



# Annual Comprehensive Financial Report

Fiscal Year Ended  
June 30, 2022





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# Union County, North Carolina

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## Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022

Prepared by  
**Finance Department**



Union County, North Carolina  
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# Introductory Section

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October 31, 2022

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 Comprehensive Financial Report for the fiscal year ended June 30, 2022. 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, 2022.

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.

Cherry Bekaert LLP, a firm of licensed certified public accountants, has issued an unmodified opinion on Union County's financial statements for the year ended June 30, 2022. The report of the independent auditor 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.

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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 247,058 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 2022 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 trend. They are trending in favor of the County and the residents. The COVID-19 pandemic 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 2018 the housing prices have grown by 75.03 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 77.51 percent of the assessed value in Union County comes from residential property; this is up from 70 percent in 2018. 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 31.14 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 2022. The Consumer Price Index (Base Year 1982-84 = 100) for calendar year 2022 indicates an increase of 8.5 percent, meaning that during the last year, the relative buying power of the dollar has increased. Union County's unemployment rate had been trending in a positive direction during 2022 averaging 3.05 percent for the first six months from a peak of 4.70 percent in 2021.

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. 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, 14 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 April of FY 2022, the County issued \$20.59 million of two-thirds general obligation debt. At the end of FY 2022, the County's outstanding debt is \$787,698,000, a reduction from the FY 2021 outstanding debt of \$808,218,000

The debt burden ratio has seen a reduction of 2.6 percent from 2019. 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 \$159 per person during the last year; however, the County remains the 9<sup>th</sup> highest debt per capita in the state. FY 2022, the County issued \$20,590,000 of multipurpose General Obligation Bonds during April 2022. The per capita decreased in FY 2022 from FY 2021.

### *Management Comments on Financial Condition*

The indicators and financial data provided through the Annual Comprehensive Financial Report for the Year Ended June 30, 2022, 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 85%), 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. 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 financial policy decisions are positively influencing its financial position. During FY 2022 the Board of County Commissioners continued its focus on sound financial policy making. 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.
- 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 \$115.98 million since FY 2011 (from \$427.17 million in FY 2011 to \$311.19 million in FY 2022). Comparing this reduction as a percentage of assessed value, the County has gone from 1.18 percent in FY 2017 to just .67 percent in FY 2022. This indicates that the County has the capacity to issue new voter approved debt without negatively affecting its ability to pay.



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 FY2022, several significant events and initiatives will occur during the upcoming year FY 2023.

- The general fund capital improvement projects adopted for FY 2023 include several major capital facility infrastructure projects on behalf of the Union County Board of Education and South Piedmont Community College that the County has placed on a bond referendum on the November 2022 General Election ballot. Depending on voter approval the County could potentially issue bonds during FY 2023.
- During the FY 2023, Union County will open two new facilities the Sheriff's Administration Building and the Emergency Services Complex. These facilities will offer enhanced capabilities for serving the residents of Union County. Renovations for the Progress Building and expansion of the Board of Elections building will take place in the upcoming FY 2023.
- Union County Public Works, \$300 million, Yadkin River Supply project is still 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. It is anticipated that the Yadkin River Supply project will be completed in calendar year 2023
- During FY 2023, the Union County Water Capital program was adopted, this plan provides a twenty-year projection of system needs based on current population growth and historical trend. This program will address the water and wastewater system needs for expansion, and ongoing maintenance needs, while ensuring the capacity and affordability of the system.

Additional information concerning new initiatives can be found the [Adopted FY 2023 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, 2021. This is the 12<sup>th</sup> consecutive year in which the County has received this recognition. To be awarded a Certificate of Achievement, the government was required to publish an easily



readable and efficiently organized 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, 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,

A handwritten signature in blue ink that reads 'Beverly L. Liles'.

Beverly L. Liles  
Finance Director

A handwritten signature in blue ink that reads 'Amy L. Hollingsworth'.

Amy L. Hollingsworth  
Assistant Finance Director

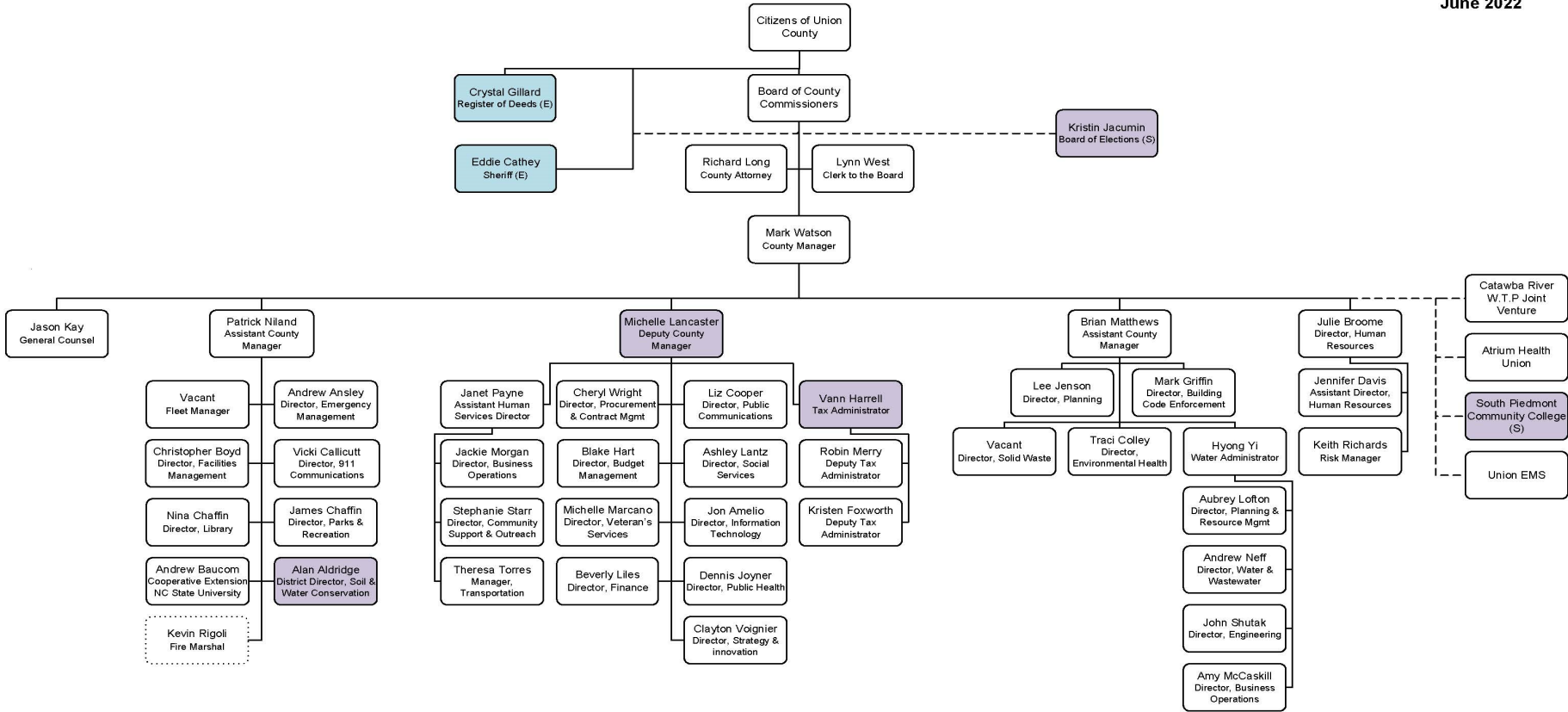
Union County, North Carolina  
**List of Principal Officials**  
June 30, 2022

Board of County Commissioners

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

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 Director
Hyong Yi	Public Works Administrator
Jon Amelio	Information Technology Director
Liz Cooper	Public Communications Director
Michelle Marcano	Veterans 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 Marshal
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  
 ..... Statutory Title



Government Finance Officers Association

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Presented to

**Union County  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morrill*

Executive Director/CEO



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# Financial Section

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## Report of Independent Auditor

To the Board of County Commissioners  
Union County, North Carolina

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter**

As described in Note 22, the County recorded a restatement for \$3,080,500 related to an overstatement of beginning fund balance and net position for the General Fund and Governmental Activities, respectively. The County also recorded a restatement of \$4,354,845 for an understatement of beginning net position of the Water and Sewer Fund and Business Type Activities relate to construction work in process. The County has restated its June 30, 2021 financial statements for the correction of these errors. Our opinion on the June 30, 2022 financial statements is not modified with respect to these matters.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards*, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual fund statement and schedules and the schedule of expenditures of federal and state awards as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and State Single Audit Implementation Act; are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statement and schedules 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.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Cherry Bekaert LLP*

Charlotte, North Carolina

October 31, 2022, except for the schedule of expenditures of federal and state awards as to which the date is November 15, 2022.



## 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, 2022. 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.

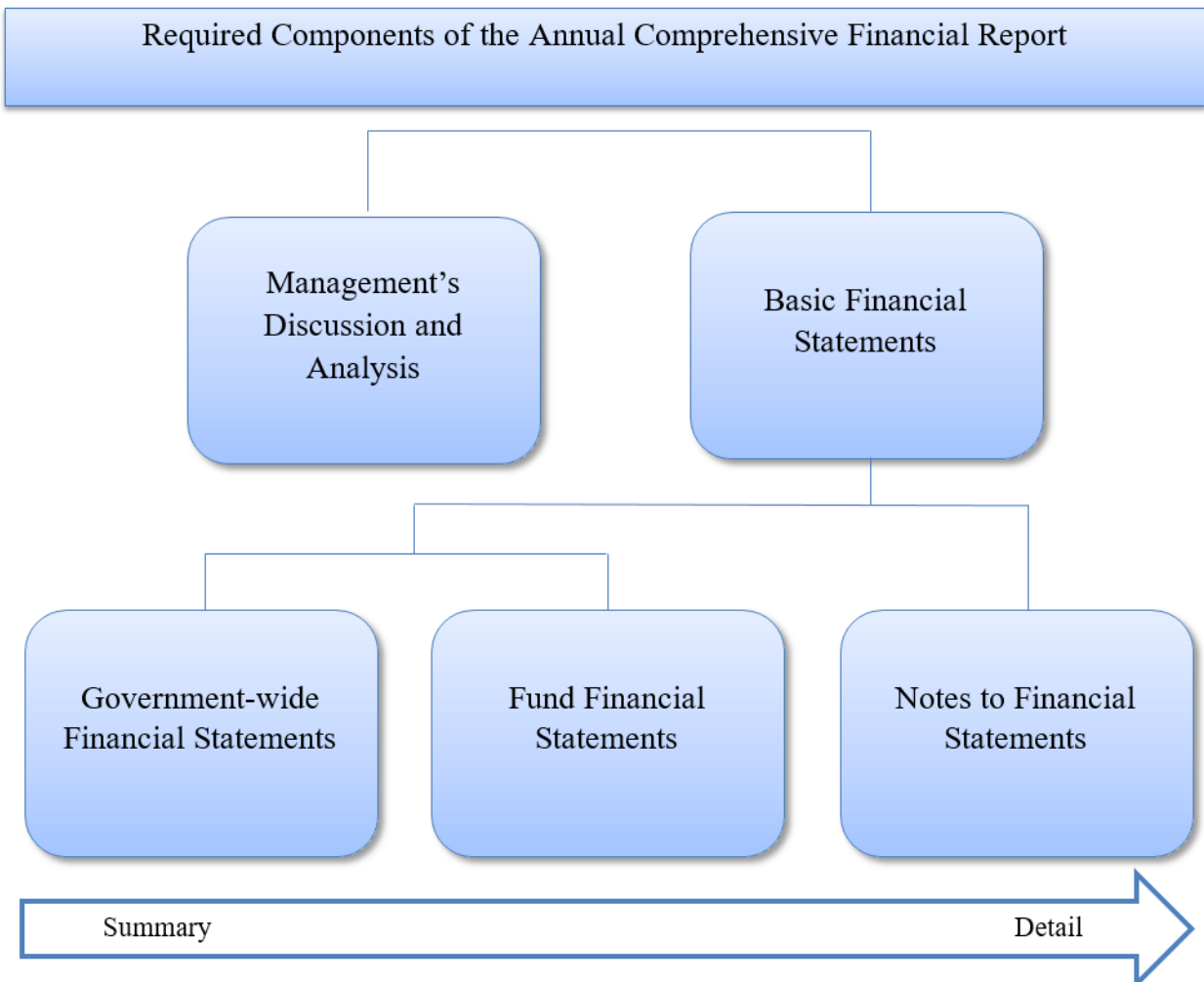
### **Financial Highlights**

- 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 \$345,024,030 (*net position*), an increase of \$85,181,174.
- Union County's governmental activities' total net position reflected a deficit of \$53,148,288 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 \$237,797,837, an increase of \$5,065,658 in comparison with the prior year. Approximately 10.7 percent of this amount \$25,449,551 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 \$97,816,905, or approximately 31.5 percent of total general fund expenditures for FY 2022
- Union County's total outstanding long-term debt decreased by \$20,520,000 or 3 percent during the current fiscal year. The key factors in this change in the debt balance were annual debt service payments and new general obligation bond 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.

### **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 64 through 66 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 C15 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 \$345,024,030 as of June 30, 2022. One of the largest portions, \$293,507,513, 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, \$94,005,179, represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$42,488,662 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, 2022 and 2021						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 487,609,559	\$ 300,653,438	\$ 394,601,365	\$ 511,945,917	\$ 882,210,924	\$ 812,599,355
Capital Assets	146,646,218	119,194,901	540,944,885	375,519,409	687,591,103	494,714,310
Total Assets	634,255,777	419,848,339	935,546,250	887,465,326	1,569,802,027	1,307,313,665
Total Deferred Outflows of						
Resources	50,080,683	34,731,240	6,606,122	3,742,313	56,686,805	38,473,553
Long-Term Liabilities	425,179,464	439,593,141	483,982,323	494,079,534	909,161,787	933,672,675
Other Liabilities	119,592,472	97,498,415	55,119,003	29,383,895	174,711,475	126,882,310
Total Liabilities	544,771,936	537,091,556	539,101,326	523,463,429	1,083,873,262	1,060,554,985
Total Deferred Inflows of						
Resources	192,712,812	23,493,733	4,878,728	3,169,989	197,591,540	26,663,722
Net Position:						
Net investment in capital						
assets	50,651,906	28,905,072	242,855,607	210,314,809	293,507,513	239,219,881
Restricted	89,263,583	107,862,145	4,741,596	14,087,659	94,005,179	121,949,804
Unrestricted	(193,063,777)	(242,772,927)	150,575,115	140,171,753	(42,488,662)	(102,601,174)
Total net position	\$ (53,148,288)	\$ (106,005,710)	\$ 398,172,318	\$ 364,574,221	\$ 345,024,030	\$ 258,568,511

As with many counties in the State of North Carolina, the County's Governmental Activities deficit in unrestricted net position in the amount of \$193,063,777 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 \$85,181,174 from the prior fiscal year. Key elements of this increase are included below:

Union County, North Carolina Changes in Net Position June 30, 2022 and 2021						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
Program revenues:						
Charges for Services	\$ 42,819,993	\$ 30,389,227	\$ 82,942,607	\$ 41,373,741	\$ 125,762,600	\$ 71,762,968
Operating grants and contributions	38,799,055	44,134,049	12,888	-	38,811,943	44,134,049
Capital grants and contributions	-	294,098	22,093,752	16,088,204	22,093,752	16,382,302
General Revenues:						
Property taxes	230,345,003	216,215,388	-	-	230,345,003	216,215,388
Other taxes	74,663,623	63,048,374	-	-	74,663,623	63,048,374
Grants and contributions not restricted to a specific purpose	308,131	257,924	-	-	308,131	257,924
Other	9,026	124,124	(649,015)	(73,783)	(639,989)	50,341
<b>Total Revenues</b>	<b>386,944,831</b>	<b>354,463,184</b>	<b>104,400,232</b>	<b>57,388,162</b>	<b>491,345,063</b>	<b>411,851,346</b>
<b>Expenses:</b>						
General government	35,354,835	28,995,405	-	-	35,354,835	28,995,405
Public safety	69,232,976	74,294,108	-	-	69,232,976	74,294,108
Economic and physical Environment	9,308,379	5,067,559	-	-	9,308,379	5,067,559
Human Services	53,295,379	57,758,191	-	-	53,295,379	57,758,191
Cultural and recreational	5,507,578	7,816,884	-	-	5,507,578	7,816,884
Education	145,593,143	140,119,720	-	-	145,593,143	140,119,720
Interest and fees on long-term debt	12,714,619	14,003,945	-	-	12,714,619	14,003,945
Water and sewer	-	-	66,136,936	32,709,337	66,136,936	32,709,337
Solid waste	-	-	9,020,044	7,209,309	9,020,044	7,209,309
<b>Total Expenses</b>	<b>331,006,909</b>	<b>328,055,812</b>	<b>75,156,980</b>	<b>39,918,646</b>	<b>406,163,889</b>	<b>367,974,458</b>
Excess (deficiency) or revenues over (under expenditures)	55,937,922	26,407,372	29,243,252	17,469,516	85,181,174	43,876,888
Transfers	-	(991,908)	-	991,908	-	-
<b>Change in net position</b>	<b>55,937,922</b>	<b>25,415,464</b>	<b>29,243,252</b>	<b>18,461,424</b>	<b>85,181,174</b>	<b>43,876,888</b>
Net position as of July 1	(106,005,710)	(131,466,685)	364,574,221	346,112,797	258,568,511	214,646,112
Prior period restatement	\$ (3,080,500)	\$ 45,511	\$ 4,354,845	\$ -	\$ 1,274,345	\$ 45,511
<b>Net position as of June 30</b>	<b>\$ (53,148,288)</b>	<b>\$ (106,005,710)</b>	<b>\$ 398,172,318</b>	<b>\$ 364,574,221</b>	<b>\$ 345,024,030</b>	<b>\$ 258,568,511</b>

**Governmental Activities** – During the current fiscal year, net position for governmental activities increased by \$55,937,922, to reach an ending negative balance of \$53,148,288. 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, \$145,593,143 (44.0 percent); public safety, \$69,232,976 (20.9 percent); and human services, \$53,295,379 (16.1 percent).

FY 2022 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	\$ 11,908,347	\$ 13,491,767	\$ 2,096,715	\$ 34,730,160	\$ 1,541,526	\$ 17,850,533	\$ -
Expenses	\$ 35,354,835	\$ 69,232,976	\$ 9,308,379	\$ 53,295,379	\$ 5,507,578	\$ 145,593,143	\$ 12,714,619

**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 \$29,243,252 to reach an ending balance of \$398,172,318. The FY 2022 budget reflected the second year increase of

water and sewer rates that contributed to the necessary funding for capital and operations. The County continues to see an increase in the growing customer base.

The majority of the County's business-type expenses are related to water and sewer, \$66,136,936 (88.0 percent) and solid waste, \$9,020,044 (12.0 percent).

FY 2022 Program Revenues and Expenses - Business-type Activities			
	Water and Sewer		Solid Waste
Program Revenues	\$	96,011,636	\$ 9,037,611
Expenses	\$	66,136,936	\$ 9,020,044

**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, 2022, Union County's governmental funds reported combined fund balances of \$237,797,837, a increase of \$1,985,158 in comparison with the prior year. Approximately 10.7 percent of this amount \$25,449,551 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 \$50,308, 2) restricted to specific purposes as imposed by law \$88,231,311, 3) committed amounts that can be used only for the specific purposes determined by a formal action of the Board of County Commissioners \$63,282,510, or 4) assigned and intended to be used for specific purposes \$60,784,157.

Governmental Funds Components of Fund Balance for the Fiscal Year Ended June 30, 2022 and 2021			
	2022		2021
Nonspendable	\$	50,308	\$ 37,638
Restricted		88,231,311	104,494,584
Committed		63,282,510	61,178,336
Assigned		60,784,157	59,178,201
Unassigned - other		25,449,551	10,923,920

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 \$26,263,676, while total

fund balance increased by \$3,511,101, from \$131,560,278 to \$135,071,379. 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, 2022 the County has a fund balance (based on committed, assigned, and unassigned) of 31.5 percent of general fund expenditures, while total fund balances represent 43.5 percent of that same amount.

General Fund Components of Fund Balance for the Fiscal Year Ended June 30, 2022 and 2021		
	2022	2021
Nonspendable	\$ 50,308	\$ 37,638
Restricted	37,204,166	35,636,403
Committed	63,282,510	61,178,336
Assigned	8,270,719	22,447,868
Unassigned - other	26,263,676	12,260,033

The increase in FY 2022 fund balance is primarily due to the County FY 2022 Sales Tax and Ad Valorem collections were higher than estimated, as well as operating cost were down in departments such as Public Safety, Human Services and Cultural and Recreational . Overall Health Claims were down from previous years while building permits saw growth.

The fund balance of the General Capital Project Fund, a major fund, had a net decrease of \$3,197,856 to \$96,024,460. There were \$55,984,248 of capital and related expenditures during the current fiscal year. There were \$29,164,776 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 \$144,397,132; an increase of \$10,027,275. The overall net position of the Water and Sewer Fund increased by \$28,672,353 to \$388,050,832. A portion of the net position, net investment in capital assets, decrease by \$32,345,986 to \$238,912,104.

Unrestricted net position of the Solid Waste Fund at the end of the year was \$6,440,003; a decrease of \$187,124. 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 \$8,666,123 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 \$8,818,030, primarily due to an increase in FY 2022 Sales Tax and Ad Valorem collections and intergovernmental revenues from federal and State grants related to Human Services.

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

FY 2022 General Fund Revenue Compared to Estimates			
	Estimated	Actual	Differences
Ad valorem taxes	\$ 213,098,520	\$ 218,376,814	\$ 5,278,294
Local option sales tax	55,598,613	66,386,688	10,788,075
Other taxes and license	3,604,002	5,137,873	1,533,871
Intergovernmental	45,393,107	42,188,196	(3,204,911)
Permits and fees	5,598,930	7,408,503	1,809,573
Sales and services	6,861,150	9,003,258	2,142,108
Investment earnings	1,276,020	(1,136,555)	(2,412,575)
Miscellaneous	9,043,463	7,414,134	(1,629,329)

**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, 2022, amounts to \$687,591,103 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, right to use leased assets, and water and wastewater infrastructure. The total increase in capital assets for the current fiscal year was approximately 38.9 percent.

Union County, North Carolina Capital Assets (net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 19,819,646	\$ 19,678,222	\$ 261,781,053	\$ 4,206,828	\$ 281,600,699	\$ 23,885,050
Buildings	67,658,626	68,498,591	279,163,832	8,969,610	346,822,458	77,468,201
Infrastructure	-	-	-	262,792,704	-	262,792,704
Improvements other than buildings	5,562,329	3,634,724	-	667,361	5,562,329	4,302,085
Machinery and equipment	8,741,522	11,648,279	-	5,480,243	8,741,522	17,128,522
Construction in progress	44,423,182	15,735,085	-	93,402,662	44,423,182	109,137,747
Right to use leased assets	440,913	-	-	-	440,913	-
Total Capital Assets	\$ 146,646,218	\$ 119,194,901	\$ 540,944,885	\$ 375,519,408	\$ 687,591,103	\$ 494,714,309

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
- Renovations of Progress Building

- Renovation of the Historic Courthouse
- Continuation of construction of Emergency Services Complex
- Continuation of 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.
- Continuation of engineering, design and construction of Southwest Library.
- Continuation of engineering, design and construction of Board of Elections.

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

**Long-Term Debt** – At the end of the current fiscal year, the County had total debt outstanding of \$787,698,000. Of this amount, \$311,187,000 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		
	2022	2021	2022	2021	2022	2021	
General Obligation Bonds	\$ 311,187,000	\$ 321,833,000	\$ -	\$ -	\$ 311,187,000	\$ 321,833,000	
Certificates of participation	36,980,000	41,880,000	-	-	36,980,000	41,880,000	
Installment financing	5,226,000	5,600,000	-	-	5,226,000	5,600,000	
Revenue Bonds	-	-	434,305,000	438,905,000	434,305,000	438,905,000	
Total	\$ 353,393,000	\$ 369,313,000	\$ 434,305,000	\$ 438,905,000	\$ 787,698,000	\$ 808,218,000	

Union County’s total outstanding principal debt decreased by \$ 20,520,000 during the past fiscal year. The change is mainly due to annual debt service payments as well as the issuance of 2022 two-thirds general obligation bonds.

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 \$2,582,103,320.

Additional information regarding Union County's long-term debt can be found in Note 14 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 2023 budget and rates:
- North Carolina's statewide unemployment rate (not seasonally adjusted) was 4.1 percent in June 2022, decreasing from June's 2021 revised rate of 4.9 percent.
- The North Carolina unemployment rate remained steady at 3.4 percent April through July 2022 .<sup>3</sup> By December of 2022, the state's unemployment rate is expected to rise slightly to 3.6 percent
- North Carolina real GSP is forecast to increase by 2.1 percent over the 2021 level. Ten of the fifteen of the state's economic sectors are expected to experience output increases during 2022. The sectors with the strongest expected growth rates are hospitality and leisure services with a real increase of 10.3 percent, followed by information with a real increase of 8.6 percent and agriculture with a real increase of 7.8 percent.
- North Carolina establishment are forecasted to add 162,400 new jobs during the 2022 year. a net increase of 3.4 percent.
- During fiscal year 2022, there were 528 commercial and 5637 residential construction permits issued county-wide, compared to fiscal year 2021 of 442 commercial and 5263 residential permits; showing an increase in the residential number of permits. This trend is anticipated to continue into 2023. <sup>4</sup>

### ***Budget Highlights for the Fiscal Year Ending June 30, 2023***

Countywide, for FY 2023, estimated revenues and expenditures, including debt service expenditures, are anticipated to increase by 6 percent, or about \$30.6 million, going from \$510.3 million to \$540.9 million.

**Governmental Activities** – Ad Valorem Taxes and Local Option Sales Tax provide the largest portion of funding for Union County. Ad Valorem Taxes are estimated to generate \$220.7 million in FY 2023, largely due to steady growth in the housing market as new residents prove Union County to be a community of choice. This is an increase of 3.6 percent over the FY 2022 amount of \$213.1 million. The tax rate for FY 2023 was set to 58.80 cents. Local sales tax are estimated to increase by \$14.1 million in FY 2023 a 26.4 percent increase.

Expenditures in the General Funds (General Fund, Debt Fund, and the Economic Development Fund) are anticipated to increase by 2.9 percent or about \$10.5 million from the FY 2022 budget.

The Adopted FY 2023 General Fund Budget includes one-time contribution to Other Post Employment Benefits (OPEB) Trust, Economic Development Business Incentive Grants, Departmental enhancements, UCPS capital and General Fund vehicle replacement.

**Business-type Activities** – User fees provides the majority of revenue sources for business type activities. User fees for water and wastewater are expected to increase by \$11.9 million dollars in FY 2023 or 12.64%. This is mainly due to growth in the county's population that



leads to growth in water and sewer customers as well as an increase in certain user fees in FY 2023.

Expenditures for water and wastewater will increase mainly due to staffing and operating the new Yadkin Regional Water Supply Plant as well as an increase in debt service cost associated with the issuance of revenue bonds in 2021.

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, August 2022

<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 22, 2022. <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, 2022

	Governmental Activities	Business Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 146,648,679	\$ 152,691,948	\$ 299,340,627
Property taxes receivable (net)	1,064,702	-	1,064,702
Accounts receivable (net)	36,298,334	13,223,769	49,522,103
Current portion of lease receivable	4,039,164	-	4,039,164
Accrued interest receivable on leases	2,008,337	-	2,008,337
Inventories	40,728	934,441	975,169
Internal balances	262,020	(262,020)	-
Prepaid Items	9,580	22,612	32,192
Cash and investments, restricted	112,772,872	151,720,134	264,493,006
Cash and investments, restricted-deposits	572,452	1,278,433	1,850,885
Total current assets	<u>303,716,868</u>	<u>319,609,317</u>	<u>623,326,185</u>
Noncurrent assets:			
Cash and investments	20,157,781	23,703,223	43,861,004
Noncurrent portion of lease receivable	152,343,196	-	152,343,196
Net pension asset, ROD	580,060	-	580,060
Unamortized swap termination costs	10,811,654	2,651,208	13,462,862
Investment in joint venture	-	48,637,617	48,637,617
Capital assets:			
Land and other assets not being depreciated	64,242,828	261,781,053	326,023,881
Buildings, equipment and infrastructure	81,962,477	279,163,832	361,126,309
Right to use leased asset, net of amortization	440,913	-	440,913
Total noncurrent assets	<u>330,538,909</u>	<u>615,936,933</u>	<u>946,475,842</u>
Total assets	<u>634,255,777</u>	<u>935,546,250</u>	<u>1,569,802,027</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Total assets and deferred outflows of resources	<u>50,080,683</u>	<u>6,606,122</u>	<u>56,686,805</u>
	<u>684,336,460</u>	<u>942,152,372</u>	<u>1,626,488,832</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	23,701,043	40,332,557	64,033,600
Due to other governments	47,318,414	-	47,318,414
Unearned revenue	4,500	-	4,500
Liabilities payable by restricted assets	572,452	1,278,433	1,850,885
Workers' compensation claims	191,487	-	191,487
Health care benefits	1,791,521	-	1,791,521
Property and casualty claims payable	348,690	-	348,690
Current portion of compensated absences	6,297,864	952,219	7,250,083
Current portion of long-term obligations	39,366,501	12,555,794	51,922,295
Total current liabilities	<u>119,592,472</u>	<u>55,119,003</u>	<u>174,711,475</u>
Noncurrent liabilities:			
Accrued landfill postclosure care costs	-	5,802,320	5,802,320
Noncurrent portion of compensated absences	623,623	-	623,623
Net OPEB liability	54,583,203	10,953,885	65,537,088
Net pension liability, LGERS	12,762,380	1,882,542	14,644,922
Net pension liability, separation allowance	15,436,148	1,187,395	16,623,543
Lease liability	440,498	-	440,498
Noncurrent portion of long-term obligations	341,333,612	464,156,181	805,489,793
Total noncurrent liabilities	<u>425,179,464</u>	<u>483,982,323</u>	<u>909,161,787</u>
Total liabilities	<u>544,771,936</u>	<u>539,101,326</u>	<u>1,083,873,262</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Total liabilities and deferred inflows of resources	<u>192,712,812</u>	<u>4,878,728</u>	<u>197,591,540</u>
	<u>737,484,748</u>	<u>543,980,054</u>	<u>1,281,464,802</u>
<b>NET POSITION</b>			
Net investment in capital assets	50,651,906	242,855,607	293,507,513
Restricted for:			
Stabilization by State statute	48,426,128	-	48,426,128
General government	385,425	-	385,425
Public safety	3,480,914	-	3,480,914
Economic and physical development	235,807	-	235,807
Human services	3,087,670	-	3,087,670
Cultural and recreational	34,048	-	34,048
Education	33,033,531	-	33,033,531
Debt service	-	4,741,596	4,741,596
Pension benefits	580,060	-	580,060
Unrestricted	(193,063,777)	150,575,115	(42,488,662)
Total net position	<u>\$ (53,148,288)</u>	<u>\$ 398,172,318</u>	<u>\$ 345,024,030</u>

## Statement of Activities

For the Year Ended June 30, 2022

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	\$ 35,354,835	\$ 11,674,780	\$ 233,567	\$ -	\$ (23,446,488)	\$ -	\$ (23,446,488)
Public safety	69,232,976	8,384,239	5,107,528	-	(55,741,209)	-	(55,741,209)
Economic and physical development	9,308,379	1,986,668	110,047	-	(7,211,664)	-	(7,211,664)
Human services	53,295,379	17,885,198	16,844,962	-	(18,565,219)	-	(18,565,219)
Cultural and recreational	5,507,578	1,324,895	216,631	-	(3,966,052)	-	(3,966,052)
Education	145,593,143	1,564,213	16,286,320	-	(127,742,610)	-	(127,742,610)
Interest and fees on long term debt	12,714,619	-	-	-	(12,714,619)	-	(12,714,619)
Total governmental activities	331,006,909	42,819,993	38,799,055	-	(249,387,861)	-	(249,387,861)
Business-type activities:							
Water and sewer	66,136,936	73,917,884	-	22,093,752	-	29,874,700	29,874,700
Solid waste	9,020,044	9,024,723	12,888	-	-	17,567	17,567
Total business-type activities	75,156,980	82,942,607	12,888	22,093,752	-	29,892,267	29,892,267
Total primary government	\$ 406,163,889	\$ 125,762,600	\$ 38,811,943	\$ 22,093,752	(249,387,861)	29,892,267	(219,495,594)
General revenues:							
Property taxes levied for general purposes					230,345,003	-	230,345,003
Local option sales tax					69,525,750	-	69,525,750
Other taxes and licenses					5,137,873	-	5,137,873
Grants and contributions not restricted to specific programs					308,131	-	308,131
Investment earnings, unrestricted					(1,006,337)	(790,743)	(1,797,080)
Gains on sales and disposals of capital assets					1,015,363	141,728	1,157,091
Total general revenues					305,325,783	(649,015)	304,676,768
Change in net position					55,937,922	29,243,252	85,181,174
Net position - beginning					(106,005,710)	364,574,221	258,568,511
Prior period restatement					(3,080,500)	4,354,845	1,274,345
Net position - ending					\$ (53,148,288)	\$ 398,172,318	\$ 345,024,030

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

**Balance Sheet**  
**Governmental Funds**  
June 30, 2022

	Major			Nonmajor	Total Governmental Funds
	General Fund	General Capital Project Fund	General Special Revenue Fund	Other Governmental Funds	
<b>ASSETS</b>					
Cash and investments	\$ 106,592,116	\$ 44,656,446	\$ 4,458,765	\$ 4,453,458	\$ 160,160,785
Property taxes receivable, net	1,011,139	-	-	53,563	1,064,702
Accounts receivable, net	34,792,588	300,349	4,927	1,185,228	36,283,092
Current portion of lease receivable	156,382,360	-	-	-	156,382,360
Accrued interest receivable on leases	2,008,337	-	-	-	2,008,337
Inventories	40,728	-	-	-	40,728
Prepaid Item	9,580	-	-	-	9,580
Cash and investments, restricted	6,213,827	61,955,272	44,240,869	362,904	112,772,872
Cash and investments, restricted-deposits	572,452	-	-	-	572,452
<b>Total assets</b>	<b>\$ 307,623,127</b>	<b>\$ 106,912,067</b>	<b>\$ 48,704,561</b>	<b>\$ 6,055,153</b>	<b>\$ 469,294,908</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 8,274,573	\$ 10,887,607	\$ 261,908	\$ 420,525	\$ 19,844,613
Due to other governments	-	-	47,318,414	-	47,318,414
Unearned revenue	4,500	-	-	-	4,500
Deposits	572,452	-	-	-	572,452
<b>Total liabilities</b>	<b>8,851,525</b>	<b>10,887,607</b>	<b>47,580,322</b>	<b>420,525</b>	<b>67,739,979</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>163,700,223</b>	<b>-</b>	<b>-</b>	<b>56,869</b>	<b>163,757,092</b>
<b>FUND BALANCES</b>					
Nonspendable	50,308	-	-	-	50,308
Restricted	37,204,166	43,690,979	1,938,364	5,397,802	88,231,311
Committed	63,282,510	-	-	-	63,282,510
Assigned	8,270,719	52,333,481	-	179,957	60,784,157
Unassigned	26,263,676	-	(814,125)	-	25,449,551
<b>Total fund balances</b>	<b>135,071,379</b>	<b>96,024,460</b>	<b>1,124,239</b>	<b>5,577,759</b>	<b>237,797,837</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 307,623,127</b>	<b>\$ 106,912,067</b>	<b>\$ 48,704,561</b>	<b>\$ 6,055,153</b>	<b>\$ 469,294,908</b>

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, 2022

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

Ending fund balance - governmental funds	\$ 237,797,837
Capital assets in governmental activities are not financial resources and, therefore, are not reported in the funds.	146,646,218
Other long-term assets, related to the net pension asset, are not current financial resources and therefore are deferred in the funds.	580,060
Other long-term assets, related to unearned taxes, are not current financial resources and therefore are deferred in the funds.	452,212
Other long-term assets, unamortized swap termination costs.	10,811,654
Deferred gains on advance refunding, deferred inflows.	(2,795,732)
Deferred loss on advance refunding, deferred outflows.	8,561,675
Deferred accrued interest on lease receivables are not current financial resources and therefore are deferred in the funds.	2,008,337
Contributions to pension plans in the current fiscal year are deferred outflows of resources.	7,568,711
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.	2,370,484
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.	1,339,735
Internal service funds are used by management to charge the costs of property and casualty insurance to individual funds. The current assets and liabilities are included in governmental activities in the statement of net position.	375,622
Internal balance due from Business-Type Activities to Governmental Activities.	262,020
OPEB related deferrals.	6,219,196
Pension related deferrals.	(889,437)
Long-term liabilities that are not due in the current period and therefore are not reported in the funds:	
Compensated absences	(6,921,487)
Net other postemployment benefits	(54,583,203)
Net pension liability for LGERS	(12,762,380)
Net pension liability for separation allowance	(15,436,147)
Leases	(440,498)
Bonds and installment financing payable and accrued interest	(384,313,165)
Net position of governmental activities	<u>\$ (53,148,288)</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, 2022

	General Fund	Major Capital Project Fund	General Special Revenue Fund	Nonmajor Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Ad valorem taxes	\$ 218,376,814	\$ -	\$ -	\$ 12,206,625	\$ 230,583,439
Local option sales tax	66,386,688	-	-	3,139,062	69,525,750
Other taxes and licenses	5,137,873	-	-	754,071	5,891,944
Intergovernmental	42,188,196	600,349	10,114,072	304,957	53,207,574
Permits and fees	7,408,503	-	-	207,610	7,616,113
Sales and services	9,003,258	-	23,000	-	9,026,258
Investment earnings	(1,136,555)	95,519	50,603	6,407	(984,026)
Miscellaneous	7,414,134	358,461	-	2,159,539	9,932,134
Total revenues	354,778,911	1,054,329	10,187,675	18,778,271	384,799,186
<b>EXPENDITURES</b>					
Current:					
General government	29,730,227	-	1,205,293	123,069	31,058,589
Public safety	56,526,907	-	96,537	21,331,548	77,954,992
Economic and physical development	4,430,582	-	1,602,142	-	6,032,724
Human services	48,340,100	-	7,088,156	461,039	55,889,295
Cultural and recreational	7,471,269	-	-	-	7,471,269
Intergovernmental:					
Education	114,629,080	-	-	905,403	115,534,483
Capital outlay:					
General government	-	3,617,897	-	-	3,617,897
Public safety	-	21,780,711	-	-	21,780,711
Economic and physical development	-	209,060	-	-	209,060
Human services	-	5,120	-	-	5,120
Cultural and recreational	-	392,226	-	-	392,226
Education	-	29,979,234	-	-	29,979,234
Debt service:					
Principal bond retirement	36,510,002	-	-	-	36,510,002
Principal - leases	176,662	-	-	-	176,662
Interest and fees-bonds	13,018,264	-	-	-	13,018,264
Interest - leases	4,583	-	-	-	4,583
Total expenditures	310,837,676	55,984,248	9,992,128	22,821,059	399,635,111
Excess (deficiency) of revenues over (under) expenditures	43,941,235	(54,929,919)	195,547	(4,042,788)	(14,835,925)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	-	29,164,776	-	5,519,154	34,683,930
Transfers to other funds	(38,509,230)	-	-	-	(38,509,230)
Issuance of general obligation bonds	-	20,590,000	-	-	20,590,000
Issuance of general obligation bonds, premiums	190,830	1,977,287	-	-	2,168,117
Issuance of lease liability	618,766	-	-	-	618,766
Proceeds from land for resale	350,000	-	-	-	350,000
Total other financing sources (uses)	(37,349,634)	51,732,063	-	5,519,154	19,901,583
Net change in fund balances	6,591,601	(3,197,856)	195,547	1,476,366	5,065,658
<b>FUND BALANCES</b>					
Beginning	131,560,278	99,222,316	928,692	4,101,393	235,812,679
Prior period restatement	(3,080,500)	-	-	-	(3,080,500)
Ending	\$ 135,071,379	\$ 96,024,460	\$ 1,124,239	\$ 5,577,759	\$ 237,797,837

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, 2022

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

Net change in fund balances - total governmental funds	\$ 5,065,658
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.	27,028,962
Loss on land held for resale sold during the current year	(552,153)
Loss on sale of assets	(18,558)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds as follows:	
Deferred property taxes	(238,436)
Deferred accrued interest on leases	2,008,337
Revenues in the statement of activities from internal service funds' investment earnings.	(22,313)
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.	14,430,884
The county enters into long-term lease arrangements that provides current financial resources to governmental funds, while the lease payments consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatments of long-term leases.	415
Contributions to the pension plans in the current fiscal year are not included on the statement of activities.	7,568,711
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.	(2,843,975)
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.	3,417,670
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.	188,517
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.	(95,797)
Change in net position of governmental activities	<u>\$ 55,937,922</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, 2022

	Original Budget	Final Budget	Actual	Variance With Final Positive Negative
<b>REVENUES</b>				
Ad valorem taxes	\$ 213,098,520	\$ 213,098,520	\$ 218,376,814	\$ 5,278,294
Local option sales tax	53,540,363	55,598,613	66,386,688	10,788,075
Other taxes and licenses	3,604,002	3,604,002	5,137,873	1,533,871
Intergovernmental	40,364,385	45,393,107	42,188,196	(3,204,911)
Permits and fees	5,404,939	5,598,930	7,408,503	1,809,573
Sales and services	6,800,050	6,861,150	9,003,258	2,142,108
Investment earnings	1,276,020	1,276,020	(1,136,555)	(2,412,575)
Miscellaneous	7,567,496	9,043,463	7,414,134	(1,629,329)
Total revenues	<u>331,655,775</u>	<u>340,473,805</u>	<u>354,778,911</u>	<u>14,305,106</u>
<b>EXPENDITURES</b>				
Current:				
General government	36,857,196	35,250,102	29,730,227	5,519,875
Public safety	56,311,450	61,580,613	56,526,907	5,053,706
Economic and physical development	5,744,956	6,088,057	4,430,582	1,657,475
Human services	50,642,801	54,242,567	48,340,100	5,902,467
Cultural and recreational	7,409,408	7,728,065	7,471,269	256,796
Intergovernmental:				
Education	114,629,080	114,629,080	114,629,080	-
Debt service:				
Principal bond retirement	35,959,000	36,510,000	36,510,002	(2)
Principal - leases	-	-	176,662	(176,662)
Interest and fees-bonds	12,856,915	13,048,445	13,018,264	30,181
Interest - leases	-	-	4,583	(4,583)
Total expenditures	<u>320,410,806</u>	<u>329,076,929</u>	<u>310,837,676</u>	<u>18,239,253</u>
Revenues over (under) expenditures	<u>11,244,969</u>	<u>11,396,876</u>	<u>43,941,235</u>	<u>32,544,359</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	-	-	-
Transfers to other funds	(34,400,430)	(38,666,735)	(38,509,230)	157,505
Issuance of general obligation bonds, premiums	-	190,830	190,830	-
Issuance of lease liability	-	-	618,766	618,766
Proceeds from land for resale	-	-	350,000	350,000
Total other financing sources (uses)	<u>(34,400,430)</u>	<u>(38,475,905)</u>	<u>(37,349,634)</u>	<u>1,126,271</u>
Revenues and other financing sources under expenditures and other financing uses	<u>(23,155,461)</u>	<u>(27,079,029)</u>	<u>6,591,601</u>	<u>33,670,630</u>
<b>APPROPRIATED FUND BALANCE</b>	<u>23,155,461</u>	<u>27,079,029</u>	<u>-</u>	<u>(27,079,029)</u>
Revenues, other financing sources, and appropriated fund balance over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>6,591,601</u>	<u>\$ 6,591,601</u>
<b>FUND BALANCE</b>				
Beginning			131,560,278	
Prior period restatement - change in accounting principle			(3,080,500)	
Ending			<u>\$ 135,071,379</u>	

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

**Statement of Net Position**  
**Proprietary Funds**  
June 30, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Water and Sewer Fund	Nonmajor Solid Waste Fund	Total	
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 140,138,840	\$ 12,553,108	\$ 152,691,948	\$ 6,645,675
Accounts receivable, net	12,272,111	951,658	13,223,769	15,242
Inventories	934,441	-	934,441	-
Prepaid items	22,612	-	22,612	-
Cash and investments, restricted	151,720,134	-	151,720,134	-
Cash and investments, restricted-deposits	1,253,628	24,805	1,278,433	-
Total current assets	306,341,766	13,529,571	319,871,337	6,660,917
Noncurrent assets:				
Cash and investments	22,727,932	975,291	23,703,223	-
Unamortized swap termination costs	2,651,208	-	2,651,208	-
Investment in joint venture	48,637,617	-	48,637,617	-
Capital assets:				
Land and other assets not being depreciated	261,286,243	494,810	261,781,053	-
Buildings, equipment, and infrastructure, net of depreciation	275,715,139	3,448,693	279,163,832	-
Total noncurrent assets	611,018,139	4,918,794	615,936,933	-
Total assets	917,359,905	18,448,365	935,808,270	6,660,917
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Total assets and deferred outflows of resources	5,764,082	842,040	6,606,122	66,428
	923,123,987	19,290,405	942,414,392	6,727,345
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	39,756,408	576,149	40,332,557	243,378
Current portion of compensated absences	833,813	118,406	952,219	22,536
Deposits	1,253,628	24,805	1,278,433	-
Long-term liabilities, due within one year:				
Revenue bonds payable	12,555,794	-	12,555,794	-
Workers' compensation claims payable	-	-	-	191,487
Health care benefits payable	-	-	-	1,791,521
Property and casualty claims payable	-	-	-	348,690
Total current liabilities	54,399,643	719,360	55,119,003	2,597,612
Noncurrent liabilities:				
Accrued landfill postclosure care costs	-	5,802,320	5,802,320	-
Non current portion of compensated absences	-	-	-	6,722
Net OPEB liability	9,587,940	1,365,945	10,953,885	-
Net pension liability, LGERS	1,645,239	237,303	1,882,542	41,575
Net pension liability, separation allowance	995,880	191,515	1,187,395	-
Long-term liabilities, due in more than one year:				
Revenue bonds	464,156,181	-	464,156,181	-
Total noncurrent liabilities	476,385,240	7,597,083	483,982,323	48,297
Total liabilities	530,784,883	8,316,443	539,101,326	2,645,909
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Total liabilities and deferred inflows of resources	4,288,272	590,456	4,878,728	59,399
	535,073,155	8,906,899	543,980,054	2,705,308
<b>NET POSITION</b>				
Net investment in capital assets	238,912,104	3,943,503	242,855,607	-
Restricted for debt service	4,741,596	-	4,741,596	-
Unrestricted	144,397,132	6,440,003	150,837,135	4,022,037
Total net position	\$ 388,050,832	\$ 10,383,506	398,434,338	\$ 4,022,037
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(262,020)	
Net position of business-type activities			\$ 398,172,318	

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, 2022

	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	\$ 73,201,185	\$ 8,493,525	\$ 81,694,710	\$ -
Disposal fees	-	475,431	475,431	-
Interfund charges and employee contributions	-	-	-	24,944,886
Miscellaneous revenue	79,465	-	79,465	3,177
Other operating revenue	2,200,250	53,767	2,254,017	-
Total operating revenues	<u>75,480,900</u>	<u>9,022,723</u>	<u>84,503,623</u>	<u>24,948,063</u>
<b>OPERATING EXPENSES</b>				
Personnel	14,245,392	2,274,398	16,519,790	159,475
Operating expenses	19,916,353	5,565,241	25,481,594	3,521,665
Depreciation	19,042,826	521,206	19,564,032	-
Operating leases	390,807	-	390,807	-
Landfill closure	-	725,161	725,161	-
Worker's compensation claims	-	-	-	186,655
Health benefit claims and premiums	-	-	-	19,366,082
Property and casualty claims and premiums	-	-	-	1,465,885
Total operating expenses	<u>53,595,378</u>	<u>9,086,006</u>	<u>62,681,384</u>	<u>24,699,762</u>
Operating income (loss)	<u>21,885,522</u>	<u>(63,283)</u>	<u>21,822,239</u>	<u>248,301</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	(924,566)	(74,429)	(998,995)	(22,313)
Intergovernmental	-	14,888	14,888	-
Sale of capital assets	11,216	130,512	141,728	-
Interest and fees on long-term debt	(13,608,173)	-	(13,608,173)	-
Gain (loss) on investment in joint venture	(785,398)	-	(785,398)	-
Total nonoperating revenue (expenses)	<u>(15,306,921)</u>	<u>70,971</u>	<u>(15,235,950)</u>	<u>(22,313)</u>
Income (loss) before contributions and transfers	<u>6,578,601</u>	<u>7,688</u>	<u>6,586,289</u>	<u>225,988</u>
<b>TRANSFERS AND CONTRIBUTIONS</b>				
Transfers from General Fund	-	-	-	3,825,300
Capital contributions - cash-other	555,589	-	555,589	-
Capital contributions - system development fees	11,665,021	-	11,665,021	-
Capital contributions - non-cash	9,873,142	-	9,873,142	-
Total transfers and contributions	<u>22,093,752</u>	<u>-</u>	<u>22,093,752</u>	<u>3,825,300</u>
Change in net position	<u>28,672,353</u>	<u>7,688</u>	<u>28,680,041</u>	<u>4,051,288</u>
<b>NET POSITION</b>				
Beginning	355,023,634	10,375,818		(29,251)
Prior period restatement	4,354,845	-		-
Ending	<u>\$ 388,050,832</u>	<u>\$ 10,383,506</u>		<u>\$ 4,022,037</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			563,211	
Change in net position of business-type activities			<u>\$ 29,243,252</u>	

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

**Statement of Cash Flows**  
**Proprietary Funds**  
 For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Water and Sewer Fund	Nonmajor Solid Waste Fund	Total	
<b>OPERATING ACTIVITIES</b>				
Cash received from customers for services	\$ 72,870,899	\$ 8,302,912	\$ 81,173,811	\$ 24,931,496
Other operating revenue	2,279,715	529,198	2,808,913	3,177
Cash paid to employees	(13,591,904)	(2,228,505)	(15,820,409)	(300,078)
Cash paid for goods and services	(1,180,311)	(5,393,688)	(6,573,999)	(25,248,839)
Net cash provided by operating activities	<u>60,378,399</u>	<u>1,209,917</u>	<u>61,588,316</u>	<u>(614,244)</u>
<b>NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	-	-	3,825,300
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,825,300</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from sale of capital assets	19,449	130,512	149,961	-
Proceeds from system development fees	11,665,021	-	11,665,021	-
Proceeds from developer contributions	555,589	-	555,589	-
Payments on revenue bond debt	(4,600,000)	-	(4,600,000)	-
Interest paid on bonds and other debt	(15,068,032)	-	(15,068,032)	-
Acquisition and construction of capital assets	(170,053,736)	(716,018)	(170,769,754)	-
Net cash used by capital and related financing activities	<u>(177,481,709)</u>	<u>(570,618)</u>	<u>(178,052,327)</u>	<u>-</u>
<b>INVESTING ACTIVITIES</b>				
Investment earnings	(924,566)	(74,429)	(998,995)	(22,313)
Net cash provided (used) by investing activities	<u>(924,566)</u>	<u>(74,429)</u>	<u>(998,995)</u>	<u>(22,313)</u>
Net change in cash and investments	(118,027,876)	564,870	(117,463,006)	3,188,743
<b>CASH AND INVESTMENTS</b>				
Beginning of year	433,868,410	12,988,334	446,856,744	3,456,932
End of year	<u>\$ 315,840,534</u>	<u>\$ 13,553,204</u>	<u>\$ 329,393,738</u>	<u>\$ 6,645,675</u>
<b>Reconciliation of cash and investments to the Statement of Net Position:</b>				
Cash and investments	\$ 140,138,840	\$ 12,553,108	\$ 152,691,948	\$ 6,645,675
Cash and investments, noncurrent	22,727,932	975,291	23,703,223	-
Cash and investments, restricted assets	151,720,134	-	151,720,134	-
Cash and investments, restricted assets-deposits	1,253,628	24,805	1,278,433	-
Total Statement of Net Position cash and cash equivalents	<u>\$ 315,840,534</u>	<u>\$ 13,553,204</u>	<u>\$ 329,393,738</u>	<u>\$ 6,645,675</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 21,885,522	\$ (63,283)	\$ 21,822,239	\$ 248,301
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	\$ 19,042,826	\$ 521,206	\$ 19,564,032	\$ -
Provision for uncollectible accounts	437,407	-	437,407	-
Landfill closure and post closure care costs	-	725,161	725,161	-
Change in assets, deferred outflows, liabilities and deferred inflows				
Accounts receivable (net)	(1,161,742)	(181,988)	(1,343,730)	(13,390)
Inventories	366,828	-	366,828	-
Prepaid items	(22,081)	-	(22,081)	-
Deferred outflows of resources - LGERS	(354,544)	(76,645)	(431,189)	(10,343)
Deferred outflows of resources - OPEB	(2,544,325)	(362,477)	(2,906,802)	4,279
Deferred outflows of resources - Sep. Allow.	429,241	44,941	474,182	12,145
Accounts payable and accrued liabilities	18,863,193	95,889	18,959,082	(708,552)
Deposits	394,049	(8,625)	385,424	-
Net pension liability, LGERS	(2,233,128)	(278,598)	(2,511,726)	(54,071)
Net OPEB liability	4,609,204	656,661	5,265,865	(80,136)
Net pension liability, separation allowance	(934,864)	(83,534)	(1,018,398)	(31,084)
Compensated absences payable	110,322	2,961	113,283	1,259
Deferred inflows of resources - LGERS	2,350,552	339,034	2,689,586	59,399
Deferred inflows of resources - OPEB	(863,853)	(123,063)	(986,916)	(499)
Deferred inflows of resources - Sep. Allow.	3,792	2,277	6,069	(41,552)
Total adjustments	<u>38,492,877</u>	<u>1,273,200</u>	<u>39,766,077</u>	<u>(862,545)</u>
Net cash provided by operating activities	<u>\$ 60,378,399</u>	<u>\$ 1,209,917</u>	<u>\$ 61,588,316</u>	<u>\$ (614,244)</u>
<b>Noncash investing, capital, and financing activities:</b>				
Loss on investment in joint venture	<u>(785,398)</u>	<u>-</u>	<u>(785,398)</u>	<u>-</u>
Contribution of capital infrastructure	<u>\$ 9,873,142</u>	<u>\$ -</u>	<u>\$ 9,873,142</u>	<u>\$ -</u>

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

June 30, 2022

	Pension Trust Funds	Custodial Funds
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 1,079,647
Investments:		
Separation Allowance Trust Fund	4,675,440	-
State Treasurer's Office OPEB Trust	55,613,957	-
Accounts receivable, net	<u>-</u>	<u>3,254</u>
Total assets	<u>60,289,397</u>	<u>1,082,901</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	-	-
Due to Program Participants	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
<b>NET POSITION</b>		
Restricted for:		
Individuals, organizations, and other governments	-	1,082,901
Separation Allowance Trust Fund	4,675,440	-
State Treasurer's Office OPEB Trust	<u>55,613,957</u>	<u>-</u>
Total net position	<u>\$ 60,289,397</u>	<u>\$ 1,082,901</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, 2022

	Pension Trust Funds	Custodial Funds
	<u>                    </u>	<u>                    </u>
<b>ADDITIONS</b>		
Ad valorem taxes for other governments	\$ -	\$ 15,516,864
Advances from other fund	-	304
Collections on behalf of inmates	-	699,163
Employer contributions	10,366,574	-
Net investment income	(6,453,293)	-
	<u>3,913,281</u>	<u>16,216,331</u>
Total additions		
<b>DEDUCTIONS</b>		
Benefits	6,415,557	-
Due to program participants	-	15,056,643
Payments on behalf of inmates	-	701,114
	<u>6,415,557</u>	<u>15,757,756</u>
Total Deductions		
Change in net position	(2,502,276)	458,574
<b>NET POSITION</b>		
Beginning	<u>62,791,673</u>	<u>624,327</u>
Ending	<u>\$ 60,289,397</u>	<u>\$ 1,082,901</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, 2022

**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 Debt Service Budgetary Fund and the Economic Development Fund. 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 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.

**General Special Revenue Fund** – The sources of this fund are primarily revenues from multi-year special revenues such as federal and state grants or special purpose revenues. The fund also accounts for the transactions related to the American Rescue Plan Funds.

The County reports the following major enterprise fund:

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

The County reports the following nonmajor enterprise fund:

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

Additionally, the County reports the following fund types:

**Special Revenue Funds** - Special Revenue Funds account for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The County maintains twenty-six 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, the Civil Fees Fund, and the Opioid Settlement 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 as a major enterprise fund, and the Solid Waste Fund as non-major enterprise fund. 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 31st.

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 uses the economic resources measurement focus. 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, Fiduciary Fund and Custodial Financial Statements.* The government-wide, proprietary fiduciary and custodial fund financial statements are reported using the economic resources 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, Opioid Settlement 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, 2022. 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, 2022 of 0.9 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, 2022 the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.75 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, 2022 the fair value of the funds was \$ 27.230307 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 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	\$	226,494
General Fund	2019A general obligation bond construction		6,123,723
General Fund	2019B general obligation bond construction		5,654,728
General Fund	2019C general obligation bond construction		35,139,047
General Fund	2020 installment financing construction		174,134
General Fund	2022 general obligation bond construction		20,850,973
General Special Revenue Fund	American Rescue Plan Act Funding		44,240,869
Opioid Settlement Fund-Other Governmental Funds	Opioid Settlement Funds		362,904
General Fund	Security Deposits		572,452
			<u>113,345,324</u>

##### Business-Type Activities:

Water and Sewer Fund	2015 revenue bond debt service reserve		690
Water and Sewer Fund	2017 revenue bond debt service reserve		1,829
Water and Sewer Fund	2019 revenue bond construction account		23,272,140
Water and Sewer Fund	2019A revenue bond debt service reserve		2,128
Water and Sewer Fund	2021 revenue bond capitalized interest		4,687,226
Water and Sewer Fund	2021 revenue bond construction account		123,756,121
Water and Sewer Fund	Customer deposits		1,253,628
			<u>152,973,762</u>

Solid Waste Fund	Customer deposits		24,805
			<u>24,805</u>

Total Restricted Cash		\$	<u><u>266,343,891</u></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, 2021.

### 5. Lease Receivable

The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded at the initiation of the lease in an amount

equal to the initial recording of the lease receivable. The deferred inflow of resources is recognized on a straight-line basis over the term of the lease. Any variable payments are reported as inflows when received.

## 6. 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.

## 7. 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.

## 8. 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, intangible assets, 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.

Capital assets 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



## **9. Right to use assets**

The County has recorded the right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

## **10. 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 assets that applies to future periods and so will not be recognized as an expense or expenditure until then. The County has deferred loss on refundings, OPEB related deferrals, contributions made to the pension plans in the current year and other pension deferrals. 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 assets that applies to future periods and so will not be recognized as revenue until then. The County has several items that meet the criterion for this category - prepaid taxes, leases, deferred revenue from developers for future water and sewer line extensions, deferred gains on refunded debt, and other OPEB and pension related deferrals.

## **11. 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.

## **12. 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.

### **13. 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.

### **14. Opioid Settlement Funds**

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 15% directly to the State ("State Abatement Fund")
- 80% to abatement funds established by Local Governments ("Local Abatement Funds")
- 5% to a County Incentive Fund.

The County received \$362,904 as part of this settlement in Fiscal Year 2022. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30, 2022. The MOA offered the County two options of expending the funds. The County opted for Option A, which allows the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic.

### **15. Reimbursements for Pandemic-related Expenditures**

In FY 2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The County was allocated \$46,589,799 of fiscal recovery funds to be paid in two equal installments. The first installment of \$23,294,900 was received in June 2021. The second installment was received in June 2022. County staff and the Board of Commissioners have elected to use \$10,000,000 of the ARPA funds for revenue replacement, \$17,356,838 for rehiring public sector staff, \$5,934,318 for Covid mitigation, \$12,200,000 in strategic investments in County services, and \$1,098,643 in administration. Revenue replacement funds will be transferred to the appropriate funds once the intended use of the funds is determined

### **16. 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.

**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 deferred 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:

Fund balances:	Major			Non-major	Total
	General		General Special Revenue Fund	Other	
	General Fund	Capital Project Fund		Governmental Funds	
Nonspendable:					
Inventories	\$ 40,728	\$ -	\$ -	\$ -	\$ 40,728
Prepaid items	9,580	-	-	-	9,580
Restricted:					
Stabilization by State Statute	34,489,319	10,657,448	830,837	1,996,312	47,973,916
General Government:					
Register of Deeds automation enhancement funds	-	-	-	385,425	385,425
Public Safety:					
Law enforcement federal forfeited property funds	-	-	609,616	-	609,616
Law enforcement controlled substance tax funds	-	-	134,967	-	134,967
Civil Fees agency - pass through	-	-	-	3,120	3,120
Emergency management Catawba Nuclear grant funds	-	-	107,112	-	107,112
Emergency management CERT grant funds	-	-	70,473	-	70,473
Communications PSAP funds	-	-	-	1,194,963	1,194,963
Fire protection	-	-	-	1,360,663	1,360,663
Economic and physical development:					
County-wide economic development grants	-	-	136,724	-	136,724
Cooperative extension service fee based programs' funds	99,083	-	-	-	99,083
Human Services:					
American Rescue Plan	-	-	48,635	-	48,635
Medicaid cost settlement program funds	2,215,187	-	-	-	2,215,187
Opioid addiction treatment	-	-	-	362,904	-
Proceeds from DOT Grant funded transportation vehicle sale	14,250	-	-	-	14,250
Social services contribution and donation programs' funds	29,302	-	-	-	29,302
Social services federal adoption assistance grant funds	322,977	-	-	-	322,977
Social services agency - pass through	-	-	-	94,415	94,415
Cultural and Recreational:					
Library contribution and donation program funds	34,048	-	-	-	34,048
Education:					
School regular capital outlay	-	384,584	-	-	384,584
School capital acquisition and construction projects	-	32,648,947	-	-	32,648,947
Committed:					
Twenty percent reserve policy - General Fund	63,282,510	-	-	-	63,282,510
Assigned:					
General Government:					
Board of Elections renovations	-	310,987	-	-	310,987
County facility operating capital	-	662,648	-	-	662,648
County facility repairs	-	964,650	-	-	964,650
Facility audio visual equipment	-	3,068	-	-	3,068
Government Center Building Envelope Repairs	-	1,600,000	-	-	1,600,000
Government Center Electrical Infrastructure	-	925,430	-	-	925,430
Government Center Liebert unit replacement	-	40,000	-	-	40,000
Historic courthouse renovations - Phase I	-	8,510	-	-	8,510
Historic courthouse renovations - Phase II	-	1,725,000	-	-	1,725,000
Information technology infrastructure projects	-	640,902	-	-	640,902
Information technology phone system upgrade	-	79,118	-	-	79,118
Judicial Center - Server Room Split System Renewal	-	90,000	-	-	90,000
Judicial Center generator replacement	-	225,000	-	-	225,000
Radio installation shop	-	919,969	-	-	919,969
UCPS generator replacement	-	90,000	-	-	90,000
UPS Infrastructure Upgrades and replacements	-	75,000	-	-	75,000
Public Safety:					
911 Center renovations	-	6,511	-	-	6,511
Emergency Services Complex	-	4,940	-	-	4,940
Law enforcement animal shelter UPS system replacement	-	30,000	-	-	30,000
Law enforcement firearms range shoot house	-	55	-	-	55
Law enforcement jail block renovations	-	1,950,000	-	-	1,950,000
Law enforcement jail commercial washer & dryer replacement	-	320,500	-	-	320,500
Law enforcement jail domestic water source	-	65,000	-	-	65,000
Law enforcement jail door controls and locks	-	1,581,072	-	-	1,581,072
Law enforcement jail generator replacement	-	394,931	-	-	394,931
Law enforcement sheriff's office R&R	-	579,221	-	-	579,221
Law enforcement sheriff's office renovation and expansion project	-	530,068	-	-	530,068
Law enforcement sheriff's operating capital	-	320,481	-	-	320,481
Radio backhaul	-	5,065	-	-	5,065
Radio replacements	-	261,259	-	-	261,259
Radio towers and microwave replacements	-	1,044,935	-	-	1,044,935
Radio towers HVAC	-	64,000	-	-	64,000
Volunteer Fire Department air packs	-	1,280,000	-	-	1,280,000
Economic and physical development:					
Ag Center generator	-	322,700	-	-	322,700
EDC Industrial Park	-	95,590	-	-	95,590
Planning NC DOT projects	-	300,000	-	-	300,000
Human Services:					
Human Services Campus	-	2,725	-	-	2,725
Education:					
SPCC access controls	-	2,197,780	-	-	2,197,780
SPCC Building A	-	10,191,689	-	-	10,191,689
SPCC Building B	-	1,733,615	-	-	1,733,615
SPCC camera system	-	211,385	-	-	211,385
SPCC Classroom Building Western Union County	-	6,175,100	-	-	6,175,100
SPCC parking	-	345,000	-	-	345,000
SPCC resurfacing of parking lot	-	467,100	-	-	467,100

SPCC STEM Building	-	397,543	-	-	397,543
Cultural and Recreational:					-
Libraries Main Library metal architectural panel replacement	-	568,000	-	-	568,000
Libraries Southwest Union Library	-	9,636,772	-	-	9,636,772
Parks and recreation Cane Creek Park Campstore	-	600,000	-	-	600,000
Parks and Recreation Cane Creek Park renovation	-	43,628	-	-	43,628
Parks and recreation Event Center JHP	-	800,000	-	-	-
Parks and Recreation JHP amenities improvements	-	500,000	-	-	202,951,076
Parks and recreation R&R	-	34,320	-	-	34,320
Nondepartmental pay-go-capital funds		1,529,635	-	-	1,529,635
Subsequent year's expenditures	8,270,719	(617,421)	-	179,957	7,833,255
Unassigned	26,263,676	-	(814,125)	-	25,449,551
<b>Total</b>	<b>\$ 135,071,379</b>	<b>\$ 96,024,460</b>	<b>\$ 1,124,239</b>	<b>\$ 5,577,759</b>	<b>\$ 237,797,837</b>

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

	General Fund	Debt Service Budgetary Fund	Economic Development Fund	Total General Fund
Fund balances:				
Nonspendable:				
Long-term receivables	\$ -	\$ -	\$ -	\$ -
Inventories	40,728	-	-	40,728
Prepaid items	9,580	-	-	9,580
Restricted:				
Stabilization by State Statute	33,427,827	1,061,099	393	34,489,319
Public Safety:				
Law enforcement SCAAP grant funds	-	-	-	-
Economic and physical development:				
Cooperative extension service fee based programs' funds	99,083	-	-	99,083
Human Services:				
Medicaid cost settlement program funds	2,215,187	-	-	2,215,187
Proceeds from DOT Grant funded transportation vehicle sale	14,250	-	-	14,250
Social services contribution and donation programs' funds	29,302	-	-	29,302
Social services federal adoption assistance grant funds	322,977	-	-	322,977
Cultural and Recreational:				
Library contribution and donation program funds	34,048	-	-	34,048
Committed:				
Twenty percent reserve policy - General Fund	63,282,510	-	-	63,282,510
Assigned:				
Subsequent year's expenditures	2,607,486	5,663,233	-	8,270,719
Unassigned	20,517,077	(1,148,979)	6,895,578	26,263,676
<b>Total</b>	<b>\$ 122,600,055</b>	<b>\$ 5,575,353</b>	<b>\$ 6,895,971</b>	<b>\$ 135,071,379</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	\$ 11,469	\$ 64,902	\$ 31,651	\$ 21,713	\$ 5,118	\$ 120,051	\$ 10,213	\$ 12,004	\$ 26,215	\$ 2,535
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	11,452	176,088	50,919	62,163	9,464	138,666	11,852	13,751	61,658	30,825
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	-	-	-	-	-	-	-	-	-	-
	<u>\$ 22,921</u>	<u>\$ 240,990</u>	<u>\$ 82,570</u>	<u>\$ 83,876</u>	<u>\$ 14,582</u>	<u>\$ 258,717</u>	<u>\$ 22,065</u>	<u>\$ 25,755</u>	<u>\$ 87,873</u>	<u>\$ 33,360</u>
Fund balances:										
Restricted:										
Stabilization by State Statute	\$ 12,710	\$ 46,424	\$ 11,298	\$ 116,342	\$ 30,181	\$ 121,047	\$ 188,827	\$ 27,039	\$ -	\$ 1,136,573
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	-	-	-	-	-	-	-	-	-	1,194,963
Fire protection	21,475	44,230	21,063	91,427	55,961	157,906	259,654	48,910	93,199	-
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	-	-	-	-	-	-	-	-	-	179,957
Unassigned	-	-	-	-	-	-	-	-	-	-
	<u>\$ 34,185</u>	<u>\$ 90,654</u>	<u>\$ 32,361</u>	<u>\$ 207,769</u>	<u>\$ 86,142</u>	<u>\$ 278,953</u>	<u>\$ 448,481</u>	<u>\$ 75,949</u>	<u>\$ 93,199</u>	<u>\$ 2,511,493</u>

	DSS Represent. Payee Fund	Opioid Settlement Fund	(ROD) Automation Enhancement Fund	Fines & Forfeitures Fund	Civil Fees Fund	Total Special Revenue Funds
Fund balances:						
Restricted:						
Stabilization by State Statute	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,996,312
General Government:						
Register of Deeds automation enhancement funds	-	-	385,425	-	-	385,425
Public Safety:						
Law enforcement controlled substance tax funds	-	-	-	-	-	-
Civil Fees agency - pass through	-	-	-	-	3,120	3,120
Emergency mgmt. Catawba Nuclear grant funds	-	-	-	-	-	-
Emergency management CERT grant funds	-	-	-	-	-	-
Communications PSAP funds	-	-	-	-	-	1,194,963
Fire protection	-	-	-	-	-	1,360,663
Economic and Physical Development:						
County-wide economic development grants	-	-	-	-	-	-
Human Services:						
American Rescue Plan	-	-	-	-	-	-
Opioid addiction treatment	-	362,904	-	-	-	362,904
Social services agency - pass through	94,415	-	-	-	-	94,415
Assigned:						
Subsequent year's expenditures	-	-	-	-	-	179,957
Unassigned	-	-	-	-	-	-
	<u>\$ 94,415</u>	<u>\$ 362,904</u>	<u>\$ 385,425</u>	<u>\$ -</u>	<u>\$ 3,120</u>	<u>\$ 5,577,759</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. This policy is adopted annually on the adoption of the Budget Ordinance. 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.

## 17. Defined Benefit Pension and OPEB Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System ("LERS") and the Registers of Deeds' Supplemental Pension Fund ("RODSPF") collectively the "state-administered defined benefit pension plans". The County also administers two single employer defined benefit plans; the Special Separation Allowance (for Law Enforcement and eligible General class employees) and the Other Postemployment Retiree Healthcare Benefits plan (OPEB). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-



administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

**18. Change in Accounting Principle**

As of July 1, 2021, the County adopted the provisions of GASB 87, *Leases*, which amended the existing accounting standards for lease reporting. The new guidance requires lessees in a leasing arrangement recognize a right to use asset and a lease liability for most leases (other than leases that meet the definition of a short-term lease) at lease commencement. The liability will be equal to the present value of lease payments. Additionally, the new guidance requires lessors in a leasing arrangement to recognize a lease receivable and a deferred inflow of resources for most leases (other than leases that meet the definition of a short-term lease) at lease commencement. The liability (lessees) or deferred inflow (lessors) will be equal to the present value of lease payments.

**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 \$384,313,165 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	\$ (380,700,113)
Accrued interest payable	(3,613,052)
Net adjustment attributable to liabilities not recorded in the fund statements	<u>\$ (384,313,165)</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 \$50,872,264 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 34,629,509
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	(7,600,547)
Net book value of capital assets disposed of	(18,558)
Land previously held for resale that was sold in the current 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	36,510,000
Proceeds of debt instruments	(22,758,117)
Debt issuance premium amortization	3,148,126
Debt issuance deferred inflows of gain amortization	461,229
Debt issuance deferred outflows of loss amortization	(17,052)
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	(1,331,355)
Defeasance amortization over remaining life of debt	(1,581,947)
<p>The county enters into long-term lease arrangements that provides current financial resources to governmental funds, while the lease payment consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. The amount is the net effect of these differences in the treatment of long-term leases.</p>	
	415
<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)	(375,358)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(665,326)
County's portion of collective pension expense	(8,146,438)
County's other post employment benefit expense	6,343,147
Contribution to the pension plan in the current fiscal year	7,568,711
<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 7/1/21	(690,648)
Recording of tax receipts deferred in the fund statements as of 6/30/22	1,006,573
Decrease in accrued taxes receivable for year ended 6/30/22	(554,361)
Accrued interest receivable on leases	2,008,337
Internal service funds' net investment earnings	(22,313)
Health and dental insurance costs, net of investment earnings	3,417,670
Workers' compensation costs, net of investment earnings	188,517
Property and casualty costs, net of investment earnings	(95,797)
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net position-governmental activities	<u>\$ 50,872,264</u>

### **NOTE 3 - DEPOSITS AND INVESTMENTS**

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

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

All of the County's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's agent in the County's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agent in the County's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County does not have policies regarding custodial credit risk for deposits.

At June 30, 2022, the County's deposits had a carrying amount of \$42,192,509 and a bank balance of \$45,797,882. Of the bank balance, \$468,825 was covered by federal depository insurance and \$45,329,057 in interest bearing deposits were covered by collateral held under the Pooling Method. Also, at June 30, 2022, the County had \$9,855 cash on hand.

As of June 30, 2022, 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	\$ 444,255,173	\$ 444,255,173	\$ -	\$ -	\$ -
US Treasuries	Fair Value - Level 1	74,299,531	56,770,032	14,510,697	3,018,802	-
US Government Agencies	Fair Value - Level 1	49,868,101	-	9,024,070	28,049,258	12,794,773
Total		<u>\$ 568,422,805</u>	<u>\$ 501,025,205</u>	<u>\$ 23,534,767</u>	<u>\$ 31,068,060</u>	<u>\$ 12,794,773</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 (\$609,545,522) and Custodial Funds (\$1,079,647).

Also, at June 30, 2022, the Special Separation Allowance Pension Trust Fund deposits had a carrying amount and bank balance of \$4,675,440 as shown on the Statement of Fiduciary Net Position.

Also, at June 30, 2022, the Other Postemployment Retiree Healthcare Benefits (OPEB) Pension Trust Fund deposits had a carrying amount and bank balance of \$55,613,957 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, 2022, 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, 2022, 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, 2022, the County did not hold any investments from a single issuer that was 5 percent of more of total investments.

At June 30, 2022, the County's Other Postemployment Retiree Healthcare Benefits (OPEB) Pension Trust Fund had \$55,613,957 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) 22.91%; State Treasurer's Bond Index Fund (BIF) 35.41%; and Black Rock's MSCI ACWI EQ Index Non-Lendable Class B Fund 41.68% (the equities were split with 60.68% in domestic securities and 39.32% 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, 2022 of 0.9 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, 2022, the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.75 years at June 30, 2022.

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, 2022 the fair value of the funds was \$ 27.230307 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 4 - RECEIVABLES

### A. Receivables and Allowances for Doubtful Accounts

Receivables and their associated allowance for doubtful accounts at the government-wide level at June 30, 2022, were as follows:

	Accounts	Taxes and Related Accrued Interest	Total
<b>Governmental Activities:</b>			
General	\$ 34,792,588	\$ 1,285,964	\$ 36,078,552
Capital Projects	300,349	-	300,349
Special Revenue	1,190,155	53,563	1,243,718
Internal Service	15,242	-	15,242
Total Receivables	<u>36,298,334</u>	<u>1,339,527</u>	<u>37,637,861</u>
Allowance for doubtful accounts	<u>-</u>	<u>(274,825)</u>	<u>(274,825)</u>
Total-governmental activities	<u>\$ 36,298,334</u>	<u>\$ 1,064,702</u>	<u>\$ 37,363,036</u>
<b>Business-type Activities:</b>			
Water and Sewer	\$ 12,798,554	\$ -	\$ 12,798,554
Solid Waste	1,063,901	-	1,063,901
Total Receivables	<u>13,862,455</u>	<u>-</u>	<u>13,862,455</u>
Allowance for doubtful accounts	<u>(638,686)</u>	<u>-</u>	<u>(638,686)</u>
Total-business-type activities	<u>\$ 13,223,769</u>	<u>\$ -</u>	<u>\$ 13,223,769</u>

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

In accordance with the general statutes, the County may tax agriculture, horticulture, and forestland at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Fiscal Year	Tax Year	Tax	Interest	Total
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
2022	2021	7,292,237	419,304	7,711,541
		<u>\$ 30,020,813</u>	<u>\$ 1,726,197</u>	<u>\$ 31,747,010</u>

### C. Lease Receivables

Union County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the County receives predetermined lease payments. These payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

On January 1, 2022, Union County, NC entered into a 480 month lease as Lessor for the use of Hospital Space at US Highway 74 & Sunset Drive. An initial lease receivable was recorded in the amount of \$162,595,583. As of June 30, 2022, the value of the lease receivable is \$156,372,973. The lessee is required to make annual fixed payments of \$6,222,610 with 1% increase scheduled every 5 years. The

lease has an interest rate of 2.5830%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$160,563,138 and Union County recognized lease revenue of \$2,032,444 during the fiscal year. The lessee has 1 extension option(s), each for 300 months.

On July 1, 2021, Union County, NC entered into a 33 month lease as Lessor for the use of Office & Storage Space - 3230 Presson Road. An initial lease receivable was recorded in the amount of \$14,707. As of June 30, 2022, the value of the lease receivable is \$9,387. The lessee is required to make monthly fixed payments of \$450.00. The lease has an interest rate of 0.7270%. The Buildings estimated useful life was zero months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$9,363, and Union County recognized lease revenue of \$5,348 during the fiscal year.

Fiscal Year	Lease Payment	Interest Income	Lease Revenue
2023	\$ 6,228,010	\$ 4,039,164	\$ 2,188,846
2024	6,226,660	3,982,726	2,243,934
2025	6,222,610	3,924,858	2,297,752
2026	6,222,610	3,865,507	2,357,103
2027	6,284,836	3,804,623	2,480,213
2028-2032	31,487,029	18,028,412	13,458,617
2033-2037	31,801,899	16,181,429	15,620,470
2038-2042	32,119,918	14,040,275	18,079,643
2043-2047	32,441,117	11,564,515	20,876,602
2048-2052	32,765,529	8,708,207	24,057,322
2053-2057	33,093,184	5,419,162	27,674,022
2058-2062	26,685,921	1,638,085	25,047,836
Total	<u>\$ 251,579,323</u>	<u>\$ 95,196,963</u>	<u>\$ 156,382,360</u>

## NOTE 5 - CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended June 30, 2022 was as follows:

	Beginning Balances	Additions	Retirements & Adjustments	Transfers	Ending Balances
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 19,678,222	\$ 141,424	\$ -	\$ -	\$ 19,819,646
Construction in progress	15,735,085	31,355,296	-	(2,667,199)	44,423,182
Total capital assets not being depreciated	<u>35,413,307</u>	<u>31,496,720</u>	<u>-</u>	<u>(2,667,199)</u>	<u>64,242,828</u>
Capital assets being depreciated:					
Other improvements	8,905,768	63,605	-	-	8,969,373
Buildings	115,322,386	47,814	-	2,667,199	118,037,399
Furniture and equipment	37,259,791	1,213,154	-	-	38,472,945
Vehicles	14,515,575	1,808,216	1,042,348	-	15,281,443
Computer software	910,583	-	-	-	910,583
Total capital assets being depreciated	<u>176,914,103</u>	<u>3,132,789</u>	<u>1,042,348</u>	<u>2,667,199</u>	<u>181,671,743</u>
Less accumulated depreciation for:					
Other improvements	5,271,044	293,339	-	-	5,564,383
Buildings	46,823,795	3,554,978	-	-	50,378,773
Furniture and equipment	31,114,040	1,796,576	-	-	32,910,616
Vehicles	9,324,653	1,843,031	1,023,790	-	10,143,894
Computer software	598,977	112,623	-	-	711,600
Total accumulated depreciation	<u>93,132,509</u>	<u>7,600,547</u>	<u>1,023,790</u>	<u>-</u>	<u>99,709,266</u>
Total capital assets being depreciated, net	<u>83,781,594</u>	<u>(4,467,758)</u>	<u>18,558</u>	<u>2,667,199</u>	<u>81,962,477</u>
Right to use lease assets:					
Buildings	-	618,766	-	-	618,766
Total right to use assets being amortized	<u>-</u>	<u>618,766</u>	<u>-</u>	<u>-</u>	<u>618,766</u>
Less amortization for:					
Buildings	-	177,853	-	-	177,853
Total amortization	<u>-</u>	<u>177,853</u>	<u>-</u>	<u>-</u>	<u>177,853</u>
Total right to use assets being amortized, net	<u>-</u>	<u>440,913</u>	<u>-</u>	<u>-</u>	<u>440,913</u>
Governmental activities capital assets, net	<u>\$ 119,194,901</u>	<u>\$ 27,469,875</u>	<u>\$ 18,558</u>	<u>\$ -</u>	<u>\$ 146,646,218</u>

Transfer of \$2,667,199 includes a capital improvement project that was completed and placed in service for Jesse Helms 4H Event Center.

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

General government	\$ 1,920,456
Public safety	2,838,485
Economic and physical development	230,465
Human services	1,666,190
Education	79,427
Cultural and recreational	865,524
Total depreciation expense	<u>\$ 7,600,547</u>



Capital asset activity for the business-type activities for the year ended June 30, 2022, was as follows:

Business-type activities:	Beginning		Retirements		Ending
	Balances (Restated)	Additions	and Adjustments	Transfers	
<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	97,631,299	168,870,578	-	(9,088,205)	257,413,672
Total capital assets not being depreciated	101,503,870	168,870,578	-	(9,088,205)	261,286,243
Capital assets being depreciated:					
Plant and collection systems	299,231,158	4,752,396	-	2,297,967	306,281,521
Plant and distribution systems	178,180,578	5,104,498	-	6,790,238	190,075,314
Water rights (intangible asset)	1,902,757	-	-	-	1,902,757
Administration Building	10,816,628	16,582	-	-	10,833,210
Equipment	4,739,377	733,341	-	-	5,472,718
Vehicles	4,757,915	449,483	63,668	-	5,143,730
Computer Software	107,907	-	-	-	107,907
Total capital assets being depreciated	499,736,320	11,056,300	63,668	9,088,205	519,817,157
Less accumulated depreciation for:					
Plant and collection systems	131,137,031	17,843,516	-	-	148,980,547
Plant and distribution systems	84,375,972	-	-	-	84,375,972
Water rights intangible asset	1,391,392	47,569	-	-	1,438,961
Administration Building	1,847,018	292,893	-	-	2,139,911
Equipment	3,034,161	335,281	-	-	3,369,442
Vehicles	3,156,954	505,443	55,435	-	3,606,962
Computer Software	172,099	18,124	-	-	190,223
Total accumulated depreciation	225,114,627	19,042,826	55,435	-	244,102,018
Total capital assets being depreciated, net	274,621,693	(7,986,526)	8,233	9,088,205	275,715,139
Water and Sewer capital assets, net	376,125,563	160,884,052	8,233	-	537,001,382
<b>Solid Waste</b>					
Capital assets not being depreciated:					
Land	334,257	-	-	-	334,257
Construction in progress	126,208	34,345	-	-	160,553
Total capital assets no being depreciated	460,465	34,345	-	-	494,810
Capital assets being depreciated:					
Other improvements	1,243,334	-	-	-	1,243,334
Plant and collection systems	2,368,199	-	-	-	2,368,199
Equipment	4,256,049	352,525	352,042	-	4,256,532
Vehicles	1,292,648	-	429,006	-	863,642
Total capital assets being depreciated	9,160,230	352,525	781,048	-	8,731,707
Less accumulated depreciation for:					
Other improvements	575,973	55,050	-	-	631,023
Plant and collection systems	1,985,593	23,710	-	-	2,009,303
Equipment	2,419,010	372,121	681,191	-	2,109,940
Vehicles	891,428	70,325	429,005	-	532,748
Total accumulated depreciation	5,872,004	521,206	1,110,196	-	5,283,014
Total capital assets being depreciated, net	3,288,226	(168,681)	(329,148)	-	3,448,693
Solid Waste capital assets, net	3,748,691	(168,681)	(329,148)	-	3,943,503
Business-type activities capital assets, net	\$ 379,874,254	\$ 160,715,371	\$ 8,233	\$ -	\$ 540,944,885

## NOTE 6 - LIABILITIES

Payables at the government-wide level at June 30, 2022, including liabilities payable from restricted assets, were as follows:

Payables:	Governmental Activities	Business Type Activities	Total
Vendors	\$ 16,120,245	\$ 38,572,034	\$ 54,692,279
Salaries and benefits	3,967,746	582,527	4,550,273
Accrued Interest	3,613,052	1,177,996	4,791,048
Total	\$ 23,701,043	\$ 40,332,557	\$ 64,033,600

## **NOTE 7 - PENSION PLAN OBLIGATIONS**

### **A. Local Governmental Employees' Retirement System**

*Plan Description.* The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the 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, 2022, was 12.04% of compensation for law enforcement officers and 11.40% 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 \$8,472,053 for the year ended June 30, 2022

*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, 2022, the County reported a liability of \$14,644,922 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the County's proportion was 0.955%, which was an increase of 0.027% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the County recognized a pension expense of \$6,802,253. At June 30, 2022, 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	\$ 4,659,076	\$ -
Changes of assumptions	9,200,751	
Net difference between projected and actual earnings on pension plan investments	-	20,923,194
Changes in proportion and differences between County contributions and proportionate share of contributions	1,067,606	-
County contributions subsequent to the measurement date	8,472,053	-
Total	<u>\$ 23,399,486</u>	<u>\$ 20,923,194</u>

\$8,472,053 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2023	\$	1,830,469
2024		15,103
2025		(1,438,707)
2026		(6,402,626)
2027		-
Total	\$	<u>(5,995,761)</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer), and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The mortality rates also contain a provision to reflect future mortality improvements. The actuarial assumptions used in the December 31, 2020 were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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 2016 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 6.50%. 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 6.50 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 (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability (asset)	\$ 56,850,367	\$ 14,644,922	\$ (20,087,707)

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

## **B. 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. The net position and change of net position for the Separation Allowance Trust as of June 30, 2022 is as follows:

	<u>Statement of Net Position</u>
<b>ASSETS</b>	
Investments:	
Separation Allowance Trust Fund	\$ 4,675,440
Total assets	<u>4,675,440</u>
<b>NET POSITION</b>	
Separation Allowance Trust Fund	4,675,440
Total net position	<u>\$ 4,675,440</u>
<b>Changes in Net Position</b>	
<b>ADDITIONS</b>	
Employer contributions	\$ 1,747,190
Net investment income	410
Total additions	<u>1,747,600</u>
<b>DEDUCTIONS</b>	
Benefits	1,398,220
Total deductions	<u>1,398,220</u>
Change in net position	<u>349,380</u>
<b>NET POSITION</b>	
Beginning	<u>4,326,060</u>
Ending	<u>\$ 4,675,440</u>

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, 2020 valuation date, the Separation Allowance's membership consisted of:

Retirees receiving benefits	74
Active plan members	<u>423</u>
Total	<u><u>497</u></u>

**Summary of Significant Accounting Policies**

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

**Contributions**

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the current year, the County contributed \$1,747,190 or 6.33% 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, 2022 was determined as part of the December 31, 2021 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	3.26%, 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, 2021 (measurement date) was 2.25%. 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, 2021.

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 2.25% annually.

**Net Pension Liability**

The components of the net pension liability of the County as of June 30, 2022 are as follows:

Total pension liability	\$ 21,133,997
Plan fiduciary assets	4,510,454
Net pension liability	<u>\$ 16,623,543</u>
Plan fiduciary assets as a percentage of total pension liability	21.34%

At June 30, 2022, the County reported a net pension liability of \$16,623,543. The net pension liability was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of December 31, 2021.

For the fiscal year ended June 30, 2022, the County recognized pension expense in the amount of \$2,941,844. As of the December 31, 2021 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	\$ 2,068,903	\$ -
Changes of assumptions and other inputs	3,025,582	581,658
Net difference between projected and actual earnings on plan investments	167,918	-
Employer contributions subsequent to the measurement date	164,700	-
Total	<u>\$ 5,427,103</u>	<u>\$ 581,658</u>

\$164,700 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an decrease of the net pension liability in the year ended June 30, 2023. 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
2023	\$ 1,892,849	\$ 214,577	\$ 1,678,272
2024	1,663,586	126,601	1,536,985
2025	1,344,464	107,838	1,236,626
2026	324,414	107,838	216,576
2027	37,090	24,804	12,286
Thereafter	-	-	-
Total	<u>\$ 5,262,403</u>	<u>\$ 581,658</u>	<u>\$ 4,680,745</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 1.25%	Current Discount Rate 2.25%	1% Increase 3.25%
Net pension liability	\$18,376,273	\$16,623,543	\$15,015,051

## Changes in the Net Pension Liability

	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance as of December 31, 2020	\$ 20,891,294	\$ 4,191,718	\$ 16,699,576
Changes for the year:			
Service Cost	830,400	-	830,400
Interest	391,060	-	391,060
Difference between expected and actual experience	843,430	-	843,430
Changes of assumptions or other inputs	(563,994)	-	(563,994)
Contributions - employer	-	1,576,636	(1,576,636)
Net investment income	-	293	(293)
Benefits paid	(1,258,193)	(1,258,193)	-
Net changes	242,703	318,736	(76,033)
Balance as of December 31, 2021	<u>\$ 21,133,997</u>	<u>\$ 4,510,454</u>	<u>\$ 16,623,543</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 1.93% at the December 31, 2020 measurement date to 2.25% at the December 31, 2021 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, 2022 totaled \$5,923,441, consisting of \$2,261,225 in employee contributions and \$3,662,216 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 \$32,768 for the year ended June 30, 2022.

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

At June 30, 2022, the County reported an asset of \$580,060 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2021 measurement date, the County's proportion was 3.019%, which was an increase of 0.2066% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the County recognized pension expense of (\$1,273). At June 30, 2022, 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	\$ 6,189	\$ 7,035
Changes of assumptions	42,298	-
Net difference between projected and actual earnings on pension plan investments	-	1,781
Changes in proportion and differences between County contributions and proportionate share of contributions	8,458	58,939
County contributions subsequent to the measurement date	32,768	-
Total	<u>\$ 89,713</u>	<u>\$ 67,755</u>

\$32,768 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2023	\$ (19,961)
2024	(3,016)
2025	(1,359)
2026	13,526
2027	-
Total	<u>\$ (10,810)</u>

*Actuarial Assumptions.* The total pension asset in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	12/31/2020
Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar Closed
Amortization Period	20 Year Closed Periods
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	3.00%
Projected Salary Increases	3.25%-8.25%
Includes Inflation of	2.50%
Includes Inflation of and productivity of	3.25%
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, 2019 and adopted by the Board of Trustees on January 28, 2021 for use beginning with the December 31, 2020 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 3.00%. 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 3.00 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 (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	\$ (460,745)	\$ (580,060)	\$ (680,324)

*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.

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

The net pension liability for LGERS and ROD was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as December 31, 2020. The total pension liability for Special Separation Allowance was measured as of December 31, 2021, with an actuarial valuation date of December 31, 2020.

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)	\$ 14,644,922	\$ (580,060)	N/A	\$ 14,064,862
Proportion of the Net Pension Liability (Asset)	0.955%	(3.019)%	N/A	
Net Pension Liability	-	-	16,623,543	16,623,543
Pension Expense	\$ 6,802,253	\$ (1,273)	\$ 2,625,311	\$ 9,426,291

At June 30, 2022, 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	\$ 4,659,076	\$ 6,189	\$ 2,068,903	\$ 6,734,168
<u>Change of assumptions</u>	9,200,751	42,298	3,025,582	12,268,631
Net difference between projected and actual earnings on pension plan investments	-	-	167,918	167,918
Changes in proportion and differences between County contributions and proportionate share of contributions	1,067,606	8,458	-	1,076,064
County contributions subsequent to the measurement date	8,472,053	32,768	164,700	8,669,521
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$ -	\$ 7,035	\$ -	\$ 7,035
<u>Changes of assumptions</u>	-	-	581,658	581,658
Net difference between projected and actual earnings on pension plan investments	20,923,194	1,781	-	20,924,975
Changes in proportion and differences between County contributions and proportionate share of contributions	-	58,939	-	58,939

## NOTE 8 - DEFERRED COMPENSATION PLAN

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

## NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS

### A. Other Postemployment Retiree Healthcare Benefits (OPEB)

*Plan Description - Eligibility.* Under the terms of a County resolution, the County administers a single-employer defined benefit Retiree Healthcare Benefits Plan (the RHCB Plan). As of July 1, 2008, this plan provides postemployment healthcare benefits to retirees of the County who (1) retire from service under the provisions of the North Carolina Local Governmental Employees' Retirement System or the North Carolina Law Enforcement Officer's Benefit and Retirement Fund (together the "Systems") and (2) immediately prior to such retirement earns ten (10) consecutive years of credible, continuous service with the County. Employees hired on or after July 1, 2008 require twenty (20) years of credible, continuous service with the County and must retire from service under the Systems to receive the postemployment healthcare benefit. Employees hired on or after July 1, 2013, are not eligible to participate in the Retiree Healthcare Benefits Plan. The plan, which has a June 30, 2022 year-end does

not issue a stand-alone report. The net position and change in net position schedules are listed below for the OPEB trust as of June 30, 2022.

	<u>Statement of Net Position</u>
<b>ASSETS</b>	
Investments:	
State Treasurer's Office OPEB Trust	\$ 55,613,957
Total assets	<u>55,613,957</u>
<b>NET POSITION</b>	
State Treasurer's Office OPEB Trust	55,613,957
Total net position	<u>\$ 55,613,957</u>
	<u>Changes in Net Position</u>
<b>ADDITIONS</b>	
Employer contributions	\$ 8,619,384
Net investment income	(6,453,703)
Total additions	<u>2,165,681</u>
<b>DEDUCTIONS</b>	
Benefits	5,017,337
Total deductions	<u>5,017,337</u>
Change in net position	<u>(2,851,656)</u>
<b>NET POSITION</b>	
Beginning	58,465,613
Ending	<u>\$ 55,613,957</u>

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

Coverage for eligible retirees and covered spouses in the County group health and dental plan ends on the day the retiree attains age 65. In addition, all coverage (except COBRA) in the group health and dental plan ends for eligible dependents upon the death of an eligible retiree who had not attained age 65. Upon attaining age 65, eligible retirees are enrolled by the County in a Supplement to Medicare plan that is combined with a prescription Part D plan. These plans are sponsored and premium is paid by the County. Retiree participants do not contribute towards the premium cost of these plans. Spouses of post-65 retirees are not eligible for coverage in either supplemental plan. All employees hired on or after July 1, 2013, are not eligible to receive Supplement to Medicare Benefit.

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

	<u>2020</u>
Inactive plan members or beneficiaries currently receiving benefit payments	395
Active plan members	<u>424</u>
Total	<u>819</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:

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

*Rate of return.* For the year ended June 30, 2022, the annual money weighted rate of return on investments, net of investment expense, was (10.54) 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, 2022 measurement date is presented in the table below:

Measurement Date of June 30, 2022	
Total OPEB Liability	\$ 121,151,045
Fiduciary Net Position	55,613,957
Net OPEB Liability	\$ 65,537,088
Ratio of Fiduciary Net Position to Total OPEB Liability	45.90%

*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	3.37%
Municipal Bond Index Rate	
Prior Measurement Date	2.16%
Measurement Date	3.54%
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	3.37%
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 PUB-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 3.37%. 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 3.37%, 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 2.37%	Current Discount Rate 3.37%	1% Increase 4.37%
Net OPEB Liability	\$ 86,101,414	\$ 65,537,088	\$ 49,252,616

*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	\$ 46,170,845	\$ 65,537,088	\$ 90,374,788

*Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows or Resources Related to OPEB.* At June 30, 2022, the County reported a net OPEB liability of \$65,537,088. 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, 2022 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2022, the components of the net OPEB liability of the County, measured as of June 30, 2022, were as follows:

	Total OPEB Liability	Increase/(Decrease) Plan Fiduciary Net Position	Net OPEB Liability
Balance as of June 30, 2021	\$ 101,573,368	\$ 58,465,613	\$ 43,107,755
Changes for the year:			
Services Cost at the end of the year	1,987,859	-	1,987,859
Interest on TOL and Cash Flows	4,389,770	-	4,389,770
Difference between expected and actual experience	1,066,740	-	1,066,740
Changes of assumptions or other inputs	17,150,645	-	17,150,645
Contributions - employer	-	8,619,384	(8,619,384)
Net investment income	-	(6,453,703)	6,453,703
Benefit payments	(5,017,337)	(5,017,337)	-
Net changes	19,577,677	(2,851,656)	22,429,333
Balance as of June 30, 2022	<u>\$ 121,151,045</u>	<u>\$ 55,613,957</u>	<u>\$ 65,537,088</u>

For the year ended June 30, 2022, the County recognized OPEB expense at \$3,530,973. At June 30, 2022, 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	\$ 1,720,855	\$ 7,462,796
Changes of assumptions or other inputs	13,512,046	4,278,753
Net difference between projected and actual earnings on plan investments	3,975,927	-
Total	<u>\$ 19,208,828</u>	<u>\$ 11,741,549</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:	
2023	\$ (207,594)
2024	680,574
2025	3,977,975
2026	3,016,324
Total	<u>\$ 7,467,279</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, 2022, the County contributed \$28,979 for employees not engaged in law enforcement and \$20,830 for employees for law enforcement officers for a total of \$49,809.

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

State and federal laws and regulations required the County to place a final cover on its landfill facility when it stopped accepting municipal solid waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure of the municipal solid waste collection cell. The County has continued to collect construction and demolition waste in different cells which are opened based on demand and closed when each cell reaches its capacity. Closure and post closure care costs have been accumulated up to the dates of closure for each of the cells; therefore, the County has reported these closure and post closure care costs as an operating expense in each prior period based on landfill capacity used as of each balance sheet date. The County stopped accepting municipal solid waste into its Austin-Chaney Road facility, permit number 90-01, on December 31, 1997. The site still serves as a transfer station for the collection of local municipal solid waste, which is transported to other sites outside of the County. The \$5,802,320 reported as landfill closure and post closure care liability at June 30, 2022 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, 2022, there was an increase of \$725,161 from the prior year. The liability represents the estimated present value of the amount needed to fund the post closure care costs that will be incurred during the 30-year period after closure. Actual post closure costs may be higher due to inflation, changes in technology, or changes in regulations.

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

**NOTE 11 - COMMITMENTS**

**A. Contractual Commitments**

The County had several outstanding projects as of June 30, 2022. At year-end, the significant contractual commitments include the following:

Project	Spent to Date	Remaining Commitment
<b>General Capital Projects Fund:</b>		
Board of Elections Addition/Renovations	\$ 2,198,782	\$ 1,366,503
Sheriff's Office Expansion & Renovation	20,454,427	2,172,925
Southwest Regional Library	46,000	9,617,980
<b>Water Capital Projects:</b>		
Automated Meter Infrastructure	552,579	13,104,439
Yadkin River Supply	178,982,328	99,947,818
853 West Pressure Zone Improvements	7,450,449	13,543,251
<b>Sewer Capital Projects:</b>		
Crooked Creek WRF Electrical Systems Improvements	826,299	2,480,251
West Fork Twelve Mile Creek Interceptor	4,907,832	7,427,283
Poplin Road Pump Station Improvements	3,829,044	9,536,165
Waxhaw Gravity Intcpt, Pmp Stn & Frce Main	2,282,120	2,802,228
12 Mile Creek Building Additions	-	2,198,642
12 Mile Creek 9.0 MGD Expansion	719,345	1,479,297
Total	\$ 222,249,205	\$ 165,676,782

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 \$8,942,611 and expects the payments to be made over the next five years.

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

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

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

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

availability of unrestricted net position to fund projected claims. Funding of the Property and Casualty Fund is allocated based on a percentage of the department's budget.

The County's medical and Rx benefits are partially self-insured. Individual member claims are self-insured up to \$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		Worker's Compensation Fund		Property and Casualty Fund	
	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Unpaid Claims beginning of fiscal year	\$ 2,811,156	\$ 1,232,215	\$ 199,698	\$ 203,819	\$ 41,171	\$ 35,565
Incurred claims and premiums	18,346,447	22,294,596	178,444	155,883	1,773,404	1,238,158
Claims and premiums paid	(19,366,082)	(20,715,655)	(186,655)	(160,004)	(1,465,885)	(1,232,552)
Unpaid Claims end of fiscal year	\$ 1,791,521	\$ 2,811,156	\$ 191,487	\$ 199,698	\$ 348,690	\$ 41,171

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 a Network Security & Privacy Liability insurance (Cyber) policy with limits of \$3,000,000.

**NOTE 13 - CLAIMS AND JUDGEMENTS**

At June 30, 2022, 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 14 - 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 14. D.

The other long-term obligations, were issued for acquired or constructed assets of the water and sewer system are described further in Note 14. D.

1. Long-term obligations at June 30, 2022 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, 2022
<b>1. General Obligation Bonds (GO Bonds)</b>					
2012 Refunding Bonds (School Facility)	May 01, 2012	March 01, 2024	2.00% - 5.00%	28,845,000	\$ 8,870,000
2013A Refunding Bonds (School Facility)	March 19, 2013	March 01, 2029	1.50% - 5.00%	42,890,000	30,460,000
2015 Refunding Bonds (School Facility)	Dec. 08, 2015	Sept. 01, 2029	2.00% - 5.00%	41,020,000	29,405,000
2017 Schools Facility	Nov. 21, 2017	Sept. 01, 2037	2.00% - 5.00%	50,000,000	40,000,000
2019 Multipurpose Bonds - Series C	Aug 22, 2019	Sept. 01, 2039	2.00% - 5.00%	91,910,000	82,700,000
2019 Refunding Bonds (School Facility) - Series D	Aug 22, 2019	Sept. 01, 2032	2.00% - 5.00%	15,260,000	15,260,000
2022 Multipurpose Bonds	April 22, 2022	March 01, 2042	3.00% - 5.00%	20,590,000	20,590,000
					<u>227,285,000</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	21,173,855
2004 Law Enf. Facility - Series A	Dec. 14, 2004	March 01, 2029	2.28%	1,735,000	761,145
2007 School Facility - Series A and C	Sept. 06, 2007	March 01, 2033	2.19%	93,510,000	39,840,000
2019 Economic Development Series A	July 23, 2019	March 01, 2039	2.63% - 2.95%	17,555,000	15,156,000
2019 Multipurpose Series B	July 23, 2019	March 01, 2039	2.07% - 2.33%	8,045,000	6,971,000
					<u>83,902,000</u>
<b>3. Installment Financing</b>					
2012 Limited Obligation Bonds	May 01, 2012	December 01, 2024	1.00% - 5.00%	27,850,000	11,040,000
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	5,226,000
					<u>42,206,000</u>
<b>4. Revenue Bonds</b>					
2015 Enterprise System	December 9, 2015	June 01, 2040	2.00% - 5.00%	22,955,000	19,185,000
2017 Enterprise System	August 30, 2017	June 01, 2040	3.00% - 5.00%	58,990,000	51,870,000
2019 Enterprise System - Series A	May 30, 2019	June 01, 2044	3.00% - 5.00%	68,430,000	64,475,000
2021 Enterprise System	March 10, 2021	June 01, 2051	3.00% - 5.00%	298,775,000	298,775,000
					<u>434,305,000</u>
Total General Obligation Bonds, GO Bond Notes from direct placement, Installment Financings, Revenue Bonds and Other Long-term Obligation					<u>\$ 787,698,000</u>

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

	Governmental Activities	Business-type Activities	Total
General Obligation Bonds	\$ 252,135,179	\$ -	\$ 252,135,179
GO Bonds from direct placements	83,902,000	-	83,902,000
Certificates of Participation	39,436,934	-	39,436,934
Installment Financing	5,226,000	-	5,226,000
Revenue Bonds	-	476,711,975	476,711,975
Total	<u>\$ 380,700,113</u>	<u>\$ 476,711,975</u>	<u>\$ 857,412,088</u>

3. The table in Note 14 part A differs from the long-term obligations in Note 14 part B due to the following:

	<u>Unamortized Premium</u>
<u>General Obligation Bonds</u>	
2012 School Refunding	(492,213)
2013A School Refunding	(1,638,119)
2015 School Refunding	(3,945,229)
2017 School Facility	(3,153,079)
2019C Multipurpose Bonds	(10,861,152)
2019D School Refunding	(2,615,767)
2022 Multipurpose Bonds	(2,144,620)
<u>Installment Financing</u>	
2012 Limited Obligation Bonds (Schools)	(580,371)
2012 Limited Obligation Bonds (Other)	(163,035)
2013 Limited Obligation Bonds (Schools)	(1,713,528)
<u>Revenue Bonds</u>	
2015 Enterprise System Revenue Bonds	(1,626,599)
2017 Enterprise System Revenue Bonds	(3,899,767)
2019 Enterprise System Revenue Bonds	(8,803,678)
2021 Enterprise System Revenue Bonds	(28,076,931)
Total	<u>(69,714,088)</u>
Long-term Obligations (per Note 14, A,2)	<u>857,412,088</u>
Future Maturities of Long-term Obligations (per Note 14, B)	<u>\$ 787,698,000</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 (LGRS)):

	General Obligation Bonds		General Obligation Bonds from Direct Placement		Total General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
Governmental Activities						
2023	\$ 23,045,000	\$ 8,489,948	\$ 8,375,000	\$ 1,963,806	\$ 31,420,000	\$ 10,453,754
2024	20,120,000	7,491,975	8,125,000	1,770,392	28,245,000	9,262,367
2025	19,955,000	6,582,075	7,890,000	1,582,630	27,845,000	8,164,705
2026	18,710,000	5,722,700	9,665,000	1,400,216	28,375,000	7,122,916
2027	17,045,000	4,939,125	9,385,000	1,177,328	26,430,000	6,116,453
2028-2032	64,690,000	14,789,588	31,681,000	2,861,975	96,371,000	17,651,563
2033-2037	42,310,000	5,890,538	6,667,000	758,730	48,977,000	6,649,268
2038-2042	21,410,000	1,073,400	2,114,000	69,267	23,524,000	1,142,667
	<u>\$ 227,285,000</u>	<u>\$ 54,979,349</u>	<u>\$ 83,902,000</u>	<u>\$ 11,584,344</u>	<u>\$ 311,187,000</u>	<u>\$ 66,563,693</u>
	<u>Certificates of Participation and Installment Financing</u>		<u>Total Governmental Activities</u>			
Governmental Activities	Principal	Interest	Principal	Interest		
2023	\$ 5,249,000	\$ 1,607,875	\$ 36,669,000	\$ 12,061,629		
2024	5,304,000	1,380,169	33,549,000	10,642,536		
2025	5,229,000	1,128,588	33,074,000	9,293,293		
2026	3,589,000	919,881	31,964,000	8,042,797		
2027	3,593,000	752,059	30,023,000	6,868,512		
2028-2032	17,750,000	1,535,354	114,121,000	19,186,917		
2033-2037	1,492,000	55,502	50,469,000	6,704,770		
2038-2042	-	-	23,524,000	1,142,667		
	<u>\$ 42,206,000</u>	<u>\$ 7,379,428</u>	<u>\$ 353,393,000</u>	<u>\$ 73,943,121</u>		
	<u>Revenue Bonds</u>		<u>Total Long-term Obligations for Governmental and Business-type Activities</u>			
Business Type Activities	Principal	Interest	Principal	Interest		
2023	\$ 10,875,000	\$ 14,867,121	\$ 47,544,000	\$ 26,928,750		
2024	11,405,000	14,332,421	44,954,000	24,974,957		
2025	11,970,000	13,769,471	45,044,000	23,062,764		
2026	12,575,000	13,170,971	44,539,000	21,213,768		
2027	13,195,000	12,542,221	43,218,000	19,410,733		
2028-2032	75,280,000	53,428,456	189,401,000	72,615,373		
2033-2037	85,930,000	39,664,554	136,399,000	46,369,324		
2038-2042	85,780,000	26,797,794	109,304,000	27,940,461		
2043-2047	69,950,000	14,796,250	69,950,000	14,796,250		
2048-2052	57,345,000	4,364,550	57,345,000	4,364,550		
	<u>\$ 434,305,000</u>	<u>\$ 207,733,809</u>	<u>\$ 787,698,000</u>	<u>\$ 281,676,930</u>		



As of June 30, 2022, Union County had no general obligation bonds authorized and unissued and had a legal debt margin of \$2,582,103,320.

### C. Changes in Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2022 (and agrees to table in Note 14 part A):

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
<b>Governmental Activities:</b>					
<b>Bonds Payable</b>					
General obligation bonds	\$ 232,195,000	\$ 20,590,000	\$ 25,500,000	\$ 227,285,000	\$ 23,045,000
GO Bonds from direct placements	89,638,000	-	5,736,000	83,902,000	8,375,000
Certificates of participation	41,880,000	-	4,900,000	36,980,000	4,875,000
Installment financing	5,600,000	-	374,000	5,226,000	374,000
Premium	28,287,124	2,168,115	3,148,126	27,307,113	2,697,501
<b>Total Bonds Payable</b>	<b>397,600,124</b>	<b>22,758,115</b>	<b>39,658,126</b>	<b>380,700,113</b>	<b>39,366,501</b>
Compensated absences	6,254,902	666,585	-	6,921,487	6,297,864
Lease liability	-	440,498	-	440,498	-
Net OPEB liability	37,419,735	17,163,468	-	54,583,203	-
Net pension liability (LGERS)	28,746,042	-	15,983,662	12,762,380	-
Net pension liability, separation allowance	14,493,783	942,365	-	15,436,148	-
<b>Government activities long term liabilities</b>	<b>\$ 484,514,586</b>	<b>\$ 41,971,031</b>	<b>\$ 55,641,788</b>	<b>\$ 470,843,829</b>	<b>\$ 45,664,365</b>
<b>Business-type Activities:</b>					
<b>Bonds Payable</b>					
Revenue bonds	\$ 438,905,000	\$ -	\$ 4,600,000	\$ 434,305,000	\$ 10,875,000
Premium	44,087,769	-	1,680,794	42,406,975	1,680,794
<b>Total Bonds Payable</b>	<b>482,992,769</b>	<b>-</b>	<b>6,280,794</b>	<b>476,711,975</b>	<b>12,555,794</b>
Compensated absences	838,936	113,283	-	952,219	952,219
Accrued landfill postclosure care costs	5,077,159	725,161	-	5,802,320	-
Net OPEB liability	5,688,020	5,265,865	-	10,953,885	-
Net pension liability (LGERS)	4,394,268	-	2,511,726	1,882,542	-
Net pension liability, separation allowance	2,205,793	-	1,018,398	1,187,395	-
<b>Business-type activities long term liabilities</b>	<b>\$ 501,196,945</b>	<b>\$ 6,104,309</b>	<b>\$ 9,810,918</b>	<b>\$ 497,490,336</b>	<b>\$ 13,508,013</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, 2022. The calculation for the various debt service coverage ratios for the year ended June 30, 2022 is as follows:

Revenues	\$ 86,496,692
Current Expenses	<u>34,552,552</u>
Net revenues available for debt service	<u>\$ 51,944,140</u>
Senior debt service coverage:	
Debt service, principal and interest paid	\$ 10,315,050
Subordinate debt service:	
Debt service, principal and interest paid	<u>-</u>
Total debt service:	
Total debt service, principal and interest paid	10,315,050
Add: 20% of senior debt service	<u>2,063,010</u>
Adjusted debt service requirements	<u>\$ 12,378,060</u>
Coverage Test 1	
Net revenues / adjusted debt service	4.20
Coverage Test 2	
Net revenues / total debt service	5.04

On February 3, 2020 the County cash defeased the Series 2011A Revenue Bonds, totaling \$14,475,000. The 2011A bonds were 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, 2022, \$0 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, 2022, 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, 2022, of the total Governmental Activities debt listed, \$95,616,612 relates to assets the County holds title to. As of June 30, 2022, there is \$37,321,476 in unspent restricted cash related to this debt amount. The remaining \$285,083,501 in outstanding debt is for Union County Public Schools Facilities and South Piedmont Community College.

**G. Leases**

The County has entered into agreements to lease certain buildings. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On July 1, 2021, Union County, NC entered into a 23 month lease as Lessee for the use of Juvenile Justice Offices. An initial lease liability was recorded in the amount of \$152,432. As of June 30, 2022, the value of the lease liability is \$74,093. Union County is required to make monthly fixed payments of \$6,556. The lease has an interest rate of 0.5140%.

On July 1, 2021, Union County, NC entered into a 56 month lease as Lessee for the use of Ty-Par Realty-Adult Probation. An initial lease liability was recorded in the amount of \$466,334. As of June 30, 2022, the value of the lease liability is 366,405. Union County is required to make monthly fixed payments of \$8,531.00. The lease has an interest rate of 1.0590%.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2023	\$ 171,442	\$ 3,609	\$ 175,051
2024	100,007	2,365	102,372
2025	101,071	1,301	102,372
2026	67,978	270	68,248
	<u>\$ 440,498</u>	<u>\$ 7,545</u>	<u>\$ 448,043</u>

**NOTE 15 - INTERFUND BALANCES AND ACTIVITY**

**A. INTERFUND BALANCES**

The composition of inter-fund balances as of June 30, 2022 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water & Sewer Fund	\$ 220,661 *
General Fund	Solid Waste Fund	41,359 *
		<u>\$ 262,020</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, 2022, consist of the following:

Governmental activities:	
From General Fund to Dental Benefit Internal Service Fund to cover increased expenditures	\$250,300
From General Fund to Health Benefit Internal Service Fund to cover increased expenditures	3,575,000
From General Fund to PSAP Fund to adjust fund balance to amount approved by the PSAP Board	70,500
From General Fund to Fire District Funds for appropriated expenditures	5,448,654
From General Fund to General Capital Project Fund to fund ongoing projects	29,164,776
Total governmental activities	<u>38,509,230</u>
Business-type activities:	
From General Fund to Dental Benefit Internal Service Fund to cover increased expenditures	250,300
From General Fund to Health Benefit Internal Service Fund to cover increased expenditures	3,575,000
Total business-type activities	<u>3,825,300</u>
Total transfers	<u>\$42,334,530</u>

## NOTE 16 - BLENDED COMPONENT UNIT

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

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

### Combining Statement of Net Position

	<u>Water and Sewer Operating Fund</u>	<u>Water and Sewer District</u>	<u>Total Water and Sewer Fund</u>
Assets			
Current assets	\$ 134,762,828	\$ 18,605,176	\$ 153,368,004
Restricted assets	152,973,762	-	152,973,762
Non-current assets	74,016,757	-	74,016,757
Capital Assets	<u>537,001,382</u>	-	<u>537,001,382</u>
Total assets	<u>898,754,729</u>	<u>18,605,176</u>	<u>917,359,905</u>
Deferred Outflows of Resources	<u>5,764,082</u>	-	<u>5,764,082</u>
Total assets and deferred outflows of resources	<u>904,518,811</u>	<u>18,605,176</u>	<u>923,123,987</u>
Liabilities			
Current liabilities	53,146,015	-	53,146,015
Current liabilities payable from restricted assets	1,253,628	-	1,253,628
Non-current liabilities	<u>476,385,240</u>	-	<u>476,385,240</u>
Total liabilities	<u>530,784,883</u>	-	<u>530,784,883</u>
Deferred Inflows of Resources	<u>4,288,272</u>	-	<u>4,288,272</u>
Total liabilities and deferred inflows of resources	<u>535,073,155</u>	-	<u>535,073,155</u>
Net position			
Net invested in capital assets	238,912,104	-	238,912,104
Restricted for debt service	4,741,596	-	4,741,596
Unrestricted	<u>125,791,956</u>	<u>18,605,176</u>	<u>144,397,132</u>
Total net position	<u>\$ 369,445,656</u>	<u>\$ 18,605,176</u>	<u>\$ 388,050,832</u>

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

	<b>Water and Sewer Operating Fund</b>	<b>Water and Sewer District</b>	<b>Total Water and Sewer Fund</b>
Operating Revenues			
Charges for services	\$ 1,286,454	\$ 71,914,731	\$ 73,201,185
Miscellaneous revenue	79,465	-	79,465
Other operating revenue	173,921	2,026,329	2,200,250
Total operating revenue	<u>1,539,840</u>	<u>73,941,060</u>	<u>75,480,900</u>
Operating expenses			
Personnel	14,245,392	-	14,245,392
Other operating expenses	(13,387,677)	33,304,030	19,916,353
Depreciation	19,042,826	-	19,042,826
Operating leases	390,807	-	390,807
Total operating expenses	<u>20,291,348</u>	<u>33,304,030</u>	<u>53,595,378</u>
Operating income (loss)	<u>(18,751,508)</u>	<u>40,637,030</u>	<u>21,885,522</u>
Non-operating revenues (expenses)			
Investment earnings	(924,566)	-	(924,566)
Sale of capital assets	11,216	-	11,216
Interest and fees on long term debt	(13,608,173)	-	(13,608,173)
Gain (loss) on investment in joint venture	(785,398)	-	(785,398)
Total non-operating revenues (expenses)	<u>(15,306,921)</u>	<u>-</u>	<u>(15,306,921)</u>
Income (loss) before contributions and transfers	<u>(34,058,429)</u>	<u>40,637,030</u>	<u>6,578,601</u>
Transfers	52,988,757	(52,988,757)	-
Capital contributions-system development fees	-	11,665,021	11,665,021
Capital contributions-other	555,589	-	555,589
Capital contributions-non-cash	9,873,142	-	9,873,142
Total transfers and contributions	<u>63,417,488</u>	<u>(41,323,736)</u>	<u>22,093,752</u>
Change in net position	<u>29,359,059</u>	<u>(686,706)</u>	<u>28,672,353</u>
Beginning net position	335,731,752	19,291,882	355,023,634
Prior Period Adjustment	4,354,845	-	4,354,845
Ending net position	<u>\$ 369,445,656</u>	<u>\$ 18,605,176</u>	<u>\$ 388,050,832</u>

Combining Statement of Cash Flows

	<b>Water and Sewer Operating Fund</b>	<b>Water and Sewer District</b>	<b>Total Water and Sewer Fund</b>
Net cash provided (used) by:			
Operating activities	\$ 19,741,368	\$ 40,637,030	\$ 60,378,398
Noncapital financing activities	52,988,757	(52,988,757)	-
Capital and related financing activities	(189,146,730)	11,665,021	(177,481,709)
Investing activities	(924,566)	-	(924,566)
Net increase (decrease)	<u>(117,341,171)</u>	<u>(686,706)</u>	<u>(118,027,877)</u>
Beginning cash and cash equivalents	414,576,528	19,291,882	433,868,410
Ending cash and cash equivalents	<u>\$ 297,235,357</u>	<u>\$ 18,605,176</u>	<u>\$ 315,840,533</u>

**NOTE 17 - DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b><u>Governmental Activities:</u></b>		
Pensions - difference between expected and actual experience		
LGERS	\$ 4,060,172	\$ -
Register of Deeds	6,189	7,035
Separation Allowance	1,921,124	-
OPEB	1,433,231	6,215,462
Pensions - Changes of assumptions and other inputs		
LGERS	8,018,034	-
Register of Deeds	42,298	-
Separation Allowance	2,809,469	540,111
OPEB	11,253,639	3,563,601
Pensions - difference between projected and actual investment earnings		
LGERS	-	18,233,607
Register of Deeds	-	1,781
Separation Allowance	155,924	-
OPEB	3,311,390	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	930,370	-
Register of Deeds	8,458	58,939
Contributions to pension plans subsequent to measurement date		
LGERS	7,383,006	-
Register of Deeds	32,768	-
Separation Allowance	152,936	-
CARES Act revenue not yet earned (Special Revenue)		-
Prepaid taxes not yet earned (General)	-	108,245
Prepaid taxes not yet earned (Special Revenue)	-	61,438
Taxes receivable, net, less penalties (General)	-	558,927
Taxes receivable, net, less penalties (Special Revenue)	-	(4,567)
Unamortized Loss on Debt Refundings	8,561,675	-
Unamortized Gain of Debt Refundings	-	2,795,732
Leases (General)		160,572,501
Total governmental activities	<u>50,080,683</u>	<u>192,712,812</u>
<b><u>Business-Type Activities:</u></b>		
Pensions - difference between expected and actual experience		
LGERS	598,904	-
Separation Allowance	147,779	-
OPEB	287,624	1,247,334
Pensions - changes of assumptions		
LGERS	1,182,717	-
Separation Allowance	216,113	41,547
OPEB	2,258,407	715,152
Pensions - difference between projected and actual investment earnings		
LGERS	-	2,689,587
Separation Allowance	11,994	-
OPEB	664,537	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions - LGERS	137,236	-
Contributions to pension plans subsequent to measurement date		
LGERS	1,089,047	-
Separation Allowance	11,764	-
Developer contributions for future Water and Sewer line extensions, not yet earned	-	185,108
Total business type activities	<u>6,606,122</u>	<u>4,878,728</u>
Total	<u>\$ 56,686,805</u>	<u>\$ 197,591,540</u>

**NOTE 18 - 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 \$3,495,262 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, 2022 was \$48,637,617. This included the County's recognized loss of \$ 785,398 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, 2022, is as follows:

Cash and investments	\$ 2,966,864
Other assets	100,546,478
Total assets and deferred outflows	<u>\$ 103,513,342</u>
Total liabilities and deferred inflows	\$ 6,238,107
Total net position	97,275,235
Total liabilities, deferred inflows and net position	<u>\$ 103,513,342</u>
Total revenues	\$ 6,379,282
Total expenses	(9,012,307)
Capital contributions	1,062,229
Net increase in net position	<u>\$ (1,570,796)</u>

## B. 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, 2022 was, \$37,719,371 . The County contributed \$3,076,709 to South Piedmont Community College for operating and \$741,849 for capital purposes during the fiscal year ended June 30, 2022. 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 \$3,296,927 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, 2022. 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.

## **NOTE 19 - 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 \$63,745 during the fiscal year ended June 30, 2022. The County was the sub-recipient of a grant for \$1,090,205 from the U.S. Department of Health and Human Services and the Division of Aging and Adult Services of the North Carolina Department of Human Resources that was passed through the Council.

## **NOTE 20 - 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 21 - SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS**

The County has evaluated subsequent events through October 31, 2022 in connection of preparation of these financial statements, which is the date the financial statements were available to be issued.

## **NOTE 22 - PRIOR PERIOD ADJUSTMENTS**

### **Deferred Lease Revenue**

A prior period adjustment was made to record \$3,080,500 of unearned lease revenue for lease payments, this involved hospital lease payment earned half way through the prior fiscal year. This resulted in reduction of beginning fund balance in the governmental funds from \$235,812,679 to \$232,732,179.

### **Construction Work-In-Progress**

Beginning land and other assets not being depreciated for business-type activities in the Water and Sewer Fund was restated as of June 30, 2022 as a prior period adjustment. Net capital assets increased by \$4,354,845, as a result of adjustment made to construction-work-in-progress balances from the prior year. This resulted in an increase in net position for the Water and Sewer Fund from \$355,023,634 to \$359,378,479.



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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
2022	20,891,294	830,400	391,060	843,430	(563,994)	(1,258,193)	21,133,997

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%
2022	21,133,997	4,510,454	16,623,543	21.34%	26,133,144	63.61%

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
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%
2022	1,933,323	1,747,190	186,133	26,133,144	6.69%

Notes to the Required Schedules:

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation as of December 31, 2020, 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 increased from 1.93% to 2.25% 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	11 years as of December 31, 2019
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	3.26%, 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>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Service Cost at end of year	\$ 1,987,859	\$ 2,774,670	\$ 2,936,199	\$ 3,153,453	\$ 3,564,909	\$ 4,117,337
Interest on the Total OPEB Liability	4,389,770	4,874,600	4,573,417	4,350,254	3,952,508	3,641,969
Difference between expected and actual experience	1,066,740	(14,009,110)	308,146	2,656,661	910,489	-
Changes of assumptions or other inputs	17,150,645	(689)	(5,777,993)	1,607,421	(10,205,157)	(12,808,598)
Benefit payments	(5,017,337)	(4,159,350)	(4,039,770)	(3,459,789)	(3,816,691)	(3,634,511)
Net change in Total OPEB Liability	<u>19,577,677</u>	<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>101,573,368</u>	<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>\$ 121,151,045</u>	<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	\$ 8,619,384	\$ 6,659,350	\$ 8,712,229	\$ 11,006,979	\$ 13,221,916	\$ 3,634,511
Net investment income	(6,453,703)	7,148,282	2,256,752	2,402,748	947,514	1,610,803
Benefit payments	(5,017,337)	(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>(2,851,656)</u>	<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>58,465,613</u>	<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>55,613,957</u>	<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>\$ 65,537,088</u>	<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>	45.90%	57.56%	43.55%	36.71%	30.19%	19.38%
<b>Covered Payroll</b>	\$ 22,976,268	\$ 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>	285.24%	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%
2022	4,995,684	8,619,384	(3,623,700)	22,976,268	37.51%

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%
2022	(10.54)%

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, 2021:

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	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	3.37%
Municipal Bond Index Rate	
Prior Measurement Date	2.16%
Measurement Date	3.54%
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	4.43%
Measurement Date	3.37%
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%

**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 %
2022	0.955 %	14,644,922	68,790,940	21.29 %	95.51 %

This schedule will not present ten years' worth of fiscal information until 2023.

**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 %
2022	8,472,053	8,472,053	-	73,292,362	11.56 %

This schedule will not present ten years' worth of fiscal information until 2023.

**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 %
2022	3.019 %	(580,060)	107,850	(537.84) %	156.53 %

This schedule will not present ten years' worth of fiscal information until 2023.

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 %
2022	32,768	32,768	-	111,673	29.34 %

This schedule will not present ten years' worth of fiscal information until 2023.



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# Combining and Individual Fund Statements

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**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
 June 30, 2022

	Allens Crossroad Fire District Fund	Bakers Fire District Fund	Beaver Lane Fire District Fund	Fairview Fire District Fund
<b>ASSETS</b>				
Cash and investments	\$ 11,481	\$ 176,305	\$ 50,997	\$ 62,272
Property taxes receivable, net	1,073	3,067	9,177	1,380
Accounts receivable, net	11,469	64,902	31,651	21,713
Cash and investments, restricted	-	-	-	-
Total assets	<u>\$ 24,023</u>	<u>\$ 244,274</u>	<u>\$ 91,825</u>	<u>\$ 85,365</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>1,102</u>	<u>3,284</u>	<u>9,255</u>	<u>1,489</u>
<b>FUND BALANCES</b>				
Restricted	22,921	240,990	82,570	83,876
Assigned	-	-	-	-
Total fund balances	<u>22,921</u>	<u>240,990</u>	<u>82,570</u>	<u>83,876</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 24,023</u>	<u>\$ 244,274</u>	<u>\$ 91,825</u>	<u>\$ 85,365</u>

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds**

June 30, 2022

	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	\$ 9,478	\$ 138,921	\$ 11,993	\$ 13,903
Property taxes receivable, net	109	7,046	357	1,563
Accounts receivable, net	5,118	120,051	10,213	12,004
Cash and investments, restricted	-	-	-	-
Total assets	<u>\$ 14,705</u>	<u>\$ 266,018</u>	<u>\$ 22,563</u>	<u>\$ 27,470</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>123</u>	<u>7,301</u>	<u>498</u>	<u>1,715</u>
<b>FUND BALANCES</b>				
Restricted	14,582	258,717	22,065	25,755
Assigned	-	-	-	-
Total fund balances	<u>14,582</u>	<u>258,717</u>	<u>22,065</u>	<u>25,755</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,705</u>	<u>\$ 266,018</u>	<u>\$ 22,563</u>	<u>\$ 27,470</u>

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds**

June 30, 2022

	New Salem Fire District Fund	Providence Fire District Fund	Sandy Ridge Fire District Fund	Springs Fire District Fund
<b>ASSETS</b>				
Cash and investments	\$ 61,821	\$ 30,825	\$ 21,538	\$ 44,374
Property taxes receivable, net	2,210	5	792	4,658
Accounts receivable, net	26,215	2,534	12,710	46,424
Cash and investments, restricted	-	-	-	-
Total assets	<u>\$ 90,246</u>	<u>\$ 33,364</u>	<u>\$ 35,040</u>	<u>\$ 95,456</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
	<u>2,373</u>	<u>4</u>	<u>855</u>	<u>4,802</u>
<b>FUND BALANCES</b>				
Restricted	87,873	33,360	34,185	90,654
Assigned	-	-	-	-
Total fund balances	<u>87,873</u>	<u>33,360</u>	<u>34,185</u>	<u>90,654</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 90,246</u>	<u>\$ 33,364</u>	<u>\$ 35,040</u>	<u>\$ 95,456</u>

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds**

June 30, 2022

	Stack Road Fire District Fund	Stallings Fire District Fund	Unionville Fire District Fund	Waxhaw Fire District Fund
<b>ASSETS</b>				
Cash and investments	\$ 21,072	\$ 92,059	\$ 56,156	\$ 158,349
Property taxes receivable, net	574	5,155	1,734	5,831
Accounts receivable, net	11,298	116,342	30,181	121,047
Cash and investments, restricted	-	-	-	-
Total assets	<u>\$ 32,944</u>	<u>\$ 213,556</u>	<u>\$ 88,071</u>	<u>\$ 285,227</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
	583	5,787	1,929	6,274
<b>FUND BALANCES</b>				
Restricted	32,361	207,769	86,142	278,953
Assigned	-	-	-	-
Total fund balances	<u>32,361</u>	<u>207,769</u>	<u>86,142</u>	<u>278,953</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 32,944</u>	<u>\$ 213,556</u>	<u>\$ 88,071</u>	<u>\$ 285,227</u>

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Combining Balance Sheet  
Nonmajor Special Revenue Funds

June 30, 2022

	Wesley Chapel Fire District Fund	Wingate Fire District Fund	Fee Supported Fire Districts Fund	Emergency Telephone System Fund
<b>ASSETS</b>				
Cash and investments	\$ 259,951	\$ 49,275	\$ 93,199	\$ 2,438,923
Property taxes receivable, net	4,279	4,553	-	-
Accounts receivable, net	188,827	27,039	1	325,489
Cash and investments, restricted	-	-	-	-
Total assets	<u>\$ 453,057</u>	<u>\$ 80,867</u>	<u>\$ 93,200</u>	<u>\$ 2,764,412</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 252,919
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>252,919</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>4,576</u>	<u>4,918</u>	<u>1</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted	448,481	75,949	93,199	2,331,536
Assigned	-	-	-	179,957
Total fund balances	<u>448,481</u>	<u>75,949</u>	<u>93,199</u>	<u>2,511,493</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 453,057</u>	<u>\$ 80,867</u>	<u>\$ 93,200</u>	<u>\$ 2,764,412</u>

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds**

June 30, 2022

	DSS Representative Payee Fund	Opioid Settlement Fund	Automation Enhancement Fund	Fines and Forfeitures Fund
<b>ASSETS</b>				
Cash and investments	\$ 185,107	\$ -	\$ 385,425	\$ 73,702
Property taxes receivable, net	-	-	-	-
Accounts receivable, net	-	-	-	-
Cash and investments, restricted	-	362,904	-	-
Total assets	<u>\$ 185,107</u>	<u>\$ 362,904</u>	<u>\$ 385,425</u>	<u>\$ 73,702</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 90,692	\$ -	\$ -	\$ 73,702
Total liabilities	<u>90,692</u>	<u>-</u>	<u>-</u>	<u>73,702</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
	-	-	-	-
<b>FUND BALANCES</b>				
Restricted	94,415	362,904	385,425	-
Assigned	-	-	-	-
Total fund balances	<u>94,415</u>	<u>362,904</u>	<u>385,425</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 185,107</u>	<u>\$ 362,904</u>	<u>\$ 385,425</u>	<u>\$ 73,702</u>

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds**

June 30, 2022

	<u>Civil Fees Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>ASSETS</b>		
Cash and investments	\$ 6,332	\$ 4,453,458
Property taxes receivable, net	-	53,563
Accounts receivable, net	-	1,185,228
Cash and investments, restricted	-	362,904
Total assets	<u>\$ 6,332</u>	<u>\$ 6,055,153</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 3,212	\$ 420,525
Total liabilities	<u>3,212</u>	<u>420,525</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>56,869</u>
<b>FUND BALANCES</b>		
Restricted	3,120	5,397,802
Assigned	-	179,957
Total fund balances	<u>3,120</u>	<u>5,577,759</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,332</u>	<u>\$ 6,055,153</u>

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

For the Year Ended June 30, 2022

	Allens Crossroad Fire District Fund	Bakers Fire District Fund	Beaver Lane Fire District Fund	Fairview Fire District Fund
<b>REVENUES</b>				
Ad valorem taxes	\$ 164,772	\$ 739,153	\$ 400,025	\$ 370,172
Local option sales tax	41,882	236,970	115,562	79,277
Other taxes and licenses	-	-	-	-
Intergovernmental	-	-	-	-
Permits and fees	-	-	-	-
Investment earnings	-	9	6	3
Miscellaneous	-	-	-	-
Total revenues	<u>206,654</u>	<u>976,132</u>	<u>515,593</u>	<u>449,452</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	317,788	1,402,894	817,424	709,893
Human services	-	-	-	-
Education	-	-	-	-
Total expenditures	<u>317,788</u>	<u>1,402,894</u>	<u>817,424</u>	<u>709,893</u>
Excess (deficiency) of revenues over (under) expenditures	(111,134)	(426,762)	(301,831)	(260,441)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	127,288	561,250	343,813	283,836
Total other financing sources (uses)	<u>127,288</u>	<u>561,250</u>	<u>343,813</u>	<u>283,836</u>
Net change in fund balances	16,154	134,488	41,982	23,395
<b>FUND BALANCES</b>				
Beginning	6,767	106,502	40,588	60,481
Ending	<u>\$ 22,921</u>	<u>\$ 240,990</u>	<u>\$ 82,570</u>	<u>\$ 83,876</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, 2022

	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	\$ 43,284	\$ 1,783,735	\$ 134,339	\$ 148,026
Local option sales tax	18,691	438,330	37,290	43,830
Other taxes and licenses	-	-	-	-
Intergovernmental	-	-	-	-
Permits and fees	-	-	-	-
Investment earnings	-	21	-	1
Miscellaneous	-	-	-	-
Total revenues	<u>61,975</u>	<u>2,222,086</u>	<u>171,629</u>	<u>191,857</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	113,266	2,640,086	266,890	305,857
Human services	-	-	-	-
Education	-	-	-	-
Total expenditures	<u>113,266</u>	<u>2,640,086</u>	<u>266,890</u>	<u>305,857</u>
Excess (deficiency) of revenues over (under) expenditures	(51,291)	(418,000)	(95,261)	(114,000)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	58,099	528,032	106,852	122,441
Total other financing sources (uses)	<u>58,099</u>	<u>528,032</u>	<u>106,852</u>	<u>122,441</u>
Net change in fund balances	6,808	110,032	11,591	8,441
<b>FUND BALANCES</b>				
Beginning	7,774	148,685	10,474	17,314
Ending	<u>\$ 14,582</u>	<u>\$ 258,717</u>	<u>\$ 22,065</u>	<u>\$ 25,755</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, 2022

	New Salem Fire District Fund	Providence Fire District Fund	Sandy Ridge Fire District Fund	Springs Fire District Fund
<b>REVENUES</b>				
Ad valorem taxes	\$ 332,396	\$ 31,818	\$ 151,988	\$ 796,471
Local option sales tax	95,713	9,258	46,404	169,501
Other taxes and licenses	-	-	-	-
Intergovernmental	-	-	-	-
Permits and fees	-	-	-	-
Investment earnings	3	-	1	7
Miscellaneous	-	-	-	-
Total revenues	<u>428,112</u>	<u>41,076</u>	<u>198,393</u>	<u>965,979</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	654,581	69,178	311,143	1,245,959
Human services	-	-	-	-
Education	-	-	-	-
Total expenditures	<u>654,581</u>	<u>69,178</u>	<u>311,143</u>	<u>1,245,959</u>
Excess (deficiency) of revenues over (under) expenditures	(226,469)	(28,102)	(112,750)	(279,980)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	<u>261,921</u>	<u>68,694</u>	<u>124,513</u>	<u>252,384</u>
Total other financing sources (uses)	<u>261,921</u>	<u>68,694</u>	<u>124,513</u>	<u>252,384</u>
Net change in fund balances	35,452	40,592	11,763	(27,596)
<b>FUND BALANCES</b>				
Beginning	<u>52,421</u>	<u>(7,232)</u>	<u>22,422</u>	<u>118,250</u>
Ending	<u>\$ 87,873</u>	<u>\$ 33,360</u>	<u>\$ 34,185</u>	<u>\$ 90,654</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, 2022

	Stack Road Fire District Fund	Stallings Fire District Fund	Unionville Fire District Fund	Waxhaw Fire District Fund
<b>REVENUES</b>				
Ad valorem taxes	\$ 152,742	\$ 1,623,939	\$ 727,629	\$ 1,533,822
Local option sales tax	41,249	424,783	110,196	441,962
Other taxes and licenses	-	-	-	-
Intergovernmental	-	-	-	-
Permits and fees	-	-	-	-
Investment earnings	-	17	9	19
Miscellaneous	-	-	-	-
Total revenues	<u>193,991</u>	<u>2,048,739</u>	<u>837,834</u>	<u>1,975,803</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	298,638	2,420,023	998,047	2,602,784
Human services	-	-	-	-
Education	-	-	-	-
Total expenditures	<u>298,638</u>	<u>2,420,023</u>	<u>998,047</u>	<u>2,602,784</u>
Excess (deficiency) of revenues over (under) expenditures	(104,647)	(371,284)	(160,213)	(626,981)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	<u>120,052</u>	<u>483,923</u>	<u>244,419</u>	<u>642,126</u>
Total other financing sources (uses)	<u>120,052</u>	<u>483,923</u>	<u>244,419</u>	<u>642,126</u>
Net change in fund balances	15,405	112,639	84,206	15,145
<b>FUND BALANCES</b>				
Beginning	<u>16,956</u>	<u>95,130</u>	<u>1,936</u>	<u>263,808</u>
Ending	<u>\$ 32,361</u>	<u>\$ 207,769</u>	<u>\$ 86,142</u>	<u>\$ 278,953</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, 2022

	Wesley Chapel Fire District Fund	Wingate Fire District Fund	Fee Supported Fire Districts Fund	Emergency Telephone System Fund
<b>REVENUES</b>				
Ad valorem taxes	\$ 2,671,361	\$ 400,953	\$ -	\$ -
Local option sales tax	689,439	98,725	-	-
Other taxes and licenses	-	-	-	754,071
Intergovernmental	-	-	-	304,957
Permits and fees	-	-	18,584	-
Investment earnings	23	6	-	6,282
Miscellaneous	-	-	-	-
Total revenues	<u>3,360,823</u>	<u>499,684</u>	<u>18,584</u>	<u>1,065,310</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	3,973,222	780,688	-	1,016,467
Human services	-	-	-	-
Education	-	-	-	-
Total expenditures	<u>3,973,222</u>	<u>780,688</u>	<u>-</u>	<u>1,016,467</u>
Excess (deficiency) of revenues over (under) expenditures	(612,399)	(281,004)	18,584	48,843
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	800,413	318,598	-	70,500
Total other financing sources (uses)	<u>800,413</u>	<u>318,598</u>	<u>-</u>	<u>70,500</u>
Net change in fund balances	188,014	37,594	18,584	119,343
<b>FUND BALANCES</b>				
Beginning	260,467	38,355	74,615	2,392,150
Ending	<u>\$ 448,481</u>	<u>\$ 75,949</u>	<u>\$ 93,199</u>	<u>\$ 2,511,493</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, 2022

	DSS Representative Payee Fund	Opioid Settlement Fund	Automation Enhancement Fund	Fines and Forfeitures Fund
<b>REVENUES</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Local option sales tax	-	-	-	-
Other taxes and licenses	-	-	-	-
Intergovernmental	-	-	-	-
Permits and fees	-	-	189,026	-
Investment earnings	-	-	-	-
Miscellaneous	514,757	362,904	-	905,403
Total revenues	<u>514,757</u>	<u>362,904</u>	<u>189,026</u>	<u>905,403</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	123,069	-
Public safety	-	-	-	-
Human services	461,039	-	-	-
Education	-	-	-	905,403
Total expenditures	<u>461,039</u>	<u>-</u>	<u>123,069</u>	<u>905,403</u>
Excess (deficiency) of revenues over (under) expenditures	53,718	362,904	65,957	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	53,718	362,904	65,957	-
<b>FUND BALANCES</b>				
Beginning	40,697	-	319,468	-
Ending	<u>\$ 94,415</u>	<u>\$ 362,904</u>	<u>\$ 385,425</u>	<u>\$ -</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, 2022

	Civil Fees Fund	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>		
Ad valorem taxes	\$ -	\$ 12,206,625
Local option sales tax	-	3,139,062
Other taxes and licenses	-	754,071
Intergovernmental	-	304,957
Permits and fees	-	207,610
Investment earnings	-	6,407
Miscellaneous	376,475	2,159,539
Total revenues	<u>376,475</u>	<u>18,778,271</u>
<b>EXPENDITURES</b>		
Current:		
General government	-	123,069
Public safety	386,720	21,331,548
Human services	-	461,039
Education	-	905,403
Total expenditures	<u>386,720</u>	<u>22,821,059</u>
Excess (deficiency) of revenues over (under) expenditures	(10,245)	(4,042,788)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers from other funds	-	5,519,154
Total other financing sources (uses)	<u>-</u>	<u>5,519,154</u>
Net change in fund balances	(10,245)	1,476,366
<b>FUND BALANCES</b>		
Beginning	<u>13,365</u>	<u>4,101,393</u>
Ending	<u>\$ 3,120</u>	<u>\$ 5,577,759</u>

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

June 30, 2022

	Health Benefits Fund	Workers' Compensation Fund	Property and Casualty Fund	Total
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 4,368,068	\$ 1,536,994	\$ 740,613	\$ 6,645,675
Accounts receivable, net	12,549	2,529	164	15,242
Total assets	<u>4,380,617</u>	<u>1,539,523</u>	<u>740,777</u>	<u>6,660,917</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
	24,790	21,218	20,420	66,428
Total assets and deferred outflows of resources	<u>4,405,407</u>	<u>1,560,741</u>	<u>761,197</u>	<u>6,727,345</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	218,612	8,301	16,465	243,378
Current portion of compensated absences	9,664	6,625	6,247	22,536
Workers' compensation claims payable	-	191,487	-	191,487
Health care benefits payable	1,791,521	-	-	1,791,521
Property and casualty claims payable	-	-	348,690	348,690
Non-current liabilities:				
Non-current portion of compensated absences	1,114	2,693	2,915	6,722
Net pension liability, LGERS	15,515	13,280	12,780	41,575
Total liabilities	<u>2,036,426</u>	<u>222,386</u>	<u>387,097</u>	<u>2,645,909</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
	22,167	18,973	18,259	59,399
Total liabilities and deferred inflows of resources	<u>2,058,593</u>	<u>241,359</u>	<u>405,356</u>	<u>2,705,308</u>
<b>NET POSITION</b>				
Unrestricted	<u>2,346,814</u>	<u>1,319,382</u>	<u>355,841</u>	<u>4,022,037</u>
Total net position	<u>\$ 2,346,814</u>	<u>\$ 1,319,382</u>	<u>\$ 355,841</u>	<u>\$ 4,022,037</u>

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

For the Year Ended June 30, 2022

	Health Benefits Fund	Workers' Compensation Fund	Property and Casualty Fund	Total
<b>OPERATING REVENUES</b>				
Interfund charges and employee contributions	\$ 22,853,583	\$ 641,225	\$ 1,450,078	\$ 24,944,886
Miscellaneous revenue	-	3,165	12	3,177
Total operating revenues	<u>22,853,583</u>	<u>644,390</u>	<u>1,450,090</u>	<u>24,948,063</u>
<b>OPERATING EXPENSES</b>				
Personnel	53,879	53,181	52,415	159,475
Operating expenses	3,294,629	188,273	38,763	3,521,665
Worker's compensation claims	-	186,655	-	186,655
Health benefit claims and premiums	19,366,082	-	-	19,366,082
Property and casualty claims and premiums	-	-	1,465,885	1,465,885
Total operating expenses	<u>22,714,590</u>	<u>428,109</u>	<u>1,557,063</u>	<u>24,699,762</u>
Operating income (loss)	138,993	216,281	(106,973)	248,301
<b>NONOPERATING REVENUES</b>				
Investment earnings	<u>(12,043)</u>	<u>(7,711)</u>	<u>(2,559)</u>	<u>(22,313)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	126,950	208,570	(109,532)	225,988
<b>TRANSFERS AND CONTRIBUTIONS</b>				
Transfers from General Fund	<u>3,825,300</u>	<u>-</u>	<u>-</u>	<u>3,825,300</u>
<b>TOTAL TRANSFERS</b>	<u>3,825,300</u>	<u>-</u>	<u>-</u>	<u>3,825,300</u>
Change in net position	3,952,250	208,570	(109,532)	4,051,288
<b>NET POSITION</b>				
Beginning	(1,605,436)	1,110,812	465,373	(29,251)
Ending	<u>\$ 2,346,814</u>	<u>\$ 1,319,382</u>	<u>\$ 355,841</u>	<u>\$ 4,022,037</u>



**Combining Statement of Cash Flows  
Internal Service Funds**

For the Year Ended June 30, 2022

	Health Benefits Fund	Workers' Compensation Fund	Property and Casualty Fund	Total
<b>OPERATING ACTIVITIES</b>				
Cash received from customers for services	\$ 22,841,981	\$ 639,368	\$ 1,450,147	\$ 24,931,496
Other operating revenue	-	3,165	12	3,177
Cash paid to employees	(111,472)	(96,203)	(92,403)	(300,078)
Cash paid for goods and services	(23,638,417)	(388,203)	(1,222,219)	(25,248,839)
Net cash provided (used) by operating activities	<u>(907,908)</u>	<u>158,127</u>	<u>135,537</u>	<u>(614,244)</u>
<b>NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	3,825,300	-	-	3,825,300
Net cash provided (used) by noncapital	<u>3,825,300</u>	<u>-</u>	<u>-</u>	<u>3,825,300</u>
<b>INVESTING ACTIVITIES</b>				
Investment earnings	(12,043)	(7,711)	(2,559)	(22,313)
Net cash provided by investing activities	<u>(12,043)</u>	<u>(7,711)</u>	<u>(2,559)</u>	<u>(22,313)</u>
Net change in cash and investments	2,905,349	150,416	132,978	3,188,743
<b>CASH AND INVESTMENTS</b>				
Beginning of year	1,462,719	1,386,578	607,635	3,456,932
End of year	<u>\$ 4,368,068</u>	<u>\$ 1,536,994</u>	<u>\$ 740,613</u>	<u>\$ 6,645,675</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>				
Operating income	\$ 138,993	\$ 216,281	\$ (106,973)	\$ 248,301
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Change in assets, deferred outflows, liabilities and deferred inflows				
Accounts receivable	(11,602)	(1,857)	69	(13,390)
Deferred outflows of resources - LGERS	(4,158)	(3,163)	(3,022)	(10,343)
Deferred outflows of resources - OPEB	1,768	1,302	1,209	4,279
Deferred outflows of resources - Sep. Allow.	5,016	3,697	3,432	12,145
Accounts payable and accrued liabilities	(977,706)	(13,275)	282,429	(708,552)
Compensated absences payable	599	323	337	1,259
Net pension liability, LGERS	(19,671)	(17,510)	(16,890)	(54,071)
Net OPEB liability	(33,105)	(24,385)	(22,646)	(80,136)
Net pension liability, separation allowance	(12,837)	(9,463)	(8,784)	(31,084)
Deferred inflows of resources - LGERS	22,167	18,973	18,259	59,399
Deferred inflows of resources - OPEB	(206)	(152)	(141)	(499)
Deferred inflows of resources - Sep. Allow.	(17,166)	(12,644)	(11,742)	(41,552)
Total adjustments	<u>(1,046,901)</u>	<u>(58,154)</u>	<u>242,510</u>	<u>(862,545)</u>
Net cash provided (used) by operating activities	<u>\$ (907,908)</u>	<u>\$ 158,127</u>	<u>\$ 135,537</u>	<u>\$ (614,244)</u>



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

June 30, 2022

	Special Separation Allowance Pension Trust Fund	Other Postemployment Retiree Healthcare Benefits (OPEB) Pension Trust Fund	Total
<b>ASSETS</b>			
Investments:			
Separation Allowance Trust Fund	\$ 4,675,440	\$ -	\$ 4,675,440
State Treasurer's Office OPEB Trust	-	55,613,957	55,613,957
Total assets	<u>4,675,440</u>	<u>55,613,957</u>	<u>60,289,397</u>
<b>NET POSITION</b>			
Separation Allowance Trust Fund	4,675,440	-	4,675,440
State Treasurer's Office OPEB Trust	-	55,613,957	55,613,957
Total net position	<u>\$ 4,675,440</u>	<u>\$ 55,613,957</u>	<u>\$ 60,289,397</u>

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

For the Year Ended June 30, 2022

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	Special Separation Allowance Pension Trust Fund	Other Postemployment Retiree Healthcare Benefits (OPEB) Pension Trust Fund	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ADDITIONS</b>			
Employer contributions	\$ 1,747,190	\$ 8,619,384	\$ 10,366,574
Net investment income	410	(6,453,703)	(6,453,293)
	<u>1,747,600</u>	<u>2,165,681</u>	<u>3,913,281</u>
<b>DEDUCTIONS</b>			
Benefits	<u>1,398,220</u>	<u>5,017,337</u>	<u>6,415,557</u>
Total deductions	<u>1,398,220</u>	<u>5,017,337</u>	<u>6,415,557</u>
Change in net position	349,380	(2,851,656)	(2,502,276)
<b>NET POSITION</b>			
Beginning	<u>4,326,060</u>	<u>58,465,613</u>	<u>62,791,673</u>
Ending	<u>\$ 4,675,440</u>	<u>\$ 55,613,957</u>	<u>\$ 60,289,397</u>

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

For the Year Ended June 30, 2022

	Jail Inmate Fund	Municipal Tax Collection Fund	Gross Rental Receipts Tax Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 54,818	\$ 1,023,585	\$ 1,244	\$ 1,079,647
Accounts receivable, net	-	3,254	-	3,254
Total assets	<u>\$ 54,818</u>	<u>\$ 1,026,839</u>	<u>\$ 1,244</u>	<u>\$ 1,082,901</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to Program Participants	-	-	-	-
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>NET POSITION</b>				
Restricted for: Individuals, organizations, and other governments	<u>54,818</u>	<u>1,026,839</u>	<u>1,244</u>	<u>1,082,901</u>
Total net position	<u>\$ 54,818</u>	<u>\$ 1,026,839</u>	<u>\$ 1,244</u>	<u>\$ 1,082,901</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, 2022

	<u>General</u>	<u>Schools Budgetary Fund</u>	<u>Countywide Fire Budgetary Fund</u>	<u>Countywide EMS Budgetary Fund</u>
<b>ASSETS</b>				
Cash and investments	\$ 101,384,373	\$ -	\$ -	\$ -
Property taxes receivable, net	914,276	-	-	-
Accounts receivable, net	33,731,096	-	-	-
Current portion of lease receivable	156,382,360	-	-	-
Accrued interest receivable on leases	2,008,337	-	-	-
Inventories	40,728	-	-	-
Prepaid Item	9,580	-	-	-
Cash and investments, restricted	-	-	-	-
Cash and investments, restricted-deposits	572,452	-	-	-
Total assets	<u>\$ 295,043,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 8,274,441	\$ -	\$ -	\$ -
Unearned revenue	4,500	-	-	-
Deposits	572,452	-	-	-
Total liabilities	<u>8,851,393</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>163,591,754</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>				
Nonspendable	50,308	-	-	-
Restricted	36,142,674	-	-	-
Committed	63,282,510	-	-	-
Assigned	2,607,486	-	-	-
Unassigned	20,517,077	-	-	-
Total fund balance	<u>122,600,055</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 295,043,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Union County, North Carolina

Schedule 9

General Fund - Combining  
Balance Sheet

June 30, 2022

	Debt Service Budgetary Fund	Economic Development Budgetary Fund	Total
<b>ASSETS</b>			
Cash and investments	\$ 4,473,830	\$ 733,913	\$ 106,592,116
Property taxes receivable, net	96,863	-	1,011,139
Accounts receivable, net	1,061,099	393	34,792,588
Current portion of lease receivable	-	-	156,382,360
Accrued interest receivable on leases	-	-	2,008,337
Inventories	-	-	40,728
Prepaid Item	-	-	9,580
Cash and investments, restricted	52,162	6,161,665	6,213,827
Cash and investments, restricted-deposits	-	-	572,452
Total assets	<u>\$ 5,683,954</u>	<u>\$ 6,895,971</u>	<u>\$ 307,623,127</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 132	\$ -	\$ 8,274,573
Unearned revenue	-	-	4,500
Deposits	-	-	572,452
Total liabilities	<u>132</u>	<u>-</u>	<u>8,851,525</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>108,469</u>	<u>-</u>	<u>163,700,223</u>
<b>FUND BALANCE</b>			
Nonspendable	-	-	50,308
Restricted	1,061,099	393	37,204,166
Committed	-	-	63,282,510
Assigned	5,663,233	-	8,270,719
Unassigned	<u>(1,148,979)</u>	<u>6,895,578</u>	<u>26,263,676</u>
Total fund balance	<u>5,575,353</u>	<u>6,895,971</u>	<u>135,071,379</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 5,683,954</u>	<u>\$ 6,895,971</u>	<u>\$ 307,623,127</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, 2022

	General	Schools Budgetary Fund	Schools Radios Budgetary Fund	Countywide Fire Budgetary Fund
<b>REVENUES</b>				
Ad valorem taxes	\$ 181,264,617	\$ -	\$ -	\$ -
Local option sales tax	66,386,688	-	-	-
Other taxes and licenses	5,137,873	-	-	-
Intergovernmental	39,168,098	-	-	-
Permits and fees	7,408,503	-	-	-
Sales and services	9,003,258	-	-	-
Investment earnings	(1,070,217)	-	-	-
Miscellaneous	6,863,134	-	-	-
Total revenues	<u>314,161,954</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General government	29,636,065	-	-	-
Public safety	56,526,907	-	-	-
Economic and physical development	4,405,424	-	-	-
Human services	48,340,100	-	-	-
Cultural and recreational	7,471,269	-	-	-
Intergovernmental:				
Education	114,629,080	-	-	-
Debt service:				
Principal bond retirement	-	-	-	-
Principal - leases	176,662	-	-	-
Interest and fees-bonds	-	-	-	-
Interest - leases	4,583	-	-	-
Total expenditures	<u>261,190,090</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>52,971,864</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	1,468,052	-	-	-
Transfers to other funds	(38,516,735)	(1,466,682)	-	(1,370)
Issuance of general obligation bonds, premiums	-	-	-	-
Issuance of lease liability	618,766	-	-	-
Proceeds from land for resale	350,000	-	-	-
Total other financing sources (uses)	<u>(36,079,917)</u>	<u>(1,466,682)</u>	<u>-</u>	<u>(1,370)</u>
Net change in fund balances	16,891,947	(1,466,682)	-	(1,370)
<b>FUND BALANCES</b>				
Beginning	108,788,608	1,466,682	-	1,370
Prior period restatement	(3,080,500)	-	-	-
Ending	<u>\$ 122,600,055</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2022

	Countywide EMS Budgetary Fund	Debt Service Budgetary Fund	Economic Development Budgetary Fund	Total
<b>REVENUES</b>				
Ad valorem taxes	\$ -	\$ 35,484,660	\$ 1,627,537	\$ 218,376,814
Local option sales tax	-	-	-	66,386,688
Other taxes and licenses	-	-	-	5,137,873
Intergovernmental	-	3,020,098	-	42,188,196
Permits and fees	-	-	-	7,408,503
Sales and services	-	-	-	9,003,258
Investment earnings	-	(73,992)	7,654	(1,136,555)
Miscellaneous	-	-	551,000	7,414,134
Total revenues	-	38,430,766	2,186,191	354,778,911
<b>EXPENDITURES</b>				
Current:				
General government	-	94,162	-	29,730,227
Public safety	-	-	-	56,526,907
Economic and physical development	-	-	25,158	4,430,582
Human services	-	-	-	48,340,100
Cultural and recreational	-	-	-	7,471,269
Intergovernmental:				
Education	-	-	-	114,629,080
Debt service:				
Principal bond retirement	-	34,881,247	1,628,755	36,510,002
Principal - leases	-	-	-	176,662
Interest and fees-bonds	-	12,502,006	516,258	13,018,264
Interest - leases	-	-	-	4,583
Total expenditures	-	47,477,415	2,170,171	310,837,676
Excess (deficiency) of revenues over (under) expenditures	-	(9,046,649)	16,020	43,941,235
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	7,505	-	-	1,475,557
Transfers to other funds	-	-	-	(39,984,787)
Issuance of general obligation bonds, premiums	-	190,830	-	190,830
Issuance of lease liability	-	-	-	618,766
Proceeds from land for resale	-	-	-	350,000
Total other financing sources (uses)	7,505	190,830	-	(37,349,634)
Net change in fund balances	7,505	(8,855,819)	16,020	6,591,601
<b>FUND BALANCES</b>				
Beginning	(7,505)	14,431,172	6,879,951	131,560,278
Prior period restatement	-	-	-	(3,080,500)
Ending	\$ -	\$ 5,575,353	\$ 6,895,971	\$ 135,071,379

**General Fund**  
**Comparative Balance Sheet**  
 June 30, 2022 and 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
<b>ASSETS</b>		
Cash and investments	\$ 101,384,373	\$ 85,234,250
Property taxes receivable, net	914,276	210,169
Accounts receivable, net	33,731,096	26,412,369
Current portion of lease receivable	156,382,360	-
Accrued interest receivable on leases	2,008,337	-
Inventories	40,728	33,283
Prepaid Item	9,580	4,356
Advances to other funds	-	5,039,766
Cash and investments, restricted-deposits	572,452	570,602
Total assets	<u>\$ 295,043,202</u>	<u>\$ 117,504,795</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 8,274,441	\$ 7,911,632
Unearned revenue	4,500	4,500
Deposits	572,452	570,602
Total liabilities	<u>8,851,393</u>	<u>8,486,734</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>163,591,754</u>	<u>229,453</u>
<b>FUND BALANCE</b>		
Nonspendable	50,308	37,638
Restricted	36,142,674	34,161,977
Committed	63,282,510	61,178,336
Assigned	2,607,486	13,410,657
Unassigned	20,517,077	-
Total fund balance	<u>122,600,055</u>	<u>108,788,608</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 295,043,202</u>	<u>\$ 117,504,795</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 176,091,195	\$ 181,264,617	\$ 5,173,422	\$ 59,177,494
Local option sales tax	55,598,613	66,386,688	10,788,075	56,259,871
Other taxes and licenses	3,604,002	5,137,873	1,533,871	4,049,677
Intergovernmental	42,043,107	39,168,098	(2,875,009)	40,419,225
Permits and fees	5,598,930	7,408,503	1,809,573	6,707,907
Sales and services	6,861,150	9,003,258	2,142,108	4,086,715
Investment earnings	1,200,000	(1,070,217)	(2,270,217)	(39,672)
Miscellaneous	8,492,463	6,863,134	(1,629,329)	7,458,350
<i>Total revenues</i>	<u>299,489,460</u>	<u>314,161,954</u>	<u>14,672,494</u>	<u>178,119,567</u>
<b>EXPENDITURES</b>				
General Government				
Board of Commissioners	568,324	511,128	57,196	499,897
Budget	563,965	558,437	5,528	509,362
Central Administration	935,466	947,724	(12,258)	720,719
Legal	901,052	826,601	74,451	724,674
Human Resources	1,557,000	1,356,559	200,441	1,374,270
Finance	1,169,616	1,097,534	72,082	1,020,479
Tax Administration	6,387,697	5,830,551	557,146	4,919,379
Court Facilities	519,923	777,793	(257,870)	399,939
Board of Elections	1,874,714	1,637,919	236,795	2,015,142
Register of Deeds	1,345,701	1,337,141	8,560	1,277,496
Information Technology	4,033,017	3,707,978	325,039	3,299,818
G.I.S. Department	343,659	323,784	19,875	255,624
Procurement	507,800	460,878	46,922	351,490
Public Communications	1,317,007	978,768	338,239	844,255
Fleet Management	1,074,175	926,385	147,790	1,004,651
Property Management	7,732,793	6,689,854	1,042,939	5,159,842
Nondepartmental	4,321,138	1,667,031	2,654,107	687,492
<i>Total General Government</i>	<u>35,153,047</u>	<u>29,636,065</u>	<u>5,516,982</u>	<u>25,064,529</u>
Public Safety				
Law Enforcement	43,539,186	39,123,065	4,416,121	36,435,112
911 Communications	4,975,691	4,576,675	399,016	4,177,725
Emergency Management	465,000	423,412	41,588	445,539
Fire Marshal's Office	1,116,745	1,063,816	52,929	852,631
Building Code Enforcement	3,461,194	3,408,606	52,588	2,966,035
Other Public Safety Outside Agencies				
Medical Examiner	120,000	80,285	39,715	100,252
Emergency Medical Services	7,590,875	7,571,770	19,105	-
Juvenile Detention	311,922	279,278	32,644	252,079
American Red Cross	-	-	-	5,000
<i>Total Public Safety</i>	<u>61,580,613</u>	<u>56,526,907</u>	<u>5,053,706</u>	<u>45,234,373</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			2021
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Economic and Physical Development</b>				
Planning	\$ 786,356	\$ 592,117	\$ 194,239	\$ 722,126
Cooperative Extension Service	1,588,402	1,231,771	356,631	927,862
Soil and Water Conservation	408,318	347,356	60,962	231,084
Other Economic and Physical Dev. Outside Agencies				
Economic Development	3,217,170	2,152,168	1,065,002	1,204,744
Forest Resources	81,225	82,012	(787)	78,310
<i>Total Economic and Physical     Development</i>	<u>6,081,471</u>	<u>4,405,424</u>	<u>1,676,047</u>	<u>3,164,126</u>
<b>Human Services</b>				
Human Services Administration	5,374,822	4,949,656	425,166	4,383,411
Public Health	11,453,694	10,751,689	702,005	10,204,839
Social Services	27,497,216	23,991,055	3,506,161	23,023,766
Community Support & Outreach	4,109,548	3,618,202	491,346	3,200,224
Transportation	2,612,052	1,898,752	713,300	1,819,017
Veterans' Services	523,401	471,649	51,752	436,884
Other Human Services Outside Agencies				
Mental Health	714,850	714,850	-	714,850
Health Quest	22,784	22,784	-	22,784
DJJDP - Programs	1,243,673	1,226,701	16,972	1,168,980
Turning Point	45,576	45,576	-	45,576
Bridge to Recovery	25,000	25,000	-	-
Community Shelter	25,000	25,000	-	25,000
Community Action	69,263	69,263	-	69,263
Council of Aging	490,688	494,923	(4,235)	432,704
Ground 40	25,000	25,000	-	-
Other Human Services	10,000	10,000	-	10,000
<i>Total Human Services</i>	<u>54,242,567</u>	<u>48,340,100</u>	<u>5,902,467</u>	<u>45,557,298</u>
<b>Cultural and Recreational</b>				
Library	5,203,445	5,100,732	102,713	4,599,499
Parks and Recreation	2,438,019	2,283,936	154,083	2,007,321
Other Cultural and Recreational Outside Agencies				
Arts Council	52,018	52,018	-	52,018
Historical Properties	30,483	30,483	-	27,635
A.J. Historical Foundation	4,100	4,100	-	4,100
<i>Total Cultural and Recreational</i>	<u>7,728,065</u>	<u>7,471,269</u>	<u>256,796</u>	<u>6,690,573</u>
<b>Education</b>				
Public Schools - current expense	111,552,371	111,552,371	-	2,655,484
Community College - operations	3,076,709	3,076,709	-	2,726,709
<i>Total Education</i>	<u>114,629,080</u>	<u>114,629,080</u>	<u>-</u>	<u>5,382,193</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			2021
	Final Budget	Actual	Variance Positive (Negative)	Actual
Debt Service				
Principal retirement	\$ -	\$ -	\$ -	\$ 22,835,000
Principal - leases	-	176,662	(176,662)	-
Interest and fees	-	-	-	7,788,434
Interest - leases	-	4,583	(4,583)	-
<i>Total Debt Service</i>	-	181,245	(181,245)	30,623,434
Total expenditures	279,414,843	261,190,090	18,224,753	161,716,526
Revenues over (under) expenditures	20,074,617	52,971,864	32,897,247	16,403,041
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	1,468,054	1,468,052	(2)	606,847
Transfers to other funds	(38,666,735)	(38,516,735)	150,000	(3,741,501)
Issuance of lease liability	-	618,766	618,766	-
Proceeds from land for resale	-	350,000	350,000	-
Total other financing sources (uses)	(37,198,681)	(36,079,917)	1,118,764	(3,134,654)
Revenues and other financing sources over (under) expenditures and other financing uses	(17,124,064)	16,891,947	34,016,011	13,268,387
<b>APPROPRIATED FUND BALANCE</b>	17,124,064	-	(17,124,064)	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	\$ -	16,891,947	\$ 16,891,947	13,268,387
<b>FUND BALANCE</b>				
Beginning		108,788,608		95,520,221
Prior period restatement		(3,080,500)		-
Ending		\$ 122,600,055		\$ 108,788,608

**Schools Budgetary Fund**  
**Comparative Balance Sheet**  
 June 30, 2022 and 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
<b>ASSETS</b>		
Cash and investments	\$ -	\$ 235,348
Property taxes receivable, net	-	591,762
Accounts receivable, net	-	1,269,085
	<u>-</u>	<u>1,269,085</u>
Total assets	<u>\$ -</u>	<u>\$ 2,096,195</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>-</u>	<u>629,513</u>
<b>FUND BALANCE</b>		
Restricted	-	1,269,085
Unassigned	-	197,597
	<u>-</u>	<u>1,466,682</u>
Total fund balance	<u>-</u>	<u>1,466,682</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ -</u>	<u>\$ 2,096,195</u>



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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 125,437,812
Investment earnings	-	-	-	25,671
Total revenues	-	-	-	125,463,483
<b>EXPENDITURES</b>				
Public Schools - current expense	-	-	-	106,046,045
Public Schools - other costs	-	-	-	826,222
Total expenditures	-	-	-	106,872,267
Revenues over (under) expenditures	-	-	-	18,591,216
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	(1,466,683)	(1,466,682)	1	(18,475,663)
Total other financing sources (uses)	(1,466,683)	(1,466,682)	1	(18,475,663)
Revenues and other financing sources over (under) expenditures and other financing uses	(1,466,683)	(1,466,682)	1	115,553
<b>APPROPRIATED FUND BALANCE</b>	1,466,683	-	(1,466,683)	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	\$ -	(1,466,682)	\$ (1,466,682)	115,553
<b>FUND BALANCE</b>				
Beginning		1,466,682		1,351,129
Ending		\$ -		\$ 1,466,682

**Schools Radios Budgetary Fund**

**Comparative Balance Sheet**

June 30, 2022 and 2021

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	<u>June 30, 2022</u>	<u>June 30, 2021</u>
	\$ -	\$ -
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ -</u>	<u>\$ -</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	\$ -	\$ -	\$ -	\$ (316,829)
Total other financing sources (uses)	-	-	-	(316,829)
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	\$ -	-	\$ -	(316,829)
<b>FUND BALANCE</b>				
Beginning		-		316,829
Ending		\$ -		\$ -

**Countywide Fire Budgetary Fund**  
**Comparative Balance Sheet**  
 June 30, 2022 and 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
<b>ASSETS</b>		
Property taxes receivable, net	\$ -	\$ 17,456
Accounts receivable, net	<u>-</u>	<u>44,957</u>
Total assets	<u>\$ -</u>	<u>\$ 62,413</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Advances from other funds	\$ -	\$ 42,447
Total liabilities	<u>-</u>	<u>42,447</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>18,596</u>
<b>FUND BALANCE</b>		
Restricted	-	44,957
Unassigned	<u>-</u>	<u>(43,587)</u>
Total fund balance	<u>-</u>	<u>1,370</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ -</u>	<u>\$ 62,413</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 4,366,653
Investment earnings	-	-	-	1,183
Total revenues	-	-	-	4,367,836
<b>EXPENDITURES</b>				
Emergency Management	-	-	-	4,415,811
Total expenditures	-	-	-	4,415,811
Revenues over (under) expenditures	-	-	-	(47,975)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	(1,371)	(1,370)	1	-
Total other financing sources (uses)	(1,371)	(1,370)	1	-
Revenues and other financing sources over (under) expenditures and other financing uses	(1,371)	(1,370)	1	(47,975)
<b>APPROPRIATED FUND BALANCE</b>	1,371	-	(1,371)	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	\$ -	(1,370)	\$ (1,370)	(47,975)
<b>FUND BALANCE</b>				
Beginning		1,370		49,345
Ending		\$ -		\$ 1,370

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

June 30, 2022 and 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
<b>ASSETS</b>		
Property taxes receivable, net	\$ -	\$ 29,617
Accounts receivable, net	-	59,500
Total assets	<u>\$ -</u>	<u>\$ 89,117</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	-	40,044
Total liabilities	<u>-</u>	<u>65,080</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>31,542</u>
<b>FUND BALANCE</b>		
Restricted	-	59,500
Unassigned	<u>-</u>	<u>(67,005)</u>
Total fund balance	<u>-</u>	<u>(7,505)</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ -</u>	<u>\$ 89,117</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 5,942,177
Sales and services	-	-	-	700,089
Investment earnings	-	-	-	(8,764)
Miscellaneous	-	-	-	145,766
Total revenues	-	-	-	6,779,268
<b>EXPENDITURES</b>				
Emergency Medical Services	-	-	-	6,979,226
Total expenditures	-	-	-	6,979,226
Revenues over (under) expenditures	-	-	-	(199,958)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	7,505	7,505	-
Transfers to other funds	-	-	-	(1,313,100)
Total other financing sources (uses)	-	7,505	7,505	(1,313,100)
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	\$ -	7,505	\$ 7,505	(1,513,058)
<b>FUND BALANCE</b>				
Beginning		(7,505)		1,505,553
Ending		\$ -		\$ (7,505)

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

June 30, 2022 and 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
<b>ASSETS</b>		
Cash and investments	\$ 4,473,830	\$ 14,048,147
Property taxes receivable, net	96,863	40,425
Accounts receivable, net	1,061,099	99,679
Cash and investments, restricted	<u>52,162</u>	<u>285,892</u>
Total assets	<u>\$ 5,683,954</u>	<u>\$ 14,474,143</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Accounts payable and accrued liabilities	\$ 132	\$ -
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>108,469</u>	<u>42,971</u>
<b>FUND BALANCE</b>		
Restricted	1,061,099	100,379
Assigned	5,663,233	8,486,211
Unassigned	<u>(1,148,979)</u>	<u>5,844,582</u>
Total fund balance	<u>5,575,353</u>	<u>14,431,172</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 5,683,954</u>	<u>\$ 14,474,143</u>



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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 35,380,271	\$ 35,484,660	\$ 104,389	\$ 9,280,991
Intergovernmental	3,350,000	3,020,098	(329,902)	-
Investment earnings	72,780	(73,992)	(146,772)	7,673
Total revenues	<u>38,803,051</u>	<u>38,430,766</u>	<u>(372,285)</u>	<u>9,288,664</u>
<b>EXPENDITURES</b>				
Tax Administration	97,055	94,162	2,893	31,144
Principal bond retirement	34,876,000	34,881,247	(5,247)	-
Principal retirement	-	-	-	11,907,247
Interest and fees	-	-	-	5,847,173
Interest and fees-bonds	12,507,737	12,502,006	5,731	-
Total expenditures	<u>47,480,792</u>	<u>47,477,415</u>	<u>3,377</u>	<u>17,785,564</u>
Revenues over (under) expenditures	<u>(8,677,741)</u>	<u>(9,046,649)</u>	<u>(368,908)</u>	<u>(8,496,900)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of general obligation bonds, premiums	190,830	190,830	-	-
Issuance of installment financing	-	-	-	48,324
Total other financing sources (uses)	<u>190,830</u>	<u>190,830</u>	<u>-</u>	<u>48,324</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(8,486,911)</u>	<u>(8,855,819)</u>	<u>(368,908)</u>	<u>(8,448,576)</u>
<b>APPROPRIATED FUND BALANCE</b>				
	<u>8,486,911</u>	<u>-</u>	<u>(8,486,911)</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(8,855,819)</u>	<u>\$ (8,855,819)</u>	<u>(8,448,576)</u>
<b>FUND BALANCE</b>				
Beginning		<u>14,431,172</u>		<u>22,879,748</u>
Ending		<u>\$ 5,575,353</u>		<u>\$ 14,431,172</u>

**Economic Development Budgetary Fund**  
**Comparative Balance Sheet**  
 June 30, 2022 and 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
<b>ASSETS</b>		
Cash and investments	\$ 733,913	\$ 731,212
Accounts receivable, net	393	505
Cash and investments, restricted	<u>6,161,665</u>	<u>6,148,234</u>
Total assets	<u>\$ 6,895,971</u>	<u>\$ 6,879,951</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
<b>FUND BALANCE</b>		
Restricted	\$ 393	\$ 505
Assigned	-	551,000
Unassigned	<u>6,895,578</u>	<u>6,328,446</u>
Total fund balance	<u>6,895,971</u>	<u>6,879,951</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 6,895,971</u>	<u>\$ 6,879,951</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance	2021
	Final Budget	Actual	Positive (Negative)	Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 1,627,054	\$ 1,627,537	\$ 483	\$ 2,104,066
Investment earnings	3,240	7,654	4,414	6,002
Miscellaneous	551,000	551,000	-	-
Total revenues	<u>2,181,294</u>	<u>2,186,191</u>	<u>4,897</u>	<u>2,110,068</u>
<b>EXPENDITURES</b>				
Economic Development	6,586	25,158	(18,572)	7,081
Principal bond retirement	1,634,000	1,628,755	5,245	-
Principal retirement	-	-	-	1,077,755
Interest and fees	-	-	-	568,988
Interest and fees-bonds	540,708	516,258	24,450	-
Total expenditures	<u>2,181,294</u>	<u>2,170,171</u>	<u>11,123</u>	<u>1,653,824</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	\$ <u>-</u>	16,020	\$ <u>16,020</u>	456,244
<b>FUND BALANCE</b>				
Beginning		<u>6,879,951</u>		<u>6,423,707</u>
Ending		<u>\$ 6,895,971</u>		<u>\$ 6,879,951</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.

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

**Opioid Settlement Fund** - This multi-year fund accounts for opioid settlement funds from a national settlement agreement that must be used to combat the opioid crisis.

**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.

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

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			2021
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 155,932	\$ 164,772	\$ 8,840	\$ 140,587
Local option sales tax	35,000	41,882	6,882	41,624
Investment earnings	-	-	-	2
Total revenues	<u>190,932</u>	<u>206,654</u>	<u>15,722</u>	<u>182,213</u>
<b>EXPENDITURES</b>				
Public safety	<u>318,220</u>	<u>317,788</u>	<u>432</u>	<u>175,446</u>
Total expenditures	<u>318,220</u>	<u>317,788</u>	<u>432</u>	<u>175,446</u>
Revenues over (under) expenditures	(127,288)	(111,134)	16,154	6,767
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>127,288</u>	<u>127,288</u>	-	-
Total other financing sources (uses)	<u>127,288</u>	<u>127,288</u>	-	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	16,154	<u>\$ 16,154</u>	6,767
<b>FUND BALANCE</b>				
Beginning of year - July 1		6,767		-
Prior period adjustment		-		-
End of year - June 30		<u>\$ 22,921</u>		<u>\$ 6,767</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 715,375	\$ 739,153	\$ 23,778	\$ 821,053
Local option sales tax	126,500	236,970	110,470	219,561
Investment earnings	-	9	9	12
Total revenues	<u>841,875</u>	<u>976,132</u>	<u>134,257</u>	<u>1,040,626</u>
<b>EXPENDITURES</b>				
Public safety	1,403,125	1,402,894	231	934,124
Total expenditures	<u>1,403,125</u>	<u>1,402,894</u>	<u>231</u>	<u>934,124</u>
Revenues over (under) expenditures	(561,250)	(426,762)	134,488	106,502
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	561,250	561,250	-	-
Total other financing sources (uses)	<u>561,250</u>	<u>561,250</u>	<u>-</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	134,488	<u>\$ 134,488</u>	106,502
<b>FUND BALANCE</b>				
Beginning of year - July 1		106,502		-
Prior period adjustment		-		-
End of year - June 30		<u>\$ 240,990</u>		<u>\$ 106,502</u>



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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 383,920	\$ 400,025	\$ 16,105	\$ 398,046
Local option sales tax	90,000	115,562	25,562	109,230
Investment earnings	-	6	6	9
Total revenues	<u>473,920</u>	<u>515,593</u>	<u>41,673</u>	<u>507,285</u>
<b>EXPENDITURES</b>				
Public safety	<u>817,733</u>	<u>817,424</u>	<u>309</u>	<u>466,697</u>
Total expenditures	<u>817,733</u>	<u>817,424</u>	<u>309</u>	<u>466,697</u>
Revenues over (under) expenditures	(343,813)	(301,831)	41,982	40,588
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>343,813</u>	<u>343,813</u>	-	-
Total other financing sources (uses)	<u>343,813</u>	<u>343,813</u>	-	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	41,982	<u>\$ 41,982</u>	40,588
<b>FUND BALANCE</b>				
Beginning of year - July 1		40,588		-
Prior period adjustment		-		-
End of year - June 30		<u>\$ 82,570</u>		<u>\$ 40,588</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 365,754	\$ 370,172	\$ 4,418	\$ 277,190
Local option sales tax	60,000	79,277	19,277	71,047
Investment earnings	-	3	3	5
Total revenues	<u>425,754</u>	<u>449,452</u>	<u>23,698</u>	<u>348,242</u>
<b>EXPENDITURES</b>				
Public safety	<u>709,590</u>	<u>709,893</u>	<u>(303)</u>	<u>287,761</u>
Total expenditures	<u>709,590</u>	<u>709,893</u>	<u>(303)</u>	<u>287,761</u>
Revenues over (under) expenditures	(283,836)	(260,441)	23,395	60,481
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>283,836</u>	<u>283,836</u>	-	-
Total other financing sources (uses)	<u>283,836</u>	<u>283,836</u>	-	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	23,395	<u>\$ 23,395</u>	60,481
<b>FUND BALANCE</b>				
Beginning of year - July 1		60,481		-
Prior period adjustment		-		-
End of year - June 30		<u>\$ 83,876</u>		<u>\$ 60,481</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			2021
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 40,308	\$ 43,284	\$ 2,976	\$ 66,427
Local option sales tax	15,000	18,691	3,691	17,895
Investment earnings	-	-	-	2
Total revenues	<u>55,308</u>	<u>61,975</u>	<u>6,667</u>	<u>84,324</u>
<b>EXPENDITURES</b>				
Public safety	113,407	113,266	141	76,550
Total expenditures	<u>113,407</u>	<u>113,266</u>	<u>141</u>	<u>76,550</u>
Revenues over (under) expenditures	(58,099)	(51,291)	6,808	7,774
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	58,099	58,099	-	-
Total other financing sources (uses)	<u>58,099</u>	<u>58,099</u>	<u>-</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	6,808	<u>\$ 6,808</u>	7,774
<b>FUND BALANCE</b>				
Beginning of year - July 1		7,774		-
Prior period adjustment		-		-
End of year - June 30		<u>\$ 14,582</u>		<u>\$ 7,774</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 1,721,937	\$ 1,783,735	\$ 61,798	\$ 1,450,999
Local option sales tax	350,000	438,330	88,330	369,418
Investment earnings	-	21	21	71
Total revenues	<u>2,071,937</u>	<u>2,222,086</u>	<u>150,149</u>	<u>1,820,488</u>
<b>EXPENDITURES</b>				
Public safety	<u>2,640,159</u>	<u>2,640,086</u>	<u>73</u>	<u>1,711,993</u>
Total expenditures	<u>2,640,159</u>	<u>2,640,086</u>	<u>73</u>	<u>1,711,993</u>
Revenues over (under) expenditures	(568,222)	(418,000)	150,222	108,495
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>528,032</u>	<u>528,032</u>	-	-
Total other financing sources (uses)	<u>528,032</u>	<u>528,032</u>	-	-
<b>APPROPRIATED FUND BALANCE</b>				
	<u>40,190</u>	-	(40,190)	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	110,032	<u>\$ 110,032</u>	108,495
<b>FUND BALANCE</b>				
Beginning of year - July 1		148,685		40,190
Prior period adjustment		-		-
End of year - June 30		<u>\$ 258,717</u>		<u>\$ 148,685</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 130,278	\$ 134,339	\$ 4,061	\$ 129,754
Local option sales tax	30,000	37,290	7,290	34,422
Investment earnings	-	-	-	2
Total revenues	<u>160,278</u>	<u>171,629</u>	<u>11,351</u>	<u>164,178</u>
<b>EXPENDITURES</b>				
Public safety	<u>267,130</u>	<u>266,890</u>	<u>240</u>	<u>153,704</u>
Total expenditures	<u>267,130</u>	<u>266,890</u>	<u>240</u>	<u>153,704</u>
Revenues over (under) expenditures	(106,852)	(95,261)	11,591	10,474
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>106,852</u>	<u>106,852</u>	-	-
Total other financing sources (uses)	<u>106,852</u>	<u>106,852</u>	-	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	11,591	<u>\$ 11,591</u>	10,474
<b>FUND BALANCE</b>				
Beginning of year - July 1		10,474		-
Prior period adjustment		-		-
End of year - June 30		<u>\$ 22,065</u>		<u>\$ 10,474</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 143,661	\$ 148,026	\$ 4,365	\$ 152,567
Local option sales tax	40,000	43,830	3,830	43,141
Investment earnings	-	1	1	3
Total revenues	<u>183,661</u>	<u>191,857</u>	<u>8,196</u>	<u>195,711</u>
<b>EXPENDITURES</b>				
Public safety	<u>306,102</u>	<u>305,857</u>	<u>245</u>	<u>178,397</u>
Total expenditures	<u>306,102</u>	<u>305,857</u>	<u>245</u>	<u>178,397</u>
Revenues over (under) expenditures	(122,441)	(114,000)	8,441	17,314
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>122,441</u>	<u>122,441</u>	-	-
Total other financing sources (uses)	<u>122,441</u>	<u>122,441</u>	-	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	8,441	<u>\$ 8,441</u>	17,314
<b>FUND BALANCE</b>				
Beginning of year - July 1		17,314		-
Prior period adjustment		-		-
End of year - June 30		<u>\$ 25,755</u>		<u>\$ 17,314</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 317,882	\$ 332,396	\$ 14,514	\$ 335,575
Local option sales tax	75,000	95,713	20,713	86,745
Investment earnings	-	3	3	7
Total revenues	<u>392,882</u>	<u>428,112</u>	<u>35,230</u>	<u>422,327</u>
<b>EXPENDITURES</b>				
Public safety	<u>654,803</u>	<u>654,581</u>	<u>222</u>	<u>369,906</u>
Total expenditures	<u>654,803</u>	<u>654,581</u>	<u>222</u>	<u>369,906</u>
Revenues over (under) expenditures	(261,921)	(226,469)	35,452	52,421
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>261,921</u>	<u>261,921</u>	-	-
Total other financing sources (uses)	<u>261,921</u>	<u>261,921</u>	-	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>35,452</u>	<u>\$ 35,452</u>	<u>52,421</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		52,421		-
Prior period adjustment		-		-
End of year - June 30		<u>\$ 87,873</u>		<u>\$ 52,421</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 31,541	\$ 31,818	\$ 277	\$ 31,026
Local option sales tax	10,000	9,258	(742)	12,585
Total revenues	41,541	41,076	(465)	43,611
<b>EXPENDITURES</b>				
Public safety	69,235	69,178	57	50,843
Total expenditures	69,235	69,178	57	50,843
Revenues over (under) expenditures	(27,694)	(28,102)	(408)	(7,232)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	68,694	68,694	-	-
Total other financing sources (uses)	68,694	68,694	-	-
<b>APPROPRIATED FUND BALANCE</b>				
	(41,000)	-	41,000	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	40,592	\$ 40,592	(7,232)
<b>FUND BALANCE</b>				
Beginning of year - July 1		(7,232)		-
Prior period adjustment		-		-
End of year - June 30		\$ 33,360		\$ (7,232)



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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 146,770	\$ 151,988	\$ 5,218	\$ 164,473
Local option sales tax	40,000	46,404	6,404	44,182
Investment earnings	-	1	1	4
Total revenues	<u>186,770</u>	<u>198,393</u>	<u>11,623</u>	<u>208,659</u>
<b>EXPENDITURES</b>				
Public safety	<u>311,283</u>	<u>311,143</u>	<u>140</u>	<u>186,237</u>
Total expenditures	<u>311,283</u>	<u>311,143</u>	<u>140</u>	<u>186,237</u>
Revenues over (under) expenditures	(124,513)	(112,750)	11,763	22,422
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>124,513</u>	<u>124,513</u>	-	-
Total other financing sources (uses)	<u>124,513</u>	<u>124,513</u>	-	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	11,763	<u>\$ 11,763</u>	22,422
<b>FUND BALANCE</b>				
Beginning of year - July 1		22,422		-
Prior period adjustment		-		-
End of year - June 30		<u>\$ 34,185</u>		<u>\$ 22,422</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 764,576	\$ 796,471	\$ 31,895	\$ 557,572
Local option sales tax	175,000	169,501	(5,499)	188,761
Investment earnings	-	7	7	34
Total revenues	<u>939,576</u>	<u>965,979</u>	<u>26,403</u>	<u>746,367</u>
<b>EXPENDITURES</b>				
Public safety	1,246,419	1,245,959	460	682,576
Total expenditures	<u>1,246,419</u>	<u>1,245,959</u>	<u>460</u>	<u>682,576</u>
Revenues over (under) expenditures	(306,843)	(279,980)	26,863	63,791
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	252,384	252,384	-	-
Total other financing sources (uses)	<u>252,384</u>	<u>252,384</u>	<u>-</u>	<u>-</u>
<b>APPROPRIATED FUND BALANCE</b>				
	54,459	-	(54,459)	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(27,596)</u>	<u>\$ (27,596)</u>	63,791
<b>FUND BALANCE</b>				
Beginning of year - July 1		118,250		54,459
Prior period adjustment		-		-
End of year - June 30		<u>\$ 90,654</u>		<u>\$ 118,250</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 143,778	\$ 152,742	\$ 8,964	\$ 143,339
Local option sales tax	35,000	41,249	6,249	38,969
Investment earnings	-	-	-	4
Total revenues	<u>178,778</u>	<u>193,991</u>	<u>15,213</u>	<u>182,312</u>
<b>EXPENDITURES</b>				
Public safety	<u>298,830</u>	<u>298,638</u>	<u>192</u>	<u>165,356</u>
Total expenditures	<u>298,830</u>	<u>298,638</u>	<u>192</u>	<u>165,356</u>
Revenues over (under) expenditures	(120,052)	(104,647)	15,405	16,956
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>120,052</u>	<u>120,052</u>	-	-
Total other financing sources (uses)	<u>120,052</u>	<u>120,052</u>	-	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	15,405	<u>\$ 15,405</u>	16,956
<b>FUND BALANCE</b>				
Beginning of year - July 1		16,956		-
Prior period adjustment		-		-
End of year - June 30		<u>\$ 32,361</u>		<u>\$ 16,956</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 1,576,285	\$ 1,623,939	\$ 47,654	\$ 1,407,114
Local option sales tax	310,000	424,783	114,783	342,431
Investment earnings	-	17	17	57
Total revenues	<u>1,886,285</u>	<u>2,048,739</u>	<u>162,454</u>	<u>1,749,602</u>
<b>EXPENDITURES</b>				
Public safety	<u>2,419,650</u>	<u>2,420,023</u>	<u>(373)</u>	<u>1,703,914</u>
Total expenditures	<u>2,419,650</u>	<u>2,420,023</u>	<u>(373)</u>	<u>1,703,914</u>
Revenues over (under) expenditures	(533,365)	(371,284)	162,081	45,688
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>483,923</u>	<u>483,923</u>	-	-
Total other financing sources (uses)	<u>483,923</u>	<u>483,923</u>	-	-
<b>APPROPRIATED FUND BALANCE</b>				
	<u>49,442</u>	-	<u>(49,442)</u>	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	112,639	<u>\$ 112,639</u>	45,688
<b>FUND BALANCE</b>				
Beginning of year - July 1		95,130		49,442
Prior period adjustment		-		-
End of year - June 30		<u>\$ 207,769</u>		<u>\$ 95,130</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 702,678	\$ 727,629	\$ 24,951	\$ 390,009
Local option sales tax	95,000	110,196	15,196	100,373
Investment earnings	-	9	9	8
Total revenues	<u>797,678</u>	<u>837,834</u>	<u>40,156</u>	<u>490,390</u>
<b>EXPENDITURES</b>				
Public safety	<u>997,097</u>	<u>998,047</u>	<u>(950)</u>	<u>488,454</u>
Total expenditures	<u>997,097</u>	<u>998,047</u>	<u>(950)</u>	<u>488,454</u>
Revenues over (under) expenditures	(199,419)	(160,213)	39,206	1,936
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>244,419</u>	<u>244,419</u>	-	-
Total other financing sources (uses)	<u>244,419</u>	<u>244,419</u>	-	-
<b>APPROPRIATED FUND BALANCE</b>	<u>(45,000)</u>	-	<u>45,000</u>	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	84,206	<u>\$ 84,206</u>	1,936
<b>FUND BALANCE</b>				
Beginning of year - July 1		1,936		-
Prior period adjustment		-		-
End of year - June 30		<u>\$ 86,142</u>		<u>\$ 1,936</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 1,488,794	\$ 1,533,822	\$ 45,028	\$ 1,455,498
Local option sales tax	320,000	441,962	121,962	379,278
Investment earnings	-	19	19	69
Total revenues	<u>1,808,794</u>	<u>1,975,803</u>	<u>167,009</u>	<u>1,834,845</u>
<b>EXPENDITURES</b>				
Public safety	<u>2,602,206</u>	<u>2,602,784</u>	<u>(578)</u>	<u>1,722,323</u>
Total expenditures	<u>2,602,206</u>	<u>2,602,784</u>	<u>(578)</u>	<u>1,722,323</u>
Revenues over (under) expenditures	(793,412)	(626,981)	166,431	112,522
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>642,126</u>	<u>642,126</u>	-	-
Total other financing sources (uses)	<u>642,126</u>	<u>642,126</u>	-	-
<b>APPROPRIATED FUND BALANCE</b>	<u>151,286</u>	-	<u>(151,286)</u>	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	15,145	<u>\$ 15,145</u>	112,522
<b>FUND BALANCE</b>				
Beginning of year - July 1		263,808		151,286
Prior period adjustment		-		-
End of year - June 30		<u>\$ 278,953</u>		<u>\$ 263,808</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		2021	
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 2,595,357	\$ 2,671,361	\$ 76,004	\$ 2,286,269
Local option sales tax	475,000	689,439	214,439	541,199
Investment earnings	-	23	23	78
Total revenues	<u>3,070,357</u>	<u>3,360,823</u>	<u>290,466</u>	<u>2,827,546</u>
<b>EXPENDITURES</b>				
Public safety	<u>3,970,770</u>	<u>3,973,222</u>	<u>(2,452)</u>	<u>2,715,787</u>
Total expenditures	<u>3,970,770</u>	<u>3,973,222</u>	<u>(2,452)</u>	<u>2,715,787</u>
Revenues over (under) expenditures	(900,413)	(612,399)	288,014	111,759
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>800,413</u>	<u>800,413</u>	-	-
Total other financing sources (uses)	<u>800,413</u>	<u>800,413</u>	-	-
<b>APPROPRIATED FUND BALANCE</b>				
	<u>100,000</u>	-	<u>(100,000)</u>	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	188,014	<u>\$ 188,014</u>	111,759
<b>FUND BALANCE</b>				
Beginning of year - July 1		260,467		148,708
Prior period adjustment		-		-
End of year - June 30		<u>\$ 448,481</u>		<u>\$ 260,467</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 387,397	\$ 400,953	\$ 13,556	\$ 344,436
Local option sales tax	75,000	98,725	23,725	97,965
Investment earnings	-	6	6	7
Total revenues	<u>462,397</u>	<u>499,684</u>	<u>37,287</u>	<u>442,408</u>
<b>EXPENDITURES</b>				
Public safety	<u>780,995</u>	<u>780,688</u>	<u>307</u>	<u>420,053</u>
Total expenditures	<u>780,995</u>	<u>780,688</u>	<u>307</u>	<u>420,053</u>
Revenues over (under) expenditures	(318,598)	(281,004)	37,594	22,355
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>318,598</u>	<u>318,598</u>	-	<u>16,000</u>
Total other financing sources (uses)	<u>318,598</u>	<u>318,598</u>	-	<u>16,000</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>37,594</u>	<u>\$ 37,594</u>	<u>38,355</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		38,355		-
Prior period adjustment		-		-
End of year - June 30		<u>\$ 75,949</u>		<u>\$ 38,355</u>



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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		2021	
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Permits and fees	\$ -	\$ 18,584	\$ 18,584	\$ 62,318
Total revenues	-	18,584	18,584	62,318
Revenues and appropriated fund balance over (under) expenditures	\$ -	18,584	\$ 18,584	62,318
<b>FUND BALANCE</b>				
Beginning of year - July 1		74,615		12,297
Prior period adjustment		-		-
End of year - June 30		\$ 93,199		\$ 74,615

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Other taxes and licenses	\$ 754,071	\$ 754,071	\$ -	\$ 816,658
Intergovernmental	484,021	304,957	(179,064)	-
Investment earnings	-	6,282	6,282	4,287
Total revenues	<u>1,238,092</u>	<u>1,065,310</u>	<u>(172,782)</u>	<u>820,945</u>
<b>EXPENDITURES</b>				
Hardware maintenance	1,857,406	345,846	1,511,560	772
Implemental functions	142,021	84,451	57,570	157,316
Software maintenance	356,774	264,402	92,372	267,168
Telephone	625,548	310,336	315,212	70,337
Training	12,194	11,432	762	15,568
Total expenditures	<u>2,993,943</u>	<u>1,016,467</u>	<u>1,977,476</u>	<u>511,161</u>
Revenues over (under) expenditures	(1,755,851)	48,843	1,804,694	309,784
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	-	70,500	70,500	7,652
Total other financing sources (uses)	<u>-</u>	<u>70,500</u>	<u>70,500</u>	<u>7,652</u>
<b>APPROPRIATED FUND BALANCE</b>	<u>1,755,851</u>	<u>-</u>	<u>(1,755,851)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>119,343</u>	<u>\$ 119,343</u>	<u>317,436</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		2,392,150		2,074,714
Prior period adjustment		-		-
End of year - June 30		<u>\$ 2,511,493</u>		<u>\$ 2,392,150</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Miscellaneous	\$ 545,000	\$ 514,757	\$ (30,243)	\$ 540,961
Total revenues	<u>545,000</u>	<u>514,757</u>	<u>(30,243)</u>	<u>540,961</u>
<b>EXPENDITURES</b>				
Human services	545,000	461,039	83,961	544,968
Total expenditures	<u>545,000</u>	<u>461,039</u>	<u>83,961</u>	<u>544,968</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	53,718	<u>\$ 53,718</u>	(4,007)
<b>FUND BALANCE</b>				
Beginning of year - July 1		40,697		-
Prior period adjustment				<u>44,704</u>
End of year - June 30		<u>\$ 94,415</u>		<u>\$ 40,697</u>

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

For the Year Ended June 30, 2022

From Inception and for the Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual	Total To Date	Variance Positive (Negative)
<b>REVENUES</b>					
Miscellaneous	\$ 362,904	\$ -	\$ 362,904	\$ 362,904	\$ -
Total revenues	<u>362,904</u>	<u>-</u>	<u>362,904</u>	<u>362,904</u>	<u>-</u>
<b>EXPENDITURES</b>					
Opioid Abuse Mitigation	362,904	-	-	-	362,904
Total expenditures	<u>362,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>362,904</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	362,904	<u>\$ 362,904</u>	<u>\$ 362,904</u>
<b>FUND BALANCE</b>					
Beginning of year - July 1			-		
Prior period adjustment			<u>-</u>		
End of year - June 30			<u>\$ 362,904</u>		

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			2021
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Permits and fees	\$ 120,000	\$ 189,026	\$ 69,026	\$ 205,807
Total revenues	<u>120,000</u>	<u>189,026</u>	<u>69,026</u>	<u>205,807</u>
<b>EXPENDITURES</b>				
General government	126,500	123,069	3,431	116,577
Total expenditures	<u>126,500</u>	<u>123,069</u>	<u>3,431</u>	<u>116,577</u>
Revenues over (under) expenditures	(6,500)	65,957	72,457	89,230
<b>APPROPRIATED FUND BALANCE</b>	<u>6,500</u>	<u>-</u>	<u>(6,500)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>65,957</u>	<u>\$ 65,957</u>	<u>89,230</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		319,468		230,238
Prior period adjustment		-		-
End of year - June 30		<u>\$ 385,425</u>		<u>\$ 319,468</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		2021	
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Miscellaneous	\$ 996,000	\$ 905,403	\$ (90,597)	\$ 645,291
Total revenues	<u>996,000</u>	<u>905,403</u>	<u>(90,597)</u>	<u>645,291</u>
<b>EXPENDITURES</b>				
Education	996,000	905,403	90,597	645,291
Total expenditures	<u>996,000</u>	<u>905,403</u>	<u>90,597</u>	<u>645,291</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		-		-
Prior period adjustment		-		-
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, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Miscellaneous	\$ 523,000	\$ 376,475	\$ (146,525)	\$ 535,422
Total revenues	<u>523,000</u>	<u>376,475</u>	<u>(146,525)</u>	<u>535,422</u>
<b>EXPENDITURES</b>				
Public safety	523,000	386,720	136,280	522,864
Total expenditures	<u>523,000</u>	<u>386,720</u>	<u>136,280</u>	<u>522,864</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(10,245)</u>	<u>\$ (10,245)</u>	12,558
<b>FUND BALANCE</b>				
Beginning of year - July 1		13,365		-
Prior period adjustment				<u>807</u>
End of year - June 30		<u>\$ 3,120</u>		<u>\$ 13,365</u>

**General Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
 From Inception and for the Year Ended June 30, 2022

	Actual				Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total To Date	
<b>REVENUES</b>					
Intergovernmental	\$ 83,929,107	\$ 17,749,949	\$ 10,114,072	\$ 27,864,021	\$ (56,065,086)
Sales and services	247,900	317,066	23,000	340,066	92,166
Investment earnings	73,119	74,566	50,603	125,169	52,050
Miscellaneous	2,508,825	2,669,505	-	2,669,505	160,680
<b>Total revenues</b>	<b>86,758,951</b>	<b>20,811,086</b>	<b>10,187,675</b>	<b>30,998,761</b>	<b>(55,760,190)</b>
<b>EXPENDITURES</b>					
Capital outlay					
General Government					
American Rescue Plan	39,476,077	1,187,081	1,257,718	2,444,799	37,031,278
ARPA APS Essential Services	17,061	-	1,506	1,506	15,555
ARPA School Health Team Workforce	261,457	-	-	-	261,457
Human Services					
CARES Act	8,813,446	8,643,521	169,921	8,813,442	4
CARES Act ELC	2,502,824	287,133	800,117	1,087,250	1,415,574
CARES Act Older Americans	93,736	55,064	38,673	93,737	(1)
CARES Act Transportation	1,130,239	298,683	87,520	386,203	744,036
CDC Vaccination Program	911,798	213,781	131,023	344,804	566,994
Communicable Disease Pandemic Recovery	293,982	-	1,860	1,860	292,122
Community Shelter State Aid	1,500,000	1,500,000	-	1,500,000	-
Coronavirus Response and Relief	273,044	-	-	-	273,044
Covid Medicaid - Child Health	130,882	-	44,429	44,429	86,453
Emergency Rental Assistance	12,943,006	611,530	5,740,451	6,351,981	6,591,025
Families First Coronavirus Response Act	117,927	117,927	-	117,927	-
Supplemental 5-HDC	72,656	-	72,656	72,656	-
Public Safety					
Cert Grant Program	68,500	57,580	12,103	69,683	(1,183)
Controlled Substance Tax	637,994	517,161	8,738	525,899	112,095
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	2,153,361	1,512,869	-	1,512,869	640,492
Firearms Range Ph II	275,385	213,265	-	213,265	62,120
Homeland Security-Catawba Nuclear	263,475	245,544	2,821	248,365	15,110
Indian Trail GHSP Grant	547,616	498,296	-	498,296	49,320
NCEM Swift Water Rescue Equipment	80,000	-	20,450	20,450	59,550
Economic and Physical Environment					
Community Development Block Grant	5,977,304	3,223,045	1,602,142	4,825,187	1,152,117
EDC Grant East Side Sewer Study	100,000	98,826	-	98,826	1,174
EDC Invest - Charlotte Publication	24,500	24,500	-	24,500	-
<b>Total expenditures</b>	<b>78,791,270</b>	<b>19,399,942</b>	<b>9,992,128</b>	<b>29,392,070</b>	<b>49,399,200</b>
Revenues under expenditures	7,967,681	1,411,144	195,547	1,606,691	(6,360,990)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	157,893	169,120	-	169,120	11,227
Transfers to other funds	(8,125,574)	(651,572)	-	(651,572)	7,474,002
<b>Total other financing sources (uses)</b>	<b>(7,967,681)</b>	<b>(482,452)</b>	<b>-</b>	<b>(482,452)</b>	<b>7,485,229</b>
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 928,692	195,547	\$ 1,124,239	\$ 1,124,239
<b>FUND BALANCE</b>					
Beginning of year - July 1			928,692		
End of year - June 30			\$ 1,124,239		



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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, 2022

	Actual				Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total To Date	
<b>REVENUES</b>					
Intergovernmental	\$ 540,000	\$ -	\$ 600,349	\$ 600,349	\$ 60,349
Investment earnings	2,412,325	2,786,911	95,519	2,882,430	470,105
Miscellaneous	7,311,065	7,311,065	358,461	7,669,526	358,461
Total revenues	10,263,390	10,097,976	1,054,329	11,152,305	888,915
<b>EXPENDITURES</b>					
Capital outlay					
General Government					
Board of Elections Renovations	4,677,000	278,828	2,363,304	2,642,132	2,034,868
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	1,350,000	405,808	238,682	644,490	705,510
County Facilities Repairs	3,010,325	1,015,256	695,126	1,710,382	1,299,943
Government Center Building Envelope Repairs	1,600,000	-	-	-	1,600,000
Government Center Electrical Infrastructure	1,040,000	42,500	9,570	52,070	987,930
Government Center Replace Liebert Unit	40,000	-	-	-	40,000
Historic Courthouse Renovations Ph 2	1,725,000	-	-	-	1,725,000
Historic Courthouse Renovation	1,990,503	1,475,317	364,678	1,839,995	150,508
I.T. Infrastructure	1,536,238	1,219,612	82,942	1,302,554	233,684
Judicial Center Generator Replacement	225,000	-	-	-	225,000
Judicial Center Server Room Split System	90,000	-	-	-	90,000
Phone System Upgrade	655,000	547,232	-	547,232	107,768
Pictometry Phase II	489,048	-	489,048	489,048	-
UPS Infrastructure Upgrades	75,000	-	-	-	75,000
UCPS Admin Building Replace Generator	90,000	-	-	-	90,000
Union County Progress Building	6,593,676	5,196,944	314,062	5,511,006	1,082,670
Public Safety					
911 Center Renovations	721,790	728,108	(6,318)	721,790	-
Emergency Services Complex	16,415,120	2,530,937	10,969,927	13,500,864	2,914,256
Firearms Range Shoot House	21,000	-	-	-	21,000
Jail Domestic Water Source	65,000	-	-	-	65,000
Jail Block Renovations	1,950,000	-	-	-	1,950,000
Jail Door Control and Lock System	1,700,000	17,914	107,339	125,253	1,574,747
Jail Generator Replacement	395,000	-	69	69	394,931
Jail Replace Washers and Dryers	335,000	-	10,150	10,150	324,850
Radio Backhaul	559,000	-	167,992	167,992	391,008
Radio Install Shop	993,455	-	24,905	24,905	968,550
Radio Microwave Replacement	482,774	42,344	214,774	257,118	225,656
Radio Replacements	4,256,254	893,482	3,362,773	4,256,255	(1)
Radio Towers HVAC Systems	64,000	-	-	-	64,000
Radio Towers SW Union	2,520,335	101,365	741,794	843,159	1,677,176
Sheriff's Office Operating Capital	450,000	118,593	10,925	129,518	320,482
Sheriff's Office R&R	879,000	266,675	32,763	299,438	579,562
Sheriff's Office Renovations	27,430,016	8,289,853	16,464,229	24,754,082	2,675,934
VFD Air Packs	1,280,000	-	-	-	1,280,000
Public Safety Training Center	4,500,000	-	-	-	4,500,000
Fire Training Needs Short Term	1,500,000	-	-	-	1,500,000
Animal Shelter Replace UPS	30,000	-	-	-	30,000
Human Services					
Human Services Campus	37,205,593	37,137,828	5,120	37,142,948	62,645
Cultural and Recreation					
Cane Creek Park Camp Store	600,000	-	-	-	600,000
Cane Creek Park Campground R&R	275,070	106,134	103,266	209,400	65,670
Jesse Helms Park Amenities Improvements	500,000	-	-	-	500,000
Library R&R	75,000	22,371	16,213	38,584	36,416
Library Replace Metal Architectural Panels	568,000	-	-	-	568,000
Parks and Recreation R&R	336,254	131,030	136,430	267,460	68,794
Southwest Union Library	12,917,825	755,912	136,317	892,229	12,025,596

**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, 2022

	Actual				Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total To Date	
Economic and Physical Development					
Ag Center Generator	350,000	-	-	-	350,000
EDC-Industrial Park	18,212,405	18,113,901	1,414	18,115,315	97,090
Simpson Event Center	2,743,121	2,715,092	7,646	2,722,738	20,383
Simpson Event Center Support Building	800,000	-	-	-	800,000
Planning-NC DOT Projects	500,000	-	200,000	200,000	300,000
Education					
ADA Projects	\$ 4,236,249	\$ 4,236,249	\$ -	\$ 4,236,249	\$ -
Antioch Roof Repair	476,809	476,809	-	476,809	-
Design Work for Forest Hills and East Elementary	4,900,000	-	2,511,375	2,511,375	2,388,625
Emergency Management Radios-Schools	1,200,000	1,200,000	-	1,200,000	-
Facilities Vehicle Replacements	109,354	109,354	-	109,354	-
Facilities GPS System Upgrade	137,000	137,000	-	137,000	-
Juniper Upgrades	400,760	400,760	-	400,760	-
Kensington Roof Repair	66,455	66,455	-	66,455	-
Monroe High Windows/Doors	415,000	415,001	-	415,001	(1)
Monroe High School Bond Project	4,345,385	4,056,635	282,248	4,338,883	6,502
Piedmont Area Land Purchase	199,000	199,000	-	199,000	-
Piedmont High Bond Project	1,635,856	1,536,356	26,840	1,563,196	72,660
Parkwood Area Land Purchase	45,000	45,000	-	45,000	-
Piedmont High Lighting	357,500	357,500	-	357,500	-
Piedmont Middle Chiller Replacement	62,700	62,700	-	62,700	-
Porter Ridge Middle Bond Project	4,361,013	4,361,012	-	4,361,012	1
Prospect ADA Access to Mobile Classrooms	152,781	152,782	-	152,782	(1)
Rock Rest Roof Repair	556,860	556,860	-	556,860	-
Sun Valley High School Bond Project	34,419,925	33,433,079	890,854	34,323,933	95,992
Sun Valley Middle ADA Restrooms	12,672	12,672	-	12,672	-
Sun Valley Middle HVAC/Chiller Replacement	662,895	662,895	-	662,895	-
Transportation Facility-Bond Project	15,244,656	14,504,841	61,600	14,566,441	678,215
UCPS Interfund Transfer	14,247	-	-	-	14,247
Unionville Elementary DDC Building System	220,000	220,000	-	220,000	-
Various Locations OCR Compliance	218,480	218,480	-	218,480	-
Various Locations Building Automation System	278,646	278,646	-	278,646	-
Various Locations Roofing Repair	3,000,000	3,000,000	-	3,000,000	-
Warehouse Roofing	139,395	139,395	-	139,395	-
Weddington Elementary DDC System	192,500	192,500	-	192,500	-
Weddington Middle DDC Control	300,000	300,000	-	300,000	-
Western Union ES Bond Project	596,704	491,704	-	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	1,238,908	315,687	1,554,595	509,485
Schools Capital Outlay FY 2018 Building Systems	1,935,002	1,366,124	256,962	1,623,086	311,916
Schools Capital Outlay FY 2018 Exp. & Renov.	5,753,167	5,642,068	111,098	5,753,166	1
Schools Capital Outlay FY 2018 Roofing	822,841	658,589	680	659,269	163,572
Schools Capital Outlay FY 2018 Safety & Security	850,000	808,466	-	808,466	41,534
Schools Capital Outlay FY 2018 Technology	1,580,959	1,580,959	-	1,580,959	-
Schools Capital Outlay FY 2019 ADA	289,800	140,517	-	140,517	149,283
Schools Capital Outlay FY 2019 Building Systems	5,144,000	4,293,652	193,993	4,487,645	656,355
Schools Capital Outlay FY 2019 Exp. & Renov.	1,067,709	1,037,450	30,259	1,067,709	-
Schools Capital Outlay FY 2019 Roofing	2,000,000	857,356	96,624	953,980	1,046,020
Schools Capital Outlay FY 2019 Safety & Security	425,800	345,212	25,850	371,062	54,738
Schools Capital Outlay FY 2020 ADA	515,550	288,276	15,030	303,306	212,244
Schools Capital Outlay FY 2020 UCPS Building Sy	4,689,000	1,840,552	1,122,452	2,963,004	1,725,996
Schools Capital Outlay FY 2020 Exp. & Renov.	7,346,324	4,318,933	2,090,948	6,409,881	936,443
Schools Capital Outlay FY 2020 Roofing	200,000	-	-	-	200,000
Schools Capital Outlay FY 2020 Safety & Security	1,233,000	847,648	219,505	1,067,153	165,847
Schools Capital Outlay FY 2020 FF&E	1,285,000	1,242,992	24,329	1,267,321	17,679
Schools Capital Outlay FY 2020 Band Uniforms	50,000	50,000	-	50,000	-
Schools Capital Outlay FY 2020 Bus Cameras	120,987	120,987	-	120,987	-
Schools Capital Outlay FY 2020 Vehicles	164,892	164,892	-	164,892	-
Schools Capital Outlay FY 2020 Painting	960,000	764,138	117,125	881,263	78,737
Schools Capital Outlay 5YR Laptop Lease	10,805,440	7,633,823	3,171,616	10,805,439	1

**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, 2022

	Actual				Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total To Date	
Schools Capital Outlay FY 2020 True Up Funding	1,238,000	743,846	278,800	1,022,646	215,354
Schools Capital Outlay FY 2021 Roofing	1,050,000	-	342,081	342,081	707,919
Schools Capital Outlay FY 2021 ADA	505,763	14,150	58,889	73,039	432,724
Schools Capital Outlay FY 2021 Building Systems	6,595,500	467,435	1,792,726	2,260,161	4,335,339
Schools Capital Outlay FY 2021 Exp. & Renov.	5,075,514	1,078,652	1,576,988	2,655,640	2,419,874
Schools Capital Outlay FY 2021 Safety & Security	858,000	821,869	3,397	825,266	32,734
Schools Capital Outlay FY 2021 Classroom F&E	472,700	125,253	122,319	247,572	225,128
Schools Capital Outlay FY 2021 Transportation Eq	120,500	120,500	-	120,500	-
Schools Capital Outlay FY 2021 Vehicles & Relat	862,000	747,155	47,392	794,547	67,453
School Capital Outlay FY 2022 ADA	347,571	-	-	-	347,571
School Capital Outlay FY 2022 Building Systems	7,889,494	-	954,038	954,038	6,935,456
School Capital Outlay FY 2022 Exp. and Renov.	3,460,350	-	419,071	419,071	3,041,279
School Capital Outlay FY 2022 Roofing	2,100,000	-	60,023	60,023	2,039,977
School Capital Outlay FY 2022 Safety and Security	1,210,773	-	493,816	493,816	716,957
School Capital Outlay FY 2022 Classroom F&E	458,850	-	11,996	11,996	446,854
School Capital Outlay FY 2022 Veh and Equipment	500,100	-	201,553	201,553	298,547
School Capital Outlay FY 2022 Band Equipment	50,000	-	49,095	49,095	905
SPCC Access Controls	2,197,780	-	-	-	2,197,780
SPCC Camera System	239,400	-	28,015	28,015	211,385
SPCC Capital Maintenance	1,564,093	1,464,093	100,000	1,564,093	-
SPCC HVAC and Security	605,000	505,000	100,000	605,000	-
SPCC Parking	345,000	-	-	-	345,000
SPCC Resurfacing of Parking Lot	467,100	-	-	-	467,100
SPCC Technology	2,043,315	1,868,315	175,000	2,043,315	-
SPCC Classroom Building	6,200,000	21,900	3,000	24,900	6,175,100
SPCC STEM Building	19,873,539	19,848,703	24,837	19,873,540	(1)
SPCC Renovations Building A	10,740,000	254,860	293,452	548,312	10,191,688
SPCC Renovations Building B	1,800,000	48,840	17,545	66,385	1,733,615
<b>Total expenditures</b>	<b>376,331,787</b>	<b>219,686,029</b>	<b>55,984,248</b>	<b>275,670,277</b>	<b>100,661,510</b>
Revenues under expenditures	(366,068,397)	(209,588,053)	(54,929,919)	(264,517,972)	101,550,425
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	177,159,074	140,491,046	29,164,776	169,655,822	(7,503,252)
Transfer in-Water and Sewer Fund	402,500	402,500	-	402,500	-
Transfers to other funds	(5,552,000)	(5,552,000)	-	(5,552,000)	-
Issuance of general obligation bonds	185,207,312	155,915,269	20,590,000	176,505,269	(8,702,043)
Issuance of general obligation bonds, premiums	3,299,835	12,001,878	1,977,287	13,979,165	10,679,330
Issuance of installment financing	5,551,676	5,551,676	-	5,551,676	-
<b>Total other financing sources (uses)</b>	<b>366,068,397</b>	<b>308,810,369</b>	<b>51,732,063</b>	<b>360,542,432</b>	<b>(5,525,965)</b>
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 99,222,316	(3,197,856)	\$ 96,024,460	\$ 96,024,460
<b>FUND BALANCE</b>					
Beginning of year - July 1			99,222,316		
End of year - June 30			\$ 96,024,460		

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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, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)	2021 Actual
<b>REVENUES</b>				
Operating revenues				
Charges for services	\$ -	\$ 1,286,454	\$ 1,286,454	\$ 1,337,630
Miscellaneous revenue	-	79,465	79,465	2,274
Other operating revenue	-	173,921	173,921	1,223
Total	-	1,539,840	1,539,840	1,341,127
Nonoperating revenues				
Investment earnings	676,980	(716,314)	(1,393,294)	(101,914)
Sale of capital assets	70,000	19,449	(50,551)	35,064
Total	746,980	(696,865)	(1,443,845)	(66,850)
Total revenues	746,980	842,975	95,995	1,274,277
<b>EXPENDITURES</b>				
Administration	(21,689,419)	(18,919,728)	(2,769,691)	(16,462,851)
Water regulatory compliance	99,785	86,228	13,557	79,396
Water system operations	6,808,815	5,698,979	1,109,836	5,559,463
Water system maintenance and repairs	3,796,677	2,662,861	1,133,816	2,735,424
Sewer-county customers system operations	13,490,513	10,041,242	3,449,271	8,917,949
Sewer-county customers system maint and repairs	588,426	440,682	147,744	461,565
Sewer-Marshville/Monroe system operations	379,981	296,445	83,536	370,449
Sewer-Marshville/Monroe system maint and repairs	24,000	26,215	(2,215)	37,245
Sewer regulatory compliance	263,394	234,478	28,916	175,175
Revenue bonds - principal	4,600,000	4,600,000	-	4,390,000
Interest and fees	15,103,321	15,084,371	18,950	9,534,554
Total expenditures	23,465,493	20,251,773	3,213,720	15,798,369
Revenues over (under) expenditures	(22,718,513)	(19,408,798)	3,309,715	(14,524,092)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out				
Transfers out Water and Sewer Capital Project Fund	(746,980)	(746,980)	-	(10,511)
Transfers In				
Transfer in Water and Sewer District Fund	12,647,786	21,020,797	8,373,011	12,604,715
Transfer in Water Sewer District SDF CRF	-	3,276,000	3,276,000	1,995,885
Capital contributions - cash-other	-	643	643	555
Revenue bonds issuance premiums	-	-	-	17,669,119
Total other financing sources (uses)	11,900,806	23,550,460	11,649,654	32,259,763
<b>APPROPRIATED FUND BALANCE</b>				
	10,817,707	-	(10,817,707)	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	\$ -	\$ 4,141,662	\$ 4,141,662	\$ 17,735,671

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)	2021 Actual
<b>REVENUES</b>				
Operating revenues				
Charges for services	\$ 70,145,313	\$ 71,914,731	\$ 1,769,418	\$ 63,452,127
Other operating revenue	1,936,307	2,026,329	90,022	1,787,933
Total	<u>72,081,620</u>	<u>73,941,060</u>	<u>1,859,440</u>	<u>65,240,060</u>
Total revenues	<u>72,081,620</u>	<u>73,941,060</u>	<u>1,859,440</u>	<u>65,240,060</u>
<b>EXPENDITURES</b>				
Operating expense	38,592,224	33,304,029	5,288,195	32,006,314
Total expenditures	<u>38,592,224</u>	<u>33,304,029</u>	<u>5,288,195</u>	<u>32,006,314</u>
Revenues over (under) expenditures	<u>33,489,396</u>	<u>40,637,031</u>	<u>7,147,635</u>	<u>33,233,746</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out				
Transfers out Water and Sewer Capital Project Fund	(20,841,610)	(20,841,610)	-	(19,510,324)
Transfers out Water and Sewer Operating Fund	<u>(12,647,786)</u>	<u>(21,020,797)</u>	<u>(8,373,011)</u>	<u>(12,604,715)</u>
Total other financing sources (uses)	<u>(33,489,396)</u>	<u>(41,862,407)</u>	<u>(8,373,011)</u>	<u>(32,115,039)</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (1,225,376)</u>	<u>\$ (1,225,376)</u>	<u>\$ 1,118,707</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, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)	2021 Actual
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out Water and Sewer Capital Project Fund	\$ (7,850,350)	\$ (7,850,350)	\$ -	\$ (4,724,825)
Transfers out Water and Sewer Operating Fund	(3,276,000)	(3,276,000)	-	(1,995,885)
Capital contributions - system development fees	10,086,450	11,665,021	1,578,571	6,461,435
Total other financing sources (uses)	<u>(1,039,900)</u>	<u>538,671</u>	<u>1,578,571</u>	<u>(259,275)</u>
<b>APPROPRIATED FUND BALANCE</b>	<u>1,039,900</u>	<u>-</u>	<u>(1,039,900)</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 538,671</u>	<u>\$ 538,671</u>	<u>\$ (259,275)</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, 2022

	Project Authorization	Prior Years	Actual	Total To Date	Variance Positive (Negative)
<b>REVENUES</b>					
Nonoperating revenues					
Investment earnings	\$ -	\$ 497,795	\$ (208,252)	\$ 289,543	\$ 289,543
Total revenues	-	497,795	(208,252)	289,543	289,543
<b>EXPENDITURES</b>					
Administrative Capital Outlay					
12 ML WRF Adm Building	1,700,000	76,821	28,478	105,299	1,594,701
CCWRF Admin Building	1,325,000	64,292	32,992	97,284	1,227,716
Master Plan Update	1,360,834	225,139	595,917	821,056	539,778
Op Center Expansion & Renovation	3,700,000	34,413	8,507	42,920	3,657,080
Op Center Storage	2,900,000	-	-	-	2,900,000
Water Capital Outlay					
853 West Zone Transmission Main	24,472,974	2,350,758	7,985,648	10,336,406	14,136,568
853 W Zone Transmission Main Ph 2	514,187	-	101,965	101,965	412,222
853 W Zone Transmission Main Ph 3	1,300,000	-	330,377	330,377	969,623
880 Zone Charlotte Interconnection	1,801,163	168,043	1,363,786	1,531,829	269,334
Advanced Metering Infrastructure	16,600,000	1,749,611	1,276,459	3,026,070	13,573,930
Billy Howey Waterline Extension	368,135	368,133	-	368,133	2
CDBG Hwy 218 Water Main Ext	572,619	572,618	-	572,618	1
Chestnut Lane Connector Water	440,000	8,300	-	8,300	431,700
CRWTP Fencing	429,721	7,841	410,086	417,927	11,794
CRWTP Plant Expansion	9,617,275	9,593,631	13,550	9,607,181	10,094
CRWTP Process Improvements	5,742,900	5,637,403	32,439	5,669,842	73,058
CRWTP Reservoir Expansion	29,238,406	28,861,527	23,575	28,885,102	353,304
CRWTP Water Pump Upgrade	30,000	-	15,445	15,445	14,555
Galvanized Water Line Replacement	1,813,465	227,454	708,325	935,779	877,686
Marshville Water Tank Rehab	1,023,965	37,490	758,020	795,510	228,455
Misc Water 762 Zone Main (Bypass)	969,051	73,800	-	73,800	895,251
New Additional Marshville Tank	4,513,942	2,983,378	231,976	3,215,354	1,298,588
Northwest Tank Refurbishment	771,314	744,153	616	744,769	26,545
Presson Road Waterline	10,000	-	689	689	9,311
SCADA	214,852	-	74,272	74,272	140,580
SCADA Master Plan Water	7,600,000	1,008,314	1,170,391	2,178,705	5,421,295
Short Line Extensions Water	10,226,493	1,306,924	2,512,560	3,819,484	6,407,009
Stack Road Water Line	158,442	-	134,518	134,518	23,924
Stallings Rd Waterline	341,558	82,268	259,290	341,558	-
Water R&R Program	58,498	-	-	-	58,498
Waxhaw Indian Trail Interconnect	1,242	-	-	-	1,242
Worwood Acres Waterline Replacement	1,083,931	13,917	851,942	865,859	218,072
Yadkin Basin WL Ext Assessment	38,609	38,608	-	38,608	1
Yadkin Distribution System Improvements	2,500,000	271,898	840,247	1,112,145	1,387,855
Yadkin-Montgomery County Settlement	784,943	711,032	27,126	738,158	46,785
Yadkin Program Management	17,045,420	8,334,733	3,272,947	11,607,680	5,437,740
Yadkin Raw Water Intake & Pump Station	161,004,237	37,971,192	68,070,843	106,042,035	54,962,202
Yadkin-Stanly County Settlement	1,038,440	767,071	240,173	1,007,244	31,196
Yadkin Water Supply	4,691,510	4,011,284	79,996	4,091,280	600,230
Yadkin Water Treatment Plant	121,721,040	25,058,879	54,156,441	79,215,320	42,505,720
Sewer Capital Outlay					
6 Mile Service Area Assessment	100,000	-	62,558	62,558	37,442
12 Mile Creek WWTP Expansion	41,379,577	41,014,598	16,248	41,030,846	348,731
12 ML Creek I&I Abatement	400,000	107,156	279,575	386,731	13,269
12 Mile Creek Exp 7.5 to 9 MGD	2,800,461	-	719,345	719,345	2,081,116
2020 MP WW Flow Monitoring	214,050	170,043	28,707	198,750	15,300
Blythe Creek Sewer Improvements	6,495,283	6,495,280	-	6,495,280	3
CCWRF Electrical Improvements	3,902,439	218,228	1,029,767	1,247,995	2,654,444
CCWRF Process Improvements	4,390,000	197,481	3,676,158	3,873,639	516,361
Collection System SSES & Rehab	411,356	375,599	-	375,599	35,757
Crooked Creek Headworks Improvements	9,171,425	9,171,426	-	9,171,426	(1)

**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, 2022

	Project Authorization	Prior Years	Actual	Total To Date	Variance Positive (Negative)
Crooked Creek Interceptor Improv. Ph I	4,178,193	325,506	216,643	542,149	3,636,044
Crooked Creek Interceptor Improv. Ph II	1,257,991	388,911	446,667	835,578	422,413
Deese PS Decommission	662,576	61,742	557,675	619,417	43,159
East Side Clay Lining WW R&R	221,056	221,055	-	221,055	1
EDC Industrial Park Pump Station	3,000,000	296,375	117,158	413,533	2,586,467
Fairfield Plantation R&R	217,694	217,694	-	217,694	-
Indian Trail Park Grover Place	191,656	-	154,998	154,998	36,658
Lower Crooked Creek WRF	1,874,245	153,576	49,820	203,396	1,670,849
Lower Crooked Creek Site B	125,755	-	68,526	68,526	57,229
Old Sycamore WRF Process Improvement	1,616,000	516,007	1,041,808	1,557,815	58,185
Poplin Road Pump Station Interim IP	18,100,000	1,018,614	5,631,822	6,650,436	11,449,564
SCADA Master Plan Wastewater	7,600,000	1,008,322	1,170,391	2,178,713	5,421,287
STEG Assessment Waxhaw	120,000	89,177	15,674	104,851	15,149
STEG Asset Inventory/Assessment	2,004,302	870,161	217,411	1,087,572	916,730
Surburban 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	118,631	576,739	695,370	994,630
Unionville PS Replacement	515,740	515,740	-	515,740	-
Waxhaw Clay Lining WW R&R	310,000	8,216	96,272	104,488	205,512
Waxhaw Interceptor	6,300,000	636,741	2,668,020	3,304,761	2,995,239
Wastewater Pump Station Improvement	2,727,314	-	36,499	36,499	2,690,815
Wastewater R&R Program	3,934,146	80,376	-	80,376	3,853,770
Wastewater Treatment Plant R&R	650,181	179,310	-	179,310	470,871
West Fork 12ML Interceptor Improvement	14,459,295	1,004,926	5,215,677	6,220,603	8,238,692
WRF Process Evaluation	541,380	460,085	3,541	463,626	77,754
Total expenditures	582,745,481	199,504,266	169,707,295	369,211,561	213,533,920
Revenues over expenditures	(582,745,481)	(199,006,471)	(169,915,547)	(368,922,018)	213,823,463
<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	88,125,482	85,791,408	21,588,590	107,379,998	19,254,516
Transfer from special revenue fund	-	526,000	-	526,000	526,000
Transfer in Water Sewer District SDF CRF	11,556,776	10,192,360	7,850,350	18,042,710	6,485,934
Capital contributions - cash-other	2,039,550	3,540,483	554,946	4,095,429	2,055,879
Revenue bonds issuance premiums	12,072,321	23,711,475	-	23,711,475	11,639,154
Revenue bonds issuance	465,951,352	425,248,092	-	425,248,092	(40,703,260)
Total other financing sources	582,745,481	552,009,818	29,993,886	582,003,704	(741,777)
Revenues and other financing sources over (under) expenditures	\$ -	\$ 353,003,347	(139,921,661)	\$ 213,081,686	\$ 213,081,686
<b>FUND BALANCE</b>					
Beginning of year - July 1			353,003,347		
End of year - June 30			\$ 213,081,686		

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022	2021
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>		
Operating Fund	\$ 4,141,662	\$ 17,735,671
Water and Sewer District	(1,225,376)	1,118,707
Water and Sewer District SDF CRF	538,671	(259,275)
Water and Sewer Capital Project Fund	(139,921,661)	272,305,478
Total	<u>(136,466,704)</u>	<u>290,900,581</u>
<b>Reconciling items</b>		
Amortization of G.O. and revenue bond premium	1,680,794	970,434
Revenue bond proceeds	-	(298,775,000)
Revenue bond premium	-	(29,308,273)
Payment of debt principal	4,600,000	4,390,000
Increase (decrease) in compensated absences payable	(110,324)	(59,533)
Increase (decrease) in interest expense accrual	16,338	(724,787)
Increase (decrease) in inventories	(366,828)	522,417
Decrease in allowance for uncollectible accounts	(88,333)	693,325
Increase (decrease) in net pension asset, separation allowance	501,829	(221,952)
Increase (decrease) in net other post employment benefit liability	(1,201,025)	-
Capital Outlay	170,053,736	63,175,876
Capital contributions	9,873,142	9,192,180
Gain (loss) on investment in joint venture	(785,398)	(3,362,096)
Loss on disposal of capital asset	(8,233)	-
Depreciation	(19,042,826)	(18,536,568)
Increase (decrease) in pension expense	237,119	(595,645)
Amortization of revenue bond swap termination cost	(220,934)	(292,131)
Total	<u>165,139,057</u>	<u>(272,931,753)</u>
Change in net position	<u>\$ 28,672,353</u>	<u>\$ 17,968,828</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)	2021 Actual
<b>REVENUES</b>				
Operating Revenues				
Charges for services	\$ 8,324,286	\$ 8,493,525	\$ 169,239	\$ 7,528,284
Disposal fees	462,200	475,431	13,231	412,607
Other operating revenue	2,000	53,767	51,767	14,274
Total	<u>8,788,486</u>	<u>9,022,723</u>	<u>234,237</u>	<u>7,955,165</u>
Nonoperating Revenue				
Investment earnings	71,820	(74,429)	(146,249)	(6,933)
Intergovernmental	-	14,888	14,888	-
Sale of capital assets	-	154,714	154,714	-
Total	<u>71,820</u>	<u>95,173</u>	<u>23,353</u>	<u>(6,933)</u>
Total revenues	<u>8,860,306</u>	<u>9,117,896</u>	<u>257,590</u>	<u>7,948,232</u>
<b>EXPENDITURES</b>				
Personnel	2,292,414	2,152,841	139,573	1,842,013
Operating expense	6,511,879	6,104,390	407,489	5,039,992
Total expenditures	<u>8,804,293</u>	<u>8,257,231</u>	<u>547,062</u>	<u>6,882,005</u>
Revenues over (under) expenditures	<u>56,013</u>	<u>860,665</u>	<u>804,652</u>	<u>1,066,227</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from General Capital Project Fund	-	-	-	56,608
Transfers in				
Transfers to Solid Waste Capital Project Fund	(550,000)	(550,000)	-	(2,500,000)
Total other financing sources (uses)	<u>(550,000)</u>	<u>(550,000)</u>	<u>-</u>	<u>(2,443,392)</u>
<b>APPROPRIATED FUND BALANCE</b>	<u>493,987</u>	<u>-</u>	<u>(493,987)</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 310,665</u>	<u>\$ 310,665</u>	<u>\$ (1,377,165)</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	Final Budget		Actual		Variance Positive (Negative)		2021 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, 2022

	Project Authorization	Prior Years	Actual	Total To Date	Variance Positive (Negative)
<b>EXPENDITURES</b>					
Austin Chaney Site Redesign	\$ 2,659,300	\$ 126,208	\$ 34,345	\$ 160,553	\$ 2,498,747
C&D Cell Expansion	800,000	-	68,717	68,717	731,283
Total expenditures	<u>3,459,300</u>	<u>126,208</u>	<u>103,062</u>	<u>229,270</u>	<u>3,230,030</u>
Revenues over expenditures	<u>(3,459,300)</u>	<u>(126,208)</u>	<u>(103,062)</u>	<u>(229,270)</u>	<u>3,230,030</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers from water and sewer operating fund	<u>3,459,300</u>	<u>2,909,300</u>	<u>550,000</u>	<u>3,459,300</u>	<u>-</u>
Total other financing sources	<u>3,459,300</u>	<u>2,909,300</u>	<u>550,000</u>	<u>3,459,300</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 2,783,092</u>	<u>446,938</u>	<u>\$ 3,230,030</u>	<u>\$ 3,230,030</u>
<b>FUND BALANCE</b>					
Beginning of year - July 1			<u>2,783,092</u>		
End of year - June 30			<u>\$ 3,230,030</u>		

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022	2021
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>		
Operating Fund	\$ 310,665	\$ (1,377,165)
Solid Waste Capital Fund	446,938	2,783,092
Total	<u>757,603</u>	<u>1,405,927</u>
<b>Reconciling items</b>		
Increase (decrease) in compensated absences payable	(2,961)	(7,038)
Decrease in allowance for uncollectible accounts	(98,010)	28,431
Increase (decrease) in net pension asset, separation allowance	36,315	(36,047)
Increase (decrease) in net other post employment benefit liability	(171,120)	-
Capital Outlay	740,221	469,465
Loss on disposal of capital asset	(24,202)	-
Depreciation	(521,206)	(409,484)
Increase in accrued landfill postclosure care costs	(725,161)	(60,204)
Increase (decrease) in pension expense	16,209	(88,720)
Total	<u>(749,915)</u>	<u>(103,597)</u>
Change in net position	<u>\$ 7,688</u>	<u>\$ 1,302,330</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.



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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Operating revenues				
Interfund charges and employee contributions	\$ 22,541,550	\$ 22,853,583	\$ 312,033	\$ 17,794,982
Total	22,541,550	22,853,583	312,033	17,794,982
Nonoperating revenues				
Investment earnings	30,420	(12,043)	(42,463)	(29,794)
Total revenues	22,571,970	22,841,540	269,570	17,765,188
<b>EXPENDITURES</b>				
Operating expenditures				
Personnel	104,930	111,472	(6,542)	80,772
Other operating expenditures	3,310,300	3,294,629	15,671	3,046,461
Health benefit claims and premiums	20,876,040	19,223,529	1,652,511	20,667,941
Total expenditures	24,291,270	22,629,630	1,661,640	23,795,174
Revenues over (under) expenditures	(1,719,300)	211,910	1,931,210	(6,029,986)
<b>TRANSFERS</b>				
Transfers from General Fund	3,825,300	3,825,300	-	-
Total transfers	3,825,300	3,825,300	-	-
<b>APPROPRIATED FUND BALANCE</b>				
	(2,106,000)	-	2,106,000	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ 4,037,210	\$ 4,037,210	\$ (6,029,986)

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

Revenues over expenditures	\$ 4,037,210	\$ (6,029,986)
Increase (decrease) in health benefit claims payable	(142,553)	(47,714)
Increase (decrease) in compensated absences payable	(599)	(715)
Increase (decrease) in net pension asset, separation allowance	8,028	106
Increase (decrease) in pension expense	1,661	(4,893)
Increase (decrease) in net other post employment benefit liability	48,503	-
Capital Outlay	-	-
Depreciation Expense	-	-
Capital contributions - non-cash	-	-
<b>Change in net position</b>	<b>\$ 3,952,250</b>	<b>\$ (6,083,202)</b>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			2021
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Operating revenues				
Interfund charges and employee contributions	\$ 633,525	\$ 641,225	\$ 7,700	\$ 620,415
Insurance Reimbursement	-	3,165	3,165	-
Total	633,525	644,390	10,865	620,415
Nonoperating revenues				
Investment earnings	10,474	(7,711)	(18,185)	(1,654)
Total revenues	643,999	636,679	(7,320)	618,761
<b>EXPENDITURES</b>				
Operating expenditures				
Personnel	94,584	96,205	(1,621)	79,100
Other operating expenditures	564,415	188,273	376,142	197,659
Worker's compensation claims	-	186,655	(186,655)	160,004
Total expenditures	658,999	471,133	187,866	436,763
Revenues over (under) expenditures	(15,000)	165,546	180,546	181,998
<b>APPROPRIATED FUND BALANCE</b>				
	15,000	-	(15,000)	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ 165,546	\$ 165,546	\$ 181,998
<b>Reconciliation from budgetary basis (modified accrual) to full accrual basis</b>				
Revenues over expenditures	\$	165,546		\$ 181,998
Increase (decrease) in workers' compensation claims payable		-		-
Increase (decrease) in compensated absences payable		(322)		(541)
Increase (decrease) in net pension asset, separation allowance		5,918		75
Increase (decrease) in pension expense		1,701		(3,753)
Increase (decrease) in net other post employment benefit liability		35,727		-
Capital Outlay		-		-
Depreciation Expense		-		-
Capital contributions - non-cash		-		-
<b>Change in net position</b>	\$	<u>208,570</u>		\$ <u>177,779</u>

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

For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Operating revenues				
Interfund charges and employee contributions	\$ 1,447,020	\$ 1,450,078	\$ 3,058	\$ 1,257,112
Miscellaneous revenue	-	12	12	35
Total	1,447,020	1,450,090	3,070	1,257,147
Nonoperating revenues				
Investment earnings	5,644	(2,559)	(8,203)	(1,033)
Total transfers	-	-	-	-
Total revenues	1,452,664	1,447,531	(5,133)	1,256,114
<b>EXPENDITURES</b>				
Operating expenditures				
Personnel	92,085	92,405	(320)	76,315
Property and casualty claims and premiums	1,360,579	1,197,129	163,450	1,226,947
Total expenditures	1,452,664	1,289,534	163,130	1,303,262
Revenues over (under) expenditures	-	157,997	157,997	(47,148)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual basis</b>				
Revenues over (under) expenditures		\$ 157,997		\$ (47,148)
Increase (decrease) in property and casualty claims payable		(307,519)		(5,606)
Increase (decrease) in compensated absences payable		(336)		(498)
Increase (decrease) in net pension asset, separation allowance		5,493		72
Increase (decrease) in pension expense		1,653		(3,577)
Increase (decrease) in net other post employment benefit liability		33,180		-
Capital Outlay		-		-
Depreciation Expense		-		-
Capital contributions - non-cash		-		-
<b>Change in net position</b>		<b>\$ (109,532)</b>		<b>\$ (56,757)</b>



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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.

**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, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	<u>2022</u>	<u>2021</u>
<b>ADDITIONS</b>		
Operating revenues		
Employer contributions	\$ 1,747,190	\$ 1,598,805
Net investment income	410	633
Total revenues	<u>1,747,600</u>	<u>1,599,438</u>
<b>DEDUCTIONS</b>		
Operating expenses		
Employee benefits	<u>1,398,220</u>	<u>1,304,055</u>
Revenues under expenses	349,380	295,383
<b>NET POSITION</b>		
Beginning of year-July 1	<u>4,326,060</u>	<u>4,030,677</u>
End of year-June 30	<u>\$ 4,675,440</u>	<u>\$ 4,326,060</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, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	<u>2022</u>	<u>2021</u>
<b>ADDITIONS</b>		
Operating revenues		
Employer contributions	\$ 8,619,384	\$ 6,659,350
Net investment income	(6,453,703)	7,148,282
Total revenues	<u>2,165,681</u>	<u>13,807,632</u>
<b>DEDUCTIONS</b>		
Operating expenses		
Employee benefits	<u>5,017,337</u>	<u>4,159,350</u>
Revenues under expenses	(2,851,656)	9,648,282
<b>NET POSITION</b>		
Beginning of year-July 1	<u>58,465,613</u>	<u>48,817,331</u>
End of year-June 30	<u>\$ 55,613,957</u>	<u>\$ 58,465,613</u>

**Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For The Year Ended June 30, 2022**

	<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	\$ -	\$ 15,352,023	\$ 164,841	\$ 15,516,864
Advances from other funds		304		304
Collections on behalf of inmates	699,163	-	-	699,163
Total Additions	<u>699,163</u>	<u>15,352,327</u>	<u>164,841</u>	<u>16,216,331</u>
<b>DEDUCTIONS</b>				
Due to program participants	-	14,892,273	164,370	15,056,643
Payments on behalf of inmates	701,114	-	-	701,114
Total Deductions	<u>701,114</u>	<u>14,892,273</u>	<u>164,370</u>	<u>15,757,756</u>
Net increase (decrease) in fiduciary net position	(1,951)	460,054	471	458,574
<b>NET POSITION</b>				
Beginning of year - July 1	56,769	566,785	773	624,327
End of year - June 30	<u>\$ 54,818</u>	<u>\$ 1,026,839</u>	<u>\$ 1,244</u>	<u>\$ 1,082,901</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, 2022

Fiscal Year	Uncollected Balance June 30, 2021	Additions and Adjustments	Collections and Credits	Uncollected Balance June 30, 2022
2021-2022	\$ -	\$ 462,266	\$ 108,253	\$ 354,013
2020-2021	234,016	216,861,059	216,770,532	324,543
2019-2020	382,193	131,934	386,391	127,736
2018-2019	210,078	137,706	211,515	136,269
2017-2018	111,420	106,010	145,484	71,946
2016-2017	96,837	8,243	43,156	61,924
2015-2016	58,056	(1,531)	12,064	44,461
2014-2015	34,170	(229)	8,623	25,318
2013-2014	57,202	(648)	11,370	45,184
2012-2013	54,002	(667)	6,618	46,717
2011-2012	54,880	(1,230)	5,797	47,853
2010-2011	66,496	-	66,496	-
	<u>\$ 1,359,350</u>	<u>\$ 217,702,913</u>	<u>\$ 217,776,299</u>	<u>\$ 1,285,964</u>
Less: Allowance for uncollectible ad valorem taxes receivable				(274,825)
Ad valorem taxes receivable (net)				<u>\$ 1,011,139</u>
Reconcilement with revenues				
Taxes - ad valorem				<u>\$ 218,376,814</u>
Reconciling items				
2022-2023 tax prepayments				108,245
Write-offs per statute of limitations				66,496
Collections in advance				(62,644)
Interest, advertising cost recovery, and garnishments				(699,154)
Foreclosure fees and overpayments				(13,465)
Rounding adjustment				7
Total reconciling items				<u>(600,515)</u>
Total collections and credits				<u>\$ 217,776,299</u>

**Analysis of Current Tax Levy  
County-Wide Levy  
For the Year Ended June 30, 2022**

	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	\$ 35,878,441,077	0.5880	\$ 210,956,940	\$ 196,036,968	\$ 14,919,972
Motor vehicles taxed at prior year's rate	769,631,947	0.7309	5,625,248	-	5,625,248
Motor vehicles taxed at prior year's rate	7,081,367	0.7309	52,198	-	52,198
Total	<u>36,655,154,391</u>		<u>216,634,386</u>	<u>196,036,968</u>	<u>20,597,418</u>
Discoveries					
Property taxed at current year's rate	125,813,044	0.5880	739,780	739,780	-
Total	<u>125,813,044</u>		<u>739,780</u>	<u>739,780</u>	<u>-</u>
Abatements					
Property taxed at current year's rate	87,263,223	0.5880	513,108	513,108	-
Total	<u>87,263,223</u>		<u>513,108</u>	<u>513,108</u>	<u>-</u>
Total property valuation	<u>\$ 36,693,704,212</u>				
Net levy			216,861,059	196,263,640	20,597,418
Add: Uncollected taxes at June 30, 2021			234,016	234,016	-
Less: Uncollected taxes at June 30, 2022			(324,542)	(324,542)	-
Total collections and credits for 2021-2022			<u>\$ 216,770,533</u>	<u>\$ 196,173,114</u>	<u>\$ 20,597,418</u>
Percent current year collected			99.95 %	99.94 %	100.00 %

SECONDARY MARKET DISCLOSURES

	County-wide		
	Property Valuation	Rate	Amount of Levy
Assessed valuation			
Assessment ratio	100%		
Real property	\$ 31,100,253,618		
Personal property	1,766,951,819		
Public service companies	512,486,650		
	<u>33,379,692,087</u>	0.5880	<u>\$ 196,263,640</u>
Personal property-motor vehicles	2,537,298,811	0.5880	14,919,972
Personal property-motor vehicles	769,631,947	0.7309	5,625,248
Personal property-motor vehicles	7,081,367	0.7309	52,198
	<u>3,314,012,125</u>		<u>20,597,418</u>
Total	<u>\$ 36,693,704,212</u>		<u>\$ 216,861,058</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, 2022:

Fire protection districts	\$ 10,995,701
Total	<u>\$ 10,995,701</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									
	2013	2014	2015	2016	Restated 2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 50,651,906
Restricted	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	89,263,583
Unrestricted	(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)	(193,063,777)
Total governmental activities net position	\$ (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)	\$ (53,148,288)
Business-type activities:										
Net investment in capital assets	\$ 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	\$ 242,855,607
Restricted	1,052,416	1,319,906	1,323,962	913,570	876,897	18,235,580	55,468,003	23,555	14,087,659	4,741,596
Unrestricted	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	150,575,115
Total business-type activities net position	\$ 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	\$ 398,172,318
Primary government:										
Net investment in capital assets	\$ 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	\$ 293,507,513
Restricted	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	94,005,179
Unrestricted	(247,463,019)	(212,546,063)	(180,723,294)	(168,434,518)	(143,555,214)	(209,373,576)	(180,787,327)	(71,392,356)	(102,304,174)	(42,488,662)
Total primary government net position	\$ (21,970,419)	\$ 31,198,909	\$ 79,643,555	\$ 126,465,396	\$ 188,241,725	\$ 179,706,179	\$ 213,494,896	\$ 214,646,112	\$ 258,865,511	\$ 345,024,030

Table 2

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

	Fiscal Year									
	2013	Restated 2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental Activities:										
General government	\$ 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	\$ 35,354,835
Public safety	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	69,232,976
Economic and physical development	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	9,308,379
Human services	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	53,295,379
Cultural and recreational	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	5,507,578
Education	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	145,593,143
Interest and fees on long term debt	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	12,714,619
<b>Total Governmental Activities</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>\$ 331,006,909</b>
Business-type Activities:										
Water and sewer	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	66,136,936
Solid waste	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	9,020,044
Stormwater	200,613	235,519	135,036	166,741	359,971	-	-	-	-	-
<b>Total Business-type Activities</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>\$ 75,156,980</b>
<b>Total Expenses</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>\$ 406,163,889</b>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for services:										
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,561,605	\$ 10,663,324	\$ 11,674,780
Public safety	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	8,384,239
Human services	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	17,885,198
Other activities	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	4,875,776
Operating grants and contributions:										
Human services	19,274,946	18,670,709	19,629,643	20,348,777	20,894,206	18,200,442	17,153,949	17,796,125	25,547,896	16,844,962
Education	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	16,286,320
General government	-	-	-	-	-	-	-	184,258	277,055	233,567
Other activities	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	5,434,206
Capital grants and contributions	150,079	270,327	41,598	68,520	242,226	-	16,310	423,161	294,098	-
<b>Total Governmental Activities</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>\$ 75,817,374</b>	<b>\$ 81,619,048</b>
Business-type Activities:										
Charges for services:										
Water and sewer	\$ 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	\$ 73,917,884
Solid waste	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	9,024,723
Stormwater	-	16,100	28,694	46,386	-	-	-	-	-	-
Operating grants and contributions	362,703	2,120,364	392,039	-	-	-	-	-	-	12,888
Capital grants and contributions:										
Water and sewer	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	22,093,752
<b>Total Business-type Activities</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>\$ 105,049,247</b>
<b>Total Primary Revenues</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>\$ 133,279,319</b>	<b>\$ 186,668,295</b>
Net (Expense) /Revenue										
Governmental Activities	\$ (182,952,348)	\$ (161,671,435)	\$ (181,154,302)	\$ (190,770,423)	\$ (199,657,294)	\$ (203,282,025)	\$ (238,142,565)	\$ (279,419,843)	\$ (253,238,438)	\$ (249,387,861)
Business-type Activities	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	29,892,267
<b>Total primary government net expense</b>	<b>\$ (177,371,294)</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>	<b>\$ (219,495,594)</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									
	2013	Restated 2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Revenues</b>										
Governmental Activities:										
Property taxes levied for general purposes	\$ 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	\$ 230,345,003
Local option sales tax	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	69,525,750
Other taxes and licenses	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	5,137,873
Unrestricted grants and contributions	89,481	75,773	82,050	115,081	120,366	180,174	160,000	167,570	257,924	308,131
Unrestricted rental income	6,100,000	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	(687,300)	420,138	491,943	923,829	483,772	1,910,293	5,020,147	4,721,500	(13,767)	(1,006,337)
Unrestricted miscellaneous	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	(178,573)	123,560	91,095	126,632	32,245	55,177	48,744	132,877	137,891	1,015,363
Extraordinary item	-	-	-	-	-	-	-	-	-	-
Total general revenues and transfers	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	305,325,783
Business-type Activities:										
Unrestricted investment earnings	(193,033)	232,586	399,689	636,881	274,237	1,179,405	2,850,947	2,260,714	(108,847)	(790,743)
Transfers	-	-	(327,500)	-	-	-	2,070,572	(159,300)	991,908	-
Gain / (loss) on sale of capital assets	19,729	65,488	126,724	113,935	58,601	88,781	66,538	785,699	35,064	141,728
Total Business-type activities	(173,304)	298,074	198,913	750,816	332,838	1,268,186	4,988,057	2,887,113	918,125	(649,015)
Total primary government	\$ 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	\$ 304,676,768
<b>Change in Net Position</b>										
Governmental Activities	\$ 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	\$ 55,937,922
Business-type Activities	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	29,243,252
Total Change in Net Position	\$ 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	\$ 85,181,174

Table 3

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 279,914	\$ 204,937	\$ 783,121	\$ 547,783	\$ 342,875	\$ 176,614	\$ 11,836	\$ 53,650	\$ 37,638	\$ 50,308
Restricted	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	37,204,166
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	63,282,510
Assigned	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	8,270,719
Unassigned	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	26,263,676
Total general fund	<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>	<u>\$ 135,071,379</u>
All other governmental funds										
Restricted:										
Special revenue funds	\$ 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	\$ 7,336,166
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	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	43,690,979
Assigned:										
Capital project funds	43,260,589	41,227,050	48,605,776	22,168,732	16,020,630	11,375,682	-	78,443,355	36,730,333	52,333,481
Public Safety	-	-	354,782	302,782	174,782	390,125	663,389	-	-	179,957
Unassigned:										
Public Safety	-	-	(20,941)	-	-	(142,370)	(1,051,824)	(674,705)	(1,336,113)	-
Special revenue funds	-	-	-	-	-	-	-	-	-	(814,125)
Capital project funds	-	-	-	-	-	-	(8,619,143)	31,474	-	-
Total all other governmental funds	<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>	<u>\$ 102,726,458</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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Ad valorem taxes	\$ 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	\$ 230,583,439
Local option sales tax	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	69,525,750
Other taxes and licenses	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	5,891,944
Intergovernmental revenue	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	53,207,574
Permits and fees	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	7,616,113
Sales and services	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	9,026,258
Investment earnings	122,634	397,818	467,683	867,318	451,706	1,824,378	4,764,823	4,609,079	18,714	(984,026)
Miscellaneous	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	9,932,134
Extraordinary item	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</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>384,799,186</b>
<b>Expenditures</b>										
Current:										
General government	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	31,058,589
Public safety	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	77,954,992
Economic and physical development	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	6,032,724
Human services	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	55,889,295
Cultural and recreational	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	7,471,269
Intergovernmental:										
Education	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	115,534,483
Debt Service:										
Principal	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	36,686,664
Interest and fiscal charges	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	13,022,847
Capital Outlay	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	55,984,248
<b>Total Expenditures</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>	<b>399,635,111</b>
Excess (Deficiency) of Revenues over (under) Expenditures	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)	(14,835,925)
<b>Other Financing Sources (Uses)</b>										
Transfers from other funds	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	36,159,487
Transfers to other funds	(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)	(39,984,787)
Transfer in-Water and Sewer Fund	-	-	327,500	-	-	-	-	-	-	-
Proceeds from borrowing	-	-	-	-	-	54,080,325	-	148,561,663	5,600,000	22,758,117
Proceeds from refunding	79,521,253	-	-	48,555,017	-	-	-	-	-	-
Proceeds from termination	953,000	-	-	-	-	-	-	-	-	-
Proceeds from lease	-	-	-	-	-	-	-	-	-	618,766
Proceeds from land for resale	-	-	-	-	-	-	-	-	-	350,000
Payments to escrow agent	(78,792,830)	-	-	(48,215,017)	-	-	-	(18,465,000)	-	-
Payments to terminate swaps	(20,023,787)	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</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>19,901,583</b>
<b>Net change in fund balances</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>	<b>\$ 5,065,658</b>
Debt service as a percentage of non-capital expenditures	21.9%	20.0%	18.4%	17.3%	16.3%	15.6%	16.6%	16.6%	16.6%	14.5%

Table 5

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

	<b>Fiscal Year</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>2022</b>
<b>REVENUES</b>										
Ad Valorem Taxes										
Current year levy	\$ 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	\$ 216,833,177
Prior years' levy	2,888,114	2,692,210	1,741,779	1,641,647	1,060,434	819,774	1,065,474	820,652	971,484	831,018
Penalties and interest	1,265,282	1,636,238	1,105,634	1,024,575	804,102	690,864	771,674	661,454	794,559	712,619
<b>Total</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>	<b>\$ 218,376,814</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			
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
2022	2021	2,657,843	28,442,411	3,314,012	1,766,952	512,487	36,693,704	0.5880

Source: County Assessor's Office

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

Table 7

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

Fiscal Year	Tax Year	Sales Assessment Ratio	Real Property	Personal Property		Public Service Company Property	Estimated Actual Taxable Value
				Motor Vehicles	Other		
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
2022	2021	100.00%	31,100,254	3,314,012	1,766,952	512,487	36,693,705

Source: County Assessor's Office and NCDOR



Table 8

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

Fiscal Year Ended June 30	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
TaxYear	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Taxes Levied by Union County</b>										
County-wide rate	0.6600	0.6600	0.7614	0.7765	0.7665	0.7810	0.7309	0.7309	0.7309	0.5880
Supplemental Fire Districts										
Allens Crossroads VFD	-	-	-	-	-	-	-	-	0.0838	0.0700
Bakers VFD	-	-	-	-	-	-	-	-	0.0531	0.0335
Beaver Lane VFD	-	-	-	-	-	-	-	-	0.0843	0.0644
Fairview VFD	-	-	-	-	-	-	-	-	0.0517	0.0510
Griffith VFD	-	-	-	-	-	-	-	-	0.0507	0.0215
Hemby VFD	0.0526	0.0526	0.0526	0.0512	0.0485	0.0503	0.0488	0.0488	0.0487	0.0441
Jackson VFD	-	-	-	-	-	-	-	-	0.0404	0.0288
Lanes Creek VFD	-	-	-	-	-	-	-	-	0.0792	0.0568
New Salem VFD	-	-	-	-	-	-	-	-	0.0569	0.0396
Providence VFD	-	-	-	-	-	-	-	-	0.0392	0.0361
Sandy Ridge VFD	-	-	-	-	-	-	-	-	0.0584	0.0385
Springs VFD	0.0355	0.0355	0.0483	0.0474	0.0437	0.0567	0.0552	0.0552	0.0403	0.0422
Stack VFD	-	-	-	-	-	-	-	-	0.0611	0.0455
Stallings VFD	0.0428	0.0428	0.0428	0.0509	0.0503	0.0503	0.0502	0.0502	0.0548	0.0472
Unionville VFD	-	-	-	-	-	-	-	-	0.0451	0.0616
Waxhaw VFD	0.0386	0.0386	0.0386	0.0380	0.0357	0.0413	0.0545	0.0545	0.0526	0.0403
Wesley Chapel VFD	0.0241	0.0241	0.0281	0.0282	0.0293	0.0293	0.0354	0.0354	0.0392	0.0361
Wingate VFD	-	-	-	-	-	-	-	-	0.0817	0.0663
Total County Rates										
Maximum	0.7126	0.7126	0.8140	0.8277	0.8168	0.8377	0.7861	0.7861	0.8152	0.6524
Minimum	0.6650	0.6600	0.7614	0.7765	0.7665	0.7810	0.7309	0.7309	0.7309	0.5880
Average	0.6863	0.6863	0.7877	0.8021	0.7917	0.8094	0.7585	0.7585	0.7731	0.6202
<b>Overlapping Taxes Levied by Municipalities</b>										
City of Monroe	0.5550	0.5550	0.5550	0.5863	0.5863	0.5863	0.6163	0.6163	0.6163	0.5025
Downtown Monroe District	0.2000	0.2000	0.2000	0.2190	0.2190	0.2190	0.2190	0.2190	0.2190	0.1950
Town of Fairview	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Town of Hemby Bridge	-	-	-	-	-	-	-	-	-	-
Town of Indian Trail	0.1450	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850
Town of Marshville	0.4100	0.4800	0.4800	0.4800	0.4800	0.5100	0.5100	0.5100	0.5100	0.4900
Town of Mineral Springs	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0210
Town of Mint Hill	0.2750	-	-	-	-	-	-	-	-	-
Town of Stallings	0.2150	0.2150	0.2150	0.2150	0.2150	0.2150	0.2150	0.2150	0.2150	0.1860
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	0.3600	0.3600	0.3600	0.3850	0.3850	0.3850	0.3850
Town of Weddington	0.0300	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0480
Town of Wingate	0.3900	0.3900	0.3900	0.4200	0.4200	0.4300	0.4300	0.4300	0.4300	0.3400
Village of Lake Park	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.2400	0.2500	0.2500	0.1900
Village of Marvin	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0600	0.0600
Village of Wesley Chapel	0.0165	0.0165	0.0165	0.0165	0.0165	0.0165	0.0165	0.0165	0.0165	0.0129

**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>
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	442	214,374	5263	558,298
2022	528	244,896	5637	758,837

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

Note: Fiscal Year 2021 permit figures have been updated to fully report counts not reflected in the previous year's publication.

Table 10

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

Taxpayer	Type of Business	June 30, 2022			June 30, 2013		
		Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Allegheny Technologies Inc.	Manufacturing	\$ 192,122,712	1	0.52 %	\$ 262,462,404	1	1.11 %
Union Electric Membership Corp	Utility	164,585,146	2	0.45 %	113,558,681	2	0.48 %
Duke Power Company	Utility	145,782,595	3	0.40 %	72,909,373	4	0.31 %
Charlotte Pipe & Foundry Company	Manufacturing	143,059,452	4	0.39 %	101,893,473	3	0.43 %
Piedmont Natural Gas	Utility	85,288,750	5	0.23 %	67,988,817	5	0.29 %
AMH NC Properties LP	Home Rentals	84,366,600	6	0.23 %	-	-	- %
Consolidated Metco Inc.	Manufacturing	61,235,956	7	0.17 %	-	-	- %
Spectrum Southeast, LLC	Utility	39,491,091	8	0.11 %	-	-	- %
Wal-Mart Real Estate Business	Retail	38,398,100	9	0.10 %	35,926,610	8	0.15 %
Utility Lines Construction Services	Utility	38,380,638	10	0.10 %	-	-	- %
Turbomeca Manufacturing Inc.	Manufacturing	-	-	-	44,585,438	6	0.19 %
WSLD Millbridge VI LLC	Home Builder	-	-	-	43,781,010	7	0.19 %
Lennar Carolinas LLC	Home Builder	-	-	-	35,806,420	9	0.15 %
AEP Industries Inc	Manufacturing	-	-	-	34,448,067	10	0.15 %
Total assessed valuation of top 10 taxpayers		<u>\$ 992,711,040</u>		<u>2.71 %</u>	<u>\$ 813,360,293</u>		<u>3.44 %</u>
Total county-wide assessed valuation		<u>\$ 36,693,704,212</u>			<u>\$ 23,635,819,299</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	
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	100.0	%	47,092	204,543,149	100.0	%
2022	2021	216,861,058	216,770,532	100.0	%	62,644	216,833,176	100.0	%

Table 12

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

Fiscal Year	Governmental Activities						Total Primary Government			
	General Obligation Bonds	C.O.P.'s and Installment Financing	Total Governmental Activities	Debt to Assessed Value	Percentage of Personal Income	Debt Per Capita	Total Primary Government	Percentage of Personal Income	Debt Per Capita	
2013	\$ 383,275,223	\$ 89,587,309	\$ 472,862,532	2.00 %	5.8 %	\$ 2,247	\$ 535,332,096	6.5 %	\$ 2,544	
2014	357,818,458	83,338,489	441,156,947	1.79 %	5.0 %	2,085	499,724,579	5.5 %	2,362	
2015*	346,375,424	83,222,053	429,597,477	1.74 %	4.3 %	1,989	485,841,531	4.8 %	2,250	
2016*	318,941,151	76,303,778	395,244,929	1.66 %	3.8 %	1,792	467,106,461	5.1 %	2,118	
2017*	289,513,224	69,396,598	358,909,822	1.46 %	3.2 %	1,602	427,181,806	3.8 %	1,907	
2018*	314,233,363	62,571,111	376,804,474	1.48 %	3.1 %	1,629	505,400,762	4.2 %	2,184	
2019*	273,169,328	55,808,592	328,977,920	1.25 %	2.6 %	1,385	530,594,175	4.2 %	2,234	
2020*	380,695,049	50,249,706	430,944,755	1.58 %	3.2 %	1,797	591,214,685	4.3 %	2,465	
2021*	347,174,304	50,425,820	397,600,124	1.42 %	n/a %	1,639	880,592,893	n/a %	3,629	
2022*	336,037,179	44,662,934	380,700,113	1.04 %	n/a %	1,541	857,412,088	n/a %	3,470	

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	
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	4.3 %	2,465	
2021*	-	482,992,769	-	482,992,769	9,022	880,592,893	n/a %	3,629	
2022*	-	476,711,975	-	476,711,975	8,618	857,412,088	n/a %	3,470	

\* - Includes unamortized premiums.

Table 13

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

Fiscal Year	General Obligation Debt		
	Total General Obligation Debt	Percentage of Actual Taxable Value of Property	Debt Per Capita
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
2022	336,037,179	0.92 %	1,360

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed value of taxable property (in 000's)	\$ 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	\$ 36,693,704
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>1,890,865,520</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>	<u>2,935,496,320</u>
Gross debt										
General obligation debt	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	311,187,000
Authorized and unissued	-	-	-	-	104,320,000	54,320,000	54,320,000	-	-	-
Certificates of Participation	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	36,980,000
Installment Financing	6,052,309	5,138,489	4,188,659	3,201,399	2,175,234	1,108,633	-	-	5,600,000	5,226,000
NC Clean Water Revolving Loan	12,184,787	11,201,090	10,217,393	9,233,697	8,250,000	7,500,000	6,750,000	-	-	-
	<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>	<u>353,393,000</u>
Less: Sewer bonds issued and outstanding	(329,777)	(191,542)	(55,113)	-	-	-	-	-	-	-
NC Clean Water Revolving Loan	<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>-</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>	<u>-</u>
Total amount of debt applicable to debt limit	<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>	<u>353,393,000</u>
Legal debt margin	<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>	<u>\$ 2,582,103,320</u>
Legal debt margin as a percentage of the debt limit	74.99%	77.61%	79.26%	80.50%	82.81%	79.87%	82.63%	81.55%	83.50%	87.96%

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.
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	16,476,867	22,124,917	5,646,039	4,565,677	1,270,573	5,836,250	6,749,385	4.11	3.79
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
2022	86,496,692	34,552,552	51,944,140	n/a	10,315,050	-	10,315,050	12,378,060	4.20	5.04

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>	
2013	\$ 30,379,214	\$ 16,476,867	\$ 13,902,347	\$ 2,700,000	\$ 2,115,493	2.89
2014	38,601,784	16,476,867	22,124,917	2,780,000	2,115,493	4.52
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
2022	86,496,692	34,552,552	51,944,140	4,600,000	5,715,050	5.04

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)
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	13,895,901	56,820	41,395	7.2 %	2,326,821
2021	242,657	n/a	n/a	39,767	4.0 %	2,869,555
2022	247,058	n/a	n/a	40,456	3.5 %	3,381,460

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>2022</b>		<b>2013</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	500-999	6
Tyson Farms Inc	Manufacturing	1,000+	4	1,000+	3
TYD Industries	Manufacturing	1,000+	5	1,000+	4
Wingate University	Educational Services	1,000+	6	500-999	9
Wal-Mart Associates Inc	Retail Trade	500-999	7	500-999	7
Atrium Health	Health Care and Social Assistance	500-999	8	-	-
City of Monroe	Public Administration	500-999	9	250-499	-
Charlotte Pipe & Foundry Company	Manufacturing	500-999	10	250-499	10
Charlotte Mecklenburg Hospital	Health Care and Social Assistance	-	-	1,000+	2
Pilgrims Pride Corporation	Manufacturing	500-999	-	500-999	8

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities:</b>										
General government										
Board of County Commissioners	5.0	5.0	5.0	2.1	2.1	2.1	2.1	2.1	1.1	1.1
County Manager's Office	7.1	7.1	8.1	5.0	4.5	4.5	4.8	2.8	4.5	5.5
Legal Department	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	7.0	7.0
Human Resources Administration	6.0	6.0	8.1	8.1	9.1	9.1	9.1	10.3	10.3	10.3
Finance	8.8	8.8	8.8	8.8	9.8	9.8	10.9	13.9	9.0	11.0
Budget Management	-	-	-	-	-	-	-	-	5.0	5.0
Tax Administration	46.7	47.8	48.7	48.7	50.4	50.9	52.9	54.4	54.4	54.7
Board of Elections	12.7	12.7	12.8	18.1	17.1	13.1	15.5	18.8	20.7	18.4
Register of Deeds	10.5	10.5	10.5	10.5	10.6	10.5	11.4	11.4	12.4	12.9
Information Technology	10.1	10.1	11.1	11.1	12.1	13.1	15.2	14.3	19.2	19.2
Public Communications	-	-	-	-	-	-	-	5.0	6.0	6.0
Procurement	-	3.0	4.1	5.1	5.1	5.2	5.2	5.2	5.4	7.4
Fleet	-	-	-	-	-	-	-	5.0	5.0	5.0
Facilities Management	-	4.0	4.0	5.1	5.1	13.1	15.1	18.5	21.5	27.5
Outside Agencies - DWI Treatment Coordinator	-	-	-	-	-	1.0	1.0	1.0	1.0	1.0
Public safety										
Sheriff's Office	284.5	284.9	284.8	295.9	300.6	308.9	325.2	328.8	332.8	345.8
Emergency Communications	43.4	42.8	42.2	42.2	50.0	54.0	52.0	52.4	53.3	54.3
Emergency Management	2.3	1.3	1.3	1.3	1.3	1.3	1.6	2.4	2.3	3.3
Fire Marshal's Office	4.3	4.3	4.3	5.3	4.3	5.3	7.6	7.4	7.3	7.3
Building Code Enforcement	17.8	18.8	18.9	18.9	19.8	19.8	26.0	27.6	29.1	31.1
Economic and physical development										
Planning & Zoning Services	4.3	4.3	5.3	5.3	6.3	6.3	3.2	4.2	4.0	4.0
Agricultural Services	9.8	9.9	11.7	12.3	12.4	14.4	14.4	15.1	17.4	17.6
Soil & Water Conservation	1.0	1.0	1.5	2.0	2.0	2.0	2.0	2.0	3.0	3.0
Human services										
Human Services Administration	-	-	-	-	-	-	-	-	54.9	55.3
Community Support & Outreach	-	-	-	-	-	-	32.9	35.5	40.0	38.3
Environmental Health	-	-	-	-	-	-	25.7	27.5	27.5	27.5
Public Health	90.1	90.1	90.4	90.4	95.7	94.4	72.8	89.0	70.3	83.0
Social Services	193.6	194.1	200.1	216.1	231.6	225.9	252.6	281.5	240.0	243.2
Transportation	34.6	34.6	34.6	36.0	37.0	60.0	35.7	36.4	35.1	35.8
Veterans Services	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.1	5.0	5.0
Cultural and recreational										
Library Services	55.1	53.8	54.0	54.0	54.0	55.0	53.7	53.9	57.0	59.8
Parks & Recreation	24.2	24.2	24.3	24.7	25.7	26.8	27.5	28.3	28.3	29.7
Sub-total	880	887	903	935	975	1,014	1,084	1,164	1,190	1,235.8
<b>Business-type activities:</b>										
Union County Water	104.8	84.80	88.0	93.9	99.9	116.5	129.4	143.8	153.4	160.7
Solid Waste	19.4	19.50	21.0	20.6	21.6	22.4	22.5	27.9	31.9	31.6
Stormwater	2.1	2.10	2.0	1.0	-	-	-	-	-	-
Sub-total	126	106	111	116	122	139	152	172	185	192.3
Total	1,006	994	1,014	1,051	1,096	1,153	1,236	1,335	1,375	1,428.1

Table 20

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Government:</b>										
Personnel										
Number of full-time employees	822	821	820	864	864	898	951	1,013	1,048	1,123
Number of part-time employees	56	66	83	72	98	106	157	159	123	82
Elections										
Number of registered voters	136,500	139,836	138,597	145,645	148,448	154,300	150,789	160,261	159,957	168,355
Information Systems (and GIS)										
Number of users in system	1,313	1,397	1,239	1,242	1,257	1,883	1,772	1,815	1,828	1,346
General Services										
Number of vehicle service requests	1,113	1,721	3,805	4,501	4,629	4,462	4,552	4,518	4,683	4,491
Fire Services										
Number of volunteer fire personnel	550	550	500	500	500	500	500	500	500	500
Number of inspections	2,640	2,136	1,196	1,106	906	1,172	1,798	1,375	1,079	2,448
Human services										
Public Health										
Number of patients	9,408	8,237	8,142	6,786	10,198	8,904	6,497	4,382	3,664	11,031
Number of visits	23,650	20,729	20,681	15,716	17,508	15,099	12,728	10,667	9,211	18,110
Social Services										
Number of client visits	57,351	49,722	48,786	47,064	53,125	58,693	58,803	44,275	50,589	46,354
Transportation and Nutrition										
Number of trips	84,623	84,533	77,784	74,176	75,342	69,402	79,674	1,417	67,437	71,335
Congregate, home delivered and supplemental meals	69,835	60,968	68,573	70,497	75,134	71,963	66,978	101,619	146,204	138,263
Veterans Services										
Number of visitors	3,451	3,479	3,598	3,652	3,576	3,556	3,628	3,048	1,956	2,072
Number of phone calls	12,374	12,564	11,734	12,166	11,047	11,215	12,472	12,464	11,336	9,652
Cultural and recreational										
Library										
Number of volumes	225,788	225,181	212,961	207,748	190,370	166,742	145,582	149,573	145,944	133,872
Education										
Number of licensed employees	3,192	3,117	2,928	N/A	2,976	2,603	3,111	3,117	2,873	2,819
Number of students	40,958	42,047	41,266	41,780	42,000	41,500	41,300	41,395	41,500	41,200
<b>Business-type Activities:</b>										
Personnel										
Number of full-time employees	109	100	100	109	107	126	137	155	167	183
Number of part-time employees	17	6	11	7	18	21	18	18	16	8
Water and Sewer										
Average daily consumption in gallons (in 000's)	11,100	11,740	12,460	13,100	13,880	13,870	14,160	14,228	14,206	15,020
Number of water service connections	42,406	43,828	45,095	46,236	47,489	49,363	50,509	51,961	53,537	55,315
Number of sewer service connections	30,306	31,597	32,688	33,632	34,711	36,402	37,319	38,834	40,169	41,742

Source: Various county departments

Table 21

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Government:</b>										
Tax Administration										
Number of tax parcels	108,297	109,941	110,998	113,574	118,525	117,378	118,431	125,580	133,457	127,632
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	N/A	N/A	332	335	278	284	299	299	307
Fire Services										
Number of stations-main	18	18	17	17	17	17	17	17	17	17
Number of stations-sub	7	7	8	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	1,902	1,902	N/A	2,379	2,075	2,084	2,084	2,084	2,084
<b>Business-type activities:</b>										
Water and Sewer										
Number of fire hydrants	4,571	4,638	4,736	4,843	4,964	5,041	5,096	5,189	5,279	5,528
Miles of water mains	980	993	1,020	1,043	1,065	1,082	1,095	1,114	1,132	1,119
Miles of sewer mains	610	620	640	663	684	698	708	727	741	736

Source: Various county departments

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# Compliance Section

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**Report of Independent Auditor 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**

To the Board of County Commissioners  
Union County, North Carolina

We have audited, in accordance with the 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, 2022, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated October 31, 2022.

**Report on 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 County’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

**Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**County’s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the County’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**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.

*Cherry Bekaert LLP*

Charlotte, North Carolina  
October 31, 2022

**Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance Required by the Uniform Guidance and the State Single Audit Implementation Act**

To the Board of County Commissioners  
Union County, North Carolina

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

***Opinion on Each Major Federal Program***

We have audited Union County, North Carolina's (the "County") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2022. 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.

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, 2022.

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of the County and to meet our other ethical responsibilities in accordance with the relevant requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the applicable compliance requirements occurred, whether due to fraud or error, and to express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the applicable compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, Uniform Guidance, and the State Single Audit Implementation Act we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the County's compliance with applicable compliance requirements and performing such other procedures as the auditor considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that the auditor identified during the audit.

### **Other Matters**

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-002 and 2022-003. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-003 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other 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 Uniform Guidance and, accordingly, this report is not suitable for any other purpose.

*Cherry Bekaert LLP*

Charlotte, North Carolina  
November 15, 2022

**Report of Independent Auditor on Compliance for Each Major State Program and on Internal Control over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act**

To the Board of County Commissioners  
Union County, North Carolina

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

***Opinion on Each Major State Program***

We have audited Union County, North Carolina's (the "County") compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

***Basis for Opinion on Each Major State Program***

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

We are required to be independent of the County and to meet our other ethical responsibilities in accordance with the relevant requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's State programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the applicable compliance requirements occurred, whether due to fraud or error, and to express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the applicable compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the County's compliance with applicable compliance requirements and performing such other procedures as the auditor considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that the auditor identified during the audit.

### **Other Matters**

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-002 and 2022-003. Our opinion on each major state program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-003 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other 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 Uniform Guidance and, accordingly, this report is not suitable for any other purpose.

*Cherry Bekaert LLP*

Charlotte, North Carolina  
November 15, 2022



**UNION COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2022

**Section I—Summary of Auditor’s Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?            \_\_\_ yes              X   no
- Significant deficiency(ies) identified?          X   yes            \_\_\_ none reported

Noncompliance material to financial statements noted?

\_\_\_ Yes              X   no

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?              X   yes            \_\_\_ no
- Significant deficiency(ies) identified?          X   yes            \_\_\_ none reported

Noncompliance material to federal awards?

\_\_\_ yes              X   no

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

  X   yes            \_\_\_ no

Identification of major federal programs:

**Federal Assistance Listing**

**Name of Federal Program or Cluster**

14.218  
21.027

Community Development Block Grant  
COVID-19: Coronavirus State and Local Fiscal Recovery Funds

21.023  
93.323  
93.778

COVID-19: Emergency Rental Assistance Program  
COVID-19: Epidemiology and Laboratory Capacity Medical Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ 795,110

Auditee qualified as low-risk auditee?

  X   yes            \_\_\_ no

**UNION COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

YEAR ENDED JUNE 30, 2022

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**Section I—Summary of Auditor’s Results (continued)**

**State Awards**

Internal control over major state programs:

- Material weakness(es) identified?                       X   yes                     \_\_\_ no
- Significant deficiency(ies) identified?                 X   yes                     \_\_\_ none reported

Noncompliance material to state awards?               \_\_\_ yes                       X   no

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

Any audit findings disclosed that are required  
to be reported in accordance with the State  
Single Audit Implementation Act                             X   yes                     \_\_\_ no

Identification of major state programs:

**Program Name**  
Public School Building Capital Fund  
DSS Crosscutting

Other major State programs for Union County are Medical Assistance which is state matching funds on the federal program. Therefore, these programs have been included in the list of major federal programs above.

**Section II—Financial Statement Findings**

**2022-001 – Accounting for Construction in Progress – Significant Deficiency**

Criteria: The subsidiary records should agree with the amounts recorded in the financial statements. Additionally, construction work in progress (“CWIP”) should reflect projects currently in process.

Statement of Condition: During testing of CWIP, we noted the County’s subsidiary records did not agree to the amount recorded in the financial statements. When the County researched the difference, a larger misstatement was discovered, which related primarily to an error in not reporting certain CWIP projects in the prior year.

Cause: The County was unaware that certain costs in CWIP were not being recorded since a thorough comparison of the detailed records to the financial statements was not performed.

Effect of Condition: Approximately \$4,350,000 of CWIP was written off in the prior year that should have been recorded in CWIP resulting in an understatement of beginning net position.

**UNION COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

Schedule 69

YEAR ENDED JUNE 30, 2022

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**Section II—Financial Statement Findings (continued)**

Recommendation: We recommend a more comprehensive analysis and review related to the status of CIP projects at year-end to prevent such errors in the future.

Views of responsible officials: Management agrees with the finding and is implementing procedures to correct this which is further discussed in the corrective action plan.

Corrective Action Plan: See Corrective Action Plan prepared by the County.

**Section III—Federal Award Findings and Questioned Costs**

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

**Passed through the North Carolina Department of Health and Human Services**

**Program Name: Medical Assistance**

**Federal Assistance Listing Number: 93.778**

**Material Weakness and Nonmaterial Noncompliance – Eligibility**

**Finding 2022-002 – Repeat Finding**

**Criteria or Specific Requirement:** The County should have adequate documentation for each participant that supports each eligibility determination and the information entered into NC FAST. We noted several errors related to the following compliance criteria:

- a) At the time of each initial application or annual redetermination of benefits for Medical Assistance, self-attest wages should be verified, documented, and entered correctly into the budget in order to determine if the participant is eligible to receive benefits.
- b) At the time of each initial application or annual redetermination of benefits for Medical Assistance, the household count documented in NC FAST should be agreed to supporting documentation.
- c) At the time of each initial application or annual redetermination of benefits for Medical Assistance, either citizenship/identity documentation or alien status documentation (if non-citizen) existed in NC FAST.
- d) At the time of each initial application or annual redetermination of benefits for Medical Assistance, the caseworker should review the Register of Deeds for aged, blind, or disabled cases, or for MQB program cases, to verify property owned by the participant and this information should be entered into the NC FAST system.

**Condition:** The following are the results for each criteria listed above out of the 60 program participants selected for testing:

- a) There were two instances where there was a computation error for income reported in NC FAST.
- b) There was one instance where the supporting documentation related to household count did not support the information entered into NC FAST.
- c) There was one instances where citizenship was not verified.
- d) There was one instance where the Register of Deeds was not run.

**UNION COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

*YEAR ENDED JUNE 30, 2022*

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**Section III—Federal Awards Findings and Questioned Costs (continued)**

**Context:** We sampled 60 cases from a total population of 40,798 cases made to the participants during the fiscal year. There were 5 out of 60 unique participants tested with the errors noted above, in which one was determined to have been improperly determined eligible.

**Questioned Costs:** We noted a total of \$8,215 in questioned costs related to improper eligibility determination related to item “c” noted above. Total claims tested totaled \$1,803,371 and so the projected questioned costs were a calculated 0.84% error rate.

**Effect:** By not having the required documentation in the files or information being incorrectly documented, eligibility cannot be readily substantiated and there is a risk the County could provide funding to individuals who are not eligible.

**Cause:** County oversight when performing eligibility determinations.

**Recommendation:** The County should review their processes to ensure proper supporting documentation of eligibility is maintained within each case file, caseworkers have proper training, and the number of quality reviews is sufficient. Additionally, the County should continue to work toward filling vacancies in the Family and Children’s Medicaid Units.

**Views of responsible officials:** Management agrees with the finding and is implementing procedures to correct this which is further discussed in the corrective action plan.

**Corrective Action Plan:** See Corrective Action Plan prepared by the County.

**Department of Health and Human Services**

**Passed through the North Carolina Department of Health and Human Services**

**Program Name: Medical Assistance**  
**Federal Assistance Listing Number: 93.778**

**Program Name: Low-Income Home Energy Assistance**  
**Federal Assistance Listing Number: 93.568**

**Program Name: Supplemental Nutrition Assistance Program**  
**Federal Assistance Listing Number: 10.561**

**Program Name: Temporary Assistance for Needy Families**  
**Federal Assistance Listing Number: 93.558**

**Program Name: Work First – Child Support Enforcement**  
**Federal Assistance Listing Number: 93.563**

**Department of Social Services – Crosscutting**

**Significant Deficiency and Nonmaterial Noncompliance – Special Test and Provisions**  
**Finding 2022-003**

**Criteria or Specific Requirement:** As required by OMB Circular A-87, indirect cost amounts should be reported on the DSS-1571 accurately according to the amounts and codes indicated in the Indirect Cost Plan.

**UNION COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

Schedule 69

YEAR ENDED JUNE 30, 2022

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**Section III—Federal Awards Findings and Questioned Costs (continued)**

**Condition:** The County had utilized their fiscal year 2021 cost allocation plan for reporting indirect costs on the Form 1571 for fiscal year 2022.

**Context:** The County had reported the incorrect monthly indirect costs amount for all 12 months of fiscal year 2022.

**Questioned Costs:** The following programs had known questioned costs in excess of \$25,000 each:

Medical Assistance: \$121,224.91  
Low-Income Home Energy Assistance: \$32,161.68  
Supplemental Nutrition Assistance Program: \$46,541.36  
Temporary Assistance for Needy Families: \$40,770.93  
Child Support Enforcement: \$26,111.14

As 100% of questioned costs were identified for this issue, there are no likely questioned costs to report.

**Effect:** The County, after considering local matching requirements, received \$266,810 in additional reimbursements during fiscal year 2022 by utilizing the fiscal year 2021 cost allocation plan.

**Cause:** The County had inadvertently continued to use the prior-year cost allocation plan for the current fiscal year.

**Recommendation:** We recommend the County design and implement additional controls to ensure the correct cost allocation plan is utilized before filing its monthly Form 1571.

**Views of Responsible Officials:** Management agrees with the finding and is implementing procedures to correct this which is further discussed in the corrective action plan.

**Corrective Action Plan:** See Corrective Action Plan prepared by the County.

**Section IV—State Award Findings and Questioned Costs**

Finding 2022-002 and 2022-003 as listed in Section III *Federal Award Findings and Questioned Costs* is also considered State award findings.

**Corrective Action Plan  
Union County Audit Findings  
June 30, 2022**

**Responsible Parties:**

**Michelle Lancaster, Deputy County Manager/Human Services Director  
Beverly Liles, Finance Director**

**Finding 2022-001, Accounting for Construction in Progress - Significant Deficiency**

**Response/Corrective Action:**

The County Finance Director has implement further detailed internal control narratives for capital asset accounting to include the following as of October 31, 2022;

- Capital projects that are incomplete at year end should be added to the Construction Work in Progress (CWIP) worksheet. Projects that are completed on the CWIP worksheet should be recorded in the capital asset system. The Senior Accountant and/or Accountant will reconcile CWIP completed projects and CWIP additions to the capital asset general ledger accounts.
- Amounts that are not truly County capital assets versus contribution to other entities, i.e. UCPS, SPCC, and Catawba River Water Treatment Plant (CRWTP) expenditures will not be added into the CWIP worksheet. CRWTP project expenditures will be recorded as additions the value of the assets of the Joint Venture in the Financial Statements.
- Reconciliation of all CWIP balances to the general ledger will be performed by the Senior Accountant and/or Accountant and will be reviewed by the Accounting Services Supervisor and/or Assistant Finance Director.

**Finding 2022-002-Repeat Finding, Material Weakness and Nonmaterial Noncompliance-Eligibility**

**Response/Corrective Action:**

Since 2017, the Medicaid program has seen a 25% increase in the caseload volume. In addition to the increase in caseload, we currently have 12 Eligibility Specialist positions vacant. Many of these vacancies have occurred within the last year, which has caused an additional substantial increase in the workload of the Eligibility staff. Like most counties across the state, we are struggling to fill the vacancies, but are working diligently to recruit and hire new staff. We currently have less than 30% of staff with more than 1-2 years of experience in the program.

In response to the errors cited, Union County provided education training for staff on citizenship codes in OVS on November 8<sup>th</sup> and 10<sup>th</sup> 2022.



Schedule 70  
(continued)

**Finding 2022-003, Significant Deficiency and Nonmaterial Noncompliance - Special Test and Provisions**

**Response/Corrective Action:**

Category	Finding	Recommendations	Action Steps	Start Date
1571 Reporting	Incorrect year was used to determine Cost Allocation Plan monthly amount. Cost Allocation Plan FY20 was used in lieu of FY21.	Update Cost Allocation Plan's correct year on the 1571.	Updated correct year on the Sept. 2022 1571.	Sept. 1, 2022
		Recommendation from State Consultant: Report difference of amount owed on October's 1571 (September's expenditures)	Correction was submitted on October's 1571 report (September expenditures).	Oct. 18, 2022
		Update Cost Allocation Plan's monthly cost on 1571.	Set calendar reminders to update before new fiscal year begins.	Sept. 1, 2022

**UNION COUNTY, NORTH CAROLINA**  
**SUMMARY OF PRIOR YEAR FINDINGS**

Schedule 71

*YEAR ENDED JUNE 30, 2022*

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**Finding: 2021-001**

Status: Corrected

**Finding 2021-002**

Status: Repeated as Finding 2022-002

**Finding: 2021-003**

Status: Corrected

**Finding: 2021-004**

Status: Corrected

**Finding: 2021-005**

Status: Corrected



Union County, North Carolina  
**Schedule of Expenditures of Federal and State Awards**  
 For the Year Ended June 30, 2022

Schedule 72

Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing 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		\$ 1,491	\$ -	\$ -	1,491	\$ -
State Administrative Matching Grants for the SNAP Program	10.561		2,013,839	-	2,016,304	4,030,143	-
COVID-19: Food Nutrition Service ARPA Funds	10.561		51,974	-	-	51,974	-
Food Nutrition Service CAA Funds	10.561		19,089	-	-	19,089	-
Total Passed-through N.C. Department of Health and Human Services: Food Stamp Cluster			<u>2,086,392</u>	<u>-</u>	<u>2,016,304</u>	<u>4,102,696</u>	<u>-</u>
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	106,607	-	-	106,607	-
Women, Infants and Children-Client Services	10.557	13A2-5403-GC	219,419	-	440,178	659,597	-
Women, Infants and Children-Nutrition Education	10.557	13A2-5404-GB	80,984	-	-	80,984	-
Women, Infants and Children-Nutrition Education	10.557	13A2-5404-GC	151,039	-	272,328	423,367	-
Women, Infants and Children-General Admin	10.557	13A2-5405-GB	18,702	-	-	18,702	-
Women, Infants and Children-General Admin	10.557	13A2-5405-GC	35,103	-	59,677	94,780	-
Women, Infants and Children-Breastfeeding Promotion and Support	10.557	13A2-5409-GB	5,854	-	-	5,854	-
Women, Infants and Children-Breastfeeding Promotion and Support	10.557	13A2-5409-GC	11,212	-	35,156	46,368	-
Women, Infants and Children-Breast Feeding Peer Counseling	10.557	13A2-570E-JQ	14,674	-	-	14,674	-
Women, Infants and Children-Breast Feeding Peer Counseling	10.557	13A2-570D-JQ	129	-	-	129	-
Women, Infants and Children-Breast Feeding Peer Counseling	10.557	13A2-570F-JQ	26,443	-	41,246	67,689	-
Total Passed-through N.C. Dept. of Health and Human Services: Division of Public Health			<u>670,167</u>	<u>-</u>	<u>848,585</u>	<u>1,518,751</u>	<u>-</u>
Passed-through N.C. Department of Public Safety							
Division of Natural Resources Conservation Service							
EWP Event 5038 (Hurricane Florence)	10.923		78,853	64,628	-	143,481	-
Total Passed-through N.C. Department of Public Safety			<u>78,853</u>	<u>64,628</u>	<u>-</u>	<u>143,481</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>2,835,412</u>	<u>64,628</u>	<u>2,864,889</u>	<u>5,764,929</u>	<u>-</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>							
Department of Justice: Bureau of Justice Assistance							
COVID-19: Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0987	47,067	-	-	47,067	-
Total U.S. Department of Justice			<u>47,067</u>	<u>-</u>	<u>-</u>	<u>47,067</u>	<u>-</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>							
Department of Housing and Urban Development							
Community Development Block Grant	14.218	B-17-UC-37-0004	4,400	-	-	4,400	4,400
Community Development Block Grant	14.218	B-18-UC-37-0004	403,651	-	-	403,651	403,651
Community Development Block Grant	14.218	B-19-UC-37-0004	459,315	-	-	459,315	-
Community Development Block Grant	14.218	B-20-UW-37-0004	180,858	-	-	180,858	30,642
Community Development Block Grant	14.218	B-20-UC-37-0004	46,879	-	-	46,879	-
Community Development Block Grant	14.218	B-21-UC-37-0004	514,652	-	-	514,652	397,744
Total U.S. Department of Housing and Urban Development			<u>1,609,755</u>	<u>-</u>	<u>-</u>	<u>1,609,755</u>	<u>836,437</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>							
Passed-through N. C. Department of Crime Control and Public Safety:							
Division of Emergency Management:							
Emergency Management Performance Grant	97.042	EMPG-2016-37179	101,622	-	-	101,622	-
Total U.S. Department of Homeland Security			<u>\$ 101,622</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,622</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, 2022

**Schedule 72**  
 (Continued)

Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing 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:							
Formula Grants for Rural Areas	20.509	21-CT-089 Admin	189,432	11,839	-	201,271	-
COVID-19: Formula Grants for Rural Areas - CARES	20.509	20-CA-089 Operating	29,819	-	-	29,819	-
Metro Transportation Planning and State and Non-Metro Planning	20.505	22-08-102	43,956	5,196	-	49,151	-
Total N.C. Department of Transportation			263,207	17,035	-	280,241	-
Highway Safety Cluster:			-	-	-	-	-
State and Community Highway Safety	20.600	PT-2021-06-25	167,616	-	-	167,616	-
Total Highway Safety Cluster			167,616	-	-	167,616	-
Transit Services Program Cluster:							
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513		99,961	-	-	99,961	-
Total Transit Services Program Cluster:			99,961	-	-	99,961	-
Federal Transit Cluster:							
Federal Transit Formula Grants	20.507	21-LU-089	309,598	-	-	309,598	-
Total Federal Transit Cluster			309,598	-	-	309,598	-
Total U.S. Department of Transportation			840,381	17,035	-	857,416	-
<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		25,052	-	-	25,052	-
Grants for Supportive Services and Senior Center	93.044		442,477	380,743	-	823,220	-
Supplemental Nutrition Title III-C2	93.045		72,653	-	-	72,653	-
SSBG	93.667		78,181	119,361	-	197,542	-
Nutrition Services	93.045		37,798	6,593	-	44,391	-
Administration of Aging: Aging Cluster			656,161	506,697	-	1,162,858	-
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		1,638	-	546	2,184	-
Title IV-E Foster Care Officer Training	93.658		429,466	-	429,466	858,932	-
Title IV-E Foster Care	93.658		172	-	172	343	-
COVID-19: COVID Rate Adoption Assistance	93.659		2,363	-	-	2,363	-
IV-E Max Level III	93.658		6,928	-	2,463	9,391	-
IV-E Foster Care and Extend Max	93.658		49,709	8,600	8,600	66,909	-
IV-E Foster Care and Extend Reg	93.658		262,743	53,700	39,117	355,560	-
IV-E Admin County Paid to CCI	93.658		50,738	25,369	25,369	101,476	-
IV-E Family Foster Care Max	93.658		564	-	202	766	-
IV-E Child Protective Services	93.658		167,183	98,801	68,382	334,366	-
Title IV-E Foster Care Officer Training - ADO	93.659		29,773	-	29,773	59,545	-
Title IV-E Optional Adoption Training	93.659		6,850	-	6,850	13,700	-
Total Foster Care and Adoption Cluster			1,008,128	186,470	610,939	1,805,537	-
Temporary Assistance for Needy Families (TANF) Cluster:							
Adoption/Foster Care	93.558		87,864	-	-	87,864	-
Special Children Adoption	93.558		-	95,169	-	95,169	-
TANF/Work First - Direct Benefit Payments	93.558		-	-	11	11	-
TANF Administration	93.558		141,375	-	-	141,375	-
TANF Services	93.558		1,359,154	-	-	1,359,154	-
Work First Administration	93.558		-	-	288,595	288,595	-
Work First Service	93.558		-	-	1,374,430	1,374,430	-
Total TANF Cluster			\$ 1,588,394	\$ 95,169	\$ 1,663,036	\$ 3,346,599	\$ -

Continued on next page.

Union County, North Carolina  
**Schedule of Expenditures of Federal and State Awards**  
For the Year Ended June 30, 2022

**Schedule 72**  
(Continued)

Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing 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>							
Administration for Children and Families:							
Division of Social Services:							
Passed-through N.C. Department of Health and Human Services:							
Family Preservation	93.556		\$ 53,859	\$ -	\$ -	\$ 53,859	\$ -
NC Child Support Enforcement	93.563		1,332,033	-	585,544	1,917,578	-
Direct Benefit Payments:							
Refugee Assistance Administration	93.566		8,329	-	-	8,329	-
Child Welfare Services:							
Permanency Planning-Regular	93.778		5,225	-	1,742	6,966	-
Permanency Planning-Special	93.645		48,576	-	16,192	64,769	-
LINKS	93.674		9,329	2,332	-	11,661	-
LINKS-Independent Living/Transitional Funds	93.674		85,194	2,548	-	87,742	-
Low Income Home Energy Assistance Block Grant:							
Administration	93.568		224,853	-	-	224,853	-
Crisis Intervention Program	93.568		188,516	-	-	188,516	-
COVID-19: Administration	10.561		10,466	-	-	10,466	-
COVID-19: ARPA Administration	93.568		100,652	-	-	100,652	-
COVID-19: ARPA	93.568		812,488	-	11,033	823,521	-
Low Income Home Water Assistance Program							
Administration	93.499		43,260	-	-	43,260	-
Water Assistance Payments-Direct Benefit Payments	93.499		28,904	-	-	28,904	-
SSBG - In Home Services Fund	93.667		4,867	-	695	5,563	-
SSBG - In Home Services Over 60	93.667		255	-	36	291	-
SSBG - Adult Day Care	93.667		1,881	-	269	2,150	-
SSBG - Adult Day Care Over 60	93.667		12,472	8,015	2,927	23,413	-
SSBG - Adult Day Care Professional Services	93.667		35,680	-	8,251	43,931	-
SSBG - Adult Protective Services	N/A		-	-	87,933	87,933	-
SSBG - Adult Protective Services Essential Services	93.667		1,506	-	-	1,506	-
SSBG - Federal Child Protective Services	93.667		11,538	-	3,846	15,384	-
SSBG - Other Services and Training	93.667		481,860	-	157,595	639,454	-
Total Division of Social Services			6,098,264	294,535	3,150,037	9,542,837	-
Subsidized Child Care Cluster:							
Subsidized Child Care Cluster:							
Child Care Development Fund Cluster:							
Child Care Development Fund-Administration	93.596		170,470	-	-	170,470	-
Total Subsidized Child Care Cluster			170,470	-	-	170,470	-
Total Administration for Children and Families			6,268,734	294,535	3,150,037	9,713,307	-
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		69,947	14,396	55,550	139,894	-
State/County Special Assistance	93.778		79,046	-	26,349	105,395	-
Medical Assistance Administration	93.778		52,575	-	52,575	105,150	-
Medical Transportation Administration	93.778		4,977,609	-	1,701,474	6,679,083	-
MAC CORD / TRANSP	93.778		39,734	-	39,734	79,468	-
MAC APS/OUTR	93.778		219	-	219	438	-
MAC APS	93.778		38,382	-	38,382	76,764	-
State Children's Insurance Program-N.C. Health Choice (Note 3)	93.767		184,174	4,040	37,325	225,539	-
Total Division of Social Services			\$ 5,441,686	\$ 18,436	\$ 1,951,608	\$ 7,411,730	\$ -

Continued on next page.

Union County, North Carolina  
**Schedule of Expenditures of Federal and State Awards**  
 For the Year Ended June 30, 2022

**Schedule 72**  
 (Continued)

Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing 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		189,596	93,891	-	283,487	-
Medical Assistance Program	93.778		6,230	3,131	-	9,361	-
Total Division of Health Benefits			195,826	97,022	-	292,848	-
Total Centers for Medicare and Medicaid Services			5,637,512	115,459	1,951,608	7,704,578	-
Centers for Disease Control							
Passed-through N.C. Department of Health and Human Services:							
Division of Public Health:							
COVID-19: Epidemiology & Laboratory Capacity for Infections Diseases	93.323	1175-878A-HH	331,650	-	-	331,650	-
COVID-19: Epidemiology & Laboratory Capacity Enhancing Detection	93.323	1175-883A-P5	499,367	-	-	499,367	-
COVID-19: Epidemiology & Laboratory Capacity for Prevention and Control	93.323	1332-892A-L5	39,042	-	-	39,042	-
Healthy Communities Activity	93.758	1261-5503-00	-	7,492	-	7,492	-
Healthy Communities Activity	93.991	1261-5503-PH	33,956	-	-	33,956	-
Public Health Emergency Preparedness	93.074	1264-2679-ER	47,248	-	-	47,248	-
Public Health Emergency Preparedness	93.074	1264-2679-EQ	4,295	-	145,574	149,869	-
Tuberculosis Control Program	93.116	1460-2720-NF	79	-	-	79	-
Breast & Cervical Cancer Control Program	93.898	1320-3100-D7	8,900	-	-	8,900	-
Breast & Cervical Cancer Control Program	93.898	1320-310E-D7	975	-	-	975	-
Strengthening STD Prevention and Control	93.977	1311-4631-NB	158	-	-	158	-
COVID-19: CDC COVID-19 Vaccination Program	93.268	1331-639B-P7	129,067	-	131,023	260,090	-
Immunization Action	93.268	1331-631C-EJ	34,133	-	-	34,133	-
Immunization Action Plan	93.268	1331-631D-EJ	3,103	-	389,758	392,861	-
Total Centers for Disease Control			1,131,973	7,492	666,356	1,805,821	-
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	13A1-5107-00	-	40,677	-	40,677	-
Family Planning Services Title X	93.217	13A1-5900-FP	75,459	-	-	75,459	-
TANF-Family Planning (TANF Cluster)	93.558	13A1-5151-T2	16,141	-	-	16,141	-
Women's Preventive Health-MCH Services Block Grant	93.994	13A1-5735-AP	19,197	-	-	19,197	-
Maternal Health	93.994	13A1-5740-AP	26,632	-	-	26,632	-
Care Coordination for Children - Maternal and Child Health	93.994	1271-5318-AR	33,625	-	584,110	617,735	-
Child Health - Maternal and Child Health	93.994	1271-5745-AR	42,878	-	-	42,878	-
Child Fatality Prevention	93.994	1271-5351-AR	1,472	-	-	1,472	-
Total Health Resources and Services Administration			215,404	40,677	584,110	840,192	-
Total U. S. Department of Health and Human Services			\$ 13,909,785	\$ 964,860	\$ 6,352,111	\$ 21,226,756	\$ -

Continued on next page.

Union County, North Carolina  
**Schedule of Expenditures of Federal and State Awards**  
 For the Year Ended June 30, 2022

**Schedule 72**  
 (Continued)

Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing 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 THE TREASURY</b>							
U.S. Department of the Treasury							
COVID-19: Emergency Rental Assistance (ERA1)	21.023	ERA-2101060163	5,337,230	-	-	5,337,230	-
COVID-19: Emergency Rental Assistance (ERA2)	21.023	ERA2-0293	403,221	-	-	403,221	-
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027		1,257,717	-	-	1,257,717	-
Passed-through N.C. Department of Health and Human Services:							
COVID-19: Coronavirus Relief Fund - APS/CPS COVID	21.019	H.R. 748	(2,742)	-	-	(2,742)	-
Total Passed-through N.C. Dept. of Health and Human Services: Division of Public Health			(2,742)	-	-	(2,742)	-
Passed-through NC Office of Management and Budget, NC Pandemic Recovery Office:							
COVID-19: Coronavirus Relief Fund	21.019		164,233	-	-	164,233	-
Total Passed-through NC Office of Management and Budget, NC Pandemic Recovery Office			164,233	-	-	164,233	-
Total U.S. Department of the Treasury			7,159,659	-	-	7,159,659	-
Total federal awards			26,503,682	1,046,523	9,217,000	36,767,205	836,437
<b>STATE AWARDS:</b>							
<b>N.C. DEPARTMENT OF INFORMATION TECHNOLOGY</b>							
Passed-through North Carolina Office of State Budget Management							
State Capital Infrastructure Funds	N/A	20892	-	304,957	-	304,957	-
Total N.C. Department of Environmental Quality			-	304,957	-	304,957	-
<b>N.C. DEPARTMENT OF ENVIRONMENTAL QUALITY</b>							
Division of Environmental Assistance and Customer Service							
Community Waste Reduction and Recycling	N/A	CW18129	-	2,000	-	2,000	-
Total N.C. Department of Environmental Quality			-	2,000	-	2,000	-
<b>N.C. DEPARTMENT OF NATURAL AND CULTURAL RESOURCES</b>							
Division of State Library:							
State Aid to Public Libraries	N/A		-	197,175	-	197,175	-
Southwest Regional Library (State Directed Grant)	N/A	SL 2021-180	-	300,000	-	300,000	-
Total N.C. Department of Natural and Cultural Resources			-	497,175	-	497,175	-
<b>N.C. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>							
Passed-through North Carolina Partnership for Children, Incorporated							
Department of Social Services	N/A		-	123,352	-	123,352	-
Health	N/A		-	103,114	-	103,114	-
Total Passed-through North Carolina Partnership for Children, Incorporated			-	226,466	-	226,466	-
Division of Social Services Programs:							
DCD Smart Start	N/A		-	163,959	-	163,959	-
Share the Warmth	N/A		-	24,779	-	24,779	-
State Aid to Counties	N/A		-	12,978	-	12,978	-
Child Protective Services	N/A		-	13,691	-	13,691	-
Child Welfare State In-Home Expense	N/A		-	90,331	-	90,331	-
County Funded	N/A		-	-	7,096,418	7,096,418	-
Extended Foster Care Max Non IV-E	N/A		-	34,323	-	34,323	-
Work First Non-Reimbursable	N/A		-	-	97	97	-
Foster Care At Risk Maximization	N/A		-	7,300	2,592	9,892	-
State Foster Home Fund Maximization	N/A		-	80,310	80,309	160,619	-
State Foster Home	N/A		-	89,832	89,831	179,663	-
Total Division of Social Services			\$ -	\$ 517,502	\$ 7,269,248	\$ 7,786,750	\$ -

Continued on next page.

Union County, North Carolina  
**Schedule of Expenditures of Federal and State Awards**  
For the Year Ended June 30, 2022

**Schedule 72**  
(Continued)

Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	State/Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures	Total Expenditures	Passed-through to Subrecipients
<b>STATE AWARDS (CONTINUED):</b>							
<b><u>N.C. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)</u></b>							
Division of Public Health:							
Aid to Counties-Health Administration	N/A	1161-4110-00	-	101,423	398,745	500,168	-
Breast & Cervical Cancer Control Program	N/A	1320-5599-00	-	9,425	108,367	117,792	-
Breast & Cervical Cancer Control Program	N/A	1320-3355-04	-	(650)	-	(650)	-
Child Health	N/A	1271-5745-00	-	2,214	-	2,214	-
General Communicable Disease Control	N/A	1175-4510-00	-	7,416	-	7,416	-
HIV/STD State	N/A	1311-4536-RR	-	3,611	762,664	766,275	-
HIV/STD State	N/A	1311-4536-RQ	-	10,000	-	10,000	-
STD Drugs	N/A	1311-4601-RQ	-	273	-	273	-
STD Drugs	N/A	1311-4601-RR	-	102	875	977	-
Communicable Disease-Tuberculosis	N/A	1460-4551-00	-	4,128	-	4,128	-
Communicable Disease Pandemic Recovery	N/A	25F1-249N-TT	-	1,860	-	1,860	-
Environmental Health	N/A	1153-4752-SZ	-	38,694	730,663	769,357	-
Maternal Health	N/A	1161-4301-00	-	400	1,885,932	1,886,332	-
Healthy Mothers Healthy Children	N/A	13A1-5735-00	-	19,924	-	19,924	-
Maternal Health	N/A	13A1-5740-00	-	12,984	-	12,984	-
High Risk Maternity Clinics	N/A	13A1-5746-00	-	60,293	1,132,048	1,192,341	-
School Nurse Funding Initiative	N/A	1332-5358-00	-	50,000	50,000	100,000	-
Tuberculosis Medical Services	N/A	1460-4554-00	-	1,119	-	1,119	-
Women's Health Service Fund	N/A	13A1-6021-FR	-	14,056	1,128,081	1,142,137	-
Total Division of Public Health			-	337,272	6,197,374	6,534,646	-
Total N.C. Department of Health and Human Services			-	1,081,240	13,466,622	14,547,862	-
<b><u>N.C. DEPARTMENT OF PUBLIC INSTRUCTION</u></b>							
Public School Building Capital Fund-Lottery Fund	N/A		-	3,020,098	-	3,020,098	-
Total N.C. Department of Public Instruction			-	3,020,098	-	3,020,098	-
<b><u>N.C. DEPARTMENT OF PUBLIC SAFETY</u></b>							
Division of Emergency Management							
Swift Water Rescue	N/A	UNIONCOEM 2021-2023	-	80,000	-	80,000	-
Total Division of Emergency Management			-	80,000	-	80,000	-
Division of Juvenile Justice - Community Programs Section							
Get Hired - Youth Employability Program	N/A	590-23364	-	35,000	-	35,000	35,000
SHIFT Mentoring	N/A	490-22339	-	53,225	-	53,225	53,225
SHIFT Restitution and Community Service	N/A	490-22625	-	89,392	-	89,392	89,392
D-A-S-H Strengthening Families	N/A	490-22991	-	35,000	-	35,000	35,000
D-A-S-H Counseling Services	N/A	590-23493	-	144,849	-	144,849	144,849
Union County Teen Court Program	N/A	590-23359	-	79,161	-	79,161	79,161
Kids at Work Program	N/A		-	38,612	-	38,612	38,612
Multipurpose Juvenile Home	N/A	590-23442	-	751,462	-	751,462	751,462
Total Division of Juvenile Justice - Community Programs Section			-	1,226,701	-	1,226,701	1,226,701
Total Department of Public Safety			-	1,306,701	-	1,306,701	1,226,701
<b><u>N.C. DEPARTMENT OF TRANSPORTATION</u></b>							
Rural Operating Assistance Program (ROAP)							
ROAP Elderly and Disabled Transportation Assistance Program	N/A	DOT-16CL	-	105,727	-	105,727	-
ROAP Rural General Public Program	N/A	DOT-16CL	-	92,092	-	92,092	-
ROAP - Employment	N/A	DOT-16CL	-	49,404	-	49,404	-
Total N.C. Department of Transportation			-	247,223	-	247,223	-
<b><u>N.C. DEPARTMENT OF NATURAL AND CULTURAL RESOURCES</u></b>							
Division of Soil and Water Conservation:							
Soil and Water Conservation	N/A		-	29,217	-	29,217	-
Total N.C. Department of Natural Resources and Cultural Resources			-	29,217	-	29,217	-
<b><u>N.C. DEPARTMENT OF ADMINISTRATION</u></b>							
Veteran's Service							
Total N.C. Department of Administration	N/A		-	2,109	-	2,109	-
Total State awards			-	6,490,721	13,466,622	19,957,343	1,226,701
Total federal, State and local awards			\$ 26,503,682	\$ 7,537,243	\$ 22,683,622	\$ 56,724,548	\$ 2,063,139

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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, 2022. 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.

