \$(1,242,348). The decrease in the unrestricted net position is related to capital project expenditures.

**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 \$14,333,256 primarily due to lifting frozen positions and services that were on hold due to COVID 19. The General Fund final budget for revenue increased by \$10,607,848, primarily due to an increase in FY 2021 Sales Tax and Ad Valorem collections 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:

	Estimated	Actual	Differences
Ad valorem taxes	\$ 206,254,947	\$ 206,309,193	\$ 54,246
Local option sales tax	51,994,023	56,259,871	4,265,848
Other taxes and license	3,441,120	4,049,677	608,557
Intergovernmental	42,797,539	40,419,225	(2,378,314)
Permits and fees	5,003,348	6,707,907	1,704,559
Sales and services	6,494,314	4,786,804	(1,707,510)
Investment earnings	1,106,332	(7,907)	(1,114,239)
Miscellaneous	8,710,414	7,604,116	(1,106,298)

### 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, 2021, amounts to \$494,714,309 (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 15.3 percent.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 19,678,222	\$ 19,064,264	\$ 4,206,828	\$ 4,206,828	\$ 23,885,050	\$ 23,271,092
Buildings	68,498,591	66,232,897	8,969,610	9,262,500	77,468,201	75,495,397
Infrastructure	-	-	262,792,704	270,629,093	262,792,704	270,629,093
Improvements other than buildings	3,634,724	2,916,333	667,361	722,411	4,302,085	3,638,744
Machinery and equipment	11,648,279	11,652,737	5,480,244	5,810,805	17,128,523	17,463,542
Construction in progress	15,735,085	5,170,826	93,402,662	33,560,690	109,137,747	38,731,516
<b>Total Capital Assets</b>	<b>\$ 119,194,901</b>	<b>\$ 105,037,057</b>	<b>\$ 375,519,409</b>	<b>\$ 324,192,327</b>	<b>\$ 494,714,310</b>	<b>\$ 429,229,384</b>

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
- Purchase of Progress Building
- Renovation of the Historic Courthouse
- Continuation of engineering, design and construction of Jesse Helms Park Event Center
- Continuation of engineering, design and construction of Emergency Services Complex

- Continuation of engineering, design and construction of Sheriff's Office renovation and 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

Additional information on Union County's capital assets can be found in Note 6 of this report.

**Long-Term Debt** – At the end of the current fiscal year, the County had total debt outstanding of \$808,218,000. Of this amount, \$321,833,000 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, and revenue bonds.

Union County, North Carolina Outstanding Debt							
	Governmental Activities		Business-type Activities		Total		
	2021	2020	2021	2020	2021	2020	
General Obligation Bonds	\$ 321,833,000	\$ 352,718,000	\$ -	\$ -	\$ 321,833,000	\$ 352,718,000	
Certificates of participation	41,880,000	46,815,000	-	-	41,880,000	46,815,000	
Installment financing	5,600,000	-	-	-	5,600,000	-	
Revenue Bonds	-	-	438,905,000	144,520,000	438,905,000	144,520,000	
Other	-	-	-	-	-	-	
<b>Total</b>	<b>\$ 369,313,000</b>	<b>\$ 399,533,000</b>	<b>\$ 438,905,000</b>	<b>\$ 144,520,000</b>	<b>\$ 808,218,000</b>	<b>\$ 544,053,000</b>	

Union County's total outstanding principal debt increased by \$258,565,000 during the past fiscal year, mainly due to the issuance of new revenue bond 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 Fitch Ratings and Moody's Investment Services reduced at Aa2/Aa1. 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 \$1,869,205,080.

Additional information regarding Union County's long-term debt can be found in Note 16 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 2022 budget and rates:

- North Carolina's statewide unemployment rate (not seasonally adjusted) was 4.9 percent in June 2021, decreasing from June's 2020 revised rate of 8.9 percent.
- The North Carolina unemployment rate peaked at 13.5 percent in April and May 2020 and by July 2021, the state's unemployment rate had fallen to 4.4 percent. By December the state's unemployment rate is expected to drop to 4.2.<sup>3</sup>
- North Carolina real GSP is forecast to increase by 3.2 percent over the 2021 level. All 15 of the state's economic sectors are expected to experience output increases during 2021. The sectors with the strongest expected growth rates are hospitality and leisure services with a real increase of 8 percent, educational and health services with a real increase of 4.3 percent, transportation, warehousing and utilities (TWU) with a real increase of 4.3 percent, information with a real increase of 4.1 percent, and construction with a real increase of 3.4 percent.
- North Carolina establishments are forecasted to add 126,800 new jobs during the 2022 year. A net increase of 2.7 percent.
- During fiscal year 2021, there were 372 commercial and 5,128 residential construction permits issued county-wide, compared to fiscal year 2020 of 589 commercial and 4,018 residential permits; showing an increase in the residential number of permits. This trend is anticipated to continue into 2022.<sup>4</sup>

### ***Budget Highlights for the Fiscal Year Ending June 30, 2022***

Countywide, for FY 2022, estimated revenues and expenditures, including debt service expenditures, are anticipated to increase by 11.5 percent, or about \$52.6 million, going from \$457.7 million to \$510.3 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 \$8.1 million or 29.1 percent from the FY 2021 budget, largely due to the 2021 Property Revaluation as well as organic growth to the county property tax base. The tax rate for FY 2022 was set to 58.80 cents, one cent above revenue neutral.

Expenditures in the General Funds (General Fund, Debt Fund, and the Economic Development Fund) are anticipated to increase by 8.3 percent or about \$27.4 million from the FY 2021 budget. This increase is a mix of interfund transfers for paygo capital funding, adding back to OPEB, employee costs, and increased expenditures on debt service requirements, contracts and subsidies.

The Adopted FY 2022 General Fund Budget includes one-time contribution to Other Post Employment Benefits (OPEB) Trust, Economic Development Business Incentive Grants, Departmental enhancements, UCPS Paygo and General Fund vehicle replacement.

**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 2022 budget reflects the second 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](http://www.unioncountync.gov), or send an email to [finance@unioncountync.gov](mailto:finance@unioncountync.gov) for more information.

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

<sup>2</sup> Additional information concerning The Conference Board and the ETI can be found at [www.conference-board.org](http://www.conference-board.org)

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

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



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# Basic Financial Statements

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## Statement of Net Position

June 30, 2021

	Governmental Activities	Business Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 132,513,339	\$ 68,514,009	\$ 201,027,348
Property taxes receivable (net)	931,658	-	931,658
Accounts receivable (net)	28,806,900	12,317,446	41,124,346
Inventories	33,282	1,301,269	1,334,551
Internal balances	825,231	(825,231)	-
Land held for resale	552,153	-	552,153
Prepaid Items	4,356	531	4,887
Advances to other funds	304	-	304
Cash and investments, restricted	78,636,594	299,133,508	377,770,102
Cash and investments, restricted-deposits	570,602	893,009	1,463,611
Total current assets	<u>242,874,419</u>	<u>381,334,541</u>	<u>624,208,960</u>
Noncurrent assets:			
Cash and investments	44,991,391	78,316,218	123,307,609
Net pension asset, ROD	644,619	-	644,619
Unamortized swap termination costs	12,143,009	2,872,142	15,015,151
Investment in joint venture	-	49,423,016	49,423,016
Capital assets:			
Land and other assets not being depreciated	35,413,307	97,609,490	133,022,797
Buildings, equipment and infrastructure	83,781,594	277,909,919	361,691,513
Total noncurrent assets	<u>176,973,920</u>	<u>506,130,785</u>	<u>683,104,705</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>34,731,240</u>	<u>3,742,313</u>	<u>38,473,553</u>
Total assets and deferred outflows of resources	<u>454,579,579</u>	<u>891,207,639</u>	<u>1,345,787,218</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	17,928,162	21,373,475	39,301,637
Due to other governments	31,021,682	-	31,021,682
Unearned revenue	4,500	-	4,500
Liabilities payable by restricted assets	570,602	893,009	1,463,611
Workers' compensation claims	199,698	-	199,698
Health care benefits	2,811,156	-	2,811,156
Property and casualty claims payable	41,171	-	41,171
Current portion of compensated absences	5,837,813	836,617	6,674,430
Current portion of long-term obligations	39,083,631	6,280,794	45,364,425
Total current liabilities	<u>97,498,415</u>	<u>29,383,895</u>	<u>126,882,310</u>
Noncurrent liabilities:			
Accrued landfill postclosure care costs	-	5,077,159	5,077,159
Noncurrent portion of compensated absences	417,089	2,319	419,408
Net OPEB liability	37,419,734	5,688,020	43,107,754
Net pension liability, LGERS	28,746,042	4,394,268	33,140,310
Net pension liability, separation allowance	14,493,783	2,205,793	16,699,576
Noncurrent portion of long-term obligations	358,516,493	476,711,975	835,228,468
Total noncurrent liabilities	<u>439,593,141</u>	<u>494,079,534</u>	<u>933,672,675</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>23,493,733</u>	<u>3,169,989</u>	<u>26,663,722</u>
Total liabilities and deferred inflows of resources	<u>560,585,289</u>	<u>526,633,418</u>	<u>1,087,218,707</u>
<b>NET POSITION</b>			
Net investment in capital assets	28,905,072	210,314,809	239,219,881
Restricted for:			
Stabilization by State statute	74,567,019	-	74,567,019
General government	871,621	-	871,621
Public safety	3,788,575	-	3,788,575
Economic and physical development	210,102	-	210,102
Human services	1,881,446	-	1,881,446
Cultural and recreational	36,218	-	36,218
Education	25,862,545	-	25,862,545
Debt service	-	14,087,659	14,087,659
Pension benefits	644,619	-	644,619
Unrestricted	<u>(242,772,927)</u>	<u>140,171,753</u>	<u>(102,601,174)</u>
Total net position	<u>\$ (106,005,710)</u>	<u>\$ 364,574,221</u>	<u>\$ 258,568,511</u>

## Statement of Activities

For the Year Ended June 30, 2021

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	\$ 28,995,405	\$ 10,663,324	\$ 277,055	\$ -	\$ (18,055,026)	\$ -	\$ (18,055,026)
Public safety	74,294,108	6,796,885	4,559,746	119,333	(62,818,144)	-	(62,818,144)
Economic and physical development	5,067,559	2,191,981	40,830	-	(2,834,748)	-	(2,834,748)
Human services	57,758,191	8,831,766	24,547,896	174,765	(24,203,764)	-	(24,203,764)
Cultural and recreational	7,816,884	794,400	193,216	-	(6,829,268)	-	(6,829,268)
Education	140,119,720	1,110,871	14,515,306	-	(124,493,543)	-	(124,493,543)
Interest and fees on long term debt	14,003,945	-	-	-	(14,003,945)	-	(14,003,945)
Total governmental activities	328,055,812	30,389,227	44,134,049	294,098	(253,238,438)	-	(253,238,438)
Business-type activities:							
Water and sewer	32,709,337	33,418,576	-	16,088,204	-	16,797,443	16,797,443
Solid waste	7,209,309	7,955,165	-	-	-	745,856	745,856
Total business-type activities	39,918,646	41,373,741	-	16,088,204	-	17,543,299	17,543,299
Total primary government	\$ 367,974,458	\$ 71,762,968	\$ 44,134,049	\$ 16,382,302	(253,238,438)	17,543,299	(235,695,139)
General revenues:							
Property taxes levied for general purposes					216,215,388	-	216,215,388
Local option sales tax					58,998,697	-	58,998,697
Other taxes and licenses					4,049,677	-	4,049,677
Grants and contributions not restricted to specific programs					257,924	-	257,924
Investment earnings, unrestricted					(13,767)	(108,847)	(122,614)
Gains on sales and disposals of capital assets					137,891	35,064	172,955
Transfers					(991,908)	991,908	-
Total general revenues					278,653,902	918,125	279,572,027
Change in net position					25,415,464	18,461,424	43,876,888
Net position - beginning, as previously stated					(131,466,685)	346,112,797	214,646,112
Prior period restatement - change in accounting principle					45,511	-	45,511
Net position - beginning, as restated					(131,421,174)	346,112,797	214,691,623
Net position - ending					\$ (106,005,710)	\$ 364,574,221	\$ 258,568,511

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

**Balance Sheet**  
**Governmental Funds**  
June 30, 2021

	Major		Nonmajor	Total Governmental Funds
	General Fund	General Capital Project Fund	Other Governmental Funds	
<b>ASSETS</b>				
Cash and investments	\$ 100,248,957	\$ 37,755,251	\$ 36,043,590	\$ 174,047,798
Property taxes receivable, net	889,429	-	42,229	931,658
Accounts receivable, net	27,886,095	-	918,954	28,805,049
Inventories	33,283	-	-	33,283
Prepaid Item	4,356	-	-	4,356
Advances to other funds	5,039,766	-	-	5,039,766
Cash and investments, restricted	6,434,126	72,202,468	-	78,636,594
Cash and investments, restricted-deposits	570,602	-	-	570,602
Total assets	<u>\$ 141,106,614</u>	<u>\$ 109,957,719</u>	<u>\$ 37,004,773</u>	<u>\$ 288,069,106</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 7,936,668	\$ 5,835,403	\$ 686,795	\$ 14,458,866
Due to other governments	-	-	31,021,682	31,021,682
Unearned revenue	4,500	-	-	4,500
Deposits	570,602	-	-	570,602
Advances from other funds	82,491	4,900,000	56,971	5,039,462
Total liabilities	<u>8,594,261</u>	<u>10,735,403</u>	<u>31,765,448</u>	<u>51,095,112</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>952,075</u>	<u>-</u>	<u>209,240</u>	<u>1,161,315</u>
<b>FUND BALANCES</b>				
Nonspendable	37,638	-	-	37,638
Restricted	35,636,403	62,491,983	6,366,198	104,494,584
Committed	61,178,336	-	-	61,178,336
Assigned	22,447,868	36,730,333	-	59,178,201
Unassigned	12,260,033	-	(1,336,113)	10,923,920
Total fund balances	<u>131,560,278</u>	<u>99,222,316</u>	<u>5,030,085</u>	<u>235,812,679</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 141,106,614</u>	<u>\$ 109,957,719</u>	<u>\$ 37,004,773</u>	<u>\$ 288,069,106</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, 2021

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

Ending fund balance - governmental funds	\$ 235,812,679
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	119,194,901
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.	644,619
Other long-term assets, related to unearned taxes, are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	690,648
Other long-term assets, unamortized swap termination costs.	12,143,009
Unamortized gains on advance refunding, deferred inflows.	(3,256,961)
Unamortized loss on advance refunding, deferred outflows.	10,160,674
Contributions to pension plans in the current fiscal year are deferred outflows of resources	6,363,117
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.	(1,524,173)
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.	1,174,186
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.	525,142
Internal balance due from Business-Type Activities to Governmental Activities.	825,231
OPEB related deferrals.	(17,404,828)
Pension related deferrals.	15,846,173
Long-term liabilities for compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(6,254,902)
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.	(37,419,735)
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.	(28,746,042)
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.	(14,493,783)
Land held for resale	552,153



**Reconciliation of the Balance Sheet of Governmental Funds to the  
Statement of Net Position**  
June 30, 2021

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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 16. A. 1, in the amount of \$397,600,124 as well as accrued interest payable of \$3,237,694).	<u>(400,837,818)</u>
Net position of governmental activities	<u>\$ (106,005,710)</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, 2021

	Major		Nonmajor	Total Governmental Funds
	General Fund	General Capital Project Fund	Other Governmental Funds	
<b>REVENUES</b>				
Ad valorem taxes	\$ 206,309,193	\$ -	\$ 10,551,934	\$ 216,861,127
Local option sales tax	56,259,871	-	2,738,826	58,998,697
Other taxes and licenses	4,049,677	-	816,658	4,866,335
Intergovernmental	40,419,225	-	12,215,028	52,634,253
Permits and fees	6,707,907	-	268,125	6,976,032
Sales and services	4,786,804	-	23,131	4,809,935
Investment earnings	(7,907)	14,991	11,630	18,714
Miscellaneous	7,604,116	584,913	1,787,282	9,976,311
Total revenues	<u>326,128,886</u>	<u>599,904</u>	<u>28,412,614</u>	<u>355,141,404</u>
<b>EXPENDITURES</b>				
Current:				
General government	25,095,673	-	1,302,459	26,398,132
Public safety	56,629,410	-	13,917,562	70,546,972
Economic and physical development	3,171,207	-	1,469,135	4,640,342
Human services	45,557,298	-	9,872,754	55,430,052
Cultural and recreational	6,690,573	-	-	6,690,573
Intergovernmental:				
Education	112,254,460	-	645,291	112,899,751
Capital outlay:				
General government	-	8,670,795	-	8,670,795
Public safety	-	9,949,090	-	9,949,090
Environmental Protection	-	(40,568)	-	(40,568)
Economic and physical development	-	2,704,446	-	2,704,446
Human services	-	30,697	-	30,697
Cultural and recreational	-	628,373	-	628,373
Education	-	27,135,785	-	27,135,785
Debt service:				
Principal retirement	35,820,002	-	-	35,820,002
Interest and fees	14,204,595	-	-	14,204,595
Total expenditures	<u>299,423,218</u>	<u>49,078,618</u>	<u>27,207,201</u>	<u>375,709,037</u>
Excess (deficiency) of revenues over (under) expenditures	<u>26,705,668</u>	<u>(48,478,714)</u>	<u>1,205,413</u>	<u>(20,567,633)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	606,847	23,246,594	23,652	23,877,093
Transfer to Solid Waste Fund	-	(465,908)	-	(465,908)
Transfers to other funds	(23,847,093)	(30,000)	(526,000)	(24,403,093)
Issuance of installment financing	48,324	5,551,676	-	5,600,000
Total other financing sources (uses)	<u>(23,191,922)</u>	<u>28,302,362</u>	<u>(502,348)</u>	<u>4,608,092</u>
Net change in fund balances	<u>3,513,746</u>	<u>(20,176,352)</u>	<u>703,065</u>	<u>(15,959,541)</u>
<b>FUND BALANCES</b>				
Beginning - as previously reported	128,046,532	119,398,668	4,281,509	251,726,709
Prior period restatement - change in accounting principle	-	-	45,511	45,511
Beginning - as restated	<u>128,046,532</u>	<u>119,398,668</u>	<u>4,327,020</u>	<u>251,772,220</u>
Ending	<u>\$ 131,560,278</u>	<u>\$ 99,222,316</u>	<u>\$ 5,030,085</u>	<u>\$ 235,812,679</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, 2021

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

Net change in fund balances - total governmental funds	\$ (15,959,541)
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.	14,269,723
Land purchased and held for resale within one year	552,153
Net book value of assets sold.	(111,881)
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.	(645,739)
Revenues in the statement of activities from internal service funds' investment earnings.	(32,481)
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.	30,530,035
Contributions to the pension plans in the current fiscal year are not included on the statement of activities.	6,363,117
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.	(4,429,958)
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.	(5,246,132)
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.	157,110
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.	(30,942)
Change in net position of governmental activities	<u>\$ 25,415,464</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, 2021

	Original Budget	Final Budget	Actual	Variance With Final Positive Negative
<b>REVENUES</b>				
Ad valorem taxes	\$ 206,254,947	\$ 206,254,947	\$ 206,309,193	\$ 54,246
Local option sales tax	46,556,839	51,994,023	56,259,871	4,265,848
Other taxes and licenses	3,441,120	3,441,120	4,049,677	608,557
Intergovernmental	39,165,835	42,797,539	40,419,225	(2,378,314)
Permits and fees	4,903,348	5,003,348	6,707,907	1,704,559
Sales and services	6,494,314	6,494,314	4,786,804	(1,707,510)
Investment earnings	1,106,332	1,106,332	(7,907)	(1,114,239)
Miscellaneous	7,271,454	8,710,414	7,604,116	(1,106,298)
Total revenues	<u>315,194,189</u>	<u>325,802,037</u>	<u>326,128,886</u>	<u>326,849</u>
<b>EXPENDITURES</b>				
Current:				
General government	26,510,364	28,074,978	25,095,673	2,979,305
Public safety	54,354,610	59,343,393	56,629,410	2,713,983
Economic and physical development	4,461,874	4,936,237	3,171,207	1,765,030
Human services	46,514,078	50,069,954	45,557,298	4,512,656
Cultural and recreational	6,658,576	6,916,341	6,690,573	225,768
Intergovernmental:				
Education	109,593,635	112,210,862	112,254,460	(43,598)
Debt service:				
Principal retirement	35,820,000	36,371,000	35,820,002	550,998
Interest and fees	14,114,809	14,215,213	14,204,595	10,618
Contingency	-	223,224	-	223,224
Total expenditures	<u>298,027,946</u>	<u>312,361,202</u>	<u>299,423,218</u>	<u>12,937,984</u>
Revenues over (under) expenditures	<u>17,166,243</u>	<u>13,440,835</u>	<u>26,705,668</u>	<u>13,264,833</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	535,018	606,847	606,847	-
Transfers to other funds	(23,631,612)	(23,839,441)	(23,847,093)	(7,652)
Issuance of installment financing	-	48,324	48,324	-
Total other financing sources (uses)	<u>(23,096,594)</u>	<u>(23,184,270)</u>	<u>(23,191,922)</u>	<u>(7,652)</u>
Revenues and other financing sources under expenditures and other financing uses	<u>(5,930,351)</u>	<u>(9,743,435)</u>	<u>3,513,746</u>	<u>13,257,181</u>
<b>APPROPRIATED FUND BALANCE</b>	<u>5,930,351</u>	<u>9,743,435</u>	<u>-</u>	<u>(9,743,435)</u>
Revenues, other financing sources, and appropriated fund balance over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>3,513,746</u>	<u>\$ 3,513,746</u>
<b>FUND BALANCE</b>				
Beginning			<u>128,046,532</u>	
Ending			<u>\$ 131,560,278</u>	

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



**Statement of Net Position****Proprietary Funds**

June 30, 2021

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major	Nonmajor	Total	
	Water and Sewer Fund	Solid Waste Fund		
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 57,835,444	\$ 10,678,565	\$ 68,514,009	\$ 3,456,932
Accounts receivable, net	11,547,776	769,670	12,317,446	1,851
Inventories	1,301,269	-	1,301,269	-
Prepaid items	531	-	531	-
Cash and investments, restricted	299,133,508	-	299,133,508	-
Cash and investments, restricted-deposits	859,579	33,430	893,009	-
Total current assets	370,678,107	11,481,665	382,159,772	3,458,783
Noncurrent assets:				
Cash and investments	76,039,879	2,276,339	78,316,218	-
Unamortized swap termination costs	2,872,142	-	2,872,142	-
Investment in joint venture	49,423,016	-	49,423,016	-
Capital assets:				
Land and other assets not being depreciated	97,149,025	460,465	97,609,490	-
Buildings, equipment, and infrastructure, net of depreciation	274,621,693	3,288,226	277,909,919	-
Total noncurrent assets	500,105,755	6,025,030	506,130,785	-
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	3,294,454	447,859	3,742,313	72,509
Total assets and deferred outflows of resources	874,078,316	17,954,554	892,032,870	3,531,292
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	20,893,215	480,260	21,373,475	231,603
Current portion of compensated absences	723,491	113,126	836,617	18,306
Deposits	859,579	33,430	893,009	-
Long-term liabilities, due within one year:				
Revenue bonds payable	6,280,794	-	6,280,794	-
Workers' compensation claims payable	-	-	-	199,698
Health care benefits payable	-	-	-	2,811,156
Property and casualty claims payable	-	-	-	41,171
Total current liabilities	28,757,079	626,816	29,383,895	3,301,934
Noncurrent liabilities:				
Accrued landfill postclosure care costs	-	5,077,159	5,077,159	-
Non current portion of compensated absences	-	2,319	2,319	9,693
Net OPEB liability	4,978,736	709,284	5,688,020	80,135
Net pension liability, LGERS	3,878,367	515,901	4,394,268	95,646
Net pension liability, separation allowance	1,930,744	275,049	2,205,793	31,084
Long-term liabilities, due in more than one year:				
Revenue bonds	476,711,975	-	476,711,975	-
Total noncurrent liabilities	487,499,822	6,579,712	494,079,534	216,558
<b>DEFERRED INFLOWS OF RESOURCES</b>	2,797,781	372,208	3,169,989	42,051
Total liabilities and deferred inflows of resources	519,054,682	7,578,736	526,633,418	3,560,543
<b>NET POSITION</b>				
Net investment in capital assets	206,566,118	3,748,691	210,314,809	-
Restricted	14,087,659	-	14,087,659	-
Unrestricted	134,369,857	6,627,127	140,996,984	(29,251)
Total net position	\$ 355,023,634	\$ 10,375,818	365,399,452	\$ (29,251)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(825,231)	
Net position of business-type activities			\$ 364,574,221	

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, 2021

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major	Nonmajor	Total	
	Water and Sewer Fund	Solid Waste Fund		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 64,789,757	\$ 7,528,284	\$ 72,318,041	\$ -
Disposal fees	-	412,607	412,607	-
Interfund charges and employee contributions	-	-	-	19,672,509
Miscellaneous revenue	2,274	-	2,274	35
Other operating revenue	1,789,156	14,274	1,803,430	-
Total operating revenues	<u>66,581,187</u>	<u>7,955,165</u>	<u>74,536,352</u>	<u>19,672,544</u>
<b>OPERATING EXPENSES</b>				
Personnel	12,863,904	1,973,818	14,837,722	249,911
Operating expenses	19,916,897	4,668,304	24,585,201	3,281,668
Depreciation	18,536,568	409,484	18,946,052	-
Operating leases	406,968	-	406,968	-
Landfill closure	-	60,204	60,204	-
Worker's compensation claims	-	-	-	160,004
Health benefit claims and premiums	-	-	-	20,715,655
Property and casualty claims and premiums	-	-	-	1,195,005
Total operating expenses	<u>51,724,337</u>	<u>7,111,810</u>	<u>58,836,147</u>	<u>25,602,243</u>
Operating income (loss)	<u>14,856,850</u>	<u>843,355</u>	<u>15,700,205</u>	<u>(5,929,699)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	(594,156)	(6,933)	(601,089)	(32,481)
Sale of capital assets	35,064	-	35,064	-
Interest and fees on long-term debt	(9,581,038)	-	(9,581,038)	-
Gain (loss) on investment in joint venture	(3,362,096)	-	(3,362,096)	-
Total nonoperating revenue (expenses)	<u>(13,502,226)</u>	<u>(6,933)</u>	<u>(13,509,159)</u>	<u>(32,481)</u>
Income (loss) before contributions and transfers	<u>1,354,624</u>	<u>836,422</u>	<u>2,191,046</u>	<u>(5,962,180)</u>
<b>TRANSFERS AND CONTRIBUTIONS</b>				
Transfer from General Capital Project Fund	-	465,908	465,908	-
Transfer from special revenue fund	526,000	-	526,000	-
Capital contributions - cash-other	434,589	-	434,589	-
Capital contributions - system development fees	6,461,435	-	6,461,435	-
Capital contributions - non-cash	9,192,180	-	9,192,180	-
Total transfers and contributions	<u>16,614,204</u>	<u>465,908</u>	<u>17,080,112</u>	<u>-</u>
Change in net position	<u>17,968,828</u>	<u>1,302,330</u>	<u>19,271,158</u>	<u>(5,962,180)</u>
<b>NET POSITION</b>				
Beginning	337,054,806	9,073,488		5,932,929
Ending	<u>\$ 355,023,634</u>	<u>\$ 10,375,818</u>		<u>\$ (29,251)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(809,734)	
Change in net position of business-type activities			<u>\$ 18,461,424</u>	

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

Union County, North Carolina  
**Statement of Cash Flows**  
**Proprietary Funds**  
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds			Governmental
	Major Water and Sewer Fund	Nonmajor Solid Waste Fund	Total	Activities - Internal Service Funds
<b>OPERATING ACTIVITIES</b>				
Cash received from customers for services	\$ 62,136,584	\$ 7,427,973	\$ 69,564,557	\$ 19,677,352
Other operating revenue	1,791,430	426,881	2,218,311	35
Cash paid to employees	(11,723,015)	(1,897,034)	(13,620,049)	(267,758)
Cash paid for goods and services	(6,464,400)	(4,837,871)	(11,302,271)	(23,791,553)
Net cash provided by operating activities	45,740,599	1,119,949	46,860,548	(4,381,924)
<b>NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	526,000	465,908	991,908	-
Transfers to other funds	-	-	-	-
Net cash provided (used) by noncapital financing activities	526,000	465,908	991,908	-
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from sale of capital assets	35,064	-	35,064	-
Proceeds from system development fees	6,461,435	-	6,461,435	-
Proceeds from revenue bonds	328,083,273	-	328,083,273	-
Proceeds from developer contributions	434,589	-	434,589	-
Payments on revenue bond debt	(4,390,000)	-	(4,390,000)	-
Interest paid on bonds and other debt	(10,259,341)	-	(10,259,341)	-
Acquisition and construction of capital assets	(60,611,489)	(469,466)	(61,080,955)	-
Net cash used by capital and related financing activities	259,753,531	(469,466)	259,284,065	-
<b>INVESTING ACTIVITIES</b>				
Investment earnings	(594,156)	(6,933)	(601,089)	(32,481)
Investment in Joint Venture, construction work in progress	(2,564,387)	-	(2,564,387)	-
Net cash provided (used) by investing activities	(3,158,543)	(6,933)	(3,165,476)	(32,481)
Net change in cash and investments	302,861,587	1,109,458	303,971,045	(4,414,405)
<b>CASH AND INVESTMENTS</b>				
Beginning of year	131,006,823	11,878,876	142,885,699	7,871,337
End of year	\$ 433,868,410	\$ 12,988,334	\$ 446,856,744	\$ 3,456,932
<b>Reconciliation of cash and investments to the Statement of Net Position:</b>				
Cash and investments	\$ 57,835,444	\$ 10,678,565	\$ 68,514,009	\$ 3,456,932
Cash and investments, noncurrent	76,039,879	2,276,339	78,316,218	-
Cash and investments, restricted assets	299,133,508	-	299,133,508	-
Cash and investments, restricted assets-deposits	859,579	33,430	893,009	-
Total Statement of Net Position cash and cash equivalents	\$ 433,868,410	\$ 12,988,334	\$ 446,856,744	\$ 3,456,932
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 14,856,850	\$ 843,355	\$ 15,700,205	\$ (5,929,699)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	18,536,568	409,484	18,946,052	-
Provision for uncollectible accounts	437,407	-	437,407	-
Landfill closure and post closure care costs	-	60,204	60,204	-
Change in assets, deferred outflows, liabilities and deferred inflows				
Accounts receivable (net)	(3,485,684)	(104,811)	(3,590,495)	4,842
Inventories	(522,417)	-	(522,417)	-
Prepaid items	17,977	-	17,977	-
Deferred outflows of resources - LGERS	(577,644)	(92,798)	(670,442)	(10,096)
Deferred outflows of resources - OPEB	85,844	10,647	96,491	2,749
Deferred outflows of resources - Sep. Allow.	(477,990)	(69,335)	(547,325)	(6,622)
Accounts payable and accrued liabilities	14,789,677	(235,055)	14,554,622	1,560,779
Deposits	395,104	4,500	399,604	-
Net pension liability, LGERS	1,173,289	181,517	1,354,806	22,319
Net OPEB liability	(1,700,013)	(212,138)	(1,912,151)	(53,304)
Net pension liability, separation allowance	712,351	106,954	819,305	6,737
Compensated absences payable	59,532	7,038	66,570	1,754
Deferred inflows of resources - OPEB	1,452,155	211,960	1,664,115	(369)
Deferred inflows of resources - Sep. Allow.	(12,407)	(1,573)	(13,980)	18,986
Total adjustments	30,883,749	276,594	31,160,343	1,547,775



**Statement of Cash Flows  
Proprietary Funds**  
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major	Nonmajor	Total	
	Water and Sewer Fund	Solid Waste Fund		
Net cash provided by operating activities	\$ 45,740,599	\$ 1,119,949	\$ 46,860,548	\$ (4,381,924)
<b>Noncash investing, capital, and financing activities:</b>				
Loss on investment in joint venture	\$ (3,362,096)	\$ -	\$ (3,362,096)	\$ -
Allocation to contributed capital	\$ -	\$ -	\$ -	\$ -
Contribution of capital infrastructure	\$ 9,192,180	\$ -	\$ 9,192,180	\$ -
Contribution of assets to other entity	\$ -	\$ -	\$ -	\$ -
Transfer of capital assets within governmental funds	\$ -	\$ -	\$ -	\$ -
Change in investment derivative	\$ -	\$ -	\$ -	\$ -



**Statement of Fiduciary Net Position****Fiduciary Funds**

June 30, 2021

	Pension Trust Funds	Custodial Funds
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 57,542
Investments:		
Separation Allowance Trust Fund	4,326,060	-
State Treasurer's Office OPEB Trust	58,465,613	-
Accounts receivable, net	<u>-</u>	<u>567,089</u>
Total assets	<u>62,791,673</u>	<u>624,631</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	-	-
Advances from other funds	-	304
Due to Program Participants	-	-
Employees' pension benefits	<u>52,848,008</u>	<u>-</u>
Total liabilities	<u>52,848,008</u>	<u>304</u>
<b>NET POSITION</b>		
Restricted for:		
Individuals, organizations, and other governments	-	624,327
Employees' pension benefits	<u>9,943,665</u>	<u>-</u>
Total net position	<u>\$ 9,943,665</u>	<u>\$ 624,327</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, 2021

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	<u>Pension Trust Funds</u>
<b>ADDITIONS</b>	
Employer contributions	\$ 8,258,155
Net investment income	<u>7,148,915</u>
Total additions	<u>15,407,070</u>
<b>DEDUCTIONS</b>	
Benefits	<u>5,463,405</u>
Total deductions	<u>5,463,405</u>
Change in net position	9,943,665
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	
Beginning	<u>52,848,008</u>
Ending	<u><u>\$ 62,791,673</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, 2021

**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 non-major 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 twenty-five Special Revenue Funds including eighteen Fire District Funds, the Fee Supported Fire Districts Fund, the Emergency Telephone System Fund, the General Special Revenue Fund, the DSS Representative Payee Fund, the Automation Enhancement Fund, the Fines and Forfeitures Fund, and the Civil Fees 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 three Internal Service Funds: the Health Benefits Fund (which includes dental benefits), the Workers' Compensation Fund, and the Property and Casualty 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.

**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.

**Custodial Funds** - These funds are custodial in nature and do not involve the measurement of operating results. Custodial Funds are used to account for assets the County holds on behalf of others. The County maintains three Custodial Funds: the Jail Inmate Fund, which accounts for monies deposited and held for individual inmates in the Union County Jail; 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; and 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.

### **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 custodial 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, Allens Crossroad Fire District, Bakers Fire District, Beaver Lane Fire District, Fairview Fire District, Griffith Road Fire District, Hemby Bridge Fire District, Jackson Fire District, Lanes Creek Fire District, New Salem Fire District, Providence Fire District, Sandy Ridge Fire District, Springs Fire District, Stack Road Fire District, Stallings Fire District, Unionville Fire District, Waxhaw Fire District, Wesley Chapel Fire District, Wingate Fire District, Fee Supported Fire Districts, Emergency Telephone System, DSS Representative Payee Fund, Automation Enhancement Special Revenue Fund, Fines and Forfeitures Fund, and Civil Fees Fund; 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, the Solid Waste 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 between function 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, 2021. 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, which invests in treasuries and governmental agencies, is a money market mutual fund (2a-7) and maintains an AAAM rating from S&P and AAAMf by Moody's Investor Service. The NCCMT Government Portfolio is 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, 2021 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 June 30, 2021 the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.34 years.

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, 2021 the fair value of the funds was \$ 32.24591 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	\$	765,552
General Fund	2019A general obligation bond construction		6,113,909
General Fund	2019B general obligation bond construction		7,587,323
General Fund	2019C general obligation bond construction		63,758,340
General Fund	2020 installment financing construction		411,470
General Fund	Security Deposits		570,602
			<u>79,207,196</u>

#### Business-Type Activities:

Water and Sewer Fund	2015 revenue bond debt service reserve		33
Water and Sewer Fund	2017 revenue bond debt service reserve		87
Water and Sewer Fund	2019 revenue bond construction account		34,689,347
Water and Sewer Fund	2019A revenue bond debt service reserve		115
Water and Sewer Fund	2021 revenue bond capitalized interest		14,037,701
Water and Sewer Fund	2021 revenue bond construction account		250,406,225
Water and Sewer Fund	Customer deposits		859,579
			<u>299,993,087</u>

Solid Waste Fund	Customer deposits		<u>33,430</u>
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Total Restricted Cash		\$	<u>379,233,713</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, 2020.

## 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	\$ -	\$ -	\$ -	\$ -
Inventories	33,282	-	-	33,282
Prepaid items	4,356	-	-	4,356
Restricted:				
Stabilization by State Statute	35,166,371	36,629,438	2,080,562	73,876,371
General Government:				
Register of Deeds automation enhancement funds	-	-	319,468	319,468
Public Safety:				
Law enforcement federal forfeited property funds	-	-	685,409	685,409
Law enforcement controlled substance tax funds	-	-	112,974	112,974
Civil Fees agency - pass through	-	-	13,365	13,365
Emergency management Catawba Nuclear grant funds	-	-	86,932	86,932
Emergency management CERT grant funds	-	-	23,025	23,025
Communications PSAP funds	-	-	2,324,095	2,324,095
Fire protection	-	-	542,775	542,775
Economic and physical development:				
County-wide economic development grants	-	-	136,724	136,724
Cooperative extension service fee based programs' funds	54,706	-	-	54,706
Human Services:				
American Rescue Plan	-	-	172	172
Medicaid cost settlement program funds	30,825	-	-	30,825
Social services contribution and donation programs' funds	30,762	-	-	30,762
Social services federal adoption assistance grant funds	313,502	-	-	313,502
Social services agency - pass through	-	-	40,697	40,697
Cultural and Recreational:				
Library contribution and donation program funds	40,237	-	-	40,237
Education:				
School regular capital outlay	-	300,639	-	300,639
School capital acquisition and construction projects	-	25,561,906	-	25,561,906
Committed:				
Twenty percent reserve policy - General Fund	61,178,336	-	-	61,178,336
Assigned:				
General Government:				
Board of Elections renovations	-	654,684	-	654,684
Historic courthouse renovations	-	7,495	-	7,495
County facility repairs	-	567,887	-	567,887
County facility operating capital	-	290,238	-	290,238
Facility audio visual equipment	-	3,068	-	3,068
Information technology infrastructure projects	-	723,844	-	723,844
Information technology phone system upgrade	-	79,118	-	79,118
Pictometry	-	1,180	-	1,180
Pictometry - Phase II	-	485,000	-	485,000
Tax Administration software	-	5,729	-	5,729
Government Center Building Envelope Repairs	-	250,000	-	250,000
Government Center Electrical Infrastructure	-	71,500	-	71,500
Radio Install Shop	-	5,429	-	5,429
Progress Building	-	332,065	-	332,065
Unallocated Funding	-	638,595	-	638,595
Public Safety:				
Law enforcement jail generator replacement	-	395,000	-	395,000
Law enforcement jail domestic water source	-	65,000	-	65,000
Law enforcement firearms range project	-	41,001	-	41,001
Law enforcement firearms range shoot house	-	55	-	55
Law enforcement Sheriff's Office renovation and expansion	-	2,406,504	-	2,406,504
Law enforcement sheriff's office operating capital	-	181,406	-	181,406
Law enforcement sheriff's office R&R	-	312,325	-	312,325
Jail door controls and locks	-	830,284	-	830,284
911 Center renovation	-	101,892	-	101,892
Emergency Services Complex	-	1,426,941	-	1,426,941
Radio towers and microwave replacements	-	1,370,361	-	1,370,361
Radio projects	-	34,777	-	34,777
Economic and physical development:				
JHP 4H Arena	-	25,940	-	25,940
Planning NC DOT projects	-	200,000	-	200,000
EDC Industrial Park	-	65,029	-	65,029
Human Services:				
Human Services Campus	-	1,995	-	1,995
Education:				
SPCC resurfacing of parking lot	-	467,100	-	467,100
SPCC Parking	-	345,000	-	345,000
SPCC STEM Building	-	398,368	-	398,368
SPCC Building A	-	6,645,141	-	6,645,141
SPCC Building B	-	1,751,160	-	1,751,160
SPCC Classroom Building Western Union County	-	6,178,100	-	6,178,100
Cultural and Recreational:				
Library R&R	-	27,629	-	27,629
Parks and Recreation Cane Creek Park renovation	-	6,779	-	6,779
Parks and recreation R&R	-	32,234	-	
Southwest Union Library	-	9,304,480	-	9,304,480
Subsequent year's expenditures	22,447,868	-	-	22,447,868
Unassigned	12,260,033	-	(1,336,113)	10,923,920
Total	\$ 131,560,278	\$ 99,222,316	5,030,085	\$ 235,812,679



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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventories	33,282	-	-	-	-	-	-	33,282
Prepaid items	4,356	-	-	-	-	-	-	4,356
Restricted:								
Stabilization by State Statute	33,691,945	1,269,085	-	44,957	59,500	100,379	505	35,166,371
Public Safety:								
Law enforcement SCAAP grant funds	-	-	-	-	-	-	-	-
Economic and physical development:								
Cooperative extension service fee based programs' funds	54,706	-	-	-	-	-	-	54,706
Human Services:								
Medicaid cost settlement program funds	30,825	-	-	-	-	-	-	30,825
Social services contribution and donation programs' funds	30,762	-	-	-	-	-	-	30,762
Social services federal adoption assistance grant funds	313,502	-	-	-	-	-	-	313,502
Cultural and Recreational:								
Library contribution and donation program funds	40,237	-	-	-	-	-	-	40,237
Committed:								
Twenty percent reserve policy - General Fund	61,178,336	-	-	-	-	-	-	61,178,336
Assigned:								
Subsequent year's expenditures	13,410,657	-	-	-	-	8,486,211	551,000	22,447,868
Unassigned	-	197,597	-	(43,587)	(67,005)	5,844,582	6,328,446	12,260,033
<b>Total</b>	<b>\$ 108,788,608</b>	<b>\$ 1,466,682</b>	<b>\$ -</b>	<b>\$ 1,370</b>	<b>\$ (7,505)</b>	<b>\$ 14,431,172</b>	<b>\$ 6,879,951</b>	<b>\$ 131,560,278</b>

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

	Allens Crossroad Fire District Fund	Bakers Fire District Fund	Beaver Lane Fire District Fund	Fairview Fire District Fund	Griffith Fire District Fund	Hemby Bridge Fire District Fund	Jackson Fire District Fund	Lanes Creek Fire District Fund	New Salem Fire District Fund	Providence Fire District Fund
Fund balances:										
Restricted:										
Stabilization by State Statute	\$ 12,021	\$ 68,708	\$ 33,232	\$ 22,626	\$ 5,820	\$ 117,310	\$ 10,859	\$ 13,204	\$ 27,709	\$ 3,486
General Government:										
Register of Deeds automation enhancement funds	-	-	-	-	-	-	-	-	-	-
Public Safety:										
Law enforcement federal forfeited property funds	-	-	-	-	-	-	-	-	-	-
Law enforcement controlled substance tax funds	-	-	-	-	-	-	-	-	-	-
Civil Fees agency - pass through	-	-	-	-	-	-	-	-	-	-
Emergency mgmt. Catawba	-	-	-	-	-	-	-	-	-	-
Nuclear grant funds	-	-	-	-	-	-	-	-	-	-
Emergency management CERT grant funds	-	-	-	-	-	-	-	-	-	-
Communications PSAP funds	-	-	-	-	-	-	-	-	-	-
Fire protection	-	37,794	7,356	37,855	1,954	31,375	-	4,110	24,712	-
Economic and Physical Development:										
County-wide economic development grants	-	-	-	-	-	-	-	-	-	-
Human Services:										
Emergency Rental Assistance	-	-	-	-	-	-	-	-	-	-
American Rescue Plan	-	-	-	-	-	-	-	-	-	-
Social services agency - pass through	-	-	-	-	-	-	-	-	-	-
Assigned:										
Subsequent year's expenditures	-	-	-	-	-	-	-	-	-	-
Unassigned	(5,254)	-	-	-	-	-	(385)	-	-	(10,718)
	<u>\$ 6,767</u>	<u>\$ 106,502</u>	<u>\$ 40,588</u>	<u>\$ 60,481</u>	<u>\$ 7,774</u>	<u>\$ 148,685</u>	<u>\$ 10,474</u>	<u>\$ 17,314</u>	<u>\$ 52,421</u>	<u>\$ (7,232)</u>

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

	Sandy Ridge Fire District Fund	Springs Fire District Fund	Stack Road Fire District Fund	Stallings Fire District Fund	Unionville Fire District Fund	Waxhaw Fire District Fund	Wesley Chapel Fire District Fund	Wingate Fire District Fund	Fee Supported Fire Districts Fund	Emergency Telephone System Fund
Fund balances:										
Restricted:										
Stabilization by State Statute	\$ 14,088	\$ 58,038	\$ 12,019	\$ 106,398	\$ 32,272	\$ 116,916	\$ 165,595	\$ 30,598	\$ -	\$ 68,055
General Government:										
Register of Deeds automation enhancement funds	-	-	-	-	-	-	-	-	-	-
Public Safety:										
Law enforcement federal forfeited property funds	-	-	-	-	-	-	-	-	-	-
Law enforcement controlled substance tax funds	-	-	-	-	-	-	-	-	-	-
Civil Fees agency - pass through	-	-	-	-	-	-	-	-	-	-
Emergency mgmt. Catawba	-	-	-	-	-	-	-	-	-	-
Nuclear grant funds	-	-	-	-	-	-	-	-	-	-
Emergency management CERT grant funds	-	-	-	-	-	-	-	-	-	-
Communications PSAP funds	-	-	-	-	-	-	-	-	-	2,324,095
Fire protection	8,334	60,212	4,937	-	-	146,892	94,872	7,757	74,615	-
Economic and Physical Development:										
County-wide economic development grants	-	-	-	-	-	-	-	-	-	-
Human Services:										
Emergency Rental Assistance	-	-	-	-	-	-	-	-	-	-
American Rescue Plan	-	-	-	-	-	-	-	-	-	-
Social services agency - pass through	-	-	-	-	-	-	-	-	-	-
Assigned:										
Subsequent year's expenditures	-	-	-	(11,268)	(30,336)	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
	<u>\$ 22,422</u>	<u>\$ 118,250</u>	<u>\$ 16,956</u>	<u>\$ 95,130</u>	<u>\$ 1,936</u>	<u>\$ 263,808</u>	<u>\$ 260,467</u>	<u>\$ 38,355</u>	<u>\$ 74,615</u>	<u>\$ 2,392,150</u>

	General Special Revenue Fund	DSS Represent. Payee Fund	(ROD) Automation Enhancement Fund	Fines & Forfeitures Fund	Civil Fees Fund	Total Special Revenue Funds
Fund balances:						
Restricted:						
Stabilization by State Statute	\$ 1,161,608	\$ -	\$ -	\$ -	\$ -	\$ 2,080,562
General Government:						
Register of Deeds automation enhancement funds	-	-	319,468	-	-	319,468
Public Safety:						
Law enforcement federal forfeited property funds	685,409	-	-	-	-	685,409
Law enforcement controlled substance tax funds	112,974	-	-	-	-	112,974
Civil Fees agency - pass through	-	-	-	-	13,365	13,365
Emergency mgmt. Catawba	-	-	-	-	-	-
Nuclear grant funds	86,932	-	-	-	-	86,932
Emergency management CERT grant funds	23,025	-	-	-	-	23,025
Communications PSAP funds	-	-	-	-	-	2,324,095
Fire protection	-	-	-	-	-	542,775
Economic and Physical Development:						
County-wide economic development grants	136,724	-	-	-	-	136,724
Human Services:						
American Rescue Plan	172	-	-	-	-	172
Social services agency - pass through	-	40,697	-	-	-	40,697
Assigned:						
Subsequent year's expenditures	-	-	-	-	-	-
Unassigned	(1,278,152)	-	-	-	-	(1,336,113)
	<u>\$ 928,692</u>	<u>\$ 40,697</u>	<u>\$ 319,468</u>	<u>\$ -</u>	<u>\$ 13,365</u>	<u>\$ 5,030,085</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 2021 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 ("LGERS") 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 \$400,837,818 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	\$ (397,600,124)
Accrued interest payable	(3,237,694)
Net adjustment attributable to liabilities not recorded in the fund statements	<u>\$ (400,837,818)</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 statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$41,375,005 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 21,681,224
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	(7,411,501)
Net book value of capital assets disposed of	(111,881)
Land purchased and held for resale within one year	552,153
<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	35,820,002
Proceeds of debt instruments	(5,600,000)
Debt issuance premium amortization	3,124,631
Debt issuance deferred inflows of gain amortization	461,229
Debt issuance deferred outflows of loss amortization	(25,522)
Remittance of funds to escrow agent to defease debt instruments	-
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	(1,760,941)
<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)	(109,383)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(451,112)
County's portion of collective pension expense	(11,172,444)
County's other post employment benefit expense	7,302,981
Contribution to the pension plan in the current fiscal year	6,363,117
<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	(1,336,387)
Recording of tax receipts deferred in the fund statements as of 6/30/20	851,068
Decrease in accrued taxes receivable for year ended 6/30/20	(160,420)
Internal service funds' net investment earnings	(32,481)
Health and dental insurance costs, net of investment earnings	(5,246,132)
Workers' compensation costs, net of investment earnings	157,110
Property and casualty costs, net of investment earnings	(30,942)
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net position-governmental activities	<u>\$ 41,375,005</u>

### **NOTE 3 - STEWARDSHIP, COMPLIANCE & ACCOUNTABILITY**

#### **A. Deficit Fund Balance of Individual Funds**

As of June 30, 2021, the Health Benefits Fund reported a negative fund balance of \$1,605,436. This overage is due to the volatility in health claims during FY 2021. The Union County Health Benefit Fund pays health and dental claims administered as a self-insurance program. The COVID pandemic and unforeseen medical claims drove the cost of claims up significantly during FY 2021 compared to prior fiscal years. The incurred but not reported claims doubled in FY 2021 compared to FY 2020. The County increased the employees contribution to the health plan slightly with the adopted FY 2022 budget and further plans to contribute funding from the General Fund and Enterprise Funds during FY 2022 as needed to bring the fund out of deficit.

As of June 30, 2021, the Providence Fire District Fund reported a negative fund balance of \$7,232. This overage is due to projected ad valorem tax revenue exceeding actual collections. FY 2021 was the first year this fund was created and there was no historical data available to budget from. In FY 2022, Union County decreased the budget in this fund and will mitigate the fund balance deficit.

#### **B. Excess of Expenditures over Appropriations**

On Schedule 60, expenditures were in excess of appropriation by \$3,056,527. The excess in expenditures were due to increased health claims during FY 2021 in the County's Health Benefit Fund. The County will monitor incurred but not reported claims closely prior to the end of each fiscal year. The County will also hold bi-monthly meetings with finance, human resources and the management team to adequately monitor claims throughout the entire fiscal year going forward.

### **NOTE 4 - 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, 2021, the County's deposits had a carrying amount of \$46,131,896 and a bank balance of \$46,472,949. Of the bank balance, \$416,972 was covered by federal depository insurance and \$46,055,977 in interest bearing deposits were covered by collateral held under the Pooling Method. Also, at June 30, 2021, the County had \$9,655 cash on hand.

As of June 30, 2021, 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	\$ 450,443,495	\$ 450,443,495	\$ -	\$ -	\$ -
NC Cash Management Trust - Term Portfolio	Fair Value - Level 1	-	-	-	-	-
US Treasuries	Fair Value - Level 1	154,322,898	10,907,095	67,396,569	76,019,234	-
US Government Agencies	Fair Value - Level 1	52,718,268	-	5,429,892	27,387,995	19,900,381
<b>Total</b>		<u>\$ 657,484,661</u>	<u>\$ 461,350,590</u>	<u>\$ 72,826,461</u>	<u>\$ 103,407,229</u>	<u>\$ 19,900,381</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 (\$703,568,670) and Custodial Funds (\$57,542).

Also, at June 30, 2021, the Special Separation Allowance Pension Trust Fund deposits had a carrying amount and bank balance of \$4,326,060 as shown on the Statement of Fiduciary Net Position.

Also, at June 30, 2021, the Other Postemployment Retiree Healthcare Benefits (OPEB) Pension Trust Fund deposits had a carrying amount and bank balance of \$58,465,613 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, 2021, the County had no investments in commercial paper. 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, which invests in treasuries and governmental agencies, is a money market mutual fund (2a-7) and maintains an AAAM rating from S&P and AAAMf by Moody's Investor Service. The NCCMT Government Portfolio is reported at fair value.

*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, 2021, 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.* As of June 30, 2021, the County did not hold any investments from a single issuer that was 5 percent of more of total investments.

At June 30, 2021, the County's Other Postemployment Retiree Healthcare Benefits (OPEB) Pension Trust Fund had \$58,465,613 was invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Trust Fund pursuant to G.S. 159-30.1. 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) 20.21%; State Treasurer's Bond Index Fund (BIF) 35.03%; and Black Rock's MSCI ACWI EQ Index Non-Lendable Class B Fund 44.76% (the equities were split with 58.82% in domestic securities and 41.18% in international securities).

*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. Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating 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, 2021 of 1.3 years.

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 June 30, 2021, the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.34 years at June 30, 2021.

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, 2021 the fair value of the funds was \$ 32.24591 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.

*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 159-30(c)(8). 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 5 - RECEIVABLES**

**A. Receivables and Allowances for Doubtful Accounts**

Receivables and their associated allowance for doubtful accounts at the government-wide level at June 30, 2021, were as follows:

	Accounts	Taxes and Related Accrued Interest	Total
<b>Governmental Activities:</b>			
General	\$ 27,886,095	\$ 1,359,350	\$ 29,245,445
Special Revenue	918,954	42,229	961,183
Internal Service	1,851	-	1,851
<b>Total Receivables</b>	<b>28,806,900</b>	<b>1,401,579</b>	<b>30,208,479</b>
Allowance for doubtful accounts	-	(469,921)	(469,921)
<b>Total-governmental activities</b>	<b>\$ 28,806,900</b>	<b>\$ 931,658</b>	<b>\$ 29,738,558</b>
<b>Business-type Activities:</b>			
Water and Sewer	\$ 11,985,887	-	\$ 11,985,887
Solid Waste	783,915	-	783,915
<b>Total Receivables</b>	<b>12,769,802</b>	<b>-</b>	<b>12,769,802</b>
Allowance for doubtful accounts	(452,356)	-	(452,356)
<b>Total-business-type activities</b>	<b>\$ 12,317,446</b>	<b>\$ -</b>	<b>\$ 12,317,446</b>

**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
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
2021	2020	7,490,120	430,682	7,920,802
		<b>\$ 30,881,472</b>	<b>\$ 1,775,685</b>	<b>\$ 32,657,157</b>

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the governmental activities for the year ended June 30, 2021 was as follows:

Governmental activities:	Beginning Balances	Additions	Retirements & Adjustments	Transfers	Ending Balances
Capital assets not being depreciated:					
Land	\$ 19,064,264	\$ 613,958	\$ -	\$ -	\$ 19,678,222
Construction in progress	5,170,826	14,158,853	1,812,629	(1,781,965)	15,735,085
Total capital assets not being depreciated	<u>24,235,090</u>	<u>14,772,811</u>	<u>1,812,629</u>	<u>(1,781,965)</u>	<u>35,413,307</u>
Capital assets being depreciated:					
Other improvements	7,928,573	-	-	977,195	8,905,768
Buildings	109,534,027	5,062,227	-	726,132	115,322,386
Furniture and equipment	36,045,188	1,233,389	56,856	38,070	37,259,791
Vehicles	12,826,153	2,465,997	776,575	-	14,515,575
Computer software	910,583	-	-	-	910,583
Total capital assets being depreciated	<u>167,244,524</u>	<u>8,761,613</u>	<u>833,431</u>	<u>1,741,397</u>	<u>176,914,103</u>
Less accumulated depreciation for:					
Other improvements	5,012,240	258,804	-	-	5,271,044
Buildings	43,301,130	3,522,665	-	-	46,823,795
Furniture and equipment	29,379,852	1,791,044	56,856	-	31,114,040
Vehicles	8,280,469	1,708,878	664,694	-	9,324,653
Computer software	468,867	130,110	-	-	598,977
Total accumulated depreciation	<u>86,442,558</u>	<u>7,411,501</u>	<u>721,550</u>	<u>-</u>	<u>93,132,509</u>
Total capital assets being depreciated, net	<u>80,801,966</u>	<u>1,350,112</u>	<u>111,881</u>	<u>1,741,397</u>	<u>83,781,594</u>
Governmental activities capital assets, net	<u>\$ 105,037,056</u>	<u>\$ 16,122,923</u>	<u>\$ 1,924,510</u>	<u>\$ (40,568)</u>	<u>\$ 119,194,901</u>

Transfers of \$1,781,965 includes a capital improvement projects that were completed and placed in service for \$1,741,397. This amount also includes the transfer of \$40,568 to Solid Waste construction in progress, as the capital project was placed in the general fund construction in progress in the beginning of the project. 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, this transfer represents the proper placement of the spending.

Retirements & Adjustments include expense of \$1,812,629 that was spent on drawings and plans that can no longer be used as part of the Sheriff's Office Renovations capital improvement project.

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

General government	\$ 1,942,276
Public safety	2,758,766
Economic and physical development	212,705
Human services	1,625,190
Education	83,903
Cultural and recreational	788,661
Total depreciation expense	<u>\$ 7,411,501</u>

Capital asset activity for the business-type activities for the year ended June 30, 2021, was as follows:

Business-type activities:	Beginning Balances	Additions	Retirements and Adjustments	Transfers	Ending Balances
<b>Water and Sewer</b>					
Capital assets not being depreciated:					
Land	\$ 2,758,938	\$ -	\$ -	\$ -	\$ 2,758,938
Land - easements	1,113,633	-	-	-	1,113,633
Construction in progress	33,560,690	60,097,312	3,150	(378,398)	93,276,454
Total capital assets not being depreciated	37,433,261	60,097,312	3,150	(378,398)	97,149,025
Capital assets being depreciated:					
Plant and collection systems	294,184,388	4,857,064	-	189,706	299,231,158
Plant and distribution systems	173,656,770	4,335,116	-	188,692	178,180,578
Water rights (intangible asset)	1,902,757	-	-	-	1,902,757
Administration Building	10,816,628	-	-	-	10,816,628
Equipment	4,405,386	366,688	32,697	-	4,739,377
Vehicles	4,676,930	150,639	50,427	(19,227)	4,757,915
Computer Software	107,907	-	-	-	107,907
Total capital assets being depreciated	489,750,766	9,709,507	83,124	359,171	499,736,320
Less accumulated depreciation for:					
Plant and collection systems	113,801,817	17,335,214	-	-	131,137,031
Plant and distribution systems	84,375,972	-	-	-	84,375,972
Water rights intangible asset	1,343,823	47,569	-	-	1,391,392
Administration Building	1,554,129	292,889	-	-	1,847,018
Equipment	2,750,645	316,213	32,697	-	3,034,161
Vehicles	2,703,587	523,021	50,427	(19,227)	3,156,954
Computer Software	150,437	21,662	-	-	172,099
Total accumulated depreciation	206,680,410	18,536,568	83,124	(19,227)	225,114,627
Total capital assets being depreciated, net	283,070,356	(8,827,061)	-	378,398	274,621,693
Water and Sewer capital assets, net	320,503,617	51,270,251	3,150	-	371,770,718
<b>Solid Waste</b>					
Capital assets not being depreciated:					
Land	334,257	-	-	-	334,257
Construction in progress	-	85,640	-	40,568	126,208
Total capital assets no being depreciated	334,257	85,640	-	40,568	460,465
Capital assets being depreciated:					
Other improvements	1,243,334	-	-	-	1,243,334
Plant and collection systems	2,368,199	-	-	-	2,368,199
Equipment	4,129,117	126,932	-	-	4,256,049
Vehicles	1,057,096	216,325	-	19,227	1,292,648
Total capital assets being depreciated	8,797,746	343,257	-	19,227	9,160,230
Less accumulated depreciation for:					
Other improvements	520,923	55,050	-	-	575,973
Plant and collection systems	1,961,409	24,184	-	-	1,985,593
Equipment	2,148,565	270,445	-	-	2,419,010
Vehicles	812,397	59,804	-	19,227	891,428
Total accumulated depreciation	5,443,294	409,483	-	19,227	5,872,004
Total capital assets being depreciated, net	3,354,452	(66,226)	-	-	3,288,226
Solid Waste capital assets, net	3,688,709	(66,226)	-	-	3,748,691
Business-type activities capital assets, net	\$ 324,192,326	\$ 51,204,025	\$ 3,150	\$ -	\$ 375,519,409

## NOTE 7 - LIABILITIES

Payables at the government-wide level at June 30, 2021, including liabilities payable from restricted assets, were as follows:

Payables:	Governmental Activities	Business Type Activities	Total
Vendors	\$ 13,415,753	\$ 19,973,454	\$ 33,389,207
Salaries and benefits	1,274,715	205,687	1,480,402
Accrued Interest	3,237,694	1,194,334	4,432,028
Total	\$ 17,928,162	\$ 21,373,475	\$ 39,301,637

## NOTE 8 - PENSION PLAN OBLIGATION

### 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 Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR 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](http://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, 2021, was 10.9% of compensation for law enforcement officers and 10.15% 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 \$7,159,791 for the year ended June 30, 2021.

*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, 2021, the County reported a liability of \$33,140,310 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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 employees, actuarially determined. At June 30, 2020, the County's proportion was 0.927%, which was an increase of 0.044% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the County recognized a pension expense of \$11,880,392. At June 30, 2021, 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	\$ 4,185,040	\$ -
Changes of assumptions	2,466,289	
Net difference between projected and actual earnings on pension plan investments	4,663,611	-
Changes in proportion and differences between County contributions and proportionate share of contributions	958,109	-
County contributions subsequent to the measurement date	7,159,791	-
Total	\$ 19,432,840	\$ -

\$7,159,791 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 3,527,784
2023	4,564,194
2024	2,800,881
2025	1,380,190
2026	-
Total	\$ 12,273,049

*Actuarial Assumptions.* The total pension liability in the December 31, 2019 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, 2019 actuarial valuation, with the exception of the discount rate, are based on the experience study prepared as of December 31, 2014 and adopted by the Board of Trustees on January 21, 2016. The discount rate was updated to 7.00%, as adopted by the Board of trustees on April 26, 2018.

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, 2021 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	100.0 %	

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)	\$ 67,238,078	\$ 33,140,310	\$ 4,802,667

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

## 6. 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, 2019 valuation date, the Separation Allowance's membership consisted of:

Retirees receiving benefits	85
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	434
Total	<u>519</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 \$1,598,805 or 5.78% 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, 2021 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	3.25-7.75% for Law Enforcement Officers 3.25-8.25% for General Employees
Investment rate of return	1.93%, net of pension plan investment expense, including inflation
Mortality	The rates of mortality for the period after service retirement are according to the Pub-2010 amount-weighted tables, projected from 2010 using generational improvement with Scale MP- 2019. For Law Enforcement Officers, mortality rates are based on the Safety Mortality Table for retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year. For General Employees, mortality rates are based on the General Mortality Table for Retirees. Rates for male members are first Set Forward 2 years, then are multiplied by 96% for ages under 81, and increase until reaching 100% at age 85 and above. Rates for female members are 100% for ages under 92 and increase until reaching 110% at age 95 and above. Because the retiree tables have no rates prior to age 50, the General Mortality Table for Employees is used for ages less than 50.

### **Discount Rate**

The discount rate used to measure the total pension liability as of December 31, 2020 (measurement date) was 1.93%. 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, 2020.

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 1.93% annually.



## Net Pension Liability

The components of the net pension liability of the County as of June 30, 2021 are as follows:

Total pension liability	\$ 20,891,294
Plan fiduciary assets	<u>4,191,718</u>
Net pension liability	<u>\$ 16,699,576</u>
Plan fiduciary assets as a percentage of total pension liability	20.06%

At June 30, 2021, the County reported a net pension liability of \$16,699,576. The net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of December 31, 2020.

For the fiscal year ended June 30, 2021, the County recognized pension expense in the amount of \$2,625,311. As of the December 31, 2020 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	\$ 2,077,221	\$ -
Changes of assumptions and other inputs	4,150,194	268,587
Net difference between projected and actual earnings on plan investments	163,158	-
Employer contributions subsequent to the measurement date	<u>134,173</u>	<u>-</u>
Total	<u>\$ 6,524,746</u>	<u>\$ 268,587</u>

\$134,173 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, 2022. 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
2022	\$ 1,877,276	\$ 143,085	\$ 1,734,191
2023	1,714,845	106,739	1,608,106
2024	1,485,582	18,763	1,466,819
2025	1,166,460	-	1,166,460
2026	146,410	-	146,410
Thereafter	-	-	-
Total	<u>\$ 6,390,573</u>	<u>\$ 268,587</u>	<u>\$ 6,121,986</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 0.93%	Current Discount Rate 1.93%	1% Increase 2.93%
Net pension liability	\$ 18,425,784	\$ 16,699,576	\$ 15,113,667

## Changes in the Net Pension Liability

	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance as of December 31, 2019	\$ 15,423,765	\$ 3,882,838	\$ 11,540,927
Changes for the year:			
Service Cost	540,214	-	540,214
Interest	482,899	-	482,899
Difference between expected and actual experience	1,037,454	-	1,037,454
Changes of assumptions or other inputs	4,628,793	-	4,628,793
Contributions - employer	-	1,512,357	(1,512,357)
Net investment income	-	18,354	(18,354)
Benefits paid	(1,221,831)	(1,221,831)	-
Net changes	5,467,529	308,880	5,158,649
Balance as of December 31, 2020	<u>\$ 20,891,294</u>	<u>\$ 4,191,718</u>	<u>\$ 16,699,576</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 3.26% at the June 30, 2019 measurement date to 1.93% at the June 30, 2020 measurement date.

## 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 ACFR for the State of North Carolina. The State's ACFR 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, 2021 totaled \$5,485,230, consisting of \$2,046,890 in employee contributions and \$3,438,340 in employer contributions.

## D. Register of Deeds' Supplemental Pension Fund

*Plan Description.* Union 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 ACFR for the State of North Carolina. The State's ACFR 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](http://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 \$36,233 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported an asset of \$644,619 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension asset was then rolled forward to the measurement date of June 30, 2020 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, 2020 measurement date, the County's proportion was 2.813%, which was an increase of 0.486% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of (\$29,424). At June 30, 2021, 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	\$ -	\$ 13,135
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	55,157
Changes in proportion and differences between County contributions and proportionate share of contributions	16,917	61,497
County contributions subsequent to the measurement date	36,233	-
Total	\$ 53,150	\$ 129,789

\$36,233 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, 2021. 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>	
2021	\$ (31,882)
2022	(42,204)
2023	(24,893)
2024	(13,895)
2025	-
Total	<u>\$ (112,874)</u>

*Actuarial Assumptions.* The total pension asset in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	12/31/2019
Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar Closed
Amortization Period	31 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.

Assumptions are based on the experience investigation prepared as of December 31, 2014 and adopted by the Board of Trustees on April 21, 2016 for use beginning with the December 31, 2015 annual actuarial valuation.

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)	\$ (547,524)	\$ (644,619)	\$ (726,779)

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

The net pension liability for LGERS and ROD was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as December 31, 2019. The total pension liability for Special Separation Allowance was measured as of December 31, 2020, with an actuarial valuation date of December 31, 2019.

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)	\$ 33,140,310	\$ (644,619)	N/A	\$ 32,495,691
Proportion of the Net Pension Liability (Asset)	0.927%	(2.813)%	N/A	
Total Pension Liability	-	-	20,891,294	20,891,294
Pension Expense	\$ 11,880,392	\$ (29,424)	\$ 2,625,311	\$ 14,476,279

At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	ROD	LEOSSA	Total
<b>Deferred Outflows of Resources</b>				
Differences between expected and actual experience	\$ 4,185,040	\$ -	\$ 2,077,221	\$ 6,262,261
Change of assumptions	2,466,289	-	4,150,194	6,616,483
Net difference between projected and actual earnings on pension plan investments	4,663,611	-	163,158	4,826,769
Changes in proportion and differences between County contributions and proportionate share of contributions	958,109	16,917	-	975,026
County contributions subsequent to the measurement date	7,159,791	36,233	134,173	7,330,197
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$ -	\$ 13,135	\$ -	\$ 13,135
Changes of assumptions	-	-	268,587	268,587
Net difference between projected and actual earnings on pension plan investments	-	55,157	-	55,157
Changes in proportion and differences between County contributions and proportionate share of contributions	-	61,497	-	61,497

## NOTE 9 - 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 10 – 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, 2021 the HCB Plan membership consisted of the following:

	<u>2021</u>
Inactive plan members or beneficiaries currently receiving benefit payments	395
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>424</u>
Total	<u><u>819</u></u>

*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:

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

*Rate of return.* For the year ended June 30, 2021, the annual money weighted rate of return on investments, net of investment expense, was 14.58 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, 2021 measurement date is presented in the table below:

Measurement Date of June 30, 2021	
Total OPEB Liability	\$ 101,573,367
Fiduciary Net Position	58,465,613
Net OPEB Liability	<u>\$ 43,107,754</u>
Ratio of Fiduciary Net Position to Total OPEB Liability	57.56%

*Actuarial Assumptions.* The Total OPEB Liability was determined by an actuarial valuation as of June 30, 2020, using the following key actuarial assumptions and other inputs:

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	
General Employees	3.25% - 8.41%
Law Enforcement Officers	3.25% - 7.90%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflation	4.43%
Municipal Bond Index Rate	
Prior Measurement Date	2.21%
Measurement Date	2.16%
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	4.43%
Measurement Date	4.43%
Health Care Cost Trends	
Pre-Medicare	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030
Medicare	5.25% for 2020 decreasing to an ultimate rate of 4.50% by 2024
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 oUB-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, 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, 2020 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2020 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, 2020. In addition to the actuarial methods and assumptions of the June 30, 2020 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 annually using the payroll growth assumptions.
- 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	\$ 59,012,165	\$ 43,107,755	\$ 30,345,008

*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	\$ 28,566,006	\$ 43,107,755	\$ 61,434,712

*Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows or Resources Related to OPEB.* At June 30, 2021, the County reported a net OPEB liability of \$43,107,755. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The total pension liability was then rolled forward to the

measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2021, the components of the net OPEB liability of the County, measured as of June 30, 2021, were as follows:

	Total OPEB Liability	Increase/(Decrease) Plan Fiduciary Net Position	Net OPEB Liability
Balance as of June 30, 2020	\$ 112,093,247	\$ 48,817,331	\$ 63,275,916
Changes for the year:			
Services Cost at the end of the year	2,774,670	-	2,774,670
Interest on TOL and Cash Flows	4,874,600	-	4,874,600
Difference between expected and actual experience	(14,009,110)	-	(14,009,110)
Changes of assumptions or other inputs	(689)	-	(689)
Contributions - employer	-	6,659,350	(6,659,350)
Net investment income	-	7,148,282	(7,148,282)
Benefit payments	(4,159,350)	(4,159,350)	-
Net changes	<u>(10,519,879)</u>	<u>9,648,282</u>	<u>(20,168,161)</u>
Balance as of June 30, 2021	<u>\$ 101,573,368</u>	<u>\$ 58,465,613</u>	<u>\$ 43,107,755</u>

For the year ended June 30, 2021, the County recognized OPEB income of \$826,747. At June 30, 2021, 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	\$ 1,623,867	\$ 10,735,953
Changes of assumptions or other inputs	678,276	7,065,184
Net difference between projected and actual earnings on plan investments	-	4,551,471
Total	<u>\$ 2,302,143</u>	<u>\$ 22,352,608</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:	
2022	\$ (6,258,636)
2023	(6,288,522)
2024	(5,400,354)
2025	(2,102,953)
2026	-
Thereafter	-
Total	<u>\$ (20,050,465)</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, 2021, the County contributed \$27,170 for employees not engaged in law enforcement and \$19,892 for employees for law enforcement officers for a total of \$47,062.

**NOTE 11 - 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 \$5,077,159 reported as landfill closure and post closure care liability at June 30, 2021 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, 2021, there was an increase of \$60,204 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 12 - COMMITMENTS**

**A. Contractual Commitments**

The County had several outstanding projects as of June 30, 2021. At year-end, the significant contractual commitments include the following:

Project	Spent to Date	Remaining Commitment
<b><u>General Capital Projects Fund:</u></b>		
Board of Elections Addition/Renovations	\$ -	\$ 3,565,285
Historic Courthouse Restoration	1,249,678	553,322
Jesse Helms Park Event Center	2,170,539	188,618
Emergency Services Complex	1,547,564	10,852,799
Sheriff's Office Expansion & Renovation	5,229,089	19,208,848
Radio Tower & Microwave	143,709	1,450,752
<b><u>Water Capital Projects:</u></b>		
Wingate Elevated Storage Tank	2,388,786	245,125
Yadkin River Supply	59,581,608	219,489,631
853 West Pressure Zone Improvements	81,513	21,996,356
<b><u>Sewer Capital Projects:</u></b>		
Old Sycamore WFT Process Improvements	345,255	1,036,941
Crooked Creek WRF Process Improvements	284,674	3,605,343
STEG Gravity Sewer Improvements	454,115	1,092,870
Tarkhill Force Main Improvements	-	1,310,140
Poplin Road Pump Station Improvements	218,341	1,711,494
Waxhaw Gravity Intcpt, Pmp Stn & Frce Main	-	5,084,348
12 Mile Creek WWTP Expansion	5,328,935	154,515
Total	<u>\$ 79,023,806</u>	<u>\$ 291,546,387</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 \$10,258,142 and expects the payments to be made over the next five years.

**NOTE 13 - 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 \$250,000 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 \$575,000 per occurrence for police/fire employees and \$400,000 per occurrence for all other employees. A "buffer" layer of insurance provides coverage of \$175,000 over the \$575,000 limit for police/fire employees and \$200,000 over the \$400,000 for all other employees. An excess workers' compensation carrier provides coverage in excess over \$750,000 for police/fire employees and \$600,000 for all other employees. 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, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Unpaid Claims beginning of fiscal year	\$ 1,232,215	1,528,074	\$ 203,819	281,815	\$ 35,565	127,344
Incurred claims and premiums	22,294,596	16,780,587	155,883	205,872	1,238,158	880,412
Claims and premiums paid	(20,715,655)	(17,076,446)	(160,004)	(283,868)	(1,232,552)	(972,191)
Unpaid Claims end of fiscal year	\$ 2,811,156	\$ 1,232,215	\$ 199,698	\$ 203,819	\$ 41,171	\$ 35,565

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 \$12,500,000 in flood coverage with a \$100,000 deductible for all structures.

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

**NOTE 14 - CLAIMS AND JUDGEMENTS**

At June 30, 2021, 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.

**NOTE 15 - 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 \$623,084 for the year ended June 30, 2021.

Minimum future lease payments are as follows:

Year Ending June 30	Lancaster County	Other
2022	\$ 369,846	\$ 177,328
2023	-	137,132
2024	-	132,017
2025-2026	-	116,725
	\$ 369,846	\$ 563,202

**NOTE 16 - 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 2020 Installment Financing were issued pursuant to a deed of trust that requires that legal title to the tract of land that the Union County

Progress Building 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 16. D.

The other long-term obligations, were issued for acquired or constructed assets of the water and sewer system are described further in Note 16. E.

1. Long-term obligations at June 30, 2021 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, 2021
<b>1. General Obligation Bonds (GO Bonds)</b>					
2010 Refunding Bonds (School Facility) - Series A	July 08, 2010	March 01, 2022	3.00% - 5.00%	55,010,000	\$ 4,565,000
2012 Refunding Bonds (School Facility)	May 01, 2012	March 01, 2024	2.00% - 5.00%	28,845,000	14,895,000
2013A Refunding Bonds (School Facility)	March 19, 2013	March 01, 2029	1.50% - 5.00%	42,890,000	34,225,000
2015 Refunding Bonds (School Facility)	Dec. 08, 2015	Sept. 01, 2029	2.00% - 5.00%	41,020,000	33,445,000
2017 Schools Facility	Nov. 21, 2017	Sept. 01, 2037	2.00% - 5.00%	50,000,000	42,500,000
2019 Multipurpose Bonds - Series C	Aug 22, 2019	Sept. 01, 2039	2.00% - 5.00%	91,910,000	87,305,000
2019 Refunding Bonds (School Facility) - Series D	Aug 22, 2019	Sept. 01, 2032	2.00% - 5.00%	15,260,000	15,260,000
					<u>232,195,000</u>
<b>2. GO Bonds from direct placements</b>					
2004 School Facility - Series A	Dec. 14, 2004	March 01, 2029	2.28%	\$ 48,265,000	23,818,778
2004 Law Enf. Facility - Series A	Dec. 14, 2004	March 01, 2029	2.28%	1,735,000	856,222
2007 School Facility - Series A	Sept. 06, 2007	March 01, 2033	2.19%	65,365,000	29,947,841
2007 School Facility - Series C	Sept. 06, 2007	March 01, 2033	2.19%	26,145,000	11,002,159
2019 Economic Development Series A	July 23, 2019	March 01, 2039	2.63% - 2.95%	17,555,000	16,631,000
2019 Multipurpose Series B	July 23, 2019	March 01, 2039	2.07% - 2.33%	8,045,000	7,382,000
					<u>89,638,000</u>
<b>3. Installment Financing</b>					
2012 Limited Obligation Bonds	May 01, 2012	December 01, 2024	1.00% - 5.00%	27,850,000	15,940,000
2013 Limited Obligation Bonds	March 19, 2013	December 01, 2031	2.00 - 5.00%	29,310,000	25,940,000
2020 Installment Financing Contract	October 15, 2020	October 15, 2035	1.86%	5,600,000	5,600,000
					<u>47,480,000</u>
<b>4. Revenue Bonds</b>					
2015 Enterprise System	December 9, 2015	June 01, 2040	2.00% - 5.00%	22,955,000	19,865,000
2017 Enterprise System	August 30, 2017	June 01, 2040	3.00% - 5.00%	58,990,000	53,765,000
2019 Enterprise System - Series A	May 30, 2019	June 01, 2044	3.00% - 5.00%	68,430,000	66,500,000
2021 Enterprise System	March 10, 2021	June 01, 2051	3.00% - 5.00%	298,775,000	298,775,000
					<u>438,905,000</u>
Total General Obligation Bonds, GO Bond Notes from direct placement, Installment Financings, Revenue Bonds and Other Long-term Obligation					<u>\$ 808,218,000</u>

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

	Governmental Activities	Business-type Activities	Total
General Obligation Bonds	\$ 257,536,304	\$ -	\$ 257,536,304
GO Bonds from direct placements	89,638,000	-	89,638,000
Certificates of Participation	44,825,820	-	44,825,820
Installment Financing	5,600,000	-	5,600,000
Revenue Bonds	-	482,992,769	482,992,769
Total	<u>\$ 397,600,124</u>	<u>\$ 482,992,769</u>	<u>\$ 880,592,893</u>

3. The table in Note 16 part A differs from the long-term obligations in Note 16 part B due to the following:

	Unamortized Premium
<u>General Obligation Bonds</u>	
2010 Refunding Bonds (School Facility) - Series A	\$ (534,361)
2012 School Refunding	(787,180)
2013A School Refunding	(1,883,762)
2015 School Refunding	(4,495,332)
2017 School Facility	(3,354,313)
2019C Multipurpose Bonds	(11,432,792)
2019D School Refunding	(2,853,564)
<u>Installment Financing</u>	
2012 Limited Obligation Bonds (Schools)	(820,032)
2012 Limited Obligation Bonds (Other)	(230,362)
2013 Limited Obligation Bonds (Schools)	(1,895,426)
<u>Revenue Bonds</u>	
2015 Enterprise System Revenue Bonds	(1,717,366)
2017 Enterprise System Revenue Bonds	(4,117,364)
2019 Enterprise System Revenue Bonds	(9,205,257)
2021 Enterprise System Revenue Bonds	(29,047,782)
Total	<u>(72,374,893)</u>
Long-term Obligations (per Note 16, A,4)	<u>880,592,893</u>
Future Maturities of Long-term Obligations (per Note 16, B)	<u>\$ 808,218,000</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						
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	17,680,000	5,012,300	9,665,000	1,414,707	27,345,000	6,427,007
2027-2031	66,805,000	14,971,638	39,732,000	3,852,006	106,537,000	18,823,644
2032-2036	38,820,000	5,633,337	6,668,000	1,007,155	45,488,000	6,640,492
2037-2041	23,360,000	1,148,325	3,998,000	196,526	27,358,000	1,344,851
	<u>\$ 232,195,000</u>	<u>\$ 55,913,675</u>	<u>\$ 89,638,000</u>	<u>\$ 13,932,608</u>	<u>\$ 321,833,000</u>	<u>\$ 69,846,283</u>
	Certificates of Participation and Installment Financing		Total Governmental Activities			
Governmental Activities	Principal	Interest	Principal	Interest		
2022	5,274,000	1,810,332	35,959,000	12,838,019		
2023	5,249,000	1,607,875	35,639,000	11,309,722		
2024	5,304,000	1,380,169	32,519,000	9,843,628		
2025	5,229,000	1,128,588	32,044,000	8,545,884		
2026	3,589,000	919,881	30,934,000	7,346,888		
2027-2031	17,870,000	2,209,693	124,407,000	21,033,337		
2032-2036	4,965,000	133,222	50,453,000	6,773,714		
2037-2041	-	-	27,358,000	1,344,851		
	<u>\$ 47,480,000</u>	<u>\$ 9,189,760</u>	<u>\$ 369,313,000</u>	<u>\$ 79,036,043</u>		
	Revenue Bonds		Total Long-term Obligations for Governmental and Business-type Activities			
Business Type Activities	Principal	Interest	Principal	Interest		
2022	4,600,000	15,073,321	40,559,000	27,911,340		
2023	10,875,000	14,867,121	46,514,000	26,176,844		
2024	11,405,000	14,332,421	43,924,000	24,176,049		
2025	11,970,000	13,769,471	44,014,000	22,315,355		
2026	12,575,000	13,170,971	43,509,000	20,517,860		
2027-2031	72,270,000	56,433,231	196,677,000	77,466,567		
2032-2036	84,505,000	42,130,881	134,958,000	48,904,596		
2037-2041	88,550,000	29,498,763	115,908,000	30,843,614		
2042-2046	71,500,000	17,046,750	71,500,000	17,046,750		
2047-2051	70,655,000	6,484,200	70,655,000	6,484,200		
	<u>\$ 438,905,000</u>	<u>\$ 222,807,130</u>	<u>\$ 808,218,000</u>	<u>\$ 301,843,175</u>		



As of June 30, 2021, Union County had no general obligation bonds authorized and unissued and had a legal debt margin of \$1,869,205,080.

### C. Changes in Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2021 (and agrees to table in Note 16 part A):

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
<b>Governmental Activities:</b>					
<b>Bonds Payable</b>					
General obligation bonds	\$ 257,855,000	\$ -	\$ 25,660,000	\$ 232,195,000	\$ 25,500,000
GO Bonds from direct placements	94,863,000	-	5,225,000	89,638,000	5,185,000
Certificates of participation	46,815,000	-	4,935,000	41,880,000	4,900,000
Installment financing	-	5,600,000	-	5,600,000	374,000
Premium	31,411,755	-	3,124,631	28,287,124	3,124,631
<b>Total Bonds Payable</b>	<b>430,944,755</b>	<b>5,600,000</b>	<b>38,944,631</b>	<b>397,600,124</b>	<b>39,083,631</b>
Compensated absences	5,802,036	452,866	-	6,254,902	5,837,813
Net OPEB liability	55,675,745	-	18,256,010	37,419,735	-
Net pension liability (LGERS)	21,065,294	7,680,748	-	28,746,042	-
Net pension liability, separation allowance	10,154,439	4,339,344	-	14,493,783	-
<b>Government activities long term liabilities</b>	<b>\$ 523,642,269</b>	<b>\$ 18,072,958</b>	<b>\$ 57,200,641</b>	<b>\$ 484,514,586</b>	<b>\$ 44,921,444</b>
<b>Business-type Activities:</b>					
<b>Bonds Payable</b>					
Revenue bonds	\$ 144,520,000	\$ 298,775,000	\$ 4,390,000	\$ 438,905,000	\$ 4,600,000
NC Clean Water Revolving Loan from direct borrowing	-	-	-	-	-
Premium	15,749,930	29,308,273	970,434	44,087,769	1,680,794
<b>Total Bonds Payable</b>	<b>160,269,930</b>	<b>328,083,273</b>	<b>5,360,434</b>	<b>482,992,769</b>	<b>6,280,794</b>
Compensated absences	772,366	66,570	-	838,936	836,617
Accrued landfill postclosure care costs	5,016,955	60,204	-	5,077,159	-
Net OPEB liability	7,600,171	-	1,912,151	5,688,020	-
Net pension liability (LGERS)	3,039,462	1,354,806	-	4,394,268	-
Net pension liability, separation allowance	1,386,488	819,305	-	2,205,793	-
<b>Business-type activities long term liabilities</b>	<b>\$ 178,085,372</b>	<b>\$ 330,384,158</b>	<b>\$ 7,272,585</b>	<b>\$ 501,196,945</b>	<b>\$ 7,117,411</b>

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, 2021. The calculation for the various debt service coverage ratios for the year ended June 30, 2021 is as follows:

Revenues	\$ 72,390,813
Current Expenses	33,187,769
Net revenues available for debt service	<u>\$ 39,203,044</u>
Senior debt service coverage:	
Debt service, principal and interest paid	\$ 7,411,300
Subordinate debt service:	
Debt service, principal and interest paid	<u>-</u>
Total debt service:	
Total debt service, principal and interest paid	7,411,300
Add: 20% of senior debt service	<u>1,482,260</u>
Adjusted debt service requirements	<u>\$ 8,893,560</u>
Coverage Test 1	
Net revenues / adjusted debt service	4.41
Coverage Test 2	
Net revenues / total debt service	5.29

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, 2021, \$13,367,725 of defeased bonds remain in escrow.

## E. 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, 2021, there was one series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$10,000,000.

**F. Debt Related to Capital Activities**

As of June 30, 2021, of the total Governmental Activities debt listed, \$90,343,337 relates to assets the County holds title to. As of June 30, 2021, there is \$62,249,700 in unspent restricted cash related to this debt amount. The remaining \$307,256,787 in outstanding debt is for Union County Public Schools Facilities and South Piedmont Community College.

**NOTE 17 - INTERFUND BALANCES AND ACTIVITY**

**A. INTERFUND BALANCES**

The composition of inter-fund balances as of June 30, 2021 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water & Sewer Fund	\$ 717,911 *
General Fund	Solid Waste Fund	107,320 *
		<u>\$ 825,231</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, 2021, consist of the following:

Governmental activities:

From School Radio Fund to General Fund to close out the School Radio Fund	\$ 41,829
From School Radio Fund to General Capital Project Fund to fund capital projects	275,000
From School Budgetary Fund to General Fund to supplement operating expense increases	535,018
From General Capital Project Fund to General Fund to fund Tax Software support	30,000
From EMS Fund to General Capital Project Fund to fund capital projects	1,313,100
From General Capital Project Fund to Solid Waste Fund for closing out Solid Waste projects in the General Capital Project Fund. Solid Waste opened a capital project fund in FY 2021.	465,908
From Special Revenue Fund to Water & Sewer Capital Project Fund for a CDBG Water Line project	526,000
From General Fund to PSAP Fund to adjust fund balance to approved level as approved by PSAB Board	7,652
From General Fund to Wingate Fire District Fund to supplement operating expense increase	16,000
From Schools Budgetary Fund to Schools Capital Project Fund to support ongoing projects	17,940,645
From General Fund to General Capital Project Fund to fund ongoing projects	3,717,849
<b>Total governmental activities</b>	<b>24,869,001</b>

Business-type activities:

From General Capital Project Fund to Solid Waste Fund for closing out Solid Waste projects in the General Capital Project Fund. Solid Waste opened a capital project fund in FY 2021.	465,908
From Special Revenue Fund to Water & Sewer Capital Project Fund for a CDBG funded waterline project	526,000
<b>Total business-type activities</b>	<b>991,908</b>
<b>Total transfers</b>	<b>\$ 25,860,909</b>

**NOTE 18 - BLENDED COMPONENT UNIT**

Union County's Water and Sewer Districts 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.

	<u>Water and Sewer Operating Fund</u>	<u>Water and Sewer District</u>	<u>Total Water and Sewer Fund</u>
<i>Combining Statement of Net Position</i>			
<i>Assets</i>			
Current assets	\$ 51,393,138	\$ 19,291,882	\$ 70,685,020
Restricted assets	299,993,087	-	299,993,087
Non-current assets	128,335,037	-	128,335,037
Capital Assets	371,770,718	-	371,770,718
Total assets	<u>851,491,980</u>	<u>19,291,882</u>	<u>870,783,862</u>
Deferred Outflows of Resources	3,294,454	-	3,294,454
Total assets and deferred outflows of resources	<u>854,786,434</u>	<u>19,291,882</u>	<u>874,078,316</u>
<i>Liabilities</i>			
Current liabilities	27,897,500	-	27,897,500
Current liabilities payable from restricted assets	859,579	-	859,579
Non-current liabilities	487,499,822	-	487,499,822
Total liabilities	<u>516,256,901</u>	<u>-</u>	<u>516,256,901</u>
Deferred Inflows of Resources	2,797,781	-	2,797,781
Total liabilities and deferred inflows of resources	<u>519,054,682</u>	<u>-</u>	<u>519,054,682</u>
<i>Net position</i>			
Net invested in capital assets	206,566,118	-	206,566,118
Restricted for debt service	14,087,659	-	14,087,659
Unrestricted	115,077,975	19,291,882	134,369,857
Total net position	<u>335,731,752</u>	<u>\$ 19,291,882</u>	<u>\$ 355,023,634</u>

	<b>Water and Sewer Operating Fund</b>	<b>Water and Sewer District</b>	<b>Total Water and Sewer Fund</b>
<i>Combining Statement of Revenues, Expenses, and Changes in Net Position</i>			
Operating Revenues			
Charges for services	\$ 1,337,631	\$ 63,452,126	\$ 64,789,757
Miscellaneous revenue	2,274	-	2,274
Other operating revenue	1,223	1,787,933	1,789,156
Total operating revenue	<u>1,341,128</u>	<u>65,240,059</u>	<u>66,581,187</u>
Operating expenses			
Personnel	12,863,904	-	12,863,904
Other operating expenses	(12,089,417)	32,006,314	19,916,897
Depreciation	18,536,568	-	18,536,568
Operating leases	406,968	-	406,968
Total operating expenses	<u>19,718,023</u>	<u>32,006,314</u>	<u>51,724,337</u>
Operating income (loss)	<u>(18,376,895)</u>	<u>33,233,745</u>	<u>14,856,850</u>
Non-operating revenues (expenses)			
Investment earnings	(594,156)	-	(594,156)
Sale of capital assets	35,064	-	35,064
Interest and fees on long term debt	(9,581,038)	-	(9,581,038)
Gain (loss) on investment in joint venture	(3,362,096)	-	(3,362,096)
Total non-operating revenues (expenses)	<u>(13,502,226)</u>	<u>-</u>	<u>(13,502,226)</u>
Income (loss) before contributions and transfers	<u>(31,879,121)</u>	<u>33,233,745</u>	<u>1,354,624</u>
Transfers	39,361,749	(38,835,749)	526,000
Capital contributions-system development fees	-	6,461,435	6,461,435
Capital contributions-other	434,589	-	434,589
Capital contributions-non-cash	9,192,180	-	9,192,180
Total transfers and contributions	<u>48,988,518</u>	<u>(32,374,314)</u>	<u>16,614,204</u>
Change in net position	17,109,397	859,431	17,968,828
Beginning net position	318,792,186	18,262,620	337,054,806
Ending net position	<u>\$ 335,901,583</u>	<u>\$ 19,122,051</u>	<u>\$ 355,023,634</u>

	<b>Water and Sewer Operating Fund</b>	<b>Water and Sewer District</b>	<b>Total Water and Sewer Fund</b>
<i>Combining Statement of Cash Flows</i>			
Net cash provided (used) by:			
Operating activities	\$ 12,506,853	\$ 33,233,746	\$ 45,740,599
Noncapital financing activities	39,361,750	(38,835,750)	526,000
Capital and related financing activities	253,292,096	6,461,435	259,753,531
Investing activities	(3,158,543)	-	(3,158,543)
Net increase (decrease)	302,002,156	859,431	302,861,587
Beginning cash and cash equivalents	102,634,147	28,372,676	131,006,823
Ending cash and cash equivalents	<u>\$ 404,636,303</u>	<u>\$ 29,232,107</u>	<u>\$ 433,868,410</u>

**NOTE 19 - 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	\$ 3,630,121	\$ -
Register of Deeds	-	13,135
Separation Allowance	1,802,848	-
OPEB	1,409,600	9,319,356
Pensions - Changes of assumptions and other inputs		
LGERS	2,139,269	-
Register of Deeds	-	-
Separation Allowance	3,602,008	233,110
OPEB	588,777	6,132,941
Pensions - difference between projected and actual investment earnings		
LGERS	4,045,235	-
Register of Deeds	-	55,157
Separation Allowance	141,607	-
OPEB	-	3,950,909
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	831,068	-
Register of Deeds	16,917	61,497
Contributions to pension plans subsequent to measurement date		
LGERS	6,210,433	-
Register of Deeds	36,233	-
Separation Allowance	116,450	-
CARES Act revenue not yet earned (Special Revenue)		164,233
Prepaid taxes not yet earned (General)	-	62,645
Prepaid taxes not yet earned (Special Revenue)	-	2,779
Taxes receivable, net, less penalties (General)	-	198,782
Taxes receivable, net, less penalties (Special Revenue)	-	42,228
Unamortized Loss on Debt Refundings	10,160,674	-
Unamortized Gain of Debt Refundings	-	3,256,961
Total governmental activities	<u>34,731,240</u>	<u>23,493,733</u>
 <b><u>Business-Type Activities:</u></b>		
Pensions - difference between expected and actual experience		
LGERS	554,919	-
Separation Allowance	274,373	-
OPEB	214,268	1,416,597
Pensions - changes of assumptions		
LGERS	327,020	-
Separation Allowance	548,186	35,477
OPEB	89,498	932,243
Pensions - difference between projected and actual investment earnings		
LGERS	618,376	-
Separation Allowance	21,551	-
OPEB	-	600,562
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions - LGERS	127,041	-
Contributions to pension plans subsequent to measurement date		
LGERS	949,359	-
Separation Allowance	17,722	-
Developer contributions for future Water and Sewer line extensions, not yet earned	-	185,110
Total business type activities	<u>3,742,313</u>	<u>3,169,989</u>
Total	<u>\$ 38,473,553</u>	<u>\$ 26,663,722</u>

## NOTE 20 - 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 \$3,067,211 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, 2021 was \$49,423,016. This included the County's recognized loss of \$ 825,975 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, 2021, is as follows:

Cash and investments	\$ 2,613,596
Other assets	102,427,766
Total assets and deferred outflows	<u>\$ 105,041,362</u>
Total liabilities and deferred inflows	\$ 6,195,331
Total net position	98,846,031
Total liabilities, deferred inflows and net position	<u>\$ 105,041,362</u>
Total revenues	\$ 5,904,849
Total expenses	(8,428,747)
Capital contributions	871,938
Net decrease in net position	<u>\$ (1,651,960)</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 15<sup>th</sup> 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, 2021 is, \$34,519,809. The County contributed \$2,726,709 to South Piedmont Community College for operating and \$2,984,876 for capital purposes during the fiscal year ended June 30, 2021. 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 \$3,396,003 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, 2021. 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 participates in a joint venture to operate Cardinal Innovations Healthcare Solution with four other counties; Cabarrus, Davidson, Rowan, and Stanly counties. Cardinal 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 twenty -member board. The County has an ongoing financial responsibility for the joint venture because Cardinal Innovations Healthcare Solution continued existence depends on the participating governments'



continued funding. None of the participating governments have any equity interest in Cardinal Innovations Healthcare Solution, so no equity interest has been reflected in the financial statements at June 30, 2021.

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 \$714,850 for the year ended June 30, 2021.

Complete financial statements for Cardinal Innovations can be obtained from the same address of the Cardinal Innovations Healthcare Solution's office at 4855 Milestone Ave, Kannapolis, NC 28081.

#### **NOTE 21 - 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 \$62,992 during the fiscal year ended June 30, 2021. The County was the sub-recipient of a grant for \$945,047 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 22 - 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 23 - SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS**

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.

March 11, 2021, the American Rescue Plan Act of 2021 (ARPA) was signed into law providing funding for state and local governments. ARPA funding is intended to help local governments with long-term investments and financial stability. In May 2021, Union County was awarded \$ 46,859,799 to be distributed in two installments. In June 2021, Union County recognized and appropriated the first installment of the American Rescue Plan Grant in the amount of \$23,294,900. A Special Revenue Ordinance was established. The second installment is scheduled to be distributed during 2022. The

period of performance for this award ends on December 31, 2026. As set forth in Treasury's implementing regulations, Union County may use award funds to cover eligible costs incurred during the period that begins on March 3, 2021 and ends on December 31, 2024.

In 2021, The state of North Carolina received \$546,596,104 from the U.S. Department of Treasury under the Consolidated Appropriations Act (CAA) and \$432,495,915 under the American Rescue Plan Act (ARPA) for the Emergency Rental Assistance (ERA) Program. In Session Law 2021-25, the NC General Assembly appropriated funds from both CAA and ARPA from the state's allocation for Union County to provide emergency rental assistance payments for eligible families. The amount available to Union County is \$6,107,019. The funds will be provided in two installments with the first award of \$3,418,812 from ERA-1 funding . On July 21, 2021, Union County entered into an agreement with NCPRO, an agency of the Office of State Budget and Management ("OSBM"), authorizing the first award of \$3,418,812 for ERA-1 funding with the effective starting date of July 21, 2021 and terminating on December 31, 2022. Union County will not receive funding from NCPRO until all of the Emergency Rental Assistance – 1(ERA1) funding received directly from the U. S. Treasury has been expended.

During 2022, Union County will issue 2/3rds General Obligation Bond, Series 2022 in the amount of \$20,380,000 for Capital Improvement Projects approved during the FY 2022 budget process. The major projects that will receive funding in FY 2022 include the following: building envelope and electrical infrastructure repairs for the Government Center; washer and dryer replacement, lock enhancements and block renovations at Union County Jail; park amenities improvements and a support building at the Event Center at Jesse Helms Park; a new camp store at Cane Creek Park; replacement of architectural panels at the Monroe Library; radio shop renovations; and radio replacement needs for Emergency Management to ensure continued access to communicate with entities that respond to public safety needs of the citizens of the County, SPCC building renovations and access controls, renovations on the Process Building and Historical Courthouse, and designs for UCPS Forest Hills and East Elementary.

#### **NOTE 24 - CHANGE IN ACCOUNTING PRINCIPLE**

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

As part of implementing the statement, the County performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, fund balance and net position were restated as follows:

<b>Governmental Activities Net Position - Increase (Decrease)</b>	<b>Nonmajor Special Revenue Fund Balance - Increase (Decrease)</b>	<b>Fiduciary Net Position Fund - Increase (Decrease)</b>	
\$ 807	\$ 807	\$ (807)	Cash related to funds held on behalf of civil suits reclassified out of the Agency Funds into a newly created Civil Fee Special Revenue Fund. The portion of the liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance.
44,704	44,704	(44,704)	Cash received under the Social Security Administration's Representative Payee Program net of liabilities owed for payments on behalf of beneficiaries were reclassified out of the Agency Fund into a newly created Representative Payee Special Revenue Fund. The portion of the liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance.
-	-	-	Cash received from fines and forfeitures net of liabilities owed to the Union County Board of Education were reclassified out of the Agency Fund into a newly created Fines and Forfeitures Special Revenue Fund. The portion of liabilities in the Agency Fund representing receivables that were uncollected at the beginning of the year were restated as fund balance.
<u>\$ 45,511</u>	<u>\$ 45,511</u>	<u>\$ (45,511)</u>	



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# Required Supplementary Information

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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
2021	15,423,765	540,214	482,899	1,037,454	4,628,793	(1,221,831)	20,891,294

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%
2021	20,891,294	4,191,718	16,699,576	20.06%	27,641,036	60.42%

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
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%
2021	1,747,191	1,598,805	148,386	27,641,036	5.78%

Notes to the Required Schedules:

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation as of December 31, 2019, 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 was decreased from 3.26% to 1.93%. The assumed inflation rate remained at 2.50% with real wage growth being 0.75% per annum.

*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	3.25-7.75%, including inflation for Law Enforcement Officers 3.25-8.25%, including inflation for General Employees
Investment rate of return	1.93%, 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**

<b>Total OPEB Liability</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Service Cost at end of year	\$ 2,774,670	\$ 2,936,199	\$ 3,153,453	\$ 3,564,909	\$ 4,117,337
Interest on the Total OPEB Liability	4,874,600	4,573,417	4,350,254	3,952,508	3,641,969
Difference between expected and actual experience	(14,009,110)	308,146	2,656,661	910,489	-
Changes of assumptions or other inputs	(689)	(5,777,993)	1,607,421	(10,205,157)	(12,808,598)
Benefit payments	(4,159,350)	(4,039,770)	(3,459,789)	(3,816,691)	(3,634,511)
Net change in Total OPEB Liability	<u>(10,519,879)</u>	<u>(2,000,001)</u>	<u>8,308,000</u>	<u>(5,593,942)</u>	<u>(8,683,803)</u>
Total OPEB Liability - beginning	<u>112,093,247</u>	<u>114,093,248</u>	<u>105,785,248</u>	<u>111,379,190</u>	<u>120,062,993</u>
Total OPEB Liability - ending	<u>\$ 101,573,368</u>	<u>\$ 112,093,247</u>	<u>\$ 114,093,248</u>	<u>\$ 105,785,248</u>	<u>\$ 111,379,190</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 6,659,350	\$ 8,712,229	\$ 11,006,979	\$ 13,221,916	\$ 3,634,511
Net investment income	7,148,282	2,256,752	2,402,748	947,514	1,610,803
Benefit payments	(4,159,350)	(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	<u>9,648,282</u>	<u>6,929,211</u>	<u>9,948,012</u>	<u>10,350,431</u>	<u>1,584,508</u>
Plan Fiduciary Net Position - beginning	<u>48,817,331</u>	<u>41,888,120</u>	<u>31,940,108</u>	<u>21,589,677</u>	<u>20,005,169</u>
Plan Fiduciary Net Position - ending	<u>58,465,613</u>	<u>48,817,331</u>	<u>41,888,120</u>	<u>31,940,108</u>	<u>21,589,677</u>
Net OPEB Liability - ending	<u>\$ 43,107,755</u>	<u>\$ 63,275,916</u>	<u>\$ 72,205,128</u>	<u>\$ 73,845,140</u>	<u>\$ 89,789,513</u>
<b>Plan Fiduciary Net Position as a percentage of the Total OPEB Liability</b>	57.56%	43.55%	36.71%	30.19%	19.38%
<b>Covered Payroll</b>	\$ 26,941,927	\$ 29,668,870	\$ 29,668,870	\$ 31,621,099	\$ 31,621,099
<b>Net OPEB Liability as a percentage of covered payroll</b>	160.00%	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**

Fiscal Year Ending June 30	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contribution	Annual Contribution Deficiency/ (Excess)	Covered Payroll	Actual Contributions as a percentage of Covered Payroll
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%
2021	7,290,354	6,659,350	631,004	26,941,927	24.72%

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**

Fiscal Year Ending June 30	Annual Money-Weighted Rate of Return, Net of Investment Expense
2017	4.18%
2018	3.57%
2019	6.64%
2020	4.75%
2021	14.58%

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 %
2021	0.927 %	33,140,310	64,741,584	51.19 %	88.61 %

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 %
2021	7,159,791	7,159,791	-	68,790,940	10.41 %

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 %
2021	2.813 %	(644,619)	104,610	(616.21) %	173.62 %

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 %
2021	36,233	36,233	-	107,850	33.60 %

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



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# Combining and Individual Fund Statements

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**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
 June 30, 2021

	Allens Crossroad Fire District Fund	Bakers Fire District Fund	Beaver Lane Fire District Fund	Fairview Fire District Fund
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 37,876	\$ 7,415	\$ 37,904
Property taxes receivable, net	437	2,162	2,525	728
Accounts receivable, net	12,021	68,708	33,232	22,626
Total assets	<u>\$ 12,458</u>	<u>\$ 108,746</u>	<u>\$ 43,172</u>	<u>\$ 61,258</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Advances from other funds	5,247	-	-	-
Total liabilities	<u>5,247</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>444</u>	<u>2,244</u>	<u>2,584</u>	<u>777</u>
<b>FUND BALANCES</b>				
Restricted	12,021	106,502	40,588	60,481
Unassigned	(5,254)	-	-	-
Total fund balances	<u>6,767</u>	<u>106,502</u>	<u>40,588</u>	<u>60,481</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,458</u>	<u>\$ 108,746</u>	<u>\$ 43,172</u>	<u>\$ 61,258</u>

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Combining Balance Sheet  
Nonmajor Special Revenue Funds

June 30, 2021

	Griffith Road Fire District Fund	Hemby Bridge Fire District Fund	Jackson Fire District Fund	Lanes Creek Fire District Fund
<b>ASSETS</b>				
Cash and investments	\$ 1,959	\$ 31,545	\$ -	\$ 4,143
Property taxes receivable, net	398	8,014	324	1,082
Accounts receivable, net	5,820	117,310	10,859	13,204
Total assets	<u>\$ 8,177</u>	<u>\$ 156,869</u>	<u>\$ 11,183</u>	<u>\$ 18,429</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Advances from other funds	-	-	381	-
Total liabilities	<u>-</u>	<u>-</u>	<u>381</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>403</u>	<u>8,184</u>	<u>328</u>	<u>1,115</u>
<b>FUND BALANCES</b>				
Restricted	7,774	148,685	10,859	17,314
Unassigned	-	-	(385)	-
Total fund balances	<u>7,774</u>	<u>148,685</u>	<u>10,474</u>	<u>17,314</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,177</u>	<u>\$ 156,869</u>	<u>\$ 11,183</u>	<u>\$ 18,429</u>

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Combining Balance Sheet  
Nonmajor Special Revenue Funds

June 30, 2021

	New Salem Fire District Fund	Providence Fire District Fund	Sandy Ridge Fire District Fund	Springs Fire District Fund
<b>ASSETS</b>				
Cash and investments	\$ 24,758	\$ -	\$ 8,368	\$ 60,429
Property taxes receivable, net	1,956	-	717	5,105
Accounts receivable, net	27,709	3,486	14,088	58,038
Total assets	<u>\$ 54,423</u>	<u>\$ 3,486</u>	<u>\$ 23,173</u>	<u>\$ 123,572</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Advances from other funds	-	10,718	-	-
Total liabilities	<u>-</u>	<u>10,718</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>2,002</u>	<u>-</u>	<u>751</u>	<u>5,322</u>
<b>FUND BALANCES</b>				
Restricted	52,421	3,486	22,422	118,250
Unassigned	-	(10,718)	-	-
Total fund balances	<u>52,421</u>	<u>(7,232)</u>	<u>22,422</u>	<u>118,250</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 54,423</u>	<u>\$ 3,486</u>	<u>\$ 23,173</u>	<u>\$ 123,572</u>

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds**

June 30, 2021

	Stack Road Fire District Fund	Stallings Fire District Fund	Unionville Fire District Fund	Waxhaw Fire District Fund
<b>ASSETS</b>				
Cash and investments	\$ 4,968	\$ 2	\$ 1	\$ 147,512
Property taxes receivable, net	678	5,094	1,749	5,782
Accounts receivable, net	12,019	106,398	32,272	116,916
Total assets	<u>\$ 17,665</u>	<u>\$ 111,494</u>	<u>\$ 34,022</u>	<u>\$ 270,210</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Advances from other funds	-	10,354	30,271	-
Total liabilities	-	10,354	30,271	-
<b>DEFERRED INFLOWS OF RESOURCES</b>	709	6,010	1,815	6,402
<b>FUND BALANCES</b>				
Restricted	16,956	106,398	32,272	263,808
Unassigned	-	(11,268)	(30,336)	-
Total fund balances	16,956	95,130	1,936	263,808
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,665</u>	<u>\$ 111,494</u>	<u>\$ 34,022</u>	<u>\$ 270,210</u>

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Combining Balance Sheet  
Nonmajor Special Revenue Funds

June 30, 2021

	Wesley Chapel Fire District Fund	Wingate Fire District Fund	Fee Supported Fire Districts Fund	Emergency Telephone System Fund
<b>ASSETS</b>				
Cash and investments	\$ 95,290	\$ 7,778	\$ 74,615	\$ 2,396,767
Property taxes receivable, net	3,371	2,107	-	-
Accounts receivable, net	165,595	30,598	-	68,055
Total assets	<u>\$ 264,256</u>	<u>\$ 40,483</u>	<u>\$ 74,615</u>	<u>\$ 2,464,822</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 72,672
Advances from other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,672</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>3,789</u>	<u>2,128</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted	260,467	38,355	74,615	2,392,150
Unassigned	-	-	-	-
Total fund balances	<u>260,467</u>	<u>38,355</u>	<u>74,615</u>	<u>2,392,150</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 264,256</u>	<u>\$ 40,483</u>	<u>\$ 74,615</u>	<u>\$ 2,464,822</u>

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Combining Balance Sheet  
Nonmajor Special Revenue Funds

June 30, 2021

	General Special Revenue Fund	DSS Representative Payee Fund	Automation Enhancement Fund	Fines and Forfeitures Fund
<b>ASSETS</b>				
Cash and investments	\$ 32,539,780	\$ 131,389	\$ 377,912	\$ 36,602
Property taxes receivable, net	-	-	-	-
Accounts receivable, net	-	-	-	-
Total assets	<u>\$ 32,539,780</u>	<u>\$ 131,389</u>	<u>\$ 377,912</u>	<u>\$ 36,602</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 425,173	\$ 90,692	\$ 58,444	\$ 36,602
Due to other governments	31,021,682	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>31,446,855</u>	<u>90,692</u>	<u>58,444</u>	<u>36,602</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>164,233</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted	2,206,844	40,697	319,468	-
Unassigned	(1,278,152)	-	-	-
Total fund balances	<u>928,692</u>	<u>40,697</u>	<u>319,468</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 32,539,780</u>	<u>\$ 131,389</u>	<u>\$ 377,912</u>	<u>\$ 36,602</u>

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds**

June 30, 2021

	<u>Civil Fees Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>ASSETS</b>		
Cash and investments	\$ 16,577	\$ 36,043,590
Property taxes receivable, net	-	42,229
Accounts receivable, net	-	918,954
Total assets	<u>\$ 16,577</u>	<u>\$ 37,004,773</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 3,212	\$ 31,708,477
Advances from other funds	-	56,971
Total liabilities	<u>3,212</u>	<u>31,765,448</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>209,240</u>
<b>FUND BALANCES</b>		
Restricted	13,365	6,366,198
Unassigned	-	(1,336,113)
Total fund balances	<u>13,365</u>	<u>5,030,085</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,577</u>	<u>\$ 37,004,773</u>



**Combining Statement of Revenues, Expenditures and Changes in Fund Balances****Nonmajor Special Revenue Funds**

For the Year Ended June 30, 2021

	Allens Crossroad Fire District Fund	Bakers Fire District Fund	Beaver Lane Fire District Fund	Fairview Fire District Fund
<b>REVENUES</b>				
Ad valorem taxes	\$ 140,587	\$ 821,053	\$ 398,046	\$ 277,190
Local option sales tax	41,624	219,561	109,230	71,047
Other taxes and licenses	-	-	-	-
Intergovernmental	-	-	-	-
Permits and fees	-	-	-	-
Sales and services	-	-	-	-
Investment earnings	2	12	9	5
Miscellaneous	-	-	-	-
Total revenues	<u>182,213</u>	<u>1,040,626</u>	<u>507,285</u>	<u>348,242</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	175,446	934,124	466,697	287,761
Economic and physical development	-	-	-	-
Human services	-	-	-	-
Education	-	-	-	-
Total expenditures	<u>175,446</u>	<u>934,124</u>	<u>466,697</u>	<u>287,761</u>
Excess (deficiency) of revenues over (under) expenditures	6,767	106,502	40,588	60,481
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	6,767	106,502	40,588	60,481
<b>FUND BALANCES</b>				
Beginning	-	-	-	-
Prior period restatement - change in accounting principle	-	-	-	-
Beginning - as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending	<u>\$ 6,767</u>	<u>\$ 106,502</u>	<u>\$ 40,588</u>	<u>\$ 60,481</u>

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## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

## Nonmajor Special Revenue Funds

For the Year Ended June 30, 2021

	Griffith Road Fire District Fund	Hemby Bridge Fire District Fund	Jackson Fire District Fund	Lanes Creek Fire District Fund
<b>REVENUES</b>				
Ad valorem taxes	\$ 66,427	\$ 1,450,999	\$ 129,754	\$ 152,567
Local option sales tax	17,895	369,418	34,422	43,141
Other taxes and licenses	-	-	-	-
Intergovernmental	-	-	-	-
Permits and fees	-	-	-	-
Sales and services	-	-	-	-
Investment earnings	2	71	2	3
Miscellaneous	-	-	-	-
Total revenues	<u>84,324</u>	<u>1,820,488</u>	<u>164,178</u>	<u>195,711</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	76,550	1,711,993	153,704	178,397
Economic and physical development	-	-	-	-
Human services	-	-	-	-
Education	-	-	-	-
Total expenditures	<u>76,550</u>	<u>1,711,993</u>	<u>153,704</u>	<u>178,397</u>
Excess (deficiency) of revenues over (under) expenditures	7,774	108,495	10,474	17,314
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	7,774	108,495	10,474	17,314
<b>FUND BALANCES</b>				
Beginning	-	40,190	-	-
Prior period restatement - change in accounting principle	-	-	-	-
Beginning - as restated	-	40,190	-	-
Ending	<u>\$ 7,774</u>	<u>\$ 148,685</u>	<u>\$ 10,474</u>	<u>\$ 17,314</u>

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## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

## Nonmajor Special Revenue Funds

For the Year Ended June 30, 2021

	New Salem Fire District Fund	Providence Fire District Fund	Sandy Ridge Fire District Fund	Springs Fire District Fund
<b>REVENUES</b>				
Ad valorem taxes	\$ 335,575	\$ 31,026	\$ 164,473	\$ 557,572
Local option sales tax	86,745	12,585	44,182	188,761
Other taxes and licenses	-	-	-	-
Intergovernmental	-	-	-	-
Permits and fees	-	-	-	-
Sales and services	-	-	-	-
Investment earnings	7	-	4	34
Miscellaneous	-	-	-	-
Total revenues	<u>422,327</u>	<u>43,611</u>	<u>208,659</u>	<u>746,367</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	369,906	50,843	186,237	682,576
Economic and physical development	-	-	-	-
Human services	-	-	-	-
Education	-	-	-	-
Total expenditures	<u>369,906</u>	<u>50,843</u>	<u>186,237</u>	<u>682,576</u>
Excess (deficiency) of revenues over (under) expenditures	52,421	(7,232)	22,422	63,791
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	52,421	(7,232)	22,422	63,791
<b>FUND BALANCES</b>				
Beginning	-	-	-	54,459
Prior period restatement - change in accounting principle	-	-	-	-
Beginning - as restated	-	-	-	54,459
Ending	<u>\$ 52,421</u>	<u>\$ (7,232)</u>	<u>\$ 22,422</u>	<u>\$ 118,250</u>

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## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

## Nonmajor Special Revenue Funds

For the Year Ended June 30, 2021

	Stack Road Fire District Fund	Stallings Fire District Fund	Unionville Fire District Fund	Waxhaw Fire District Fund
<b>REVENUES</b>				
Ad valorem taxes	\$ 143,339	\$ 1,407,114	\$ 390,009	\$ 1,455,498
Local option sales tax	38,969	342,431	100,373	379,278
Other taxes and licenses	-	-	-	-
Intergovernmental	-	-	-	-
Permits and fees	-	-	-	-
Sales and services	-	-	-	-
Investment earnings	4	57	8	69
Miscellaneous	-	-	-	-
Total revenues	<u>182,312</u>	<u>1,749,602</u>	<u>490,390</u>	<u>1,834,845</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	165,356	1,703,914	488,454	1,722,323
Economic and physical development	-	-	-	-
Human services	-	-	-	-
Education	-	-	-	-
Total expenditures	<u>165,356</u>	<u>1,703,914</u>	<u>488,454</u>	<u>1,722,323</u>
Excess (deficiency) of revenues over (under) expenditures	16,956	45,688	1,936	112,522
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	16,956	45,688	1,936	112,522
<b>FUND BALANCES</b>				
Beginning	-	49,442	-	151,286
Prior period restatement - change in accounting principle	-	-	-	-
Beginning - as restated	-	49,442	-	151,286
Ending	<u>\$ 16,956</u>	<u>\$ 95,130</u>	<u>\$ 1,936</u>	<u>\$ 263,808</u>

continued on next page

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

## Nonmajor Special Revenue Funds

For the Year Ended June 30, 2021

	Wesley Chapel Fire District Fund	Wingate Fire District Fund	Fee Supported Fire Districts Fund	Emergency Telephone System Fund
<b>REVENUES</b>				
Ad valorem taxes	\$ 2,286,269	\$ 344,436	\$ -	\$ -
Local option sales tax	541,199	97,965	-	-
Other taxes and licenses	-	-	-	816,658
Intergovernmental	-	-	-	-
Permits and fees	-	-	62,318	-
Sales and services	-	-	-	-
Investment earnings	78	7	-	4,287
Miscellaneous	-	-	-	-
Total revenues	<u>2,827,546</u>	<u>442,408</u>	<u>62,318</u>	<u>820,945</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	2,715,787	420,053	-	511,161
Economic and physical development	-	-	-	-
Human services	-	-	-	-
Education	-	-	-	-
Total expenditures	<u>2,715,787</u>	<u>420,053</u>	<u>-</u>	<u>511,161</u>
Excess (deficiency) of revenues over (under) expenditures	111,759	22,355	62,318	309,784
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	16,000	-	7,652
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>16,000</u>	<u>-</u>	<u>7,652</u>
Net change in fund balances	111,759	38,355	62,318	317,436
<b>FUND BALANCES</b>				
Beginning	<u>148,708</u>	<u>-</u>	<u>12,297</u>	<u>2,074,714</u>
Prior period restatement - change in accounting principle	-	-	-	-
Beginning - as restated	<u>148,708</u>	<u>-</u>	<u>12,297</u>	<u>2,074,714</u>
Ending	<u>\$ 260,467</u>	<u>\$ 38,355</u>	<u>\$ 74,615</u>	<u>\$ 2,392,150</u>

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## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

## Nonmajor Special Revenue Funds

For the Year Ended June 30, 2021

	General Special Revenue Fund	DSS Representative Payee Fund	Automation Enhancement Fund	Fines and Forfeitures Fund
<b>REVENUES</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Local option sales tax	-	-	-	-
Other taxes and licenses	-	-	-	-
Intergovernmental	12,215,028	-	-	-
Permits and fees	-	-	205,807	-
Sales and services	23,131	-	-	-
Investment earnings	6,969	-	-	-
Miscellaneous	65,608	540,961	-	645,291
Total revenues	<u>12,310,736</u>	<u>540,961</u>	<u>205,807</u>	<u>645,291</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,185,882	-	116,577	-
Public safety	393,416	-	-	-
Economic and physical development	1,469,135	-	-	-
Human services	9,327,786	544,968	-	-
Education	-	-	-	645,291
Total expenditures	<u>12,376,219</u>	<u>544,968</u>	<u>116,577</u>	<u>645,291</u>
Excess (deficiency) of revenues over (under) expenditures	(65,483)	(4,007)	89,230	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	-	-	-
Transfers to other funds	(526,000)	-	-	-
Total other financing sources (uses)	<u>(526,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(591,483)	(4,007)	89,230	-
<b>FUND BALANCES</b>				
Beginning	1,520,175	-	230,238	-
Prior period restatement - change in accounting principle	-	44,704	-	-
Beginning - as restated	<u>1,520,175</u>	<u>44,704</u>	<u>230,238</u>	<u>-</u>
Ending	<u>\$ 928,692</u>	<u>\$ 40,697</u>	<u>\$ 319,468</u>	<u>\$ -</u>

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balances****Nonmajor Special Revenue Funds**

For the Year Ended June 30, 2021

	Civil Fees Fund	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>		
Ad valorem taxes	\$ -	\$ 10,551,934
Local option sales tax	-	2,738,826
Other taxes and licenses	-	816,658
Intergovernmental	-	12,215,028
Permits and fees	-	268,125
Sales and services	-	23,131
Investment earnings	-	11,630
Miscellaneous	535,422	1,787,282
Total revenues	<u>535,422</u>	<u>28,412,614</u>
<b>EXPENDITURES</b>		
Current:		
General government	-	1,302,459
Public safety	522,864	13,917,562
Economic and physical development	-	1,469,135
Human services	-	9,872,754
Education	-	645,291
Total expenditures	<u>522,864</u>	<u>27,207,201</u>
Excess (deficiency) of revenues over (under) expenditures	12,558	1,205,413
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers from other funds	-	23,652
Transfers to other funds	-	(526,000)
Total other financing sources (uses)	<u>-</u>	<u>(502,348)</u>
Net change in fund balances	12,558	703,065
<b>FUND BALANCES</b>		
Beginning	-	4,281,509
Prior period restatement - change in accounting principle	807	45,511
Beginning - as restated	<u>807</u>	<u>4,327,020</u>
Ending	<u>\$ 13,365</u>	<u>\$ 5,030,085</u>

**Combining Statement of Net Position****Internal Service Funds**

June 30, 2021

	Health Benefits Fund	Workers' Compensation Fund	Property and Casualty Fund	Total
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 1,462,719	\$ 1,386,578	\$ 607,635	\$ 3,456,932
Accounts receivable, net	947	671	233	1,851
Total assets	<u>1,463,666</u>	<u>1,387,249</u>	<u>607,868</u>	<u>3,458,783</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
	27,416	23,054	22,039	72,509
Total assets and deferred outflows of resources	<u>1,491,082</u>	<u>1,410,303</u>	<u>629,907</u>	<u>3,531,292</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	176,683	13,365	41,555	231,603
Current portion of compensated absences	9,374	4,588	4,344	18,306
Workers' compensation claims payable	-	199,698	-	199,698
Health care benefits payable	2,811,156	-	-	2,811,156
Property and casualty claims payable	-	-	41,171	41,171
Non-current liabilities:				
Non-current portion of compensated absences	805	4,407	4,481	9,693
Net OPEB liability	33,105	24,384	22,646	80,135
Net pension liability, LGERS	35,186	30,790	29,670	95,646
Net pension liability, separation allowance	12,837	9,463	8,784	31,084
Total liabilities	<u>3,079,146</u>	<u>286,695</u>	<u>152,651</u>	<u>3,518,492</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
	17,372	12,796	11,883	42,051
Total liabilities and deferred inflows of resources	<u>3,096,518</u>	<u>299,491</u>	<u>164,534</u>	<u>3,560,543</u>
<b>NET POSITION</b>				
Unrestricted	<u>(1,605,436)</u>	<u>1,110,812</u>	<u>465,373</u>	<u>(29,251)</u>
Total net position	<u>\$ (1,605,436)</u>	<u>\$ 1,110,812</u>	<u>\$ 465,373</u>	<u>\$ (29,251)</u>

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position****Internal Service Funds**

For the Year Ended June 30, 2021

	Health Benefits Fund	Workers' Compensation Fund	Property and Casualty Fund	Total
<b>OPERATING REVENUES</b>				
Interfund charges and employee contributions	\$ 17,794,982	\$ 620,415	\$ 1,257,112	\$ 19,672,509
Miscellaneous revenue	-	-	35	35
Total operating revenues	<u>17,794,982</u>	<u>620,415</u>	<u>1,257,147</u>	<u>19,672,544</u>
<b>OPERATING EXPENSES</b>				
Personnel	86,274	83,319	80,318	249,911
Operating expenses	3,046,461	197,659	37,548	3,281,668
Worker's compensation claims	-	160,004	-	160,004
Health benefit claims and premiums	20,715,655	-	-	20,715,655
Property and casualty claims and premiums	-	-	1,195,005	1,195,005
Total operating expenses	<u>23,848,390</u>	<u>440,982</u>	<u>1,312,871</u>	<u>25,602,243</u>
Operating income (loss)	(6,053,408)	179,433	(55,724)	(5,929,699)
<b>NONOPERATING REVENUES</b>				
Investment earnings	<u>(29,794)</u>	<u>(1,654)</u>	<u>(1,033)</u>	<u>(32,481)</u>
Change in net position	(6,083,202)	177,779	(56,757)	(5,962,180)
<b>NET POSITION</b>				
Beginning	4,477,766	933,033	522,130	5,932,929
Ending	<u>\$ (1,605,436)</u>	<u>\$ 1,110,812</u>	<u>\$ 465,373</u>	<u>\$ (29,251)</u>

**Combining Statement of Cash Flows**  
**Internal Service Funds**  
For the Year Ended June 30, 2021

	Health Benefits Fund	Workers' Compensation Fund	Property and Casualty Fund	Total
<b>OPERATING ACTIVITIES</b>				
Cash received from customers for services	\$ 17,798,944	\$ 621,032	\$ 1,257,376	\$ 19,677,352
Other operating revenue	-	-	35	35
Cash paid to employees	(93,803)	(88,716)	(85,239)	(267,758)
Cash paid for goods and services	(22,204,593)	(365,840)	(1,221,120)	(23,791,553)
Net cash provided (used) by operating activities	<u>(4,499,452)</u>	<u>166,476</u>	<u>(48,948)</u>	<u>(4,381,924)</u>
<b>NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Net cash provided (used) by noncapital	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
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>
<b>INVESTING ACTIVITIES</b>				
Investment earnings	(29,794)	(1,654)	(1,033)	(32,481)
Net cash provided by investing activities	<u>(29,794)</u>	<u>(1,654)</u>	<u>(1,033)</u>	<u>(32,481)</u>
Net change in cash and investments	(4,529,246)	164,822	(49,981)	(4,414,405)
<b>CASH AND INVESTMENTS</b>				
Beginning of year	5,991,965	1,221,756	657,616	7,871,337
End of year	<u>\$ 1,462,719</u>	<u>\$ 1,386,578</u>	<u>\$ 607,635</u>	<u>\$ 3,456,932</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>				
Operating income	\$ (6,053,408)	\$ 179,433	\$ (55,724)	\$ (5,929,699)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	-	-	-
Change in assets, deferred outflows, liabilities and deferred inflows				
Accounts receivable	3,962	616	264	4,842
Inventories	-	-	-	-
Deferred outflows of resources - LGERS	(4,381)	(2,944)	(2,771)	(10,096)
Deferred outflows of resources - OPEB	1,135	837	777	2,749
Deferred outflows of resources - Sep. Allow.	(2,735)	(2,016)	(1,871)	(6,622)
Accounts payable and accrued liabilities	1,557,523	(8,177)	11,433	1,560,779
Compensated absences payable	716	541	497	1,754
Net pension liability, LGERS	9,275	6,696	6,348	22,319
Net OPEB liability	(22,012)	(16,227)	(15,065)	(53,304)
Net pension liability, separation allowance	2,781	2,053	1,903	6,737
Deferred inflows of resources - LGERS	-	-	-	-
Deferred inflows of resources - OPEB	(153)	(112)	(104)	(369)
Deferred inflows of resources - Sep. Allow.	7,845	5,776	5,365	18,986
Total adjustments	<u>1,553,956</u>	<u>(12,957)</u>	<u>6,776</u>	<u>1,547,775</u>
Net cash provided (used) by operating activities	<u>\$ (4,499,452)</u>	<u>\$ 166,476</u>	<u>\$ (48,948)</u>	<u>\$ (4,381,924)</u>
<b>Noncash investing, capital, and financing activities:</b>				
Transfer of capital assets to other funds				\$ -

**Combining Statement of Fiduciary Net Position - Pension Trust Funds**

June 30, 2021

	Special Separation Allowance Pension Trust Fund	Other Postemployment Retiree Healthcare Benefits (OPEB) Pension Trust Fund	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Investments:			
Separation Allowance Trust Fund	\$ 4,326,060	\$ -	\$ 4,326,060
State Treasurer's Office OPEB Trust	<u>                    -</u>	<u>58,465,613</u>	<u>58,465,613</u>
 Total assets	 <u>4,326,060</u>	 <u>58,465,613</u>	 <u>62,791,673</u>
 <b>NET POSITION</b>			
Employees' pension benefits	<u>\$ 4,326,060</u>	<u>\$ 58,465,613</u>	<u>\$ 62,791,673</u>

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

For the Year Ended June 30, 2021

	Special Separation Allowance Pension Trust Fund	Other Postemployment Retiree Healthcare Benefits (OPEB) Pension Trust Fund	Total
<b>ADDITIONS</b>			
Employer contributions	\$ 1,598,805	\$ 6,659,350	\$ 8,258,155
Net investment income	633	7,148,282	7,148,915
Total additions	<u>1,599,438</u>	<u>13,807,632</u>	<u>15,407,070</u>
<b>DEDUCTIONS</b>			
Benefits	<u>1,304,055</u>	<u>4,159,350</u>	<u>5,463,405</u>
Total deductions	<u>1,304,055</u>	<u>4,159,350</u>	<u>5,463,405</u>
Change in net position	295,383	9,648,282	9,943,665
<b>NET POSITION</b>			
Beginning	<u>4,030,677</u>	<u>48,817,331</u>	<u>52,848,008</u>
Ending	<u>\$ 4,326,060</u>	<u>\$ 58,465,613</u>	<u>\$ 62,791,673</u>

**Combining Statement of Fiduciary Assets and Liabilities - Custodial Funds**

For the Year Ended June 30, 2021

	Jail Inmate Fund	Municipal Tax Collection Fund	Gross Rental Receipts Tax Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 56,769	\$ -	\$ 773	\$ 57,542
Accounts receivable, net	-	567,089	-	567,089
Total assets	<u>\$ 56,769</u>	<u>\$ 567,089</u>	<u>\$ 773</u>	<u>\$ 624,631</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	-
Advances from other funds	-	304	-	304
Due to Program Participants	-	-	-	-
Total liabilities	<u>\$ -</u>	<u>\$ 304</u>	<u>\$ -</u>	<u>\$ 304</u>
<b>NET POSITION</b>				
Restricted for:				
Individuals, organizations, and other governments	<u>56,769</u>	<u>566,785</u>	<u>773</u>	<u>624,327</u>
Total net position	<u>\$ 56,769</u>	<u>\$ 566,785</u>	<u>\$ 773</u>	<u>\$ 624,327</u>



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# General Fund

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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

Schedule 9

General Fund - Combining  
Balance Sheet

June 30, 2021

	General	Schools Budgetary Fund	Schools Radios Budgetary Fund	Countywide Fire Budgetary Fund
<b>ASSETS</b>				
Cash and investments	\$ 85,234,250	\$ 235,348	\$ -	\$ -
Property taxes receivable, net	210,169	591,762	-	17,456
Accounts receivable, net	26,412,369	1,269,085	-	44,957
Inventories	33,283	-	-	-
Prepaid Item	4,356	-	-	-
Advances to other funds	5,039,766	-	-	-
Cash and investments, restricted	-	-	-	-
Cash and investments, restricted-deposits	570,602	-	-	-
Total assets	<u>\$ 117,504,795</u>	<u>\$ 2,096,195</u>	<u>\$ -</u>	<u>\$ 62,413</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 7,911,632	\$ -	\$ -	\$ -
Unearned revenue	4,500	-	-	-
Deposits	570,602	-	-	-
Advances from other funds	-	-	-	42,447
Total liabilities	<u>8,486,734</u>	<u>-</u>	<u>-</u>	<u>42,447</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>229,453</u>	<u>629,513</u>	<u>-</u>	<u>18,596</u>
<b>FUND BALANCE</b>				
Nonspendable	37,638	-	-	-
Restricted	34,161,977	1,269,085	-	44,957
Committed	61,178,336	-	-	-
Assigned	13,410,657	-	-	-
Unassigned	-	197,597	-	(43,587)
Total fund balance	<u>108,788,608</u>	<u>1,466,682</u>	<u>-</u>	<u>1,370</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 117,504,795</u>	<u>\$ 2,096,195</u>	<u>\$ -</u>	<u>\$ 62,413</u>

Union County, North Carolina

Schedule 9  
(Continued)

General Fund - Combining  
Balance Sheet

June 30, 2021

	Countywide EMS Budgetary Fund	Debt Service Budgetary Fund	Economic Development Budgetary Fund	Total
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 14,048,147	\$ 731,212	\$ 100,248,957
Property taxes receivable, net	29,617	40,425	-	889,429
Accounts receivable, net	59,500	99,679	505	27,886,095
Inventories	-	-	-	33,283
Prepaid Item	-	-	-	4,356
Advances to other funds	-	-	-	5,039,766
Cash and investments, restricted	-	285,892	6,148,234	6,434,126
Cash and investments, restricted-deposits	-	-	-	570,602
Total assets	<u>\$ 89,117</u>	<u>\$ 14,474,143</u>	<u>\$ 6,879,951</u>	<u>\$ 141,106,614</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 25,036	\$ -	\$ -	\$ 7,936,668
Unearned revenue	-	-	-	4,500
Deposits	-	-	-	570,602
Advances from other funds	40,044	-	-	82,491
Total liabilities	<u>65,080</u>	<u>-</u>	<u>-</u>	<u>8,594,261</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>31,542</u>	<u>42,971</u>	<u>-</u>	<u>952,075</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	37,638
Restricted	59,500	100,379	505	35,636,403
Committed	-	-	-	61,178,336
Assigned	-	8,486,211	551,000	22,447,868
Unassigned	<u>(67,005)</u>	<u>5,844,582</u>	<u>6,328,446</u>	<u>12,260,033</u>
Total fund balance	<u>(7,505)</u>	<u>14,431,172</u>	<u>6,879,951</u>	<u>131,560,278</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 89,117</u>	<u>\$ 14,474,143</u>	<u>\$ 6,879,951</u>	<u>\$ 141,106,614</u>

# Union County, North Carolina

Schedule 10

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

### General Fund

For the Year Ended June 30, 2021

	General	Schools Budgetary Fund	Schools Radios Budgetary Fund	Countywide Fire Budgetary Fund
<b>REVENUES</b>				
Ad valorem taxes	\$ 59,177,494	\$ 125,437,812	\$ -	\$ 4,366,653
Local option sales tax	56,259,871	-	-	-
Other taxes and licenses	4,049,677	-	-	-
Intergovernmental	40,419,225	-	-	-
Permits and fees	6,707,907	-	-	-
Sales and services	4,086,715	-	-	-
Investment earnings	(39,672)	25,671	-	1,183
Miscellaneous	7,458,350	-	-	-
Total revenues	<u>178,119,567</u>	<u>125,463,483</u>	<u>-</u>	<u>4,367,836</u>
<b>EXPENDITURES</b>				
Current:				
General government	25,064,529	-	-	-
Public safety	45,234,373	-	-	4,415,811
Economic and physical development	3,164,126	-	-	-
Human services	45,557,298	-	-	-
Cultural and recreational	6,690,573	-	-	-
Intergovernmental:				
Education	5,382,193	106,872,267	-	-
Debt service:				
Principal retirement	22,835,000	-	-	-
Interest and fees	7,788,434	-	-	-
Total expenditures	<u>161,716,526</u>	<u>106,872,267</u>	<u>-</u>	<u>4,415,811</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,403,041</u>	<u>18,591,216</u>	<u>-</u>	<u>(47,975)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	606,847	-	-	-
Transfers to other funds	(3,741,501)	(18,475,663)	(316,829)	-
Issuance of installment financing	-	-	-	-
Total other financing sources (uses)	<u>(3,134,654)</u>	<u>(18,475,663)</u>	<u>(316,829)</u>	<u>-</u>
Net change in fund balances	<u>13,268,387</u>	<u>115,553</u>	<u>(316,829)</u>	<u>(47,975)</u>
<b>FUND BALANCES</b>				
Beginning	95,520,221	1,351,129	316,829	49,345
Ending	<u>\$ 108,788,608</u>	<u>\$ 1,466,682</u>	<u>\$ -</u>	<u>\$ 1,370</u>

continued on next page

# Union County, North Carolina

Schedule 10  
(Continued)

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

### General Fund

For the Year Ended June 30, 2021

	Countywide EMS Budgetary Fund	Debt Service Budgetary Fund	Economic Development Budgetary Fund	Total
<b>REVENUES</b>				
Ad valorem taxes	\$ 5,942,177	\$ 9,280,991	\$ 2,104,066	\$ 206,309,193
Local option sales tax	-	-	-	56,259,871
Other taxes and licenses	-	-	-	4,049,677
Intergovernmental	-	-	-	40,419,225
Permits and fees	-	-	-	6,707,907
Sales and services	700,089	-	-	4,786,804
Investment earnings	(8,764)	7,673	6,002	(7,907)
Miscellaneous	145,766	-	-	7,604,116
Total revenues	<u>6,779,268</u>	<u>9,288,664</u>	<u>2,110,068</u>	<u>326,128,886</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	31,144	-	25,095,673
Public safety	6,979,226	-	-	56,629,410
Economic and physical development	-	-	7,081	3,171,207
Human services	-	-	-	45,557,298
Cultural and recreational	-	-	-	6,690,573
Intergovernmental:				
Education	-	-	-	112,254,460
Debt service:				
Principal retirement	-	11,907,247	1,077,755	35,820,002
Interest and fees	-	5,847,173	568,988	14,204,595
Total expenditures	<u>6,979,226</u>	<u>17,785,564</u>	<u>1,653,824</u>	<u>299,423,218</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(199,958)</u>	<u>(8,496,900)</u>	<u>456,244</u>	<u>26,705,668</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	-	-	606,847
Transfers to other funds	(1,313,100)	-	-	(23,847,093)
Issuance of installment financing	-	48,324	-	48,324
Total other financing sources (uses)	<u>(1,313,100)</u>	<u>48,324</u>	<u>-</u>	<u>(23,191,922)</u>
Net change in fund balances	<u>(1,513,058)</u>	<u>(8,448,576)</u>	<u>456,244</u>	<u>3,513,746</u>
<b>FUND BALANCES</b>				
Beginning	1,505,553	22,879,748	6,423,707	128,046,532
Ending	<u>\$ (7,505)</u>	<u>\$ 14,431,172</u>	<u>\$ 6,879,951</u>	<u>\$ 131,560,278</u>

**General Fund**  
**Comparative Balance Sheet**  
 June 30, 2021 and 2020

	June 30, 2021	June 30, 2020
<b>ASSETS</b>		
Cash and investments	\$ 85,234,250	\$ 80,135,368
Property taxes receivable, net	210,169	578,747
Accounts receivable, net	26,412,369	20,829,011
Accounts receivable, long-term	-	1,575
Inventories	33,283	39,411
Prepaid Item	4,356	12,664
Advances to other funds	5,039,766	95,116
Cash and investments, restricted-deposits	570,602	511,416
Total assets	<u>\$ 117,504,795</u>	<u>\$ 102,203,308</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 7,911,632	\$ 5,572,421
Unearned revenue	4,500	4,500
Deposits	570,602	511,416
Total liabilities	<u>8,486,734</u>	<u>6,088,337</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>229,453</u>	<u>594,750</u>
<b>FUND BALANCE</b>		
Nonspendable	37,638	53,650
Restricted	34,161,977	24,608,733
Committed	61,178,336	61,510,365
Assigned	13,410,657	1,331,334
Unassigned	-	8,016,139
Total fund balance	<u>108,788,608</u>	<u>95,520,221</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 117,504,795</u>	<u>\$ 102,203,308</u>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 59,581,478	\$ 59,177,494	\$ (403,984)	\$ 56,939,364
Local option sales tax	51,994,023	56,259,871	4,265,848	48,720,847
Other taxes and licenses	3,441,120	4,049,677	608,557	3,207,810
Intergovernmental	42,797,539	40,419,225	(2,378,314)	36,076,059
Permits and fees	5,003,348	6,707,907	1,704,559	5,861,089
Sales and services	5,585,108	4,086,715	(1,498,393)	4,996,501
Investment earnings	741,841	(39,672)	(781,513)	2,004,421
Miscellaneous	7,984,414	7,458,350	(526,064)	7,493,162
<i>Total revenues</i>	<u>177,128,871</u>	<u>178,119,567</u>	<u>990,696</u>	<u>165,299,253</u>
<b>EXPENDITURES</b>				
General Government				
Board of Commissioners	585,630	499,897	85,733	647,450
Budget	512,340	509,362	2,978	634,616
Central Administration	791,761	720,719	71,042	666,464
Legal	801,902	724,674	77,228	748,058
Human Resources	1,401,951	1,374,270	27,681	1,410,573
Finance	1,087,193	1,020,479	66,714	1,018,565
Tax Administration	5,606,340	4,919,379	686,961	5,520,961
Court Facilities	482,946	399,939	83,007	1,105,664
Board of Elections	2,188,453	2,015,142	173,311	1,790,917
Register of Deeds	1,312,118	1,277,496	34,622	1,382,802
Information Technology	3,961,630	3,299,818	661,812	739,667
G.I.S. Department	320,146	255,624	64,522	164,343
Procurement	442,625	351,490	91,135	579,556
Public Communications	974,412	844,255	130,157	494,033
Fleet Management	1,002,332	1,004,651	(2,319)	241,381
Property Management	5,804,886	5,159,842	645,044	598,709
<i>Total General Government</i>	<u>27,276,665</u>	<u>24,377,037</u>	<u>2,899,628</u>	<u>17,743,759</u>
Public Safety				
Law Enforcement	38,681,824	36,435,112	2,246,712	37,688,146
911 Communications	4,505,495	4,177,725	327,770	4,637,267
Emergency Management	469,386	445,539	23,847	302,512
Fire Marshal's Office	885,644	852,631	33,013	1,161,219
Building Code Enforcement	3,015,361	2,966,035	49,326	3,291,000
Other Public Safety Outside Agencies				
Medical Examiner	107,440	100,252	7,188	109,184
Juvenile Detention	269,019	252,079	16,940	237,931
American Red Cross	5,000	5,000	-	5,000
<i>Total Public Safety</i>	<u>47,939,169</u>	<u>45,234,373</u>	<u>2,704,796</u>	<u>47,432,259</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, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
<b>Economic and Physical Development</b>				
Planning	\$ 774,917	\$ 722,126	\$ 52,791	\$ 911,068
Cooperative Extension Service	1,194,186	927,862	266,324	1,318,438
Soil and Water Conservation	397,341	231,084	166,257	204,775
Other Economic and Physical Dev. Outside Agencies				
Economic Development	2,488,193	1,204,744	1,283,449	1,285,747
Forest Resources	81,600	78,310	3,290	64,040
<i>Total Economic and Physical     Development</i>	<u>4,936,237</u>	<u>3,164,126</u>	<u>1,772,111</u>	<u>3,784,068</u>
<b>Human Services</b>				
Human Services Administration	4,811,932	4,383,411	428,521	-
Public Health	11,043,986	10,204,839	839,147	11,870,658
Social Services	24,689,710	23,023,766	1,665,944	27,392,428
Community Support & Outreach	3,721,057	3,200,224	520,833	3,181,761
Transportation	2,784,449	1,819,017	965,432	2,418,874
Veterans' Services	516,675	436,884	79,791	483,209
Other Human Services Outside Agencies				
Mental Health	714,850	714,850	-	690,000
Health Quest	22,784	22,784	-	22,784
DJJDP - Programs	1,181,561	1,168,980	12,581	397,251
Turning Point	45,576	45,576	-	45,576
Community Shelter	25,000	25,000	-	11,906
Community Action	69,263	69,263	-	69,263
Council of Aging	433,111	432,704	407	425,848
Other Human Services	10,000	10,000	-	-
<i>Total Human Services</i>	<u>50,069,954</u>	<u>45,557,298</u>	<u>4,512,656</u>	<u>47,009,558</u>
<b>Cultural and Recreational</b>				
Library	4,728,758	4,599,499	129,259	5,150,889
Parks and Recreation	2,104,508	2,007,321	97,187	2,090,711
Other Cultural and Recreational Outside Agencies				
Arts Council	52,018	52,018	-	52,018
Historical Properties	26,957	27,635	(678)	34,965
A.J. Historical Foundation	4,100	4,100	-	4,100
<i>Total Cultural and Recreational</i>	<u>6,916,341</u>	<u>6,690,573</u>	<u>225,768</u>	<u>7,332,683</u>
<b>Education</b>				
Public Schools - current expense	2,655,484	2,655,484	-	4,703
Community College - operations	2,726,709	2,726,709	-	2,226,709
Literacy Council	-	-	-	1,191
<i>Total Education</i>	<u>5,382,193</u>	<u>5,382,193</u>	<u>-</u>	<u>2,232,603</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, 2021  
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
Debt Service				
Principal retirement	\$ 22,835,000	\$ 22,835,000	\$ -	\$ 22,195,000
Interest and fees	7,793,182	7,788,434	4,748	9,176,042
<i>Total Debt Service</i>	<u>30,628,182</u>	<u>30,623,434</u>	<u>4,748</u>	<u>31,371,042</u>
Contingency	223,224	-	223,224	-
Nondepartmental	771,696	687,492	84,204	141,745
Total expenditures	<u>174,143,661</u>	<u>161,716,526</u>	<u>12,427,135</u>	<u>157,047,717</u>
Revenues over (under) expenditures	<u>2,985,210</u>	<u>16,403,041</u>	<u>13,417,831</u>	<u>8,251,536</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	606,847	606,847	-	4,615,158
Transfers to other funds	(3,733,849)	(3,741,501)	(7,652)	(8,377,220)
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>(3,127,002)</u>	<u>(3,134,654)</u>	<u>(7,652)</u>	<u>(3,671,264)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	(141,792)	13,268,387	13,410,179	4,580,272
<b>APPROPRIATED FUND BALANCE</b>	<u>141,792</u>	<u>-</u>	<u>(141,792)</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>13,268,387</u>	<u>\$ 13,268,387</u>	<u>4,580,272</u>
<b>FUND BALANCE</b>				
Beginning		95,520,221		90,939,949
Ending		<u>\$ 108,788,608</u>		<u>\$ 95,520,221</u>

**Schools Budgetary Fund**  
**Comparative Balance Sheet**  
 June 30, 2021 and 2020

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<b>ASSETS</b>		
Cash and investments	\$ 235,348	\$ 313,964
Property taxes receivable, net	591,762	982,108
Accounts receivable, net	<u>1,269,085</u>	<u>1,064,917</u>
Total assets	<u>\$ 2,096,195</u>	<u>\$ 2,360,989</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Total liabilities	<u>\$ -</u>	<u>\$ -</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
	<u>629,513</u>	<u>1,009,860</u>
<b>FUND BALANCE</b>		
Restricted	1,269,085	1,064,917
Unassigned	<u>197,597</u>	<u>286,212</u>
Total fund balance	<u>1,466,682</u>	<u>1,351,129</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 2,096,195</u>	<u>\$ 2,360,989</u>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 125,082,105	\$ 125,437,812	\$ 355,707	\$ 120,522,319
Investment earnings	255,000	25,671	(229,329)	716,655
Total revenues	<u>125,337,105</u>	<u>125,463,483</u>	<u>126,378</u>	<u>121,238,974</u>
<b>EXPENDITURES</b>				
Public Schools - current expense	106,046,045	106,046,045	-	102,942,093
Public Schools - other costs	782,624	826,222	(43,598)	795,230
Total expenditures	<u>106,828,669</u>	<u>106,872,267</u>	<u>(43,598)</u>	<u>103,737,323</u>
Revenues over (under) expenditures	18,508,436	18,591,216	82,780	17,501,651
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	(18,475,663)	(18,475,663)	-	(21,431,945)
Total other financing sources (uses)	<u>(18,475,663)</u>	<u>(18,475,663)</u>	<u>-</u>	<u>(21,431,945)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	32,773	115,553	82,780	(3,930,294)
<b>APPROPRIATED FUND BALANCE</b>	<u>(32,773)</u>	<u>-</u>	<u>32,773</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	115,553	<u>\$ 115,553</u>	(3,930,294)
<b>FUND BALANCE</b>				
Beginning		1,351,129		5,281,423
Ending		<u>\$ 1,466,682</u>		<u>\$ 1,351,129</u>

**Schools Radios Budgetary Fund****Comparative Balance Sheet**

June 30, 2021 and 2020

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<b>ASSETS</b>		
Cash and investments	\$ -	\$ 405,329
Total assets	<u>\$ -</u>	<u>\$ 405,329</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ -	\$ 88,500
Total liabilities	<u>-</u>	<u>88,500</u>
<b>FUND BALANCE</b>		
Assigned	-	275,000
Unassigned	<u>-</u>	<u>41,829</u>
Total fund balance	<u>-</u>	<u>316,829</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ -</u>	<u>\$ 405,329</u>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ 167,000
Investment earnings	-	-	-	(838)
Total revenues	-	-	-	166,162
<b>EXPENDITURES</b>				
Public Schools - other costs	-	-	-	133,056
Total expenditures	-	-	-	133,056
Revenues over (under) expenditures	-	-	-	33,106
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	(316,829)	(316,829)	-	(251,300)
Total other financing sources (uses)	(316,829)	(316,829)	-	(251,300)
Revenues and other financing sources over (under) expenditures and other financing uses	(316,829)	(316,829)	-	(218,194)
<b>APPROPRIATED FUND BALANCE</b>	316,829	-	(316,829)	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	\$ -	(316,829)	\$ (316,829)	(218,194)
<b>FUND BALANCE</b>				
Beginning		316,829		535,023
Ending		\$ -		\$ 316,829

**Countywide Fire Budgetary Fund****Comparative Balance Sheet**

June 30, 2021 and 2020

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<b>ASSETS</b>		
Cash and investments	\$ -	\$ 31,463
Property taxes receivable, net	17,456	23,084
Accounts receivable, net	<u>44,957</u>	<u>32,780</u>
Total assets	<u>\$ 62,413</u>	<u>\$ 87,327</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ -	\$ 14,337
Advances from other funds	<u>42,447</u>	<u>-</u>
Total liabilities	<u>42,447</u>	<u>14,337</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>18,596</u>	<u>23,645</u>
<b>FUND BALANCE</b>		
Restricted	44,957	35,768
Assigned	-	13,577
Unassigned	<u>(43,587)</u>	<u>-</u>
Total fund balance	<u>1,370</u>	<u>49,345</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 62,413</u>	<u>\$ 87,327</u>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 4,356,541	\$ 4,366,653	\$ 10,112	\$ 3,568,729
Investment earnings	18,186	1,183	(17,003)	40,052
Total revenues	<u>4,374,727</u>	<u>4,367,836</u>	<u>(6,891)</u>	<u>3,608,781</u>
<b>EXPENDITURES</b>				
Emergency Management	<u>4,410,390</u>	<u>4,415,811</u>	<u>(5,421)</u>	<u>5,945,839</u>
Total expenditures	<u>4,410,390</u>	<u>4,415,811</u>	<u>(5,421)</u>	<u>5,945,839</u>
Revenues over (under) expenditures	<u>(35,663)</u>	<u>(47,975)</u>	<u>(12,312)</u>	<u>(2,337,058)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	-	-	2,244,272
Transfers to other funds	-	-	-	(49,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,195,272</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(35,663)</u>	<u>(47,975)</u>	<u>(12,312)</u>	<u>(141,786)</u>
<b>APPROPRIATED FUND BALANCE</b>	<u>35,663</u>	<u>-</u>	<u>(35,663)</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(47,975)</u>	<u>\$ (47,975)</u>	<u>(141,786)</u>
<b>FUND BALANCE</b>				
Beginning		<u>49,345</u>		<u>191,131</u>
Ending		<u>\$ 1,370</u>		<u>\$ 49,345</u>

**Countywide EMS Budgetary Fund****Comparative Balance Sheet**

June 30, 2021 and 2020

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<b>ASSETS</b>		
Cash and investments	\$ -	\$ 1,450,971
Property taxes receivable, net	29,617	51,825
Accounts receivable, net	<u>59,500</u>	<u>56,027</u>
Total assets	<u>\$ 89,117</u>	<u>\$ 1,558,823</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 25,036	\$ -
Advances from other funds	<u>40,044</u>	<u>-</u>
Total liabilities	<u>65,080</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>31,542</u>	<u>53,270</u>
<b>FUND BALANCE</b>		
Restricted	59,500	56,027
Assigned	-	1,313,100
Unassigned	<u>(67,005)</u>	<u>136,426</u>
Total fund balance	<u>(7,505)</u>	<u>1,505,553</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 89,117</u>	<u>\$ 1,558,823</u>



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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 5,894,573	\$ 5,942,177	\$ 47,604	\$ 6,333,080
Sales and services	909,206	700,089	(209,117)	706,487
Investment earnings	15,055	(8,764)	(23,819)	42,334
Miscellaneous	175,000	145,766	(29,234)	187,894
Total revenues	<u>6,993,834</u>	<u>6,779,268</u>	<u>(214,566)</u>	<u>7,269,795</u>
<b>EXPENDITURES</b>				
Emergency Medical Services	6,993,834	6,979,226	14,608	7,012,064
Total expenditures	<u>6,993,834</u>	<u>6,979,226</u>	<u>14,608</u>	<u>7,012,064</u>
Revenues over (under) expenditures	-	(199,958)	(199,958)	257,731
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	(1,313,100)	(1,313,100)	-	(300,000)
Total other financing sources (uses)	<u>(1,313,100)</u>	<u>(1,313,100)</u>	<u>-</u>	<u>(300,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	(1,313,100)	(1,513,058)	(199,958)	(42,269)
<b>APPROPRIATED FUND BALANCE</b>	<u>1,313,100</u>	<u>-</u>	<u>(1,313,100)</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(1,513,058)</u>	<u>\$ (1,513,058)</u>	<u>(42,269)</u>
<b>FUND BALANCE</b>				
Beginning		1,505,553		1,547,822
Ending		<u>\$ (7,505)</u>		<u>\$ 1,505,553</u>

**Debt Service Budgetary Fund****Comparative Balance Sheet**

June 30, 2021 and 2020

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<b>ASSETS</b>		
Cash and investments	\$ 14,048,147	\$ 19,955,295
Property taxes receivable, net	40,425	57,959
Accounts receivable, net	99,679	87,755
Cash and investments, restricted	<u>285,892</u>	<u>2,838,027</u>
Total assets	<u>\$ 14,474,143</u>	<u>\$ 22,939,036</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
<b>DEFERRED INFLOWS OF RESOURCES</b>		
	<u>\$ 42,971</u>	<u>\$ 59,288</u>
<b>FUND BALANCE</b>		
Restricted	100,379	87,755
Assigned	8,486,211	-
Unassigned	<u>5,844,582</u>	<u>22,791,993</u>
Total fund balance	<u>14,431,172</u>	<u>22,879,748</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 14,474,143</u>	<u>\$ 22,939,036</u>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 9,245,759	\$ 9,280,991	\$ 35,232	\$ 8,894,237
Investment earnings	26,000	7,673	(18,327)	679,455
Total revenues	9,271,759	9,288,664	16,905	9,573,692
<b>EXPENDITURES</b>				
Tax Administration	26,617	31,144	(4,527)	28,472
Principal retirement	\$ 11,902,000	\$ 11,907,247	\$ (5,247)	\$ 2,752,000
Interest and fees	5,850,860	5,847,173	3,687	4,483,040
Total expenditures	17,779,477	17,785,564	(6,087)	7,263,512
Revenues over (under) expenditures	(8,507,718)	(8,496,900)	10,818	2,310,180
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	-	-	8,979,231
Issuance of general obligation bonds	-	-	-	10,000
Issuance of general obligation bonds, premiums	-	-	-	701,616
Issuance of installment financing	48,324	48,324	-	-
Total other financing sources (uses)	48,324	48,324	-	9,690,847
Revenues and other financing sources over (under) expenditures and other financing uses	(8,459,394)	(8,448,576)	10,818	12,001,027
<b>APPROPRIATED FUND BALANCE</b>	8,459,394	-	(8,459,394)	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	\$ -	(8,448,576)	\$ (8,448,576)	12,001,027
<b>FUND BALANCE</b>				
Beginning		22,879,748		10,878,721
Ending		\$ 14,431,172		\$ 22,879,748

**Economic Development Budgetary Fund****Comparative Balance Sheet**

June 30, 2021 and 2020

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<b>ASSETS</b>		
Cash and investments	\$ 731,212	\$ 276,843
Accounts receivable, net	505	359
Cash and investments, restricted	<u>6,148,234</u>	<u>6,146,505</u>
Total assets	<u>\$ 6,879,951</u>	<u>\$ 6,423,707</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
<b>FUND BALANCE</b>		
Restricted	\$ 505	\$ 359
Assigned	551,000	-
Unassigned	<u>6,328,446</u>	<u>6,423,348</u>
Total fund balance	<u>6,879,951</u>	<u>6,423,707</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 6,879,951</u>	<u>\$ 6,423,707</u>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 2,094,491	\$ 2,104,066	\$ 9,575	\$ 2,026,838
Investment earnings	50,250	6,002	(44,248)	109,849
Miscellaneous	551,000	-	(551,000)	-
Total revenues	<u>2,695,741</u>	<u>2,110,068</u>	<u>(585,673)</u>	<u>2,136,687</u>
<b>EXPENDITURES</b>				
Economic Development	-	7,081	(7,081)	6,594
Principal retirement	\$ 1,634,000	\$ 1,077,755	\$ 556,245	\$ -
Interest and fees	571,171	568,988	2,183	389,583
Total expenditures	<u>2,205,171</u>	<u>1,653,824</u>	<u>551,347</u>	<u>396,177</u>
Revenues over (under) expenditures	490,570	456,244	(34,326)	1,740,510
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	-	-	-	(1,475,073)
Issuance of general obligation bonds	-	-	-	6,158,270
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,683,197</u>
Revenues and other financing sources over (under) expenditures and other financing uses	490,570	456,244	(34,326)	6,423,707
<b>APPROPRIATED FUND BALANCE</b>	<u>(490,570)</u>	<u>-</u>	<u>490,570</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>456,244</u>	<u>\$ 456,244</u>	<u>6,423,707</u>
<b>FUND BALANCE</b>				
Beginning		<u>6,423,707</u>		<u>-</u>
Ending		<u>\$ 6,879,951</u>		<u>\$ 6,423,707</u>



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# Special Revenue Funds

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

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

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

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

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

**Griffith Road 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.

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

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

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

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

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

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

**Stack Road 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.

**Unionville 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.

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

**Wingate 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.

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

**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.

**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.

**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.



**Allens Crossroad Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			2020
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 155,914	\$ 140,587	\$ (15,327)	\$ -
Local option sales tax	20,000	41,624	21,624	-
Investment earnings	-	2	2	-
Total revenues	<u>175,914</u>	<u>182,213</u>	<u>6,299</u>	<u>-</u>
<b>EXPENDITURES</b>				
Public safety	<u>175,914</u>	<u>175,446</u>	<u>468</u>	<u>-</u>
Total expenditures	<u>175,914</u>	<u>175,446</u>	<u>468</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>6,767</u>	<u>\$ 6,767</u>	<u>-</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ 6,767</u>		<u>\$ -</u>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		2020	
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 824,400	\$ 821,053	\$ (3,347)	\$ -
Local option sales tax	110,000	219,561	109,561	-
Investment earnings	-	12	12	-
Total revenues	<u>934,400</u>	<u>1,040,626</u>	<u>106,226</u>	<u>-</u>
<b>EXPENDITURES</b>				
Public safety	<u>934,400</u>	<u>934,124</u>	<u>276</u>	<u>-</u>
Total expenditures	<u>934,400</u>	<u>934,124</u>	<u>276</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>106,502</u>	<u>\$ 106,502</u>	<u>-</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ 106,502</u>		<u>\$ -</u>

**Beaver Lane Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 407,137	\$ 398,046	\$ (9,091)	\$ -
Local option sales tax	60,000	109,230	49,230	-
Investment earnings	-	9	9	-
Total revenues	<u>467,137</u>	<u>507,285</u>	<u>40,148</u>	<u>-</u>
<b>EXPENDITURES</b>				
Public safety	<u>467,137</u>	<u>466,697</u>	<u>440</u>	<u>-</u>
Total expenditures	<u>467,137</u>	<u>466,697</u>	<u>440</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>40,588</u>	<u>\$ 40,588</u>	<u>-</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ 40,588</u>		<u>\$ -</u>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			2020
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 267,730	\$ 277,190	\$ 9,460	\$ -
Local option sales tax	20,000	71,047	51,047	-
Investment earnings	-	5	5	-
Total revenues	<u>287,730</u>	<u>348,242</u>	<u>60,512</u>	<u>-</u>
<b>EXPENDITURES</b>				
Public safety	<u>287,730</u>	<u>287,761</u>	<u>(31)</u>	<u>-</u>
Total expenditures	<u>287,730</u>	<u>287,761</u>	<u>(31)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	60,481	<u>\$ 60,481</u>	-
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ 60,481</u>		<u>\$ -</u>

**Griffith Road Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		2020	
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 66,627	\$ 66,427	\$ (200)	\$ -
Local option sales tax	10,000	17,895	7,895	-
Investment earnings	-	2	2	-
Total revenues	<u>76,627</u>	<u>84,324</u>	<u>7,697</u>	<u>-</u>
<b>EXPENDITURES</b>				
Public safety	<u>76,627</u>	<u>76,550</u>	<u>77</u>	<u>-</u>
Total expenditures	<u>76,627</u>	<u>76,550</u>	<u>77</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>7,774</u>	<u>\$ 7,774</u>	<u>-</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ 7,774</u>		<u>\$ -</u>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 1,418,222	\$ 1,450,999	\$ 32,777	\$ 1,364,741
Local option sales tax	285,000	369,418	84,418	312,982
Investment earnings	-	71	71	240
Total revenues	<u>1,703,222</u>	<u>1,820,488</u>	<u>117,266</u>	<u>1,677,963</u>
<b>EXPENDITURES</b>				
Public safety	<u>1,712,072</u>	<u>1,711,993</u>	<u>79</u>	<u>1,646,623</u>
Total expenditures	<u>1,712,072</u>	<u>1,711,993</u>	<u>79</u>	<u>1,646,623</u>
Revenues over (under) expenditures	(8,850)	108,495	117,345	31,340
<b>APPROPRIATED FUND BALANCE</b>				
	<u>8,850</u>	<u>-</u>	<u>(8,850)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>108,495</u>	<u>\$ 108,495</u>	<u>31,340</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>40,190</u>		<u>8,850</u>
End of year - June 30		<u>\$ 148,685</u>		<u>\$ 40,190</u>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 130,335	\$ 129,754	\$ (581)	\$ -
Local option sales tax	23,625	34,422	10,797	-
Investment earnings	-	2	2	-
Total revenues	<u>153,960</u>	<u>164,178</u>	<u>10,218</u>	<u>-</u>
<b>EXPENDITURES</b>				
Public safety	<u>153,960</u>	<u>153,704</u>	<u>256</u>	<u>-</u>
Total expenditures	<u>153,960</u>	<u>153,704</u>	<u>256</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>10,474</u>	<u>\$ 10,474</u>	<u>-</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ 10,474</u>		<u>\$ -</u>

**Lanes Creek Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			2020
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 160,662	\$ 152,567	\$ (8,095)	\$ -
Local option sales tax	18,000	43,141	25,141	-
Investment earnings	-	3	3	-
Total revenues	<u>178,662</u>	<u>195,711</u>	<u>17,049</u>	<u>-</u>
<b>EXPENDITURES</b>				
Public safety	<u>178,662</u>	<u>178,397</u>	<u>265</u>	<u>-</u>
Total expenditures	<u>178,662</u>	<u>178,397</u>	<u>265</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>17,314</u>	<u>\$ 17,314</u>	<u>-</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ 17,314</u>		<u>\$ -</u>



**New Salem Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		2020	
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 330,223	\$ 335,575	\$ 5,352	\$ -
Local option sales tax	40,000	86,745	46,745	-
Investment earnings	-	7	7	-
Total revenues	<u>370,223</u>	<u>422,327</u>	<u>52,104</u>	<u>-</u>
<b>EXPENDITURES</b>				
Public safety	<u>370,223</u>	<u>369,906</u>	<u>317</u>	<u>-</u>
Total expenditures	<u>370,223</u>	<u>369,906</u>	<u>317</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>52,421</u>	<u>\$ 52,421</u>	<u>-</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ 52,421</u>		<u>\$ -</u>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		2020	
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 46,406	\$ 31,026	\$ (15,380)	\$ -
Local option sales tax	4,500	12,585	8,085	-
Total revenues	<u>50,906</u>	<u>43,611</u>	<u>(7,295)</u>	<u>-</u>
<b>EXPENDITURES</b>				
Public safety	<u>50,906</u>	<u>50,843</u>	<u>63</u>	<u>-</u>
Total expenditures	<u>50,906</u>	<u>50,843</u>	<u>63</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(7,232)</u>	<u>\$ (7,232)</u>	<u>-</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ (7,232)</u>		<u>\$ -</u>

**Sandy Ridge Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		2020	
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 165,390	\$ 164,473	\$ (917)	\$ -
Local option sales tax	21,000	44,182	23,182	-
Investment earnings	-	4	4	-
Total revenues	<u>186,390</u>	<u>208,659</u>	<u>22,269</u>	<u>-</u>
<b>EXPENDITURES</b>				
Public safety	<u>186,390</u>	<u>186,237</u>	<u>153</u>	<u>-</u>
Total expenditures	<u>186,390</u>	<u>186,237</u>	<u>153</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>22,422</u>	<u>\$ 22,422</u>	<u>-</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ 22,422</u>		<u>\$ -</u>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 530,319	\$ 557,572	\$ 27,253	\$ 701,639
Local option sales tax	140,000	188,761	48,761	158,842
Investment earnings	-	34	34	118
Total revenues	<u>670,319</u>	<u>746,367</u>	<u>76,048</u>	<u>860,599</u>
<b>EXPENDITURES</b>				
Public safety	<u>683,140</u>	<u>682,576</u>	<u>564</u>	<u>818,961</u>
Total expenditures	<u>683,140</u>	<u>682,576</u>	<u>564</u>	<u>818,961</u>
Revenues over (under) expenditures	(12,821)	63,791	76,612	41,638
<b>APPROPRIATED FUND BALANCE</b>				
	<u>12,821</u>	<u>-</u>	<u>(12,821)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>63,791</u>	<u>\$ 63,791</u>	<u>41,638</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>54,459</u>		<u>12,821</u>
End of year - June 30		<u>\$ 118,250</u>		<u>\$ 54,459</u>

**Stack Road Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			2020
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 147,617	\$ 143,339	\$ (4,278)	\$ -
Local option sales tax	18,000	38,969	20,969	-
Investment earnings	-	4	4	-
Total revenues	<u>165,617</u>	<u>182,312</u>	<u>16,695</u>	<u>-</u>
<b>EXPENDITURES</b>				
Public safety	<u>165,617</u>	<u>165,356</u>	<u>261</u>	<u>-</u>
Total expenditures	<u>165,617</u>	<u>165,356</u>	<u>261</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>16,956</u>	<u>\$ 16,956</u>	<u>-</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ 16,956</u>		<u>\$ -</u>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 1,398,028	\$ 1,407,114	\$ 9,086	\$ 1,266,642
Local option sales tax	260,000	342,431	82,431	288,906
Investment earnings	-	57	57	165
Total revenues	<u>1,658,028</u>	<u>1,749,602</u>	<u>91,574</u>	<u>1,555,713</u>
<b>EXPENDITURES</b>				
Public safety	<u>1,703,453</u>	<u>1,703,914</u>	<u>(461)</u>	<u>1,551,696</u>
Total expenditures	<u>1,703,453</u>	<u>1,703,914</u>	<u>(461)</u>	<u>1,551,696</u>
Revenues over (under) expenditures	(45,425)	45,688	91,113	4,017
<b>APPROPRIATED FUND BALANCE</b>				
	<u>45,425</u>	<u>-</u>	<u>(45,425)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	45,688	<u>\$ 45,688</u>	4,017
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>49,442</u>		<u>45,425</u>
End of year - June 30		<u>\$ 95,130</u>		<u>\$ 49,442</u>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		2020	
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 378,640	\$ 390,009	\$ 11,369	\$ -
Local option sales tax	110,000	100,373	(9,627)	-
Investment earnings	-	8	8	-
Total revenues	<u>488,640</u>	<u>490,390</u>	<u>1,750</u>	<u>-</u>
<b>EXPENDITURES</b>				
Public safety	<u>488,640</u>	<u>488,454</u>	<u>186</u>	<u>-</u>
Total expenditures	<u>488,640</u>	<u>488,454</u>	<u>186</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>1,936</u>	<u>\$ 1,936</u>	<u>-</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ 1,936</u>		<u>\$ -</u>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 1,417,218	\$ 1,455,498	\$ 38,280	\$ 1,402,303
Local option sales tax	275,000	379,278	104,278	309,300
Investment earnings	-	69	69	216
Total revenues	<u>1,692,218</u>	<u>1,834,845</u>	<u>142,627</u>	<u>1,711,819</u>
<b>EXPENDITURES</b>				
Public safety	<u>1,721,287</u>	<u>1,722,323</u>	<u>(1,036)</u>	<u>1,602,881</u>
Total expenditures	<u>1,721,287</u>	<u>1,722,323</u>	<u>(1,036)</u>	<u>1,602,881</u>
Revenues over (under) expenditures	(29,069)	112,522	141,591	108,938
<b>APPROPRIATED FUND BALANCE</b>				
	<u>29,069</u>	<u>-</u>	<u>(29,069)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	112,522	<u>\$ 112,522</u>	108,938
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>151,286</u>		<u>42,348</u>
End of year - June 30		<u>\$ 263,808</u>		<u>\$ 151,286</u>



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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		2020	
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 2,259,921	\$ 2,286,269	\$ 26,348	\$ 1,998,877
Local option sales tax	407,375	541,199	133,824	451,186
Investment earnings	-	78	78	237
Total revenues	<u>2,667,296</u>	<u>2,827,546</u>	<u>160,250</u>	<u>2,450,300</u>
<b>EXPENDITURES</b>				
Public safety	<u>2,713,854</u>	<u>2,715,787</u>	<u>(1,933)</u>	<u>2,348,150</u>
Total expenditures	<u>2,713,854</u>	<u>2,715,787</u>	<u>(1,933)</u>	<u>2,348,150</u>
Revenues over (under) expenditures	(46,558)	111,759	158,317	102,150
<b>APPROPRIATED FUND BALANCE</b>				
	<u>46,558</u>	<u>-</u>	<u>(46,558)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	111,759	<u>\$ 111,759</u>	102,150
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>148,708</u>		<u>46,558</u>
End of year - June 30		<u>\$ 260,467</u>		<u>\$ 148,708</u>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		2020	
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 354,580	\$ 344,436	\$ (10,144)	\$ -
Local option sales tax	50,000	97,965	47,965	-
Investment earnings	-	7	7	-
Total revenues	<u>404,580</u>	<u>442,408</u>	<u>37,828</u>	<u>-</u>
<b>EXPENDITURES</b>				
Public safety	<u>420,580</u>	<u>420,053</u>	<u>527</u>	<u>-</u>
Total expenditures	<u>420,580</u>	<u>420,053</u>	<u>527</u>	<u>-</u>
Revenues over (under) expenditures	(16,000)	22,355	38,355	-
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>16,000</u>	<u>16,000</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>16,000</u>	<u>16,000</u>	<u>-</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>38,355</u>	<u>\$ 38,355</u>	<u>-</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ 38,355</u>		<u>\$ -</u>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Permits and fees	\$ -	\$ 62,318	\$ 62,318	\$ 2,582,177
Total revenues	-	62,318	62,318	2,582,177
<b>EXPENDITURES</b>				
Public safety	-	-	-	2,595,056
Total expenditures	-	-	-	2,595,056
Revenues and appropriated fund balance over (under) expenditures	\$ -	62,318	\$ 62,318	(12,879)
<b>FUND BALANCE</b>				
Beginning of year - July 1		12,297		25,176
End of year - June 30		\$ 74,615		\$ 12,297

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		2020	
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Other taxes and licenses	\$ 816,658	\$ 816,658	\$ -	\$ 746,598
Intergovernmental	484,021	-	(484,021)	-
Investment earnings	-	4,287	4,287	3,576
Total revenues	<u>1,300,679</u>	<u>820,945</u>	<u>(479,734)</u>	<u>750,174</u>
<b>EXPENDITURES</b>				
Hardware maintenance	486,021	772	485,249	83,470
Implemental functions	142,021	157,316	(15,295)	142,021
Software maintenance	406,737	267,168	139,569	304,016
Telephone	275,787	70,337	205,450	301,058
Training	12,194	15,568	(3,374)	9,061
Total expenditures	<u>1,322,760</u>	<u>511,161</u>	<u>811,599</u>	<u>839,626</u>
Revenues over (under) expenditures	(22,081)	309,784	331,865	(89,452)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	-	7,652	7,652	220,124
Total other financing sources (uses)	<u>-</u>	<u>7,652</u>	<u>7,652</u>	<u>220,124</u>
<b>APPROPRIATED FUND BALANCE</b>	<u>22,081</u>	<u>-</u>	<u>(22,081)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>317,436</u>	<u>\$ 317,436</u>	<u>130,672</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>2,074,714</u>		<u>1,944,042</u>
End of year - June 30		<u>\$ 2,392,150</u>		<u>\$ 2,074,714</u>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual	Total To Date	Variance Positive (Negative)
<b>REVENUES</b>					
Intergovernmental	\$ 50,205,475	\$ 5,534,921	\$ 12,215,028	\$ 17,749,949	\$ (32,455,526)
Sales and services	247,900	293,935	23,131	317,066	69,166
Investment earnings	59,276	67,593	6,969	74,562	15,286
Miscellaneous	2,022,174	2,603,897	65,608	2,669,505	647,331
Total revenues	<u>52,534,825</u>	<u>8,500,346</u>	<u>12,310,736</u>	<u>20,811,082</u>	<u>(31,723,743)</u>
<b>EXPENDITURES</b>					
General Government					
American Rescue Plan	24,181,178	-	1,187,081	1,187,081	22,994,097
Human Services					
CARES Act	8,807,756	901,052	7,742,469	8,643,521	164,235
CARES Act ELC	581,772	-	287,133	287,133	294,639
CARES Act Older Americans	93,736	-	55,064	55,064	38,672
CARES Act Transportation	891,150	-	298,683	298,683	592,467
CDC Vaccination Program	575,830	-	213,781	213,781	362,049
Community Shelter State Aid	1,500,000	1,500,000	-	1,500,000	-
Coronavirus Response and Relief	273,044	-	-	-	273,044
Emergency Rental Assistance	7,234,474	-	611,530	611,530	6,622,944
Families First Coronavirus Response Act	117,927	-	117,927	117,927	-
Supplemental 5-HDC	72,656	-	-	-	72,656
Public Safety					
Cert Grant Program	68,500	57,580	-	57,580	10,920
Controlled Substance Tax	637,994	503,786	13,375	517,161	120,833
EDC Grant Marshville Gas Line	100,000	71,032	-	71,032	28,968
EM Community Storm Resiliency Grant	25,000	-	23,104	23,104	1,896
Federal Forfeited Property	1,658,559	1,386,724	126,145	1,512,869	145,690
Firearms Range Ph II	275,385	-	213,265	213,265	62,120
Homeland Security-Catawba Nuclear	263,475	228,017	17,527	245,544	17,931
Indian Trail GHSP Grant	547,616	498,296	-	498,296	49,320
Economic and Physical Development					
Community Development Block Grant	4,536,594	1,877,236	1,345,809	3,223,045	1,313,549
EDC Grant East Side Sewer Study	100,000	-	98,826	98,826	1,174
EDC Invest - Charlotte Publication	24,500	-	24,500	24,500	-
Total expenditures	<u>52,567,146</u>	<u>7,023,723</u>	<u>12,376,219</u>	<u>19,399,942</u>	<u>33,167,204</u>
Revenues over (under) expenditures	(32,321)	1,476,623	(65,483)	1,411,140	1,443,461
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	157,893	169,124	-	169,124	11,231
Transfers to other funds	(125,572)	(125,572)	(526,000)	(651,572)	(526,000)
Total other financing sources (uses)	<u>32,321</u>	<u>43,552</u>	<u>(526,000)</u>	<u>(482,448)</u>	<u>(514,769)</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 1,520,175</u>	<u>(591,483)</u>	<u>\$ 928,692</u>	<u>\$ 928,692</u>
<b>FUND BALANCE</b>					
Beginning of year - July 1			<u>1,520,175</u>		
End of year - June 30			<u>\$ 928,692</u>		

**DSS Representative Payee Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		2020	
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Miscellaneous	\$ 420,000	\$ 540,961	\$ 120,961	\$ -
Total revenues	<u>420,000</u>	<u>540,961</u>	<u>120,961</u>	<u>-</u>
<b>EXPENDITURES</b>				
Human services	420,000	544,968	(124,968)	-
Total expenditures	<u>420,000</u>	<u>544,968</u>	<u>(124,968)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(4,007)</u>	<u>\$ (4,007)</u>	<u>-</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ (4,007)</u>		<u>\$ -</u>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		2020	
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Permits and fees	\$ 120,000	\$ 205,807	\$ 85,807	\$ 153,594
Total revenues	<u>120,000</u>	<u>205,807</u>	<u>85,807</u>	<u>153,594</u>
<b>EXPENDITURES</b>				
General government	120,000	116,577	3,423	88,133
Total expenditures	<u>120,000</u>	<u>116,577</u>	<u>3,423</u>	<u>88,133</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	89,230	<u>\$ 89,230</u>	65,461
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>230,238</u>		<u>164,777</u>
End of year - June 30		<u>\$ 319,468</u>		<u>\$ 230,238</u>

**Fines and Forfeitures Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Miscellaneous	\$ 240,000	\$ 645,291	\$ 405,291	\$ -
Total revenues	<u>240,000</u>	<u>645,291</u>	<u>405,291</u>	<u>-</u>
<b>EXPENDITURES</b>				
Education	240,000	645,291	(405,291)	-
Total expenditures	<u>240,000</u>	<u>645,291</u>	<u>(405,291)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>



**Civil Fees Fund**

**Schedule of Revenues, Expenditures and Changes**

**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		2020	
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Miscellaneous	\$ 300,000	\$ 535,422	\$ 235,422	\$ -
Total revenues	<u>300,000</u>	<u>535,422</u>	<u>235,422</u>	<u>-</u>
<b>EXPENDITURES</b>				
Public safety	300,000	522,864	(222,864)	-
Total expenditures	<u>300,000</u>	<u>522,864</u>	<u>(222,864)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	12,558	<u>\$ 12,558</u>	-
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ 12,558</u>		<u>\$ -</u>



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# Capital Project Funds

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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, 2021

	Actual				Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total To Date	
<b>REVENUES</b>					
Investment earnings	\$ 2,330,827	\$ 2,805,750	\$ 14,991	\$ 2,820,741	\$ 489,914
Miscellaneous	7,311,065	6,726,152	584,913	7,311,065	-
Total revenues	9,641,892	9,531,902	599,904	10,131,806	489,914
<b>EXPENDITURES</b>					
Capital outlay					
General Government					
Board of Elections Renovations	4,677,000	57,515	221,313	278,828	4,398,172
City of Monroe Donation	350,000	-	350,000	350,000	-
County Facilities Audio Visual Equipment	725,000	679,945	-	679,945	45,055
County Facilities Operating Capital FY 2020	800,000	142,820	262,988	405,808	394,192
County Facilities Repairs	2,110,325	784,974	230,282	1,015,256	1,095,069
Government Center Building Envelope Repairs	250,000	-	-	-	250,000
Government Center Electrical Infrastructure	140,000	-	42,500	42,500	97,500
Historic Courthouse Renovation	1,990,503	134,886	1,340,431	1,475,317	515,186
I.T. Infrastructure	1,536,238	1,172,519	47,093	1,219,612	316,626
Phone System Upgrade	655,000	543,619	3,613	547,232	107,768
Pictometry	408,000	338,776	63,837	402,613	5,387
Pictometry Phase II	485,000	-	-	-	485,000
Tax Administration Software	645,000	620,960	18,312	639,272	5,728
Union County Progress Building	5,551,676	-	5,196,944	5,196,944	354,732
Public Safety					
911 Center Renovations	830,000	711,075	17,033	728,108	101,892
Emergency Management Radios	1,522,652	1,487,875	-	1,487,875	34,777
Emergency Services Complex	16,147,350	333,467	2,197,470	2,530,937	13,616,413
Firearms Range Shoot House	21,000	-	-	-	21,000
Jail Domestic Water Source	65,000	-	-	-	65,000
Jail Door Control and Lock System	850,000	-	17,914	17,914	832,086
Jail Generator Replacement	395,000	-	-	-	395,000
Law Enforcement-Firearms Range	8,805,665	8,729,939	428	8,730,367	75,298
Radio Install Shop	58,455	-	-	-	58,455
Radio Microwave Replacement	744,000	42,344	-	42,344	701,656
Radio Replacements	970,878	-	893,482	893,482	77,396
Radio Towers SW Union	2,520,335	78,215	23,150	101,365	2,418,970
Sheriff's Office Operating Capital FY 2020	300,000	45,582	73,011	118,593	181,407
Sheriff's Office R&R FY 2020	579,000	14,452	252,223	266,675	312,325
Sheriff's Office Renovations	27,430,016	921,992	7,367,861	8,289,853	19,140,163
Human Services					
Human Services Campus	37,205,593	37,107,131	30,697	37,137,828	67,765
Cultural and Recreation					
Cane Creek Park Campground R&R FY 2020	175,070	29,128	77,006	106,134	68,936
Library R&R FY 2020	50,000	10,972	11,399	22,371	27,629
Parks and Recreation R&R FY 2020	211,254	57,049	73,981	131,030	80,224
Southwest Union Library	10,100,000	289,925	465,987	755,912	9,344,088
Economic and Physical Development					
EDC-Industrial Park	18,212,405	18,113,901	-	18,113,901	98,504
Jesse Helms Park Improvements 4H Arena	2,743,121	10,646	2,704,446	2,715,092	28,029
Planning-NC DOT Projects	400,000	-	-	-	400,000

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, 2021

	Actual				Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total To Date	
Environmental Protection					
Austin Chaney Site Improvements	-	40,568	(40,568)	-	-
Education					
ADA Projects	\$ 4,236,249	\$ 4,223,076	\$ 13,173	\$ 4,236,249	\$ -
Antioch Roof Repair	476,809	440,709	36,100	476,809	-
Design Work for Forest Hills and East Elementary	4,900,000	-	-	-	4,900,000
Emergency Management Radios-Schools	1,200,000	1,200,000	-	1,200,000	-
Facilities Vehicle Replacements	109,354	109,247	107	109,354	-
Facilities GPS System Upgrade	137,000	136,474	526	137,000	-
Forest Hills Emergency Lighting	16,500	-	-	-	16,500
Juniper Upgrades	400,760	400,760	-	400,760	-
Kensington Roof Repair	66,455	26,250	40,205	66,455	-
Monroe High Windows/Doors	415,000	415,001	-	415,001	(1)
Monroe High School Bond Project	4,345,385	4,067,575	(10,940)	4,056,635	288,750
Piedmont Area Land Purchase	199,000	192,999	6,001	199,000	-
Piedmont High Bond Project	1,615,106	1,536,356	-	1,536,356	78,750
Parkwood Area Land Purchase	45,000	40,899	4,101	45,000	-
Parkwood High Outside Air	275,000	-	-	-	275,000
Parkwood High Strategic Fencing & HID	11,000	-	-	-	11,000
Piedmont High Lighting	357,500	357,500	-	357,500	-
Piedmont Middle Chiller Replacement	62,700	62,633	67	62,700	-
Porter Ridge Chiller	172,000	145,512	-	145,512	26,488
Porter Ridge Middle Bond Project	4,361,013	4,350,612	10,400	4,361,012	1
Prospect ADA Access to Mobile Classrooms	152,781	136,802	15,980	152,782	(1)
Rock Rest Roof Repair	556,860	512,928	43,932	556,860	-
Sun Valley High School Bond Project	34,419,925	25,961,295	7,471,784	33,433,079	986,846
Sun Valley Middle ADA Restrooms	12,672	-	12,672	12,672	-
Sun Valley Middle HVAC/Chiller Replacement	662,895	660,581	2,314	662,895	-
Transportation Facility-Bond Project	15,244,656	13,363,987	1,140,854	14,504,841	739,815
UCPS Interfund Transfer	34,997	-	-	-	34,997
Unionville Elementary DDC Building System	220,000	192,858	27,142	220,000	-
Various Locations OCR Compliance	218,480	45,470	173,010	218,480	-
Various Locations Building Automation System	278,646	278,129	517	278,646	-
Various Locations Roofing Repair	3,000,000	2,935,011	64,989	3,000,000	-
Warehouse Demo of Gym	65,000	51,852	-	51,852	13,148
Warehouse Roofing	139,395	60,630	78,765	139,395	-
Weddington Elementary DDC System	192,500	192,500	-	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	596,704	491,204	500	491,704	105,000
Schools Capital Outlay FY 2016-Security Cameras	1,307,250	1,307,250	-	1,307,250	-
Schools Capital Outlay FY 2018 ADA	2,064,080	1,376,014	(137,107)	1,238,907	825,173
Schools Capital Outlay FY 2018 Building Systems	1,935,002	1,275,174	90,950	1,366,124	568,878
Schools Capital Outlay FY 2018 Exp. & Renov.	5,753,167	5,549,264	92,804	5,642,068	111,099
Schools Capital Outlay FY 2018 Roofing	822,841	266,704	391,885	658,589	164,252
Schools Capital Outlay FY 2018 Safety & Security	850,000	795,766	12,700	808,466	41,534
Schools Capital Outlay FY 2018 Technology	1,580,959	1,580,968	(9)	1,580,959	-
Schools Capital Outlay FY 2019 ADA	289,800	136,423	4,094	140,517	149,283
Schools Capital Outlay FY 2019 Building Systems	5,144,000	3,740,496	553,156	4,293,652	850,348
Schools Capital Outlay FY 2019 Exp. & Renov.	1,067,709	1,030,945	6,505	1,037,450	30,259
Schools Capital Outlay FY 2019 Technology	152,206	152,012	9	152,021	185
Schools Capital Outlay FY 2019 Roofing	2,000,000	4,850	852,506	857,356	1,142,644
Schools Capital Outlay FY 2019 Safety & Security	425,800	259,892	85,320	345,212	80,588

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, 2021

	Actual				
	Project Authorization	Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Schools Capital Outlay FY 2020 ADA	515,550	286,006	2,270	288,276	227,274
Schools Capital Outlay FY 2020 UCPS Building Syste	4,689,000	704,260	1,136,292	1,840,552	2,848,448
Schools Capital Outlay FY 2020 Exp. & Renov.	7,346,324	717,313	3,601,620	4,318,933	3,027,391
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	430,055	847,648	385,352
Schools Capital Outlay FY 2020 FF&E	1,285,000	795,885	447,107	1,242,992	42,008
Schools Capital Outlay FY 2020 Band Uniforms	50,000	-	50,000	50,000	-
Schools Capital Outlay FY 2020 Bus Cameras	120,987	120,361	626	120,987	-
Schools Capital Outlay FY 2020 Vehicles	164,892	164,892	-	164,892	-
Schools Capital Outlay FY 2020 Painting	960,000	466,190	297,948	764,138	195,862
Schools Capital Outlay 5YR Laptop Lease	7,749,280	4,680,644	2,953,179	7,633,823	115,457
Schools Capital Outlay FY 2020 True Up Funding	1,238,000	22,050	721,796	743,846	494,154
Schools Capital Outlay FY 2021 Roofing	1,050,000	-	-	-	1,050,000
Schools Capital Outlay FY 2021 ADA	505,763	-	14,150	14,150	491,613
Schools Capital Outlay FY 2021 Building Systems	6,595,500	-	467,435	467,435	6,128,065
Schools Capital Outlay FY 2021 Exp. & Renov.	5,075,514	-	1,078,652	1,078,652	3,996,862
Schools Capital Outlay FY 2021 Safety & Security	858,000	-	821,869	821,869	36,131
Schools Capital Outlay FY 2021 Classroom F&E	472,700	-	125,253	125,253	347,447
Schools Capital Outlay FY 2021 Transportation Equi	120,500	-	120,500	120,500	-
Schools Capital Outlay FY 2021 Vehicles & Related	862,000	-	747,155	747,155	114,845
Schools Capital Outlay FY 2021 Band Equipment	50,000	-	49,990	49,990	10
SPCC Capital Maintenance	1,464,093	1,364,093	100,000	1,464,093	-
SPCC HVAC and Security	505,000	405,000	100,000	505,000	-
SPCC Parking	345,000	-	-	-	345,000
SPCC Resurfacing of Parking Lot	467,100	-	-	-	467,100
SPCC Technology	1,868,315	1,693,315	175,000	1,868,315	-
SPCC Classroom Building	6,200,000	6,900	15,000	21,900	6,178,100
SPCC Tyson Center	5,426,461	5,382,802	43,658	5,426,460	1
SPCC STEM Building	19,873,539	17,575,959	2,272,744	19,848,703	24,836
SPCC Renovations Building A	6,900,000	12,613	242,247	254,860	6,645,140
SPCC Renovations Building B	1,800,000	12,613	36,227	48,840	1,751,160
<b>Total expenditures</b>	<b>341,080,342</b>	<b>188,974,356</b>	<b>49,078,618</b>	<b>238,052,974</b>	<b>103,027,368</b>
Revenues under expenditures	(331,438,450)	(179,442,454)	(48,478,714)	(227,921,168)	103,517,282
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	152,217,501	129,383,441	23,246,594	152,630,035	412,534
Transfer in-Water and Sewer Fund	552,500	552,500	-	552,500	-
Transfer to Solid Waste Fund	-	465,908	(465,908)	-	-
Transfers to other funds	(5,582,000)	(5,552,000)	(30,000)	(5,582,000)	-
Issuance of general obligation bonds	175,468,773	161,866,730	-	161,866,730	(13,602,043)
Issuance of general obligation bonds, premiums	3,230,000	12,124,543	-	12,124,543	8,894,543
Issuance of installment financing	5,551,676	-	5,551,676	5,551,676	-
<b>Total other financing sources (uses)</b>	<b>331,438,450</b>	<b>298,841,122</b>	<b>28,302,362</b>	<b>327,143,484</b>	<b>(4,294,966)</b>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 119,398,668</u>	<u>(20,176,352)</u>	<u>\$ 99,222,316</u>	<u>\$ 99,222,316</u>
<b>FUND BALANCE</b>					
Beginning of year - July 1			119,398,668		
End of year - June 30			<u>\$ 99,222,316</u>		

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# Enterprise Funds

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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, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	Final Budget	Actual	Variance Positive (Negative)	2020 Actual
<b>REVENUES</b>				
Operating revenues				
Charges for services	\$ -	\$ 1,337,630	\$ 1,337,630	\$ (392,366)
Miscellaneous revenue	-	2,274	2,274	2,508
Other operating revenue	-	1,223	1,223	3,131
Total	-	1,341,127	1,341,127	(386,727)
Nonoperating revenues				
Investment earnings	812,732	(101,914)	(914,646)	2,047,387
Sale of capital assets	70,000	35,064	(34,936)	765,699
Total	882,732	(66,850)	(949,582)	2,813,086
Total revenues	882,732	1,274,277	391,545	2,426,359
<b>EXPENDITURES</b>				
Administration	(17,482,486)	(16,462,851)	(1,019,635)	(19,269,000)
Water regulatory compliance	93,147	79,396	13,751	1,831
Water system operations	6,785,994	5,559,463	1,226,531	6,007,536
Water system maintenance and repairs	3,415,268	2,735,424	679,844	2,719,129
Sewer-county customers system operations	10,631,094	8,917,949	1,713,145	11,068,224
Sewer-county customers system maint and repairs	472,809	461,565	11,244	643,332
Sewer-Marshville/Monroe system operations	1,300,191	370,449	929,742	390,796
Sewer-Marshville/Monroe system maint and repairs	338,472	37,245	301,227	55,756
Sewer regulatory compliance	253,504	175,175	78,329	114,086
Revenue bonds - principal	4,390,000	4,390,000	-	32,755,000
State sanitary loan - principal	-	-	-	6,750,000
Interest and fees	9,640,633	9,534,554	106,079	10,724,793
Total expenditures	19,838,626	15,798,369	4,040,257	51,961,483
Revenues over (under) expenditures	(18,955,894)	(14,524,092)	4,431,802	(49,535,124)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out				
Transfers out Water and Sewer Capital Project Fund	(10,511)	(10,511)	-	-
Transfers In				
Water and Sewer District Fund	-	-	-	1,553,348
Transfer in Water and Sewer District Fund	11,040,275	12,604,715	1,564,440	10,889,589
Transfer in Water Sewer District SDF CRF	-	1,995,885	1,995,885	-
Capital contributions - cash-other	-	555	555	1,295
Revenue bonds issuance premiums	1,741,679	17,669,119	15,927,440	-
Revenue bonds issuance	1,927,954	-	(1,927,954)	-
Total other financing sources (uses)	14,699,397	32,259,763	17,560,366	12,444,232
<b>APPROPRIATED FUND BALANCE</b>	4,256,497	-	(4,256,497)	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	\$ -	\$ 17,735,671	\$ 17,735,671	\$ (37,090,892)

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	Final Budget	Actual	Variance Positive (Negative)	2020 Actual
<b>REVENUES</b>				
Operating revenues				
Charges for services	\$ 64,119,445	\$ 63,452,127	\$ (667,318)	\$ 54,938,686
Other operating revenue	1,919,008	1,787,933	(131,075)	1,602,921
Total	<u>66,038,453</u>	<u>65,240,060</u>	<u>(798,393)</u>	<u>56,541,607</u>
Total revenues	<u>66,038,453</u>	<u>65,240,060</u>	<u>(798,393)</u>	<u>56,541,607</u>
<b>EXPENDITURES</b>				
Operating expense	<u>35,487,854</u>	<u>32,006,314</u>	<u>3,481,540</u>	<u>31,323,746</u>
Total expenditures	<u>35,487,854</u>	<u>32,006,314</u>	<u>3,481,540</u>	<u>31,323,746</u>
Revenues over (under) expenditures	<u>30,550,599</u>	<u>33,233,746</u>	<u>2,683,147</u>	<u>25,217,861</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out				
Transfers out Water and Sewer Capital Project Fund	(19,510,324)	(19,510,324)	-	(1,239,076)
Transfers out Water and Sewer Operating Fund	<u>(11,040,275)</u>	<u>(12,604,715)</u>	<u>(1,564,440)</u>	<u>(10,889,588)</u>
Total other financing sources (uses)	<u>(30,550,599)</u>	<u>(32,115,039)</u>	<u>(1,564,440)</u>	<u>(12,128,664)</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,118,707</u>	<u>\$ 1,118,707</u>	<u>\$ 13,089,197</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, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	Final Budget	Actual	Variance Positive (Negative)	2020 Actual
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out Water and Sewer Capital Project Fund	\$ (4,724,825)	\$ (4,724,825)	\$ -	\$ (1,215,022)
Transfers out Water and Sewer Operating Fund	(1,995,885)	(1,995,885)	-	(1,553,348)
Capital contributions - system development fees	5,421,810	6,461,435	1,039,625	3,872,195
Total other financing sources (uses)	<u>(1,298,900)</u>	<u>(259,275)</u>	<u>1,039,625</u>	<u>1,103,825</u>
<b>APPROPRIATED FUND BALANCE</b>	<u>1,298,900</u>	<u>-</u>	<u>(1,298,900)</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (259,275)</u>	<u>\$ (259,275)</u>	<u>\$ 1,103,825</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, 2021

	Project Authorization	Prior Years	Actual	Total To Date	Variance Positive (Negative)
<b>REVENUES</b>					
Nonoperating revenues					
Investment earnings	\$ -	\$ 990,037	\$ (492,242)	\$ 497,795	\$ 497,795
Total revenues	-	990,037	(492,242)	497,795	497,795
<b>EXPENDITURES</b>					
Administrative Capital Outlay					
12 ML Storage Building Improvement	400,000	-	-	-	400,000
12 ML WRF Adm Building	1,300,000	-	76,821	76,821	1,223,179
CCWRF Admin Building	650,000	-	64,292	64,292	585,708
Master Plan Update	1,360,834	-	225,139	225,139	1,135,695
Op Center Expansion & Renovation	3,700,000	-	34,413	34,413	3,665,587
Op Center Storage	2,900,000	-	-	-	2,900,000
Water Capital Outlay					
762 Zone Misc Improvements	305,196	303,510	1,686	305,196	-
853 West Zone Transmission Main	24,472,974	1,648,094	702,664	2,350,758	22,122,216
880 Zone Charlotte Interconnection	601,163	193,779	(25,736)	168,043	433,120
Advanced Metering Infrastructure	15,600,000	-	1,749,611	1,749,611	13,850,389
Billy Howey Waterline Extension	382,322	361,788	6,345	368,133	14,189
CDBG Hwy 218 Water Main Ext	576,069	14,295	558,323	572,618	3,451
Chestnut Lane Connector Water	440,000	-	8,300	8,300	431,700
CRWTP Fencing	459,721	-	7,841	7,841	451,880
CRWTP Plant Expansion	9,617,275	9,144,973	448,658	9,593,631	23,644
CRWTP Process Improvements	5,720,895	5,637,403	-	5,637,403	83,492
CRWTP Reservoir Expansion	29,260,411	28,854,175	7,352	28,861,527	398,884
Galvanized Water Line Replacement	2,583,203	945,530	51,663	997,193	1,586,010
Marshville Water Tank Rehab	473,965	17,400	20,090	37,490	436,475
Misc Water 762 Zone Main (Bypass)	969,051	73,800	-	73,800	895,251
New Additional Marshville Tank	4,513,942	1,720,418	1,262,961	2,983,379	1,530,563
Northwest Tank Refurbishment	771,314	-	744,153	744,153	27,161
SCADA	214,852	-	-	-	214,852
SCADA Master Plan Water	7,600,000	630,731	377,583	1,008,314	6,591,686
Short Line Extensions Water	11,397,901	1,347,925	1,130,407	2,478,332	8,919,569
Stack Road Water Line	100,000	-	-	-	100,000
Stallings Rd Waterline	400,000	11,628	70,640	82,268	317,732
Stallings Water Tank Rehabilitation	392,102	385,704	6,398	392,102	-
Water R&R Program	191,656	-	-	-	191,656
Worwood Acres Waterline Replacement	1,093,931	13,280	637	13,917	1,080,014
Yadkin Basin WL Ext Assessment	93,657	38,608	-	38,608	55,049
Yadkin Distribution System Improvements	2,500,000	-	271,898	271,898	2,228,102
Yadkin-Montgomery County Settlement	784,943	692,548	18,484	711,032	73,911
Yadkin Program Management	16,886,420	6,303,986	2,030,747	8,334,733	8,551,687
Yadkin Raw Water Intake & Pump Station	161,004,237	7,916,584	30,054,608	37,971,192	123,033,045
Yadkin-Stanly County Settlement	1,016,140	650,685	116,386	767,071	249,069
Yadkin Water Supply	4,872,810	3,924,588	86,696	4,011,284	861,526
Yadkin Water Treatment Plant	121,721,040	7,184,872	17,874,007	25,058,879	96,662,161
Sewer Capital Outlay					
12 Mile Creek WWTP Expansion	41,379,577	40,986,834	27,764	41,014,598	364,979
12 ML Creek I&I Abatement	233,000	33,000	74,156	107,156	125,844
2020 MP WW Flow Monitoring	214,050	-	170,043	170,043	44,007
Blythe Creek Sewer Improvements	7,264,102	6,483,812	11,468	6,495,280	768,822
CCWRF Electrical Improvements	3,900,000	70,054	148,174	218,228	3,681,772
CCWRF Process Improvements	4,390,000	18,290	179,191	197,481	4,192,519
Collection System SSES & Rehab	411,356	265,733	109,866	375,599	35,757

Continued on next page

**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, 2021

	Project Authorization	Prior Years	Actual	Total To Date	Variance Positive (Negative)
Crooked Creek Headworks Improvements	9,171,809	9,126,794	44,630	9,171,424	385
Crooked Creek Interceptor Improv. Ph I	4,778,193	308,006	17,500	325,506	4,452,687
Crooked Creek Interceptor Improv. Ph II	657,607	-	388,911	388,911	268,696
Deese PS Decommission	662,563	48,897	12,845	61,742	600,821
East Side Clay Lining WW R&R	295,000	3,495	217,560	221,055	73,945
East Side Improvements	47,793	47,793	-	47,793	-
EDC Industrial Park Pump Station	3,000,000	122,503	173,872	296,375	2,703,625
Fairfield Plantation R&R	234,850	33,521	184,173	217,694	17,156
Forest Park PS Replacement	3,874,630	3,874,628	-	3,874,628	2
Lower Crooked Creek WRF	1,924,245	152,276	1,300	153,576	1,770,669
Lower Crooked Creek Site B	75,755	-	-	-	75,755
Old Sycamore WRF Process Improvement	1,616,000	81,532	434,475	516,007	1,099,993
Poplin Road Pump Station Interim IP	15,800,000	379,383	639,231	1,018,614	14,781,386
SCADA Master Plan Wastewater	7,600,000	630,731	377,591	1,008,322	6,591,678
STEG Assessment Waxhaw	120,000	-	89,177	89,177	30,823
STEG Asset Inventory/Assessment	2,004,302	256,447	613,714	870,161	1,134,141
Suburban Estates PS & Force Main	1,071,000	158,165	-	158,165	912,835
Stallings- Collection System	388,200	64,200	-	64,200	324,000
Tarkhill Force Main R&R	1,690,000	114,741	3,890	118,631	1,571,369
Unionville PS Replacement	516,982	86,871	428,869	515,740	1,242
Waxhaw Clay Lining WW R&R	310,000	4,507	3,709	8,216	301,784
Waxhaw Interceptor	6,300,000	482,542	154,199	636,741	5,663,259
Wastewater Pump Station Improvement	1,044,082	1,044,081	-	1,044,081	1
Wastewater R&R Program	3,843,046	80,376	-	80,376	3,762,670
Wastewater Treatment Plant R&R	652,530	179,310	-	179,310	473,220
West Fork 12ML Interceptor Improvement	14,459,295	750,259	254,667	1,004,926	13,454,369
WRF Process Evaluation	541,470	381,999	78,086	460,085	81,385
WW Pump Station Improvements	2,727,327	-	-	-	2,727,327
<b>Total expenditures</b>	<b>580,526,788</b>	<b>144,287,084</b>	<b>62,822,128</b>	<b>207,109,212</b>	<b>373,417,576</b>
<b>Revenues over expenditures</b>	<b>(580,526,788)</b>	<b>(143,297,047)</b>	<b>(63,314,370)</b>	<b>(206,611,417)</b>	<b>373,915,371</b>
<b>OTHER FINANCING SOURCES</b>					
Transfer from General Capital Project Fund	3,000,000	3,000,000	-	3,000,000	-
Transfers from water and sewer operating fund	87,338,610	69,965,816	26,241,545	96,207,361	8,868,751
Transfer from special revenue fund	-	-	526,000	526,000	526,000
Transfer in Water Sewer District SDF CRF	6,721,535	5,467,535	(1,995,885)	3,471,650	(3,249,885)
Capital contributions - cash-other	2,045,250	3,118,432	434,034	3,552,466	1,507,216
Revenue bonds issuance premiums	12,072,321	12,072,321	11,639,154	23,711,475	11,639,154
Revenue bonds issuance	469,349,072	130,370,812	298,775,000	429,145,812	(40,203,260)
<b>Total other financing sources</b>	<b>580,526,788</b>	<b>223,994,916</b>	<b>335,619,848</b>	<b>559,614,764</b>	<b>(20,912,024)</b>
<b>Revenues and other financing sources over (under) expenditures</b>	<b>\$ -</b>	<b>\$ 80,697,869</b>	<b>272,305,478</b>	<b>\$ 353,003,347</b>	<b>\$ 353,003,347</b>
<b>FUND BALANCE</b>					
Beginning of year - July 1			80,697,869		
End of year - June 30			<u>\$ 353,003,347</u>		

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021	2020
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>		
Operating Fund	\$ 17,735,671	\$ (37,090,892)
Water and Sewer District	1,118,707	13,089,197
Water and Sewer District SDF CRF	(259,275)	1,103,825
Water and Sewer Capital Project Fund	272,305,478	(27,948,198)
Total	<u>290,900,581</u>	<u>(50,846,068)</u>
<b>Reconciling items</b>		
Amortization of G.O. and revenue bond defeasance	-	(836,113)
Amortization of G.O. and revenue bond premium	970,434	1,841,325
Amortization of G.O. and revenue bond gains and (losses) on refunding	-	28,557
Revenue bond proceeds	(298,775,000)	-
Revenue bond premium	(29,308,273)	-
Payment of debt principal	4,390,000	39,505,000
Increase (decrease) in compensated absences payable	(59,533)	(105,636)
Increase (decrease) in interest expense accrual	(724,787)	116,953
Increase (decrease) in inventories	522,417	109,873
Decrease in allowance for uncollectible accounts	693,325	78,935
Increase (decrease) in net pension asset, separation allowance	(221,952)	6,142
Increase (decrease) in net other post employment benefit liability	-	528,321
Capital Outlay	63,175,876	33,217,047
Capital contributions	9,192,180	9,615,903
Gain on investment in joint venture	(3,362,096)	(3,386,632)
Depreciation	(18,536,568)	(16,496,745)
Increase (decrease) in pension expense	(595,645)	(592,861)
Amortization of revenue bond swap termination cost	(292,131)	3,015,681
Total	<u>(272,931,753)</u>	<u>66,645,750</u>
Change in net position	<u>\$ 17,968,828</u>	<u>\$ 15,799,682</u>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	Final Budget	Actual	Variance Positive (Negative)	2020 Actual
<b>REVENUES</b>				
Operating Revenues				
Charges for services	\$ 6,443,712	\$ 7,528,284	\$ 1,084,572	\$ 6,443,025
Disposal fees	426,100	412,607	(13,493)	437,641
Other operating revenue	2,000	14,274	12,274	9,351
Total	<u>6,871,812</u>	<u>7,955,165</u>	<u>1,083,353</u>	<u>6,890,017</u>
Nonoperating Revenue				
Investment earnings	100,000	(6,933)	(106,933)	213,327
Intergovernmental	3,000	-	(3,000)	16,280
Total	<u>103,000</u>	<u>(6,933)</u>	<u>(109,933)</u>	<u>229,607</u>
Total revenues	<u>6,974,812</u>	<u>7,948,232</u>	<u>973,420</u>	<u>7,119,624</u>
<b>EXPENDITURES</b>				
Personnel	2,005,861	1,842,013	163,848	1,654,603
Operating expense	5,706,441	5,039,992	666,449	5,293,895
Total expenditures	<u>7,712,302</u>	<u>6,882,005</u>	<u>830,297</u>	<u>6,948,498</u>
Revenues over (under) expenditures	<u>(737,490)</u>	<u>1,066,227</u>	<u>1,803,717</u>	<u>171,126</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from General Capital Project Fund	-	56,608	56,608	-
Transfer to General Capital Project Fund	-	-	-	(159,300)
Transfers in				
Transfers to Solid Waste Capital Project Fund	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,500,000)</u>	<u>(2,443,392)</u>	<u>56,608</u>	<u>(159,300)</u>
<b>APPROPRIATED FUND BALANCE</b>	<u>3,237,490</u>	<u>-</u>	<u>(3,237,490)</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (1,377,165)</u>	<u>\$ (1,377,165)</u>	<u>\$ 11,826</u>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	Final Budget		Actual		Variance Positive (Negative)		2020 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 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, 2021

	Project Authorization	Prior Years	Actual	Total To Date	Variance Positive (Negative)
<b>EXPENDITURES</b>					
Austin Chaney Site Redesign	\$ 2,659,300	\$ -	\$ 126,208	\$ 126,208	\$ 2,533,092
C&D Cell Expansion	250,000	-	-	-	250,000
Total expenditures	<u>2,909,300</u>	<u>-</u>	<u>126,208</u>	<u>126,208</u>	<u>2,783,092</u>
Revenues over expenditures	<u>(2,909,300)</u>	<u>-</u>	<u>(126,208)</u>	<u>(126,208)</u>	<u>2,783,092</u>
<b>OTHER FINANCING SOURCES</b>					
Transfer from General Capital Project Fund	-	-	409,300	409,300	409,300
Transfers from water and sewer operating fund	<u>2,909,300</u>	<u>-</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>(409,300)</u>
Total other financing sources	<u>2,909,300</u>	<u>-</u>	<u>2,909,300</u>	<u>2,909,300</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>2,783,092</u>	<u>\$ 2,783,092</u>	<u>\$ 2,783,092</u>
<b>FUND BALANCE</b>					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ 2,783,092</u>		

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021	2020
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>		
Operating Fund	\$ (1,377,165)	\$ 11,826
Solid Waste Capital Fund	2,783,092	-
Total	<u>1,405,927</u>	<u>11,826</u>
<b>Reconciling items</b>		
Increase (decrease) in compensated absences payable	(7,038)	(22,577)
Decrease in allowance for uncollectible accounts	28,431	(26,139)
Increase (decrease) in net pension asset, separation allowance	(36,047)	846
Increase (decrease) in net other post employment benefit liability	-	72,887
Capital Outlay	469,465	1,320,781
Depreciation	(409,484)	(300,323)
Increase in accrued landfill postclosure care costs	(60,204)	(83,863)
Increase (decrease) in pension expense	(88,720)	(76,383)
Total	<u>(103,597)</u>	<u>885,229</u>
Change in net position	<u>\$ 1,302,330</u>	<u>\$ 897,055</u>

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# Internal Service Funds

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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, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Operating revenues				
Interfund charges and employee contributions	\$ 17,805,336	\$ 17,794,982	\$ (10,354)	\$ 18,328,422
Total	17,805,336	17,794,982	(10,354)	18,328,422
Nonoperating revenues				
Other operating revenue	-	-	-	33,670
Investment earnings	64,254	(29,794)	(94,048)	89,795
Total revenues	17,869,590	17,765,188	(104,402)	18,451,887
<b>EXPENDITURES</b>				
Operating expenditures				
Personnel	102,590	80,772	21,818	105,727
Other operating expenditures	3,144,000	3,046,461	97,539	2,951,931
Health benefit claims and premiums	17,492,057	20,667,941	(3,175,884)	17,061,464
Total expenditures	20,738,647	23,795,174	(3,056,527)	20,119,122
Revenues over (under) expenditures	(2,869,057)	(6,029,986)	(3,160,929)	(1,667,235)
<b>TRANSFERS</b>				
Transfer from OPEB Trust Fund	2,874,731	-	(2,874,731)	2,874,731
Total transfers	2,874,731	-	(2,874,731)	2,874,731
<b>APPROPRIATED FUND BALANCE</b>				
	(5,674)	-	5,674	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ (6,029,986)	\$ (6,029,986)	\$ 1,207,496

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

Revenues over expenditures	\$ (6,029,986)	\$ 1,207,496
Increase (decrease) in health benefit claims payable	(47,714)	(14,982)
Increase (decrease) in compensated absences payable	(715)	(572)
Increase (decrease) in net pension asset, separation allowance	106	47
Increase (decrease) in pension expense	(4,893)	(5,280)
Increase (decrease) in net other post employment benefit liability	-	4,356
Capital Outlay	-	-
Depreciation Expense	-	-
Capital contributions - non-cash	-	-
<b>Change in net position</b>	<b>\$ (6,083,202)</b>	<b>\$ 1,191,065</b>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Operating revenues				
Interfund charges and employee contributions	\$ 619,795	\$ 620,415	\$ 620	\$ -
Insurance Reimbursement	-	-	-	977
Total	619,795	620,415	620	977
Nonoperating revenues				
Investment earnings	23,000	(1,654)	(24,654)	22,542
Total revenues	642,795	618,761	(24,034)	23,519
<b>EXPENDITURES</b>				
Operating expenditures				
Personnel	89,721	79,100	10,621	94,488
Other operating expenditures	229,359	197,659	31,700	193,506
Worker's compensation claims	319,208	160,004	159,204	361,865
Total expenditures	638,288	436,763	201,525	649,859
Revenues over (under) expenditures	4,507	181,998	177,491	(626,340)
<b>APPROPRIATED FUND BALANCE</b>	(4,507)	-	4,507	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ 181,998	\$ 181,998	\$ (626,340)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual basis</b>				
Revenues over expenditures	\$	181,998		\$ (626,340)
Increase (decrease) in workers' compensation claims payable		-		77,997
Increase (decrease) in compensated absences payable		(541)		(181)
Increase (decrease) in net pension asset, separation allowance		75		37
Increase (decrease) in pension expense		(3,753)		(4,894)
Increase (decrease) in net other post employment benefit liability		-		3,225
Capital Outlay		-		-
Depreciation Expense		-		-
Capital contributions - non-cash		-		-
<b>Change in net position</b>	\$	<u>177,779</u>		\$ <u>(550,156)</u>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Operating revenues				
Interfund charges and employee contributions	\$ 1,249,505	\$ 1,257,112	\$ 7,607	\$ 1,117,215
Miscellaneous revenue	-	35	35	27,846
Total	1,249,505	1,257,147	7,642	1,145,061
Nonoperating revenues				
Investment earnings	7,600	(1,033)	(8,633)	8,929
Total revenues	1,257,105	1,256,114	(991)	1,153,990
<b>EXPENDITURES</b>				
Operating expenditures				
Personnel	86,472	76,315	10,157	90,944
Property and casualty claims and premiums	1,242,224	1,226,947	15,277	1,063,970
Total expenditures	1,328,696	1,303,262	25,434	1,154,914
Revenues over (under) expenditures	(71,591)	(47,148)	24,443	(924)
<b>TRANSFERS</b>				
Transfer to General Fund	-	-	-	(2,666)
Total transfers	-	-	-	(2,666)
<b>APPROPRIATED FUND BALANCE</b>				
	71,591	-	(71,591)	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ (47,148)	\$ (47,148)	\$ (3,590)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual basis</b>				
Revenues over (under) expenditures		\$ (47,148)		\$ (3,590)
Increase (decrease) in property and casualty claims payable		(5,606)		91,779
Increase (decrease) in compensated absences payable		(498)		(158)
Increase (decrease) in net pension asset, separation allowance		72		33
Increase (decrease) in pension expense		(3,577)		(4,727)
Increase (decrease) in net other post employment benefit liability		-		2,984
Capital Outlay		-		-
Depreciation Expense		-		-
Capital contributions - non-cash		-		-
<b>Change in net position</b>		<b>\$ (56,757)</b>		<b>\$ 86,321</b>

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Operating revenues				
Charges for services	\$ -	\$ -	\$ -	\$ 37,790
Interfund charges and employee contributions	-	-	-	2,478,144
Total	-	-	-	2,515,934
Nonoperating revenues				
Investment earnings	-	-	-	(4,197)
Total revenues	-	-	-	2,511,737
<b>EXPENDITURES</b>				
Personnel	-	-	-	950,517
Other operating expenditures	-	-	-	945,485
Total expenditures	-	-	-	1,896,002
Revenues over (under) expenditures	-	-	-	615,735
<b>TRANSFERS</b>				
Transfer to General Fund	-	-	-	(2,111,568)
Transfer to General Capital Project Fund	-	-	-	(460,000)
Total transfers	-	-	-	(2,571,568)
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ -	\$ -	\$ (1,955,833)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual basis</b>				
Revenues over (under) expenditures	\$	-		\$ (1,955,833)
Increase (decrease) in compensated absences payable		-		64,515
Increase (decrease) in net pension asset, separation allowance		-		121,477
Increase (decrease) in pension expense		-		59,727
Increase (decrease) in net other post employment benefit liability		-		978,148
Capital Outlay		-		(371,166)
Depreciation Expense		-		(1,145)
Capital contributions - non-cash		-		-
<b>Change in net position</b>	\$	-		\$ (1,104,277)



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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Operating revenues				
Interfund charges and employee contributions	\$ -	\$ -	\$ -	\$ 3,903,277
Miscellaneous revenue	-	-	-	240
Other operating revenue	-	-	-	4,178
Total	-	-	-	3,907,695
Nonoperating revenues				
Investment earnings	-	-	-	(2,982)
Total revenues	-	-	-	3,904,713
<b>EXPENDITURES</b>				
Personnel	-	-	-	996,027
Other operating expenditures	-	-	-	2,312,968
Total expenditures	-	-	-	3,308,995
Revenues over (under) expenditures	-	-	-	595,718
<b>TRANSFERS</b>				
Transfer to General Fund	-	-	-	(1,688,143)
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ -	\$ -	\$ (1,092,425)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual basis</b>				
Revenues over (under) expenditures	\$ -	-	\$ -	\$ (1,092,425)
Increase (decrease) in compensated absences payable	-	-	-	59,970
Increase (decrease) in net pension asset, separation allowance	-	-	-	112,601
Increase (decrease) in pension expense	-	-	-	54,884
Increase (decrease) in net other post employment benefit liability	-	-	-	906,735
Capital Outlay	-	-	-	(106,705)
Depreciation Expense	-	-	-	-
Capital contributions - non-cash	-	-	-	-
<b>Change in net position</b>	\$ -	-	\$ -	\$ (64,940)

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Variance Positive (Negative)	2020
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Operating revenues				
Interfund charges and employee contributions	\$ -	\$ -	\$ -	\$ 370,190
Miscellaneous revenue	-	-	-	226
Total	-	-	-	370,416
Nonoperating revenues				
Investment earnings	-	-	-	(542)
Total revenues	-	-	-	369,874
<b>EXPENDITURES</b>				
Personnel	-	-	-	277,144
Other operating expenditures	-	-	-	359,547
Total expenditures	-	-	-	636,691
Revenues over (under) expenditures	-	-	-	(266,817)
<b>TRANSFERS</b>				
Transfers from General Fund	-	-	-	86,872
Transfer to General Fund	-	-	-	(212,481)
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ -	\$ -	\$ (392,426)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual basis</b>				
Revenues over (under) expenditures	\$ -	-	\$ -	(392,426)
Increase (decrease) in compensated absences payable	-	-	-	30,079
Increase (decrease) in net pension asset, separation allowance	-	-	-	34,547
Increase (decrease) in pension expense	-	-	-	14,960
Increase (decrease) in net other post employment benefit liability	-	-	-	278,163
Capital Outlay	-	-	-	(70,088)
Depreciation Expense	-	-	-	-
Capital contributions - non-cash	-	-	-	-
<b>Change in net position</b>	\$ -	-	\$ -	(104,765)

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# Fiduciary Funds

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Trust Funds account for assets held by the County in a trustee capacity. Custodial 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.

## **Custodial Funds**

**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.

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	<u>2021</u>	<u>2020</u>
<b>ADDITIONS</b>		
Operating revenues		
Employer contributions	\$ 1,598,805	\$ 1,613,579
Net investment income	633	61,432
Total revenues	<u>1,599,438</u>	<u>1,675,011</u>
<b>DEDUCTIONS</b>		
Operating expenses		
Employee benefits	<u>1,304,055</u>	<u>1,344,829</u>
Transfer to Health Fund	-	-
Revenues under expenses	295,383	330,182
<b>NET POSITION</b>		
Beginning of year-July 1	<u>4,030,677</u>	<u>3,700,495</u>
End of year-June 30	<u>\$ 4,326,060</u>	<u>\$ 4,030,677</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, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	<u>2021</u>	<u>2020</u>
<b>ADDITIONS</b>		
Operating revenues		
Employer contributions	\$ 6,659,350	\$ 11,586,960
Net investment income	7,148,282	2,256,752
Total revenues	<u>13,807,632</u>	<u>13,843,712</u>
<b>DEDUCTIONS</b>		
Operating expenses		
Employee benefits	4,159,350	4,039,770
Transfer to Health Fund	-	2,874,731
Revenues under expenses	9,648,282	6,929,211
<b>NET POSITION</b>		
Beginning of year-July 1	48,817,331	41,888,120
End of year-June 30	<u>\$ 58,465,613</u>	<u>\$ 48,817,331</u>

**Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For the Year Ended June 30, 2021**

	<u>Jail Inmate Fund</u>	<u>Municipal Tax Collection Fund</u>	<u>Gross Rental Receipts Tax Fund</u>	<u>Total Custodial Funds</u>
<b>ADDITIONS</b>				
Ad valorem taxes for other governments	\$ -	\$ 13,214,676	\$ 133,817	\$ 13,348,493
Collections on behalf of inmates	718,006			718,006
Total additions	<u>718,006</u>	<u>13,214,676</u>	<u>133,817</u>	<u>14,066,499</u>
<b>DEDUCTIONS</b>				
Due to program participants		12,665,187	134,092	12,799,279
Payments on behalf of inmates	710,847			710,847
Total deductions	<u>710,847</u>	<u>12,665,187</u>	<u>134,092</u>	<u>13,510,126</u>
Net increase (decrease) in fiduciary net position	7,159	549,489	(275)	556,373
Net position, beginning	49,610	17,296	1,048	67,954
Net position, ending	<u>\$ 56,769</u>	<u>566,785</u>	<u>\$ 773</u>	<u>\$ 624,327</u>

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# Additional Financial Data

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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, 2021

Fiscal Year	Uncollected Balance June 30, 2020	Additions and Adjustments	Collections and Credits	Uncollected Balance June 30, 2021
2020-2021	\$ -	\$ 296,660	\$ 62,644	\$ 234,016
2019-2020	395,378	204,482,872	204,496,057	382,193
2018-2019	903,961	(6,976)	686,907	210,078
2017-2018	237,624	5,421	131,625	111,420
2016-2017	135,815	(33,521)	5,457	96,837
2015-2016	98,481	74	40,499	58,056
2014-2015	62,060	338	28,228	34,170
2013-2014	85,762	(1,646)	26,914	57,202
2012-2013	78,774	(4,789)	19,983	54,002
2011-2012	71,741	173	17,034	54,880
2010-2011	81,243	92	14,839	66,496
2009-2010	124,235	-	124,235	-
	<u>\$ 2,275,074</u>	<u>\$ 204,738,698</u>	<u>\$ 205,654,422</u>	<u>1,359,350</u>
Less: Allowance for uncollectible ad valorem taxes receivable				(469,921)
Ad valorem taxes receivable (net)				<u>\$ 889,429</u>
Reconcilement with revenues				
Taxes - ad valorem				<u>\$ 206,309,193</u>
Reconciling items				
2021-2022 tax prepayments				62,644
Write-offs per statute of limitations				124,235
Collections in advance				(47,092)
Interest, advertising cost recovery, and garnishments				(773,970)
Foreclosure fees and overpayments				(20,589)
Rounding adjustment				1
Total reconciling items				<u>(654,771)</u>
Total collections and credits				<u>\$ 205,654,422</u>



**Analysis of Current Tax Levy  
County-Wide Levy  
For the Year Ended June 30, 2021**

	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	\$ 27,223,619,554	0.7309	\$ 198,975,808	\$ 181,435,954	\$ 17,539,854
Motor vehicles taxed at prior year's rate	730,047,254	0.7309	5,335,802	-	5,335,802
Motor vehicles taxed at prior year's rate	4,431,588	0.7309	32,707	-	32,707
Total	<u>27,958,098,396</u>		<u>204,344,317</u>	<u>181,435,954</u>	<u>22,908,363</u>
Discoveries					
Property taxed at current year's rate	99,565,788	0.7309	694,923	694,923	-
Total	<u>99,565,788</u>		<u>694,923</u>	<u>694,923</u>	<u>-</u>
Abatements					
Property taxed at current year's rate	76,187,952	0.7309	556,368	556,368	-
Total	<u>76,187,952</u>		<u>556,368</u>	<u>556,368</u>	<u>-</u>
Total property valuation	<u>\$ 27,981,476,232</u>				
Net levy			204,482,872	181,574,509	22,908,363
Add: Uncollected taxes at June 30, 2020			395,378	395,378	-
Less: Uncollected taxes at June 30, 2021			(382,193)	(382,193)	-
Total collections and credits for 2020-2021			<u>\$ 204,496,057</u>	<u>\$ 181,587,694</u>	<u>\$ 22,908,363</u>
Percent current year collected			100.00 %	100.00 %	100.00 %

SECONDARY MARKET DISCLOSURES

	County-wide		
	Property Valuation	Rate	Amount of Levy
Assessed valuation			
Assessment ratio	100%		
Real property	\$ 22,703,601,381		
Personal property	1,746,155,838		
Public service companies	397,623,259		
	<u>24,847,380,478</u>	0.7309	<u>\$ 181,574,509</u>
Personal property-motor vehicles	2,399,616,912	0.7309	17,539,854
Personal property-motor vehicles	730,047,254	0.7309	5,335,802
Personal property-motor vehicles	4,431,588	0.7309	32,707
	<u>3,134,095,754</u>		<u>22,908,363</u>
Total	<u>\$ 27,981,476,232</u>		<u>\$ 204,482,872</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, 2021:

Fire protection districts	\$ 9,400,476
Total	<u>\$ 9,400,476</u>



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# Statistical Section

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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									
	2012	2013	2014	2015	Restated 2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 28,905,072
Restricted	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	107,862,145
Unrestricted	(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)	(242,772,927)
Total governmental activities net position	\$ (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)	\$ (106,005,710)
Business-type activities:										
Net investment in capital assets	\$ 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	\$ 210,314,809
Restricted	554,740	1,052,416	1,319,906	1,323,962	913,570	876,897	18,235,580	55,468,003	23,555	14,087,659
Unrestricted	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	140,171,753
Total business-type activities net position	\$ 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	\$ 364,574,221
Primary government:										
Net investment in capital assets	\$ 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	\$ 239,219,881
Restricted	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	121,949,804
Unrestricted	(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)	(102,601,174)
Total primary government net position	\$ (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	\$ 258,568,511

Table 2

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

	Fiscal Year									
	2012	2013	Restated 2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General government	\$ 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	\$ 28,995,405
Public safety	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	74,294,108
Economic and physical development	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	5,067,559
Human services	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	57,758,191
Cultural and recreational	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	7,816,884
Education	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	140,119,720
Interest and fees on long term debt	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	14,003,945
<b>Total Governmental Activities</b>	<b>\$ 209,154,028</b>	<b>\$ 209,692,064</b>	<b>\$ 211,336,635</b>	<b>\$ 233,923,799</b>	<b>\$ 244,461,047</b>	<b>\$ 256,069,081</b>	<b>\$ 259,375,044</b>	<b>\$ 296,465,229</b>	<b>\$ 344,707,213</b>	<b>\$ 328,055,812</b>
<b>Business-type Activities:</b>										
Water and sewer	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	32,709,337
Solid waste	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	7,209,309
Stormwater	148,634	200,613	235,519	135,036	166,741	359,971	-	-	-	-
<b>Total Business-type Activities</b>	<b>\$ 34,408,034</b>	<b>\$ 35,055,971</b>	<b>\$ 37,061,172</b>	<b>\$ 38,973,306</b>	<b>\$ 42,390,623</b>	<b>\$ 49,502,462</b>	<b>\$ 51,322,627</b>	<b>\$ 55,813,442</b>	<b>\$ 60,721,696</b>	<b>\$ 39,918,646</b>
<b>Total Expenses</b>	<b>\$ 243,562,062</b>	<b>\$ 244,748,035</b>	<b>\$ 248,397,807</b>	<b>\$ 272,897,105</b>	<b>\$ 286,851,670</b>	<b>\$ 305,571,543</b>	<b>\$ 310,697,671</b>	<b>\$ 352,278,671</b>	<b>\$ 405,428,909</b>	<b>\$ 367,974,458</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for services:</b>										
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,561,605	\$ 10,663,324
Public safety	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	6,796,885
Human services	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	8,831,766
Other activities	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	4,097,252
<b>Operating grants and contributions:</b>										
Human services	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	24,547,896
Education	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	14,515,306
General government	-	-	-	-	-	-	-	-	184,258	277,055
Other activities	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	4,793,792
Capital grants and contributions	573,183	150,079	270,327	41,598	68,520	242,226	-	16,310	423,161	294,098
<b>Total Governmental Activities</b>	<b>\$ 43,301,783</b>	<b>\$ 43,262,206</b>	<b>\$ 49,665,200</b>	<b>\$ 52,769,497</b>	<b>\$ 53,690,624</b>	<b>\$ 56,411,787</b>	<b>\$ 56,093,019</b>	<b>\$ 58,322,664</b>	<b>\$ 65,287,370</b>	<b>\$ 74,817,374</b>
<b>Business-type Activities:</b>										
<b>Charges for services:</b>										
Water and sewer	\$ 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	\$ 33,418,576
Solid waste	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	7,955,165
Stormwater	-	-	16,100	28,694	46,386	-	-	-	-	-
Operating grants and contributions	372,658	362,703	2,120,364	392,039	-	-	-	-	-	-
<b>Capital grants and contributions:</b>										
Water and sewer	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	16,088,204
<b>Total Business-type Activities</b>	<b>\$ 36,915,764</b>	<b>\$ 40,637,025</b>	<b>\$ 49,367,477</b>	<b>\$ 48,379,287</b>	<b>\$ 63,055,055</b>	<b>\$ 69,515,954</b>	<b>\$ 64,705,767</b>	<b>\$ 69,451,608</b>	<b>\$ 74,529,583</b>	<b>\$ 57,461,945</b>
<b>Total Primary Revenues</b>	<b>\$ 80,217,547</b>	<b>\$ 83,899,231</b>	<b>\$ 99,032,677</b>	<b>\$ 101,148,784</b>	<b>\$ 116,745,679</b>	<b>\$ 125,927,741</b>	<b>\$ 120,798,786</b>	<b>\$ 127,774,272</b>	<b>\$ 139,816,953</b>	<b>\$ 132,279,319</b>
<b>Net (Expense) /Revenue</b>										
Governmental Activities	\$ (182,952,348)	\$ (166,429,858)	\$ (161,671,435)	\$ (181,154,302)	\$ (190,770,423)	\$ (199,657,294)	\$ (203,282,025)	\$ (238,142,565)	\$ (279,419,843)	\$ (253,238,438)
Business-type Activities	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	17,543,299
<b>Total primary government net expense</b>	<b>\$ (180,444,618)</b>	<b>\$ (160,848,804)</b>	<b>\$ (149,365,130)</b>	<b>\$ (171,748,321)</b>	<b>\$ (170,105,991)</b>	<b>\$ (179,643,802)</b>	<b>\$ (189,898,885)</b>	<b>\$ (224,504,399)</b>	<b>\$ (265,595,676)</b>	<b>\$ (235,695,139)</b>

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									
	2012	2013	Restated 2014	2015	2016	2017	2018	2019	2020	2021
<b>General Revenues</b>										
Governmental Activities:										
Property taxes levied for general purposes	\$ 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	\$ 216,215,388
Local option sales tax	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	58,998,697
Other taxes and licenses	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	4,049,677
Unrestricted grants and contributions	86,716	89,481	75,773	82,050	115,081	120,366	180,174	160,000	167,570	257,924
Unrestricted rental income	7,666,879	6,100,000	-	-	-	-	-	-	-	-
Unrestricted investment earnings	1,429,626	(687,300)	420,138	491,943	923,829	483,772	1,910,293	5,020,147	4,721,500	(13,767)
Unrestricted miscellaneous	32,836	182,066	8,380	10,313	714	112	2	-	-	-
Transfers in/out	-	-	-	327,500	-	-	-	(2,070,572)	159,300	(991,908)
Gain / (loss) on sale of capital assets	127,182	(178,573)	123,560	91,095	126,632	32,245	55,177	48,744	132,877	137,891
Extraordinary item	54,000,000	-	-	-	-	-	-	-	-	-
Total general revenues and transfers	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	278,653,902
Business-type Activities:										
Unrestricted investment earnings	490,219	(193,033)	232,586	399,689	636,881	274,237	1,179,405	2,850,947	2,260,714	(108,847)
Transfers	-	-	-	(327,500)	-	-	-	2,070,572	(159,300)	991,908
Gain / (loss) on sale of capital assets	53,637	19,729	65,488	126,724	113,935	58,601	88,781	66,538	785,699	35,064
Total Business-type activities	543,856	(173,304)	298,074	198,913	750,816	332,838	1,268,186	4,988,057	2,887,113	918,125
Total primary government	\$ 252,378,059	\$ 196,611,340	\$ 202,534,458	\$ 230,155,814	\$ 233,276,565	\$ 241,420,131	\$ 255,621,259	\$ 258,293,116	\$ 266,766,892	\$ 279,572,027
<b>Change in Net Position</b>										
Governmental Activities	\$ 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)	\$ 25,415,464
Business-type Activities	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	18,461,424
Total Change in Net Position	\$ 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	\$ 43,876,888

Table 3

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 84,618	\$ 279,914	\$ 204,937	\$ 783,121	\$ 547,783	\$ 342,875	\$ 176,614	\$ 11,836	\$ 53,650	\$ 37,638
Restricted	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	35,636,403
Committed	-	-	31,916,595	53,982,762	57,191,296	60,642,715	62,893,854	60,998,762	61,510,365	61,178,336
Assigned	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	22,447,868
Unassigned	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	12,260,033
Total general fund	<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>	<u>\$ 131,560,278</u>
All other governmental funds										
Restricted:										
Special revenue funds	\$ 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	\$ 6,366,198
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	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	62,491,983
Assigned:										
Capital project funds	73,084,142	43,260,589	41,227,050	48,605,776	22,168,732	16,020,630	11,375,682	-	78,443,355	36,730,333
Public Safety	-	-	-	354,782	302,782	174,782	390,125	663,389	-	-
Unassigned:										
Public Safety	-	-	-	(20,941)	-	-	(142,370)	(1,051,824)	(674,705)	(1,336,113)
Capital project funds	-	-	-	-	-	-	-	(8,619,143)	31,474	-
Total all other governmental funds	<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>	<u>\$ 104,252,401</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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Ad valorem taxes	\$ 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	\$ 216,861,127
Local option sales tax	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	58,998,697
Other taxes and licenses	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	4,866,335
Intergovernmental revenue	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	52,634,253
Permits and fees	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	6,976,032
Sales and services	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	4,809,935
Investment earnings	1,069,847	122,634	397,818	467,683	867,318	451,706	1,824,378	4,764,823	4,609,079	18,714
Miscellaneous	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	9,976,311
Extraordinary item	54,000,000	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>295,338,087</b>	<b>241,733,022</b>	<b>252,708,788</b>	<b>282,275,779</b>	<b>287,443,574</b>	<b>298,145,562</b>	<b>310,904,630</b>	<b>320,184,473</b>	<b>324,356,557</b>	<b>355,141,404</b>
<b>Expenditures</b>										
Current:										
General government	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	26,398,132
Public safety	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	70,546,972
Economic and physical development	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	4,640,342
Human services	37,796,024	36,855,320	37,430,037	40,496,633	41,848,033	43,900,232	43,083,568	45,941,860	47,910,610	55,430,052
Cultural and recreational	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	6,690,573
Intergovernmental:										
Education	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	112,899,751
Debt Service:										
Principal	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	35,820,002
Interest and fiscal charges	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	14,204,595
Capital Outlay	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	49,078,618
<b>Total Expenditures</b>	<b>236,127,306</b>	<b>241,303,675</b>	<b>241,013,242</b>	<b>269,672,780</b>	<b>282,237,104</b>	<b>306,817,982</b>	<b>309,808,099</b>	<b>361,281,194</b>	<b>364,113,753</b>	<b>375,709,037</b>
Excess (Deficiency) of Revenues over (under) Expenditures	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)	(20,567,633)
<b>Other Financing Sources (Uses)</b>										
Transfers from other funds	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	23,411,185
Transfers to other funds	(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)	(24,403,093)
Transfer in-Water and Sewer Fund	-	-	-	327,500	-	-	-	-	-	-
Proceeds from borrowing	-	-	-	-	-	-	54,080,325	-	148,561,663	5,600,000
Proceeds from refunding	76,440,701	79,521,253	-	-	48,555,017	-	-	-	-	-
Proceeds from termination	-	953,000	-	-	-	-	-	-	-	-
Payments to escrow agent	(75,670,230)	(78,792,830)	-	-	(48,215,017)	-	-	-	(18,465,000)	-
Payments to terminate swaps	-	(20,023,787)	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>770,471</b>	<b>(18,342,364)</b>	<b>-</b>	<b>294,983</b>	<b>(1,114,440)</b>	<b>(1,755,617)</b>	<b>52,123,622</b>	<b>(2,108,205)</b>	<b>134,643,949</b>	<b>4,608,092</b>
<b>Net change in fund balances</b>	<b>\$ 59,981,252</b>	<b>\$ (17,913,017)</b>	<b>\$ 11,695,546</b>	<b>\$ 12,897,982</b>	<b>\$ 4,092,030</b>	<b>\$ (10,428,037)</b>	<b>\$ 53,220,153</b>	<b>\$ (43,204,926)</b>	<b>\$ 94,886,753</b>	<b>\$ (15,959,541)</b>
Debt service as a percentage of non-capital expenditures	22.6%	21.9%	20.0%	18.4%	17.3%	16.3%	15.6%	16.6%	16.6%	14.1%

Table 5

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

	<b>Fiscal Year</b>									
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>REVENUES</b>										
Ad Valorem Taxes										
Current year levy	\$ 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	\$ 204,543,150
Prior years' levy	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	971,484
Penalties and interest	1,201,507	1,265,282	1,636,238	1,105,634	1,024,575	804,102	690,864	771,674	661,454	794,559
<b>Total</b>	<b>\$ 156,545,802</b>	<b>\$ 157,703,452</b>	<b>\$ 165,029,949</b>	<b>\$ 189,163,872</b>	<b>\$ 187,270,832</b>	<b>\$ 190,062,198</b>	<b>\$ 199,815,824</b>	<b>\$ 193,499,457</b>	<b>\$ 198,284,567</b>	<b>\$ 206,309,193</b>

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			
2012	2011	\$ 2,639,194	\$ 17,452,960	\$ 1,654,529	\$ 1,297,412	\$ 351,399	\$ 23,395,494	0.6650
2013	2012	2,656,787	17,536,158	1,718,147	1,281,969	357,878	23,550,939	0.6600
2014	2013	2,672,689	18,273,843	2,484,134	1,314,726	354,966	25,100,358	0.6600
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
2021	2020	2,235,425	20,468,176	3,134,096	1,746,156	397,623	27,981,476	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)**

<b>Fiscal Year</b>	<b>Tax Year</b>	<b>Sales Assessment Ratio</b>	<b>Real Property</b>	<b>Personal Property</b>		<b>Public Service Company Property</b>	<b>Estimated Actual Taxable Value</b>
				<b>Motor Vehicles</b>	<b>Other</b>		
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
2021	2020	77.35%	29,351,779	3,134,096	1,746,156	397,623	34,629,654

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
TaxYear	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Taxes Levied by Union County</b>										
County-wide rate	0.665	0.6600	0.6600	0.7614	0.7765	0.7665	0.7810	0.7309	0.7309	0.7309
Supplemental School Districts (Approved by the Voters)										
Monroe Schools District	-	-	-	-	-	-	-	-	-	-
County Schools District	-	-	-	-	-	-	-	-	-	-
Supplemental Fire Districts										
Allens Crossroads VFD	-	-	-	-	-	-	-	-	-	0.0838
Bakers VFD	-	-	-	-	-	-	-	-	-	0.0531
Beaver Lane VFD	-	-	-	-	-	-	-	-	-	0.0843
Fairview VFD	-	-	-	-	-	-	-	-	-	0.0517
Griffith VFD	-	-	-	-	-	-	-	-	-	0.0507
Hemby VFD	0.0493	0.0526	0.0526	0.0526	0.0512	0.0485	0.0503	0.0488	0.0488	0.0487
Jackson VFD	-	-	-	-	-	-	-	-	-	0.0404
Lanes Creek VFD	-	-	-	-	-	-	-	-	-	0.0792
New Salem VFD	-	-	-	-	-	-	-	-	-	0.0569
Providence VFD	-	-	-	-	-	-	-	-	-	0.0392
Sandy Ridge VFD	-	-	-	-	-	-	-	-	-	0.0584
Springs VFD	0.0315	0.0355	0.0355	0.0483	0.0474	0.0437	0.0567	0.0552	0.0552	0.0403
Stack VFD	-	-	-	-	-	-	-	-	-	0.0611
Stallings VFD	0.0428	0.0428	0.0428	0.0428	0.0509	0.0503	0.0503	0.0502	0.0502	0.0548
Unionville VFD	-	-	-	-	-	-	-	-	-	0.0451
Waxhaw VFD	0.0372	0.0386	0.0386	0.0386	0.0380	0.0357	0.0413	0.0545	0.0545	0.0526
Wesley Chapel VFD	0.022	0.0241	0.0241	0.0281	0.0282	0.0293	0.0293	0.0354	0.0354	0.0392
Wingate VFD	-	-	-	-	-	-	-	-	-	0.0817
<b>Total County Rates</b>										
Maximum	0.7143	0.7126	0.7126	0.8140	0.8277	0.8168	0.8377	0.7861	0.7861	0.8152
Minimum	0.6650	0.6650	0.6600	0.7614	0.7765	0.7665	0.7810	0.7309	0.7309	0.7309
Average	0.6897	0.6863	0.6863	0.7877	0.8021	0.7917	0.8094	0.7585	0.7585	0.7731
<b>Overlapping Taxes Levied by Municipalities</b>										
City of Monroe	0.4950	0.5550	0.5550	0.5550	0.5863	0.5863	0.5863	0.6163	0.6163	0.6163
Downtown Monroe District	0.2000	0.2000	0.2000	0.2000	0.2190	0.2190	0.2190	0.2190	0.2190	0.2190
Town of Fairview	0.0151	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Town of Hemby Bridge	0.0250	-	-	-	-	-	-	-	-	-
Town of Indian Trail	0.1450	0.1450	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850
Town of Marshville	0.3800	0.4100	0.4800	0.4800	0.4800	0.4800	0.5100	0.5100	0.5100	0.5100
Town of Mineral Springs	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250
Town of Mint Hill	0.2750	0.2750	-	-	-	-	-	-	-	-
Town of Stallings	0.2150	0.2150	0.2150	0.2150	0.2150	0.2150	0.2150	0.2150	0.2150	0.2150
Town of Unionville	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Town of Waxhaw	0.3400	0.3400	0.3400	0.3400	0.3600	0.3600	0.3600	0.3850	0.3850	0.3850
Town of Weddington	0.0300	0.0300	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520
Town of Wingate	0.3900	0.3900	0.3900	0.3900	0.4200	0.4200	0.4300	0.4300	0.4300	0.4300
Village of Lake Park	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.2400	0.2500	0.2500
Village of Marvin	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0600
Village of Wesley Chapel	0.0165	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)**

<b>Fiscal Year</b>	<b>Commercial Construction</b>		<b>Residential Construction</b>	
	<b>Number of Units</b>	<b>Value</b>	<b>Number of Units</b>	<b>Value</b>
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
2021	372	207,497	5128	547,719

Building Permits are compiled from Union County Planning Dept., City of Monroe, and Town of Waxhaw. City of Monroe permits are calculated through April 2021.

\*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, 2021			June 30, 2012		
		Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Union Electric Membership Corp	Utility	\$ 144,146,607	1	0.52 %	\$ 110,733,265	3	0.47 %
Allegheny Technologies Inc.	Manufacturing	139,158,294	2	0.50 %	267,197,234	1	1.14 %
Duke Energy Carolinas LLC	Utility	116,076,878	3	0.41 %	68,472,891	4	0.29 %
Charlotte Pipe & Foundry Company	Manufacturing	94,776,660	4	0.34 %	114,495,285	2	0.49 %
Piedmont Natural Gas Company Inc.	Utility	61,457,344	5	0.22 %	64,926,191	5	0.28 %
Consolidated Metco Inc.	Manufacturing	37,980,912	6	0.14 %	-	-	-
Time Warner Cable Southeast LLC	Utility	35,769,725	7	0.13 %	-	-	-
Greiner Bio-One North America Inc.	Manufacturing	26,324,216	8	0.09 %	-	-	-
IA Monroe Poplin LLC	Land Developer	24,248,000	9	0.09 %	-	-	-
CSX Transportation	Transportation	22,293,689	10	0.08 %	-	-	-
Atlas Union SPE LLC	Banking	-	-	-	29,357,600	10	0.13 %
Turbomeca Manufacturing Inc.	Manufacturing	-	-	-	40,376,192	7	0.17 %
WSLD Millbridge VI LLC	Land Developer	-	-	-	47,251,270	6	0.20 %
Wal-Mart Real Estate Business	Retail	-	-	-	35,926,610	8	0.15 %
AEP Industries Inc	Manufacturing	-	-	-	35,508,456	9	0.15 %
Total assessed valuation of top 10 taxpayers		<u>\$ 702,232,325</u>		<u>2.51 %</u>	<u>\$ 814,244,994</u>		<u>3.48 %</u>
Total county-wide assessed valuation		<u>\$ 27,981,476,232</u>			<u>\$ 23,395,494,250</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	
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	%
2021	2020	204,482,872	204,496,057	99.9	%	47,092	204,543,149	99.9	%



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	
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 %	3.1 %	1,629	
2019*	273,169,328	55,808,592	328,977,920	1.25 %	2.6 %	1,385	
2020*	380,695,049	50,249,706	430,944,755	1.58 %	N/A %	1,797	
2021*	347,174,304	50,425,820	397,600,124	1.42 %	N/A %	1,639	

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
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	4.2 %	2,184
2019*	-	194,866,255	6,750,000	201,616,255	3,992	530,594,175	4.2 %	2,234
2020*	-	160,269,930	-	160,269,930	3,084	591,214,685	N/A %	2,465
2021*	-	482,992,769	-	482,992,769	9,022	880,592,893	N/A %	3,629

\* - Includes unamortized premiums.

Table 13

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

<b>Fiscal Year</b>	<b>General Obligation Debt</b>		
	<b>Total General Obligation Debt</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Debt Per Capita</b>
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
2021	347,174,304	1.24 %	1,431

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed value of taxable property (in 000's)	\$ 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	\$ 27,981,476
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	<u>1,871,639,520</u>	<u>1,890,865,520</u>	<u>1,970,371,600</u>	<u>1,973,204,720</u>	<u>1,903,742,804</u>	<u>1,966,341,124</u>	<u>2,032,455,440</u>	<u>2,098,662,160</u>	<u>2,165,181,120</u>	<u>2,238,518,080</u>
Gross debt										
General obligation debt	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	321,833,000
Authorized and unissued	-	-	-	-	-	104,320,000	54,320,000	54,320,000	-	-
Certificates of Participation	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	41,880,000
Installment Financing	6,931,484	6,052,309	5,138,489	4,188,659	3,201,399	2,175,234	1,108,633	-	-	5,600,000
NC Clean Water Revolving Loan	13,168,483	12,184,787	11,201,090	10,217,393	9,233,697	8,250,000	7,500,000	6,750,000	-	-
	<u>512,154,967</u>	<u>485,377,096</u>	<u>452,549,579</u>	<u>418,061,052</u>	<u>380,545,096</u>	<u>450,630,234</u>	<u>416,678,633</u>	<u>371,245,000</u>	<u>399,533,000</u>	<u>369,313,000</u>
Less: Sewer bonds issued and outstanding	(871,877)	(329,777)	(191,542)	(55,113)	-	-	-	-	-	-
NC Clean Water Revolving Loan	<u>(13,168,483)</u>	<u>(12,184,787)</u>	<u>(11,201,090)</u>	<u>(10,217,393)</u>	<u>(9,233,697)</u>	<u>(8,250,000)</u>	<u>(7,500,000)</u>	<u>(6,750,000)</u>	<u>-</u>	<u>-</u>
	<u>(14,040,360)</u>	<u>(12,514,564)</u>	<u>(11,392,632)</u>	<u>(10,272,506)</u>	<u>(9,233,697)</u>	<u>(8,250,000)</u>	<u>(7,500,000)</u>	<u>(6,750,000)</u>	<u>-</u>	<u>-</u>
Total amount of debt applicable to debt limit	<u>498,114,607</u>	<u>472,862,532</u>	<u>441,156,947</u>	<u>407,788,546</u>	<u>371,311,399</u>	<u>442,380,234</u>	<u>409,178,633</u>	<u>364,495,000</u>	<u>399,533,000</u>	<u>369,313,000</u>
Legal debt margin	<u>\$ 1,373,524,913</u>	<u>\$ 1,418,002,988</u>	<u>\$ 1,529,214,653</u>	<u>\$ 1,565,416,174</u>	<u>\$ 1,532,431,405</u>	<u>\$ 1,523,960,890</u>	<u>\$ 1,623,276,807</u>	<u>\$ 1,734,167,160</u>	<u>\$ 1,765,648,120</u>	<u>\$ 1,869,205,080</u>
Legal debt margin as a percentage of the debt limit	73.39%	74.99%	77.61%	79.26%	80.50%	82.81%	79.87%	82.63%	81.55%	83.50%

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.
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	16,476,867	13,902,347	6,075,579	4,628,653	1,872,481	6,501,134	7,426,865	2.69	2.14
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
2021	72,390,813	33,187,769	39,203,044	n/a	7,411,300	-	7,411,300	8,893,560	4.41	5.29

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**

<b>Fiscal Year</b>	<b>Revenues</b>	<b>Current Expenses</b>	<b>Net Revenues Available for Debt Service</b>	<b>Revenue Bond Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2012	\$ 30,976,060	\$ 16,476,867	\$ 14,499,193	\$ 2,695,000	\$ 2,115,493	3.01
2013	30,379,214	16,476,867	13,902,347	2,700,000	2,115,493	2.89
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
2021	72,390,813	33,187,769	39,203,044	4,390,000	3,021,300	5.29

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)
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	49,709	42,000	4.0 %	2,018,468
2018	231,366	12,216,381	51,802	41,500	3.6 %	2,068,107
2019	237,477	12,812,641	53,417	41,372	3.9 %	2,191,524
2020	239,859	n/a	n/a	41,395	7.2 %	2,326,821
2021	242,657	n/a	n/a	39,923	4.0 %	2,869,555

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**

<b>Employer</b>	<b>Type of Business</b>	<b>2021</b>		<b>2012</b>	
		<b>Employees</b>	<b>Rank</b>	<b>Employees</b>	<b>Rank</b>
Union County Schools	Educational Services	1,000+	1	1,000+	1
County of Union	Public Administration	1,000+	2	1,000+	5
Harris Teeter	Retail Trade	1,000+	3	1,000+	6
Tyson Farms Inc	Manufacturing	1,000+	4	1,000+	2
TYD Industries	Manufacturing	1,000+	5	1,000+	4
Walmart Associates Inc.	Retail Trade	500-999	6	500-999	7
Wingate Univeristy	Educational Services	500-999	7	500-999	9
Food Lion	Retail Trade	500-999	8	250-499	-
Pilgrims Pride Corporation	Manufacturing	500-999	9	500-999	10
City of Monroe	Public Administration	500-999	10	500-999	8
Union Memorial Medical Center	Education & Health Services			1,000+	3

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities:</b>										
General government										
Board of Commissioners	5.0	5.0	5.0	5.0	2.1	2.1	2.1	2.1	2.1	1.1
Central Administration	6.1	7.1	7.1	8.1	5.0	4.5	4.5	4.8	2.8	4.5
Internal Audit	1.0	-	-	-	-	-	-	-	-	-
Legal	3.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	7.0
Personnel	6.0	6.0	6.0	8.1	8.1	9.1	9.1	9.1	10.3	10.3
Finance	8.0	8.8	8.8	8.8	8.8	9.8	9.8	10.9	13.9	9.0
Budget	-	-	-	-	-	-	-	-	-	5.0
Tax Administration	42.5	46.7	47.8	48.7	48.7	50.4	50.9	52.9	54.4	54.4
Elections	18.8	12.7	12.7	12.8	18.1	17.1	13.1	15.5	18.8	20.7
Register of Deeds	9.1	10.5	10.5	10.5	10.5	10.6	10.5	11.4	11.4	12.4
Information Systems (and GIS)	10.0	10.1	10.1	11.1	11.1	12.1	13.1	15.2	14.3	19.2
Public Communications	-	-	-	-	-	-	-	-	5.0	6.0
General Services	10.0	-	-	-	-	-	-	-	-	-
Procurement	-	-	3.0	4.1	5.1	5.1	5.2	5.2	5.2	5.4
Fleet Management	-	-	-	-	-	-	-	-	5.0	5.0
Property Management	-	-	4.0	4.0	5.1	5.1	13.1	15.1	18.5	21.5
Outside Agencies - DWI Treatment Coordinator	-	-	-	-	-	-	1.0	1.0	1.0	1.0
Public safety										
Law Enforcement (and AC)	262.3	284.5	284.9	284.8	295.9	300.6	308.9	325.2	328.8	332.8
Communications	42.1	43.4	42.8	42.2	42.2	50.0	54.0	52.0	52.4	53.3
Emergency Management	3.0	2.3	1.3	1.3	1.3	1.3	1.3	1.6	2.4	2.3
Fire Services	5.0	4.3	4.3	4.3	5.3	4.3	5.3	7.6	7.4	7.3
Building Code Enforcement	12.0	17.8	18.8	18.9	18.9	19.8	19.8	26.0	27.6	29.1
Economic and physical development										
Planning	4.0	4.3	4.3	5.3	5.3	6.3	6.3	3.2	4.2	4.0
Economic Development	-	-	-	-	-	-	-	-	-	-
Cooperative Extension	10.0	9.8	9.9	11.7	12.3	12.4	14.4	14.4	15.1	17.4
Soil Conservation	1.0	1.0	1.0	1.5	2.0	2.0	2.0	2.0	2.0	3.0
Human services										
Human Services Administration	-	-	-	-	-	-	-	-	-	54.9
Community Support & Outreach	-	-	-	-	-	-	-	32.9	35.5	40.0
Environmental Health	-	-	-	-	-	-	-	25.7	27.5	27.5
Public Health	93.2	90.1	90.1	90.4	90.4	95.7	94.4	72.8	89.0	70.3
Social Services	188.1	193.6	194.1	200.1	216.1	231.6	225.9	252.6	281.5	240.0
Transportation	30.0	34.6	34.6	34.6	36.0	37.0	60.0	35.7	36.4	35.1
Veterans' Services	3.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.1	5.0
Cultural and recreational										
Library	54.6	55.1	53.8	54.0	54.0	54.0	55.0	53.7	53.9	57.0
Parks and Recreation	23.7	24.2	24.2	24.3	24.7	25.7	26.8	27.5	28.3	28.3
<b>Sub-total</b>	<b>853</b>	<b>880</b>	<b>887</b>	<b>903</b>	<b>935</b>	<b>975</b>	<b>1,014</b>	<b>1,084</b>	<b>1,164</b>	<b>1,190</b>
<b>Business-type activities:</b>										
Water and Sewer	93.6	104.8	84.80	88.0	93.9	99.9	116.5	129.4	143.8	153.4
Solid Waste	18.8	19.4	19.50	21.0	20.6	21.6	22.4	22.5	27.9	31.9
Stormwater	2.1	2.1	2.10	2.0	1.0	-	-	-	-	-
<b>Sub-total</b>	<b>115</b>	<b>126</b>	<b>106</b>	<b>111</b>	<b>116</b>	<b>122</b>	<b>139</b>	<b>152</b>	<b>172</b>	<b>185</b>
<b>Total</b>	<b>968</b>	<b>1,006</b>	<b>994</b>	<b>1,014</b>	<b>1,051</b>	<b>1,096</b>	<b>1,153</b>	<b>1,236</b>	<b>1,335</b>	<b>1,375</b>



Table 20

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Government:</b>										
Personnel										
Number of full-time employees	790	822	821	820	864	864	898	951	1,013	1,048
Number of part-time employees	50	56	66	83	72	98	106	157	159	123
Elections										
Number of registered voters	129,821	136,500	139,836	138,597	145,645	148,448	154,300	150,789	160,261	159,957
Information Systems (and GIS)										
Number of users in system	1,230	1,313	1,397	1,239	1,242	1,257	1,883	1,772	1,815	1,828
General Services										
Number of vehicle service requests	1,031	1,113	1,721	3,805	4,501	4,629	4,462	4,552	4,518	4,683
Fire Services										
Number of volunteer fire personnel	550	550	550	500	500	500	500	500	500	500
Number of inspections	2,057	2,640	2,136	1,196	1,106	906	1,172	1,798	1,375	1,079
Human services										
Public Health										
Number of patients	11,952	9,408	8,237	8,142	6,786	10,198	8,904	6,497	4,382	3,664
Number of visits	23,869	23,650	20,729	20,681	15,716	17,508	15,099	12,728	10,667	9,211
Social Services										
Number of client visits	57,985	57,351	49,722	48,786	47,064	53,125	58,693	58,803	44,275	50,589
Transportation and Nutrition										
Number of trips	78,156	84,623	84,533	77,784	74,176	75,342	69,402	79,674	1,417	67,437
Congregate, home delivered and supplemental meals	71,276	69,835	60,968	68,573	70,497	75,134	71,963	66,978	101,619	146,204
Veterans Services										
Number of visitors	3,178	3,451	3,479	3,598	3,652	3,576	3,556	3,628	3,048	1,956
Number of phone calls	11,907	12,374	12,564	11,734	12,166	11,047	11,215	12,472	12,464	11,336
Cultural and recreational										
Library										
Number of volumes	225,174	225,788	225,181	212,961	207,748	190,370	166,742	145,582	149,573	145,944
Education										
Number of licensed employees	2,555	3,192	3,117	2,928	N/A	2,976	2,603	3,111	3,117	2,873
Number of students	40,359	40,958	42,047	41,266	41,780	42,000	41,500	41,300	41,395	41,500
<b>Business-type Activities:</b>										
Personnel										
Number of full-time employees	109	109	100	100	109	107	126	137	155	167
Number of part-time employees	6	17	6	11	7	18	21	18	18	16
Water and Sewer										
Average daily consumption in gallons (in 000's)	11,280	11,100	11,740	12,460	13,100	13,880	13,870	14,160	14,228	14,206
Number of water service connections	41,147	42,406	43,828	45,095	46,236	47,489	49,363	50,509	51,961	53,537
Number of sewer service connections	29,110	30,306	31,597	32,688	33,632	34,711	36,402	37,319	38,834	40,169

Source: Various county departments

Table 21

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Government:</b>										
Tax Administration										
Number of tax parcels	108,297	108,297	109,941	110,998	113,574	118,525	117,378	118,431	125,580	133,457
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	318	318	N/A	N/A	332	335	278	284	299	299
Fire Services										
Number of stations-main	18	18	18	17	17	17	17	17	17	17
Number of stations-sub	7	7	7	8	8	8	8	8	8	8
Cultural and recreational										
Library										
Number of libraries	4	4	4	4	4	4	4	4	4	4
Parks and Recreation										
Number of parks	3	3	3	3	3	3	3	3	3	3
Number of acres in parks	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,290
Number of acres in lakes	350	350	350	350	350	350	350	350	350	350
Education										
Number of schools	53	53	53	53	53	53	53	53	53	53
Number of classrooms	2,322	2,322	1,902	1,902	N/A	2,379	2,075	2,084	2,084	2,084
<b>Business-type activities:</b>										
Water and Sewer										
Number of fire hydrants	4,579	4,571	4,638	4,736	4,843	4,964	5,041	5,096	5,189	5,279
Miles of water mains	980	980	993	1,020	1,043	1,065	1,082	1,095	1,114	1,132
Miles of sewer mains	607	610	620	640	663	684	698	708	727	741

Source: Various county departments

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# Compliance Section

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**Independent Auditor’s Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance with  
*Government Auditing Standards***

The Board of County Commissioners  
Union County  
Monroe, North Carolina

We have audited, 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, the 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, 2021, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated November 5, 2021. Our report includes a reference to other auditors who audited the financial statements of the Catawba River Water Supply Project, as described in our report on the County’s financial statements. This report does not include the results of other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* as item 2021-01 that we consider to be a significant deficiency.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters<sup>6</sup> that are required to be reported under *Government Auditing Standards*.

## **County's Response to Findings**

The Union County's responses to the finding identified in our audit are described in the accompanying *Schedule of Findings and Questioned Costs*. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of This Report**

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

A handwritten signature in cursive script that reads "Elliott Davis, PLLC".

Raleigh, North Carolina  
November 5, 2021



**Independent Auditor’s Report on Compliance for Each Major Federal Program;  
Report on Internal Control over Compliance; In accordance with OMB Uniform Guidance and the State Single  
Audit Implementation Act**

The Board of County Commissioners  
Union County  
Monroe, North Carolina

**Report on Compliance for Each Major Federal Program**

We have audited Union County, North Carolina’s (the “County”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County’s major federal programs for the year ended June 30, 2021. The County’s major federal programs are identified in the summary of auditor’s results section of the accompanying *Schedule of Findings and Questioned Costs*.

**Management’s Responsibility**

Management is responsible for compliance with Federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of the County’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, described in the accompanying *Schedule of Findings and Questioned Costs* as items 2021-002, 2021-003, 2021-004 and 2021-005 that we consider to be significant deficiencies.

Union County's response to the internal control over compliance findings identified in our audit are described in the accompanying *Schedule of Findings and Questioned Costs*. Union County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



Raleigh, North Carolina  
November 5, 2021



**Independent Auditor’s Report on Compliance for Each Major State Program;  
Report on Internal Control over Compliance; In accordance with OMB Uniform Guidance and the State Single  
Audit Implementation Act**

The Board of County Commissioners  
Union County  
Monroe, North Carolina

**Report on Compliance for Each Major State Program**

We have audited Union County, North Carolina’s (the “County”) compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the County’s major state programs for the year ended June 30, 2021. The County’s major state programs are identified in the summary of auditor’s results section of the accompanying *Schedule of Findings and Questioned Costs*.

**Management’s Responsibility**

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of Union County’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Union County’s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the County’s compliance.

**Opinion on Each Major State Program**

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

## Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying *Schedule of Findings and Questioned Costs* as items 2021-002 and 2021-005 that we consider to be significant deficiencies.

Union County's response to the internal control over compliance finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. Union County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



Raleigh, North Carolina  
November 5, 2021

**I. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None reported

Noncompliance material to the financial statements noted?  Yes  No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance 2 CFR 200.516(a):  Yes  No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.551, 10.561	Food and Nutrition Services Cluster
20.507	Federal Transit Cluster
21.019	Coronavirus Relief Fund
21.027	Coronavirus State and Local Fiscal Recovery
93.558	Temporary Assistance for Needy Families
93.563	Child Support Enforcement
93.568	Low Income Home Energy Assistance
93.658	Foster Care Title IV-E
93.778	Medicaid Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 889,521

Auditee qualified as low-risk auditee? No

**State Awards**

Internal control over major programs:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act:  Yes  No

**I. SUMMARY OF AUDITOR'S RESULTS, Continued**

***State Awards, Continued***

Identification of major state programs:

Public School Building Capital Fund  
Juvenile Crime Prevention Program

Other major state programs include Medical Assistance Program (Medicaid Cluster), Federal Transit Cluster and Foster Care Title IV-E which has a state match on the federal programs. Therefore, these programs have been included in the list of major federal programs above.

**II. FINANCIAL STATEMENT FINDINGS**

**2021-001: Significant Deficiency – Deficit Fund Balance of Individual Fund**

***Criteria or specific requirement:*** G.S. 159-26 states that the Local Government Commission may prescribe rules and regulations to the financial operations of local governments. The Local Government Commission has stated in various memos that local governments shall not operate funds at a deficit.

***Conditions:*** The Health Benefits Fund reported a negative fund balance at June 30, 2021 totaling \$1,605,436.

***Effect:*** The County was in violation of Local Government Commission guidelines.

***Cause:*** The County experienced volatility in health claims during FY 2021. The Union County Health Benefit Fund pays health and dental claims administered as a self-insurance program. The Covid pandemic and unforeseen medical claims drove the cost of claims up significantly during FY 2021 compared to prior fiscal years. The incurred but not reported claims doubled in FY 2021 compared to FY 2020.

***Recommendation:*** We recommend the County address the deficit fund balance either by addressing the need for additional revenue or other financing sources to cover increased expenditures caused by rising health care costs.

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Finding 2021-002, Significant Deficiencies over Eligibility**

***Information on the federal program:*** Medicaid Cluster (Medicaid), CFDA 93.778, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Medical Assistance.

***Criteria or specific requirement:*** Per the North Carolina Medicaid Assistance Program (Medicaid; Title XIX) Compliance Supplement and the DSS manuals (Aged, Blind and Disabled manual, Family and Children Medicaid manual and the Integrated Policy manual), case files for individuals or families receiving assistance are required to retain documentation to evidence appropriate eligibility determination, including:

- accurate record of household members and relationships
- accurate computation of countable income
- non-custodial parent information

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, Continued**

**Finding 2021-002, Significant Deficiencies over Eligibility, Continued**

- complete verification of electronic matches (SOLQ OVS/ OLV, Bendex OVS/OLV, SDX OVS, ESC OVS, and ACTS OVS)
- verification of earned income

**Conditions:** We noted that in seven instances, the case record did not contain evidence that the

household and relationship information to verify household composition. In two instances, the total countable income was not recorded accurately into NC FAST based upon documentation in the case record. In one instance, the case record did not contain non-custodial parent information. In two instances, the case record did not contain complete electronic matches (SOLQ OVS/ OLV, Bendex OVS/OLV, SDX OVS, ESC OVS, and ACTS OVS). In two instances, the information conversion and computation was not properly done.

**Context:** We sampled 93 payments from a total population of 3,175,667 payments made to the participants during the fiscal year. We noted the above condition in 14 of the 93 case files inspected for applicable payments.

**Effect:** Case files not containing all required documentation results in a risk that the County could provide services to individuals not eligible to receive such services or that such services could be denied to eligible individuals. Subsequent to being notified that required documentation had not been retained in case files, the County was able obtain documentation to substantiate that the applicants tested were eligible to receive benefits.

**Cause:** The County did not retain required documentation in case files at the time eligibility was determined.

**Recommendation:** We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures in place to ensure that all eligibility determination documentation is completed and retained by the County.

**Finding 2021-003, Significant Deficiency over Eligibility**

**Information on the federal program:** Low Income Home Energy Assistance, CFDA 93.568, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Social Services.

**Criteria or specific requirement:** Per the North Carolina Low-Income Energy Assistance Program Compliance Supplement, local agencies must accurately record the household's income and the case file needs to contain the Eligibility worksheet. All Crisis Intervention Program case records must include a copy of the Rights and Responsibilities page with the applicant's signature and any other documents used to determine eligibility.

**Condition:** We noted in one instance, the wage verification does not agree to what was entered in NCFAST. In one instance, the rights and responsibilities page of the application was not signed by the applicants. In three instances, the income verification was not located in the case file.

**Context:** We sampled 60 case files of a total of 1,848 cases. We noted the above condition in 5 of the 60

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, Continued**

**Finding 2021-003, Significant Deficiency Over Eligibility, Continued**

inspected files.

**Effect:** Ineligible individuals could receive benefits due to insufficient verification of information by a caseworker. Subsequent to being notified that income verification documentation had not been retained in case files, the County was able to obtain documentation to substantiate that the applications tested were eligible to receive benefits.

**Cause:** Internal controls are not in place to ensure the proper documentation and verification is completed and a DSS caseworker reviews the documentation.

**Recommendation:** We recommend that the County continue to train and monitor employees on the eligibility application process to ensure eligibility procedures are completed appropriately and are reviewed by the DSS caseworker and retained by the County.

**Finding 2021-004, Significant Deficiency over Special Provisions**

**Information on the federal program:** Low Income Home Energy Assistance, CFDA 93.568, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Social Services.

**Criteria or specific requirement:** Per the North Carolina Low-Income Home Energy Assistance Compliance Supplement and Energy Programs Manual published by the Division of Social Services, households denied assistance or do not receive reasonably prompt assistance must have an opportunity for a hearing. NC FAST policy acknowledges denials to be marked sent to confirm notice delivered.

**Condition:** We noted that in three instances, denial notification was not marked send in NC FAST.

**Context:** We sampled 40 case files of a total of 986 cases. We noted the above condition in 3 of the 40 inspected files.

**Effect:** The potential client did not receive adequate time to apply for a hearing.

**Cause:** Internal controls were not in place to ensure the Approval/ Denial Notice for DSS 8107 is sent in NC FAST.

**Recommendation:** We recommend that the County continue to train and monitor employees on NCFast to ensure notifications are appropriately sent by the DSS caseworker.

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, Continued**

**Finding 2021-005, Significant Deficiency over Eligibility**

**Information on the federal program:** Foster Care and Adoption Cluster, CFDA 93.556 and 93.658, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Social Services.

**Criteria or specific requirement:** Per Form 5120 - Determination of Foster care Assistance Benefits and/or Medical Assistance Only, supervisor should sign and verify eligibility only after Income Maintenance Caseworker has verified AFDC need in Part V.

**Condition:** We noted that in two instances, the Income Maintenance Caseworker signed to verify AFDC later than the Supervisor signed off to review.

**Context:** We sampled 40 case files of a total of 6,480 cases. We noted the above condition in 2 of the 40 inspected files.

**Effect:** Supervisors reviewing and signing off the eligibility determination prior to the Income Maintenance Caseworker results in a risk that the eligibility was determined based on incomplete AFDC need verification, that the County could provide services to individuals not eligible to receive such services or that such services could be denied to eligible individuals. Based on the cases tested there were no instances of benefits received by ineligible parties.

**Cause:** Proper internal controls are not in place to ensure the AFDC need verification is completed before the Supervisor verifies eligibility.

**Recommendation:** We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures in place to ensure that all eligibility determination documentation is completed on time.

**IV. STATE AWARD FINDINGS AND QUESTIONED COSTS**

Findings 2021-002 and 2021-005 as listed in Section III *Federal Award Findings and Questioned Costs* are also considered to be state award findings.

**Corrective Action Plan  
Union County Audit Findings  
June 30, 2021**

**Responsible Parties: Michelle Lancaster, Deputy County Manager, Human Services Director  
Beverly Liles, Finance Director**

**Finding 2021-001: Significant Deficiency, Deficit Fund Balance of Individual Fund**

**Criteria or specific requirement:** G.S. 159-26 states that the Local Government Commission may prescribe rules and regulations to the financial operations of local governments. The Local Government Commission has stated in various memos that local governments shall not operate funds at a deficit.

**Conditions:** The Health Benefits Fund reported a negative fund balance at June 30, 2021 totaling \$1,605,436.

**Effect:** The County was in violation of Local Government Commission guidelines.

**Cause:** The County experienced volatility in health claims during FY 2021. The Union County Health Benefit Fund pays health and dental claims administered as a self-insurance program. The Covid pandemic and unforeseen medical claims drove the cost of claims up significantly during FY 2021 compared to prior fiscal years. The incurred but not reported claims doubled in FY 2021 compared to FY 2020.

**Recommendation:** We recommend the County address the deficit fund balance either by addressing the need for additional revenue or other financing sources to cover increased expenditures caused by rising health care costs.

**View of responsible officials:** The County agrees with this finding.

**Recommendation:** We recommend the County address the deficit fund balance either by addressing the need for additional revenue or other financing sources to cover increased expenditures caused by rising health care costs

**Response/Corrective Action**

A health fund reserve and funding policy was adopted on May 18, 2021 by the County's Management Team. The reserve policy is designed to provide guidance to the County's Management Team, Fiscal and Human Resource staff in establishing the Health Benefit Fund funding methodology and fund balance reserve target that is sufficient to fund plan liabilities, protect the fiscal integrity of the Health Benefit Fund and maintain a reasonable premium equivalent rate for both the employees, retirees and the employer.





## Schedule 72 (continued)

Ongoing collaboration between County Management, Budget, Finance and Human Resources staff will be enhanced to ensure that best practices for self-funded insurance plans are monitored and achieved.

**Implementation Date:** Effective immediately

**U.S. Department of Health and Human Services**

**Passed through the N.C. Department of Health and Human Services Medical Assistance**

**CFDA # 93.778**

### **Finding 2021-002, Significant Deficiencies over Eligibility**

**Information on the federal program:** Medicaid Cluster (Medicaid), CFDA 93.778, U.S. Department of Health and Human Services, passed through the N.C. Department of Health and Human Services, Division of Medical Assistance.

**Criteria or specific requirement:** Per the North Carolina Medicaid Assistance Program (Medicaid; Title XIX) Compliance Supplement and the DSS manuals (Aged, Blind and Disabled manual, Family and Children Medicaid manual and the Integrated Policy manual), case files for individuals or families receiving assistance are required to retain documentation to evidence appropriate eligibility determination, including:

- accurate record of household members and relationships
- accurate computation of countable income
- non-custodial parent information
- complete verification of electronic matches (SOLQ OVS/ OLV, Bendex OVS/OLV, SDX OVS, ESC OVS, and ACTS OVS)
- verification of earned income

**Conditions:** We noted that in seven instances, the case record did not contain evidence that the household and relationship information to verify household composition. In two instances, the total countable income was not recorded accurately into NC FAST based upon documentation in the case record. In one instance, the case record did not contain non-custodial parent information. In two instances, the case record did not contain complete electronic matches (SOLQ OVS/ OLV, Bendex OVS/OLV, SDX OVS, ESC OVS, and ACTS OVS). In two instances, the information conversion and computation was not properly done.

**Context:** We sampled 93 payments from a total population of 3,175,667 payments made to the participants during the fiscal year. We noted the above condition in 14 of the 93 case files inspected for applicable payments.

**Effect:** Case files not containing all required documentation results in a risk that the County could provide services to individuals not eligible to receive such services or that such services could be denied to eligible individuals. Subsequent to being notified that required documentation had not been retained in case files, the County was able obtain documentation to substantiate that the applicants tested were eligible to receive benefits.



## Schedule 72 (continued)

**Cause:** The County did not retain required documentation in case files at the time eligibility was determined.

**Recommendation:** We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures in place to ensure that all eligibility determination documentation is completed and retained by the County.

**Response/Corrective Action:**

The contributive factors for errors cited include; need for additional training, COVID 19 illnesses, and high turnover rates within the Family and Children's Medicaid Units.

In response to the errors cited, Union County will conduct additional trainings starting December of 2021. Our case reader, after intense case reviews and combining second party results, has begun putting together trainings that will begin in the month of December. Our goal is to complete one training session per month. We will also conduct additional reviews of cases and increase our partnership with our Quality Assurance Department. In order to improve our accuracy, we have created a standard documentation template that is currently being used by all Eligibility Specialists when completing applications and recertifications.

In addition, we are working diligently to fill 4 Eligibility Specialist vacancies and one Senior Eligibility Specialist vacancy.

**Finding 2021-003, Significant Deficiency over Eligibility**

**Information on the federal program:** Low Income Home Energy Assistance, CFDA 93.568, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Social Services.

**Criteria or specific requirement:** Per the North Carolina Low-Income Energy Assistance Program Compliance Supplement, local agencies must accurately record the household's income and the case file needs to contain the Eligibility worksheet. All Crisis Intervention Program case records must include a copy of the Rights and Responsibilities page with the applicant's signature and any other documents used to determine eligibility.

**Condition:** We noted in one instance, the wage verification does not agree to what was entered in NCFAST. In one instance, the rights and responsibilities page of the application was not signed by the applicants. In three instances, the income verification was not located in the case file.

**Context:** We sampled 60 case files of a total of 1,848 cases. We noted the above condition in 5 of the 60 inspected files.

**Effect:** Ineligible individuals could receive benefits due to insufficient verification of information by a caseworker. Subsequent to being notified that income verification documentation had not been retained in case files, the County was able to obtain documentation to substantiate that the applications tested were eligible to receive benefits.



## Schedule 72 (continued)

**Cause:** Internal controls are not in place to ensure the proper documentation and verification is completed and a DSS caseworker reviews the documentation.

**Recommendation:** We recommend that the County continue to train and monitor employees on the eligibility application process to ensure eligibility procedures are completed appropriately and are reviewed by the DSS caseworker and retained by the County.

### **Response/Corrective Action**

The contributing factors for the errors cited include: lapse in training due to COVID and vacancies within the department, high rate of applications and still adapting to telephonic signature procedure.

In response to the errors cited, Union County will conduct additional trainings starting at the end of October 2021 during our regular Unit Meeting. We will continue to have training at each subsequent unit meeting to strive to be error free. We will monitor, through our Quality Assurance reviews, the information to ensure we are following correct procedure and protocols regarding eligibility and case processing of applications which include ensuring the notices are marked "Sent". Our goal is to complete the initial training at the October unit meeting. We will also conduct additional reviews of the applications we process.

**Implementation Date:** Effective immediately.

### **Finding 2021-004, Significant Deficiency over Special Provisions**

**Information on the federal program:** Low Income Home Energy Assistance, CFDA 93.568, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Social Services.

**Criteria or specific requirement:** Per the North Carolina Low-Income Home Energy Assistance Compliance Supplement and Energy Programs Manual published by the Division of Social Services, households denied assistance or do not receive reasonably prompt assistance must have an opportunity for a hearing. NC FAST policy acknowledges denials to be marked sent to confirm notice delivered.

**Condition:** We noted that in three instances, denial notification was not marked send in NC FAST.

**Context:** We sampled 40 case files of a total of 986 cases. We noted the above condition in 3 of the 40 inspected files.

**Effect:** The potential client did not receive adequate time to apply for a hearing.

**Cause:** Internal controls were not in place to ensure the Approval/ Denial Notice for DSS 8107 is sent in NC FAST.

**Recommendation:** We recommend that the County continue to train and monitor employees on NCFast to ensure notifications are appropriately sent by the DSS caseworker.



**Schedule 72**  
**(continued)**

**Response/Corrective Action**

The contributing factors for the errors cited include: lapse in training due to COVID and vacancies within the department, high rate of applications and still adapting to telephonic signature procedure.

In response to the errors cited, Union County will conduct additional trainings starting at the end of October 2021 during our regular Unit Meeting. We will continue to have training at each subsequent unit meeting to strive to be error free. We will monitor, through our Quality Assurance reviews, the information to ensure we are following correct procedure and protocols regarding eligibility and case processing of applications which include ensuring the notices are marked "Sent". Our goal is to complete the initial training at the October unit meeting. We will also conduct additional reviews of the applications we process.

**Implementation Date:** Effective immediately.

**Finding 2021-005, Significant Deficiency over Eligibility**

**Information on the federal program:** Foster Care and Adoption Cluster, CFDA 93.556 and 93.658, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Social Services.

**Criteria or specific requirement:** Per Form 5120 - Determination of Foster care Assistance Benefits and/or Medical Assistance Only, supervisor should sign and verify eligibility only after Income Maintenance Caseworker has verified AFDC need in Part V.

**Condition:** We noted that in two instances, the Income Maintenance Caseworker signed to verify AFDC later than the Supervisor signed off to review.

**Context:** We sampled 40 case files of a total of 6,480 cases. We noted the above condition in 2 of the 40 inspected files.

**Effect:** Supervisors reviewing and signing off the eligibility determination prior to the Income Maintenance Caseworker results in a risk that the eligibility was determined based on incomplete AFDC need verification, that the County could provide services to individuals not eligible to receive such services or that such services could be denied to eligible individuals. Based on the cases tested there were no instances of benefits received by ineligible parties.

**Cause:** Proper internal controls are not in place to ensure the AFDC need verification is completed before the Supervisor verifies eligibility.

**Recommendation:** We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures in place to ensure that all eligibility determination documentation is completed on time.



**Schedule 72**  
**(continued)**

**Response/Corrective Action**

In response to the errors cited, Union County will conduct additional training with Child Welfare Staff and Supervisors regarding completion of the 5120, specifically with regards to determining funding eligibility prior to the eligibility determination being completed. The internal policy for completing 5120's will be reviewed and updated as needed, and review of this document will be completed with all Child Welfare Staff.

This item will also be added to our internal IV-E/State audit tool to ensure there are proper internal controls to find errors if they are made.

***Implementation Date:*** Effective immediately



## Schedule 73

### **Schedule of Prior Year Audit Findings Union County June 30, 2021**

#### **Finding: 2020-001**

Condition: In eight instances, the case record did not contain evidence of household and relationship information to verify household composition. In one instance, the case file did not contain evidence to verify the individual's date of birth. In four instances, the case file did not contain noncustodial parent information. In one instance, the Employment Security Commission (ESC) OVS was not completed to verify the individual's earned income. In five instances, the total countable income was not recorded accurately into NC FAST based upon documentation in the case record. In two instances, SOLQ OVS/ OLV, Bendex OVS/OLV, SDX OVS, ESC OVS, and ACTS OVS were not completed to verify the individual's unearned income.

Current status: This finding has been repeated as a significant deficiency as current year finding number 2021-001.

Union County, North Carolina  
**Schedule of Expenditures of Federal and State Awards**  
 For the Year Ended June 30, 2021

**Schedule 74**

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures	Total Expenditures	Passed-through to Subrecipients
<b>FEDERAL AWARDS:</b>							
<u>U.S. DEPARTMENT OF AGRICULTURE</u>							
Passed-through N.C. Department of Health and Human Services:							
Division of Social Services:							
Administration:							
<u>Supplemental Nutrition Assistance Program (SNAP) Cluster</u>							
SNAP - Cash Incentive Retention	10.551		\$ 2,266	\$ -	\$ -	\$ 2,266	\$ -
DSNAP	10.561		12	-	12	24	-
State Administrative Matching Grants for the SNAP Program	10.561		1,994,930	-	2,005,956	4,000,886	-
Total Passed-through N.C. Department of Health and Human Services: Food Stamp Cluster			1,997,208	-	2,005,968	4,003,176	-
Passed-through N.C. Department of Health and Human Services:							
Division of Public Health:							
Administration:							
Special Supplemental Nutrition Program for							
Women, Infants and Children-Client Services	10.557	13A2-5403-GB	238,854	-	222,414	461,268	-
Women, Infants and Children-Client Services	10.557	13A2-5403-4V	25,074	-	27,906	52,980	-
Women, Infants and Children-Client Services	10.557	13A2-5403-GA	76,220	-	84,682	160,902	-
Women, Infants and Children-Nutrition Education	10.557	13A2-5404-GB	119,270	-	164,235	283,505	-
Women, Infants and Children-Nutrition Education	10.557	13A2-5404-GA	25,072	-	43,854	68,926	-
Women, Infants and Children-Nutrition Education	10.557	13A2-5404-4V	25,551	-	44,693	70,244	-
Women, Infants and Children-General Admin	10.557	13A2-5405-GB	38,465	-	46,678	85,143	-
Women, Infants and Children-General Admin	10.557	13A2-5405-GA	9,327	-	9,781	19,108	-
Women, Infants and Children-General Admin	10.557	13A2-5405-4V	4,275	-	4,483	8,758	-
Women, Infants and Children-Breast Feeding	10.557	13A2-5409-4V	2,054	-	3,784	5,838	-
Women, Infants and Children-Breastfeeding Promotion and Support	10.557	13A2-5409-GB	8,868	-	16,338	25,206	-
Women, Infants and Children-Breastfeeding Promotion and Support	10.557	13A2-5409-GA	1,518	-	2,798	4,316	-
Women, Infants and Children-Breast Feeding Peer Counseling	10.557	13A2-570E-JQ	13,225	-	13,864	27,089	-
Women, Infants and Children-Breast Feeding Peer Counseling	10.557	13A2-570D-JQ	3,576	-	3,749	7,325	-
Women, Infants and Children-Breast Feeding Peer Counseling	10.557	13A2-570C-JQ	1,199	-	1,256	2,455	-
Total Passed-through N.C. Dept. of Health and Human Services: Division of Public Health			592,548	-	690,515	1,283,063	-
Division of Natural Resources Conservation Service							
EWP Event 5038 (Hurricane Florence)	10.923		30,951	10,301	-	41,252	-
Total U.S. Department of Agriculture			2,620,707	10,301	2,696,483	5,327,491	-
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>							
Department of Housing and Urban Development							
Community Development Block Grant	14.218	B-16UC-37-0004	-	-	-	-	-
Community Development Block Grant	14.218	B-17UC-37-0004	41,835	-	-	41,835	-
Community Development Block Grant	14.218	B-18UC-37-0004	143,358	-	-	143,358	-
Community Development Block Grant	14.218	B-19UC-37-0004	612,984	-	-	612,984	-
Community Development Block Grant	14.218	B-20-UW-0004	325,114	-	-	325,114	-
Community Development Block Grant	14.218	B-20UC-37-0004	666,109	-	-	666,109	-
Total U.S. Department of Housing and Urban Development			1,789,400	-	-	1,789,400	-
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>							
Passed-through N. C. Department of Crime Control and Public Safety:							
Division of Emergency Management:							
Homeland Security Grant Program	97.067	EMW-2019-SS-00057	55,000	-	-	55,000	-
Disaster Grants - Public Assistance	97.036	FEMA-4393-DR-NC	10,069	3,356	-	13,425	-
Emergency Management Performance Grant	97.042	EMPG-2016-31719	81,253	-	-	81,253	-
Total U.S. Department of Homeland Security			\$ 146,322	\$ 3,356	\$ -	\$ 149,678	\$ -

Continued on next page.

Union County, North Carolina  
**Schedule of Expenditures of Federal and State Awards**  
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**Schedule 74**  
 (Continued)

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures	Total Expenditures	Passed-through to Subrecipients
<b>FEDERAL AWARDS (CONTINUED):</b>							
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>							
Federal Transit Administration:							
Passed-through N. C. Department of Transportation:							
Department of Transportation:							
DHHS Coronavirus Aid, Relief and Economic Security	21.019	21-DH-029	\$ 33,832	\$ -	\$ -	\$ 33,832	\$ -
Formula Grants for Rural Areas	20.509	21-CT-089 Admin	54,194	3,387	-	57,581	-
Formula Grants for Rural Areas	20.509	21-CT-089 Capital	155,347	19,418	-	174,765	-
Formula Grants for Rural Areas - CARES	20.509	20-CA-089 Operating	573,661	-	-	573,661	-
Formula Grants for Other than Urbanized Areas	20.509	20-CT-089 Admin	80,315	5,019	-	85,334	-
Highway Safety Cluster:							
National Priority Safety Programs	20.616	M5HVE-2020-15-04	56,815	-	-	56,815	-
State and Community Highway Safety	20.600	PT-2021-06-25	51,613	-	-	51,613	-
Total Highway Safety Cluster			108,428	-	-	108,428	-
Transit Services Program Cluster:							
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513		126,211	-	-	126,211	-
Total Transit Services Program Cluster:			126,211	-	-	126,211	-
Federal Transit Cluster:							
Federal Transit Formula Grants	20.507	21-CS-089 Operating	259,335	-	-	259,335	-
Federal Transit Formula Grants	20.507	18-LU-089	985	-	-	985	-
Federal Transit Formula Grants	20.507	20-SU-089 Capital	6,910	-	-	6,910	-
Federal Transit Formula Grants	20.507	20-SU-089 Operating	260,854	-	-	260,854	-
Total Federal Transit Cluster			528,084	-	-	528,084	-
Total U.S. Department of Transportation			1,660,072	27,824	-	1,687,896	-
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>							
Administration of Aging:							
Division of Aging and Adult Services:							
Passed-through Centralina Council of Governments:							
Aging Cluster:							
Nutrition Services Incentive Program	93.053		32,045	-	-	32,045	-
Grants for Supportive Services and Senior Center	93.044		465,132	348,588	-	813,720	-
SSBG	93.667		45,514	1,300	-	46,814	-
Families First	93.045		117,928	-	-	117,928	-
Nutrition Services	93.045		92,429	56,103	-	148,532	-
Administration of Aging: Aging Cluster			753,048	405,991	-	1,159,039	-
Administration for Children and Families:							
Division of Social Services:							
Passed-through N.C. Department of Health and Human Services:							
Foster Care and Adoption Cluster:							
Title IV-E Foster Care Training	93.658		1,603	-	534	2,137	-
Title IV-E Foster Care Officer Training	93.658		432,444	-	432,444	864,888	-
Title IV-E Foster Care	93.658		64	-	64	128	-
COVID Foster Care Stipend	21.019		62,800	-	-	62,800	-
IV-E Eligibility Determination	93.568		65	-	65	130	-
IV-E Max Level III	93.658		14,097	-	-	14,097	-
IV-E Foster Care and Extend Max	93.658		153,934	33,648	21,747	209,329	-
IV-E Foster Care and Extend Reg	93.658		291,183	59,459	45,357	395,999	-
IV-E Admin County Paid to CCI	93.658		89,136	44,568	44,568	178,272	-
IV-E Family Foster Care Max	93.658		2,490	-	-	2,490	-
IV-E Child Protective Services	93.658		174,987	94,560	80,427	349,974	-
Title IV-E Foster Care Officer Training - ADO	93.659		50,144	-	50,144	100,288	-
Title IV-E Optional Adoption Training	93.659		7,972	-	7,972	15,944	-
Total Foster Care and Adoption Cluster			1,280,919	232,235	683,322	2,196,476	-
Temporary Assistance for Needy Families (TANF) Cluster:							
Adoption/Foster Care	93.558		42,913	-	-	42,913	-
Special Children Adoption	93.558		4,643	254,752	-	259,395	-
TANF Administration	93.558		128,298	-	-	128,298	-
TANF Services	93.558		1,367,037	-	-	1,367,037	-
Work First Administration	93.558		-	-	276,761	276,761	-
Work First Service	93.558		-	-	1,272,975	1,272,975	-
Total TANF Cluster			\$ 1,542,891	\$ 254,752	\$ 1,549,736	\$ 3,347,379	\$ -

Continued on next page.



Union County, North Carolina  
**Schedule of Expenditures of Federal and State Awards**  
For the Year Ended June 30, 2021

**Schedule 74**  
(Continued)

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures	Total Expenditures	Passed-through to Subrecipients
<b>FEDERAL AWARDS (CONTINUED):</b>							
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)</u>							
Administration for Children and Families:							
Division of Social Services:							
Passed-through N.C. Department of Health and Human Services:							
Family Preservation	93.556		\$ 31,862	\$ -	\$ -	\$ 31,862	\$ -
NC Child Support Enforcement	93.563		1,247,188	-	-	1,247,188	-
Direct Benefit Payments:							
Refugee Assistance Administration	93.566		7,467	-	-	7,467	-
Child Welfare Services:							
Permanency Planning-Regular	93.645		7,991	-	2,664	10,655	-
Permanency Planning-Special	93.645		48,448	-	16,149	64,597	-
LINKS	93.674		6,870	1,718	-	8,588	-
LINKS-Independent Living/Transitional Funds	93.674		2,659	-	-	2,659	-
Low Income Home Energy Assistance Block Grant:							
Administration	93.568		438,177	-	-	438,177	-
Crisis Intervention Program	93.568		185,295	-	-	185,295	-
Covid-19 Administration	93.568		32,676	-	-	32,676	-
Covid-19	93.568		218,619	-	-	218,619	-
SSBG - In Home Services Fund	93.667		2,230	-	319	2,549	-
SSBG - In Home Services Over 60	93.667		459	-	66	525	-
SSBG - Adult Day Care	93.667		11,604	9,665	3,038	24,307	-
SSBG - Adult Day Care Over 60	93.667		35,182	6,974	6,022	48,178	-
SSBG - Adult Day Care Professional Services	93.667		5,860	-	9,701	15,561	-
SSBG - Other Services and Training	93.667		481,242	-	156,807	638,049	-
Total Division of Social Services			5,587,639	505,344	2,427,824	8,520,807	-
Subsidized Child Care Cluster:							
Subsidized Child Care Cluster:							
Child Care Development Fund Cluster:							
Child Care Development Fund-Administration	93.596		175,759	-	-	175,759	-
Total Subsidized Child Care Cluster			175,759	-	-	175,759	-
Total Administration for Children and Families			5,763,398	505,344	2,427,824	8,696,566	-
Centers for Medicare and Medicaid Services:							
Passed-through N.C. Department of Health and Human Services:							
Division of Social Services:							
Administration:							
Adult Care Home Case Management/Special	93.778		53,164	14,691	38,473	106,328	-
State/County Special Assistance	93.778		80,179	-	26,726	106,905	-
Medical Assistance Administration	93.778		20,502	-	20,502	41,004	-
Medical Transportation Administration	93.778		5,049,645	-	1,732,288	6,781,933	-
MAC CORD / TRANSP	93.778		45,642	-	45,642	91,284	-
MAC APS/OUTR	93.778		270	-	270	540	-
State Children's Insurance Program-N.C. Health Choice (Note 3)	93.767		255,742	(170)	50,216	305,788	-
Total Division of Social Services			\$ 5,505,144	\$ 14,521	\$ 1,914,117	\$ 7,433,782	\$ -

Continued on next page.

Union County, North Carolina  
**Schedule of Expenditures of Federal and State Awards**  
 For the Year Ended June 30, 2021

**Schedule 74**  
 (Continued)

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures	Total Expenditures	Passed-through to Subrecipients
<b>FEDERAL AWARDS (CONTINUED):</b>							
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)</b>							
Centers for Medicare and Medicaid Services (Continued):							
Passed-through N.C. Department of Health and Human Services:							
Division of Health Benefits:							
Medical Assistance Program	93.778		\$ 127,021	\$ 62,903	\$ -	\$ 189,924	\$ -
Medical Assistance Program	93.778		11,897	5,969	-	17,866	-
Total Division of Health Benefits			138,918	68,872	-	207,790	-
Total Centers for Medicare and Medicaid Services			5,644,062	83,393	1,914,117	7,641,572	-
Centers for Disease Control							
Passed-through N.C. Department of Health and Human Services:							
Division of Public Health:							
Coronavirus Relief Fund	21.019	1175-870A-WT	78,099	-	78,099	156,198	-
Coronavirus Relief Fund	21.019	1175-4026-P5	33,468	-	33,468	66,936	-
Coronavirus Relief Fund	21.019	1175-4026-HN	240,228	-	240,228	480,456	-
Epidemiology and Laboratory Capacity for Infections Diseases	93.323	1175-878A-HH	250,122	-	287,133	537,255	-
Healthy Communities Activity	93.991	1261-5503-PH	28,645	-	62,885	91,530	-
Breast and Cervical Cancer Control Program	93.898	1320-310D-D7	9,875	-	43,864	53,739	-
Public Health Emergency Preparedness	93.074	1264-2679-EQ	51,543	-	107,976	159,519	-
Tuberculosis Control Program	93.116	1460-272A-NF	29	-	-	29	-
Tuberculosis Control Program	93.116	1460-2720-NF	21	-	-	21	-
Communicable Disease-Aids	93.977	1311-462B-NB	58	-	2	60	-
Strengthening STD Prevention and Control	93.977	1311-4631-NB	42	-	2	44	-
CDC COVID-19 Vaccination Program	93.268	1331-629B-4Q	79,729	-	88,467	168,196	-
CDC COVID-19 Vaccination Program	93.268	1331-639B-P7	183,596	-	213,781	397,377	-
Immunization Action	93.268	1331-628B-E2	14,051	-	78,299	92,350	-
Immunization Action	93.268	1331-631C-EJ	3,103	-	17,292	20,395	-
Immunization Action Plan	93.268	1331-631B-EJ	34,133	-	190,213	224,346	-
Total Centers for Disease Control			1,006,742	-	1,441,709	2,448,451	-
Health Resources and Services Administration:							
Passed-through N.C. Department of Health and Human Services:							
Division of Public Health:							
Family Planning Services Title X	93.217	13A1-5900-FP	6,718	-	38,142	44,860	-
Family Planning Services Title X 1/12 Month	93.217	13A1-592C-FP	61,580	-	349,636	411,216	-
Family Planning Services Title X	93.217	13A1-592D-FP	9,401	-	53,377	62,778	-
TANF-Family Planning (TANF Cluster)	93.558	13A1-5151-T2	16,141	-	91,645	107,786	-
Women's Preventive Health-MCH Services Block Grant	93.994	13A1-5735-AP	10,960	8,221	108,905	128,086	-
Maternal Health	93.994	13A1-5740-AP	15,218	11,414	233,586	260,218	-
Care Coordination for Children - Maternal and Child Health	93.994	1271-5318-AR	33,625	-	138,052	171,677	-
Child Health - Maternal and Child Health	93.994	1271-5745-AR	49,209	-	772,141	821,350	-
Child Fatality Prevention	93.994	1271-5351-AR	1,472	-	23,097	24,569	-
Total Health Resources and Services Administration			204,324	19,635	1,808,581	2,032,540	-
Total U. S. Department of Health and Human Services			\$ 13,371,574	\$ 1,014,363	\$ 7,592,231	\$ 21,978,168	\$ -

Continued on next page.

Union County, North Carolina  
**Schedule of Expenditures of Federal and State Awards**  
 For the Year Ended June 30, 2021

**Schedule 74**  
 (Continued)

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures	Total Expenditures	Passed-through to Subrecipients
<b>FEDERAL AWARDS (CONTINUED):</b>							
<b>U.S. ELECTION ASSISTANCE COMMISSION</b>							
Passed-through N.C. State Board of Elections:							
Coronavirus Aid, Relief, and Economic Security	21.019	03-25-90	\$ 264,974	\$ -	\$ -	\$ 264,974	\$ -
Help America Vote Act	90.401	NC20101001-90	141,808	-	-	141,808	-
Total U.S. Election Assistance Commission			<u>406,782</u>	<u>-</u>	<u>-</u>	<u>406,782</u>	<u>-</u>
<b>N.C. DEPARTMENT OF NATURAL AND CULTURAL RESOURCES</b>							
Division of State Library:							
Library Services and Technology Act Grant	45.310		-	30,000	-	30,000	-
<b>U.S. DEPARTMENT OF THE TREASURY</b>							
U.S. Department of the Treasury							
Emergency Rental Assistance (ERA1)	21.023	ERA-2101060163	611,530	-	-	611,530	-
Passed-through N.C. Department of Health and Human Services:							
Coronavirus Relief Fund - APS/CPS COVID	21.019	H.R. 748	118,243	-	-	118,243	-
Total Passed-through N.C. Dept. of Health and Human Services: Division of Public Health			<u>118,243</u>	<u>-</u>	<u>-</u>	<u>118,243</u>	<u>-</u>
Passed-through NC Office of Management and Budget, NC Pandemic Recovery Office:							
Coronavirus Relief Fund	21.019		7,740,179	-	-	7,740,179	-
Coronavirus State and Local Fiscal Recovery Funds	21.027		1,185,882	-	-	1,185,882	-
Total Passed-through NC Office of Management and Budget, NC Pandemic Recovery Office			<u>8,926,061</u>	<u>-</u>	<u>-</u>	<u>8,926,061</u>	<u>-</u>
Total U.S. Department of the Treasury			<u>9,655,834</u>	<u>-</u>	<u>-</u>	<u>9,655,834</u>	<u>-</u>
Total federal awards			<u>29,650,691</u>	<u>1,085,844</u>	<u>10,288,714</u>	<u>41,025,249</u>	<u>-</u>
<b>STATE AWARDS:</b>							
<b>N.C. DEPARTMENT OF NATURAL AND CULTURAL RESOURCES</b>							
Division of State Library:							
State Aid to Public Libraries	N/A		-	181,078	-	181,078	-
<b>N.C. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>							
Passed-through North Carolina Partnership for Children, Incorporated							
Department of Social Services	N/A		-	115,352	-	115,352	-
Health	N/A		-	122,109	-	122,109	-
Library	N/A		-	-	-	-	-
Total Passed-through North Carolina Partnership for Children, Incorporated			<u>-</u>	<u>237,461</u>	<u>-</u>	<u>237,461</u>	<u>-</u>
Division of Social Services Programs:							
DCD Smart Start	N/A		-	165,980	-	165,980	-
Share the Warmth	N/A		-	938	-	938	-
Child Protective Services	N/A		-	24,637	-	24,637	-
Child Welfare State In-Home Expense	N/A		-	86,948	-	86,948	-
County Funded	N/A		-	-	5,885,159	5,885,159	-
Extended Foster Care Max Non IV-E	N/A		-	27,896	-	27,896	-
Work First Non-Reimbursable	N/A		-	-	1,125	1,125	-
Foster Care At Risk Maximization	N/A		-	8,525	-	8,525	-
State Foster Home Fund Maximization	N/A		-	87,322	87,322	174,644	-
State Foster Home	N/A		-	94,477	94,477	188,954	-
Total Division of Social Services			<u>\$ -</u>	<u>\$ 496,723</u>	<u>\$ 6,068,083</u>	<u>\$ 6,564,806</u>	<u>\$ -</u>

Continued on next page.

Union County, North Carolina  
**Schedule of Expenditures of Federal and State Awards**  
 For the Year Ended June 30, 2021

**Schedule 74**  
 (Continued)

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures	Total Expenditures	Passed-through to Subrecipients
STATE AWARDS (CONTINUED):							
<u>N.C. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)</u>							
Division of Public Health:							
Aid to Counties-Health Administration	N/A	1161-4110-00	\$ -	\$ 101,423	\$ 610,768	\$ 712,191	\$ -
Breast & Cervical Cancer Control Program	N/A	1320-5599-00	-	9,750	43,309	53,059	-
Breast & Cervical Cancer Control Program	N/A	1320-3355-04	-	3,250	14,436	17,686	-
Child Health	N/A	1271-5745-00	-	3,285	51,541	54,826	-
General Communicable Disease Control	N/A	1175-4510-00	-	7,416	692,743	700,159	-
HIV/STD State	N/A	1311-4536-BN	-	8,889	332	9,221	-
HIV/STD State	N/A	1311-4536-RQ	-	2,500	93	2,593	-
STD Drugs	N/A	1311-4601-RQ	-	57	2	59	-
STD Drugs	N/A	1311-4601-BN	-	374	14	388	-
Communicable Disease-Tuberculosis	N/A	1460-4551-00	-	3,810	-	3,810	-
Environmental Health	N/A	1153-4751-SZ	-	3,370	-	3,370	-
Environmental Health	N/A	1153-4752-SZ	-	29,732	1,109,807	1,139,539	-
Healthy Mothers Healthy Children	N/A	13A1-5735-00	-	19,924	113,124	133,048	-
Maternal Health	N/A	13A1-5740-00	-	12,984	113,881	126,865	-
High Risk Maternity Clinics	N/A	13A1-5746-00	-	60,293	528,821	589,114	-
PCM for Women Ineligible for Medicaid	N/A	13A1-5107-00	-	40,677	153,945	194,622	-
School Nurse Funding Initiative	N/A	1332-5358-00	-	50,000	50,000	100,000	-
Tuberculosis Medical Services	N/A	1460-4554-00	-	1,033	1,033	2,066	-
Women's Health Service Funds	N/A	13A1-6020-FR	-	(1,171)	(6,651)	(7,822)	-
Women's Health Service Fund	N/A	13A1-6021-FR	-	15,227	86,457	101,684	-
Total Division of Public Health			-	372,823	3,563,655	3,936,478	-
Total N.C. Department of Health and Human Services			-	1,107,007	9,631,738	10,738,745	-
<u>N.C. DEPARTMENT OF PUBLIC INSTRUCTION</u>							
Public School Building Capital Fund-Lottery Fund	N/A		-	3,295,945	-	3,295,945	-
Total N.C. Department of Public Instruction			-	3,295,945	-	3,295,945	-
<u>N.C. DEPARTMENT OF PUBLIC SAFETY</u>							
Division of Juvenile Justice - Community Programs Section							
Get Hired - Youth Employability Program	N/A	590-23364	-	32,306	-	32,306	32,306
SHIFT Mentoring	N/A	490-22339	-	53,305	-	53,305	53,305
SHIFT Restitution and Community Service	N/A	490-22625	-	89,542	-	89,542	89,542
D-A-S-H Restorative Justice	N/A	590-23288	-	31,396	-	31,396	31,396
D-A-S-H Strengthening Families	N/A	490-22991	-	39,880	-	39,880	39,880
D-A-S-H Counseling Services	N/A	590-23493	-	84,997	-	84,997	84,997
Union County Teen Court Program	N/A	590-23359	-	67,230	-	67,230	67,230
Multipurpose Juvenile Home	N/A	590-23442	-	770,324	-	770,324	770,324
Total Division of Juvenile Justice - Community Programs Section			-	1,168,980	-	1,168,980	1,168,980
Total Department of Public Safety			-	1,168,980	-	1,168,980	1,168,980
<u>N.C. DEPARTMENT OF NATURAL AND CULTURAL RESOURCES</u>							
Division of Soil and Water Conservation:							
Soil and Water Conservation	N/A		-	30,480	-	30,480	-
Total N.C. Department of Natural Resources and Cultural Resources			-	30,480	-	30,480	-
<u>N.C. DEPARTMENT OF ADMINISTRATION</u>							
Veteran's Service	N/A		-	2,084	-	2,084	-
Total N.C. Department of Administration			-	2,084	-	2,084	-
Total State awards			-	5,785,574	9,631,738	15,417,312	1,168,980
Total federal, State and local awards			\$ 29,650,691	\$ 6,871,418	\$ 19,920,452	\$ 56,442,561	\$ 1,168,980

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**Notes to the Schedule of Expenditures of Federal and State Financial Awards:**

1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Union County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Union County it is not intended to and does not present the financial position, changes in net position or cash flows of Union County.

2. Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

Union County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

4. Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes:

Foster Care and Adoption

