



Annual Comprehensive Financial Report

Fiscal Year Ended | June 30, 2025



Union County, North Carolina

Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025

Prepared by
Finance Department



Union County, North Carolina
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Introductory Section



November 6, 2025

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

Introduction

I am pleased to provide the Board of County Commissioners and the residents of Union County the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025. The Annual Comprehensive Financial Report provides users with 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 the 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, I hereby issue the annual financial report of Union County (the County) for the fiscal year ended June 30, 2025.

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. With 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, 2025. 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 federal and state awards, findings and questioned costs, and the report of independent auditor's 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 266,672 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 2025 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 function, division and line-item level.

Local Economy

The overall economic indicators for the County reflect a positive trend. Union County is assigned a Tier 3 rating by the State of North Carolina, indicating lower economic distress and higher development potential. The County's economy is navigating national headwinds with local strengths. The County's low unemployment of , expanding job sectors, and stable real estate market position it well for continued growth, though inflation, interest rates, and policy uncertainty remain key variables to watch.

During the past ten years, the County has seen consistent growth in population. This is reflected in the consistently strong number of permits issued for residential and commercial construction projects. The permits for the current year are referenced in the Management's Discussion and Analysis and detailed in the Statistical

Section of this report. Contributing to the County's growth 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.

Union County's strong economic indicators reinforce its capacity to reliably fund essential public services, including law enforcement, education, fire protection, emergency medical response, libraries, and critical infrastructure such as water and sewer systems. The County's current financial position remains stable and well-managed. However, leadership remains vigilant in monitoring economic trends. Should conditions shift unfavorably, the County is prepared to evaluate and implement corrective measures to ensure long-term fiscal sustainability and uninterrupted service delivery.

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, 14.30 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 general government debt burden ratio has seen a reduction of 2.05 percent from 2021. 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 funds were created, and an ad valorem tax rate has been established to fund the debt service for the all-County general debt.

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. At the end of FY 2025, the County's outstanding debt is \$775,796,000, a decrease from the FY 2024 outstanding debt of \$827,565,000. This decrease is due to principal payments made in FY 2025.

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 decreased by \$251 per person during the last year; confirming, the County's outlook for debt remains positive.

Management Comments on Financial Condition

The indicators and financial data provided through the Annual Comprehensive Financial Report for the Year Ended June 30, 2025, 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 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 76%), all indicators point to continued strong growth. The County completed a

countywide reappraisal effective January 1, 2025, which resulted in approximately a 60% increase in the ad valorem tax base. This will be reflected in the fiscal year 2026 tax billing. The continued strong growth and value indicates that the County will still have enough resources in the future to provide services and meet its obligations.

- The County's expenditures are well managed. The Board of County Commissioners chose 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 public safety, human services, and education as well as general government departments focusing on safety and strategic management.
- 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 framework continues to strengthen its fiscal position. The Board of County Commissioners remains focused on implementing sound, sustainable financial practices. A key component of this strategy is the fund balance policy, which restricts the use of one-time revenues to one-time expenditures. While this approach may appear modest in scope, its long-term impact is substantial—ensuring that recurring operational costs are consistently supported by recurring revenue streams.
- The County's debt portfolio is well managed. Through a combination of aggressively reworking the debt portfolio to minimize risk and interest cost and prudently issuing new debt, the County has seen its long-term government debt portfolio continue to remain positive. Comparing the long-term debt as a percentage of assessed value, the County has gone from 1.58 percent in FY 2020 to 1.01 percent in FY 2025. 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 to pay 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 FY 2025, several significant events and initiatives will occur during the upcoming year FY 2026.

- The general fund capital improvement projects adopted for FY 2026 includes continued funding to maintain existing facilities and provides capital funding for our public safety partners.
- In July of 2025 the County issued a two-thirds general obligation bond and issued voter approved general obligation bonds. The two-thirds bond will provide funding for renovations of the Judicial Center, Government Center and provide for additional general government space needs. The voter approved general obligation bond provides funding for South Piedmont Community College's Center for Entrepreneurship and for Union County Public Schools renovations of the old Forest Hills High School to become East Union Middle School and design for a new Parkwood High School.
- During FY 2026, Union County will begin designing to construct a new facility for the South Piedmont Regional Autopsy Center providing forensic pathology services that will serve Union County along with surrounding counties in the region. This is a regional effort with funding provided by the State of North Carolina for design and construction of the new facility.
- Union County is continuing work on the BARN project, a new facility to support agricultural start-up companies and agricultural producers/growers.
- The County funded the third and final phase of the Classification and Compensation Study, focusing on market adjustments to employee salaries.
- Union County Water continues to focus on infrastructure needs. Projects funded this year include Twelve Mile Creek Wastewater System Improvements, Catawba River Water Treatment Plant Improvements, and expanding the Union County Water Operations Center. The proposed FY 2026 budget also includes enhancements to current service levels, such as the addition of a Locator Crew to manage a growing number of service locate calls, and an After-Hours Repair Crew, which is expected to save the department approximately \$200,000 in overtime costs. Other proposed enhancements include: an Assistant Director for Business Operations for job continuity planning, a Construction Program Manager for the Engineering division, an additional Engineer position for the Planning and Resource Management division, and several additional personnel requests in the Water and Wastewater Operations division.

Additional information concerning new initiatives can be found on the, Union County's Budget Department webpage. <https://www.unioncountync.gov/government/departments-a-e/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, 2024. This is the 15th 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. Finance appreciates the cooperation of all County departments in conducting financial activities, including the preparation of this report.

The successful preparation of the Fiscal Year 2025 Annual Comprehensive Financial Report reflects the dedication and expertise of Union County's Finance team. We extend our sincere appreciation to Ebru Cukro, Haley Smith, Kiara McClendon, Brady Chaffin, Shannon McDonald, Heather Howey, Mia Griffin, Ashley Steele, and John Buchanan for their continued contributions and their specific efforts in compiling and reviewing this year's report. Their commitment to excellence and fiscal transparency plays a vital role in supporting the County's financial integrity and stakeholder confidence.

Finance also wishes to express appreciation to the Board of County Commissioners, County Manager, Brian Matthews, Deputy County Manager, Patrick Niland, and Assistant County Manager, Clayton Voignier and for their continued support.

Respectfully submitted,

Beverly L. Liles

Beverly L. Liles
Finance Director

Union County, North Carolina
List of Principal Officials
June 30, 2025

Board of County Commissioners

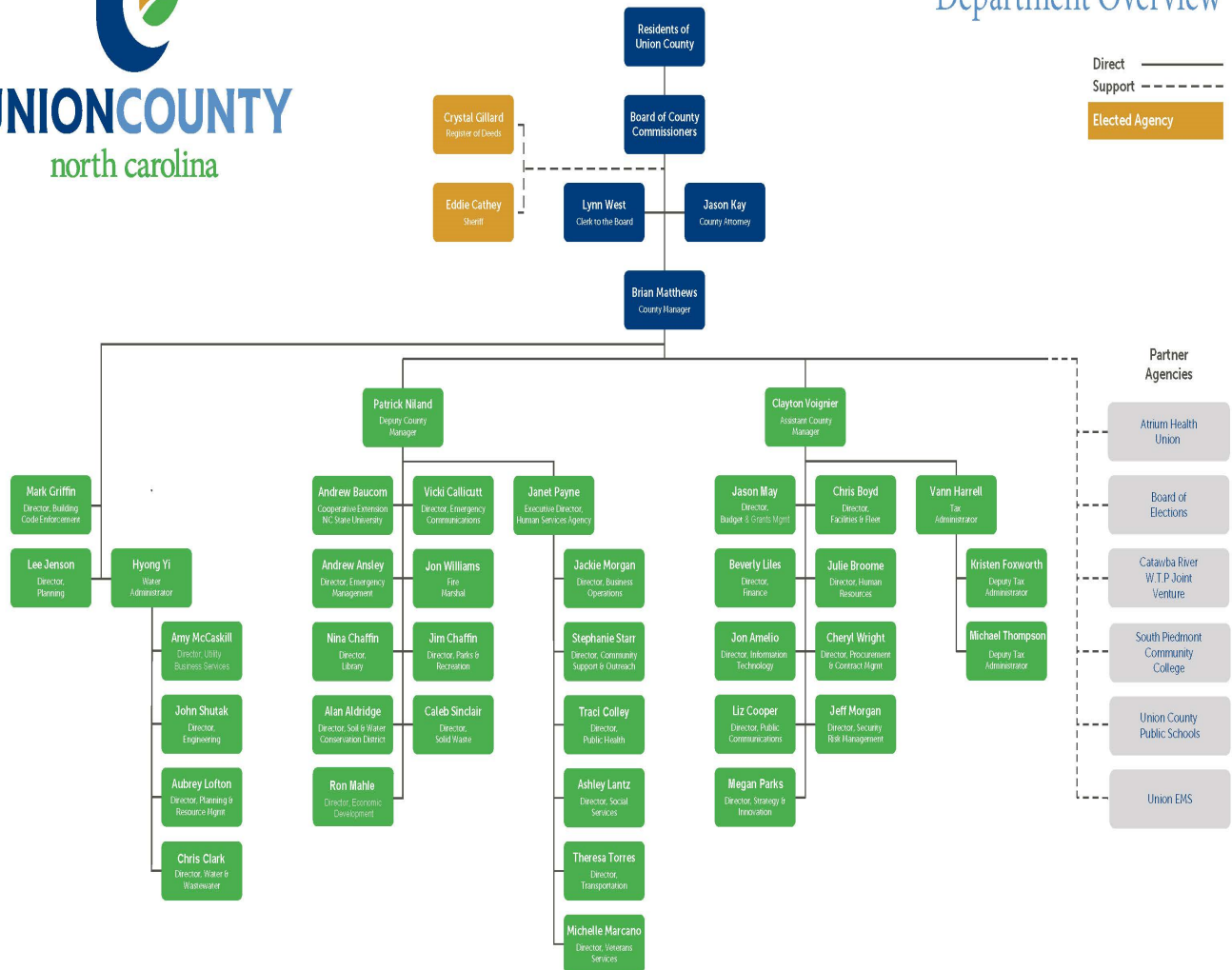
Melissa Merrell, Chairman
Brian Helms, Vice-Chairman
Clancy Baucom
Christina Helms
Gary Sides

County Officials

Brian Matthews	County Manager
Patrick Niland	Deputy County Manager
Clayton Voigner	Assistant County Manager
Lynn G. West	Clerk to the Board
Jason Kay	County Attorney/General Counsel
Crystal Gillard	Register of Deeds
Eddie Cathey	Sheriff
Kristin Jacumin	Board of Elections
Julie Broome	Human Resources Director
Lee Jenson	Planning Director
Mark Griffin	Building Code Enforcement Director
Traci Colley	Public Health Director
Hyoung Yi	Water Administrator
Jon Amelio	Information Technology Director
Liz Cooper	Public Communications Director
Michelle Marcano	Veterans Services Director
Ashley Lantz	Social Services Director
Janet Payne	Human Services Administrator
Dennis Joyner	Public Health Director
Beverly Liles	Finance Director
Jason May	Budget and Grants Management Director
Cheryl Wright	Procurement Director
Vann Harrell	Tax Administrator
Andrew Baucom	Cooperative Extension Director
Nina Chaffin	Library Director
Jon Williams	Fire Marshal
Andrew Ansley	Emergency Management Director
Vicki Callicutt	Emergency Communications Director
James Chaffin	Parks & Recreation Director
Alan Alridge	Soil & Water Conservation District Director



Department Overview





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Union County
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



Financial Section



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, 2025, 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, 2025, 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 21 to the financial statements, the County restated its beginning net position of the government-wide activities and fund balance for a non-major special revenue fund to reflect the correction of an error that occurred in the prior year. Our opinions are not modified with respect to this matter.

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 twelve 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 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 financial statements and schedules and additional financial data, as listed in the table of contents, 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 financial statements and schedules and additional financial data are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2024 (none of which is presented herein), and we expressed unmodified opinions on those basic financial statements. Those audits were conducted for purposes of forming an opinion on the basic financial statements as a whole. The accompanying combining and individual fund financial statements and schedules, which include prior year comparative amounts, 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 2024 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 and *Government Auditing Standards*. In our opinion, the prior year comparative amounts in the accompanying combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects in relation to, the basic financial statements from which it has been derived.

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 November 6, 2025, 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.

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The signature is written in a cursive, flowing style.

Charlotte, North Carolina
November 6, 2025

Management's Discussion and Analysis

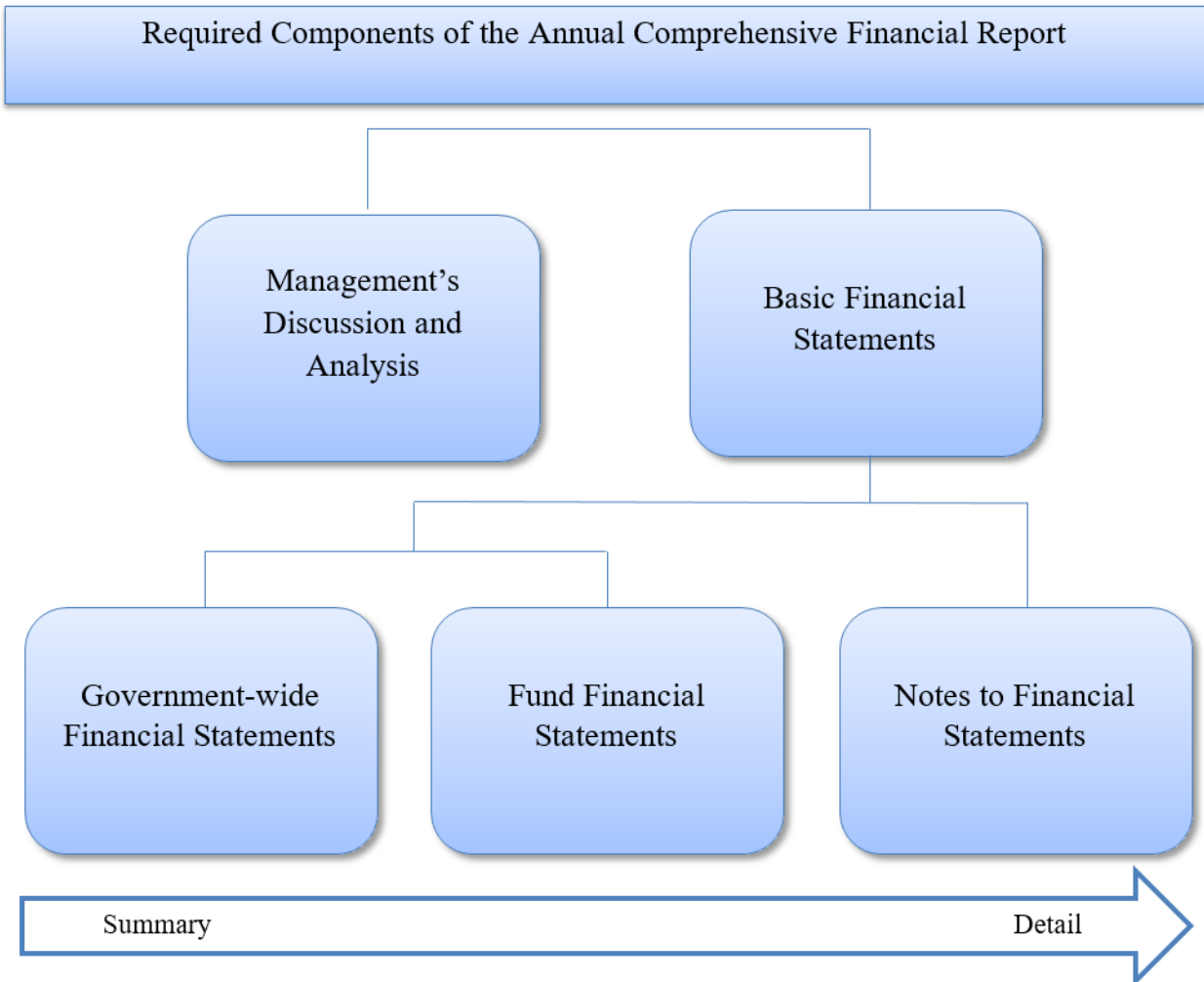
As management of Union County (the "County"), we offer readers of Union County's financial statements narrative overview and analysis of the financial activities of Union County for the fiscal year ended June 30, 2025. We encourage readers to read the information presented here in conjunction with additional 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 \$413,516,257 (*net position*), a decrease of \$7,957,331.
- Union County's governmental activities' total net position reflected a deficit of \$97,525,120. 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 \$265,961,971, a decrease of \$79,799,018 in comparison with the prior year. Approximately 8.8 percent of this amount \$23,397,531 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 \$111,815,442, or approximately 29.4 percent of total general fund expenditures for FY 2025.
- Union County's total outstanding long-term debt decreased by \$59,757,000 or 6.5 percent during the current fiscal year. The key factors in this change in the debt balance were annual debt service payments during FY 2025.
- 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 a 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 *custodial 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 Post-employment 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 62 and 63 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 post-employment 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 17 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 \$413,516,257 as of June 30, 2025. Reflected in the deferred outflows were contributions to the pension plans as well as deferred loss on refundings and deferred unamortized debt defeasances. Deferred Inflows reflected the pension plans, leases, and deferred gain on debt refundings. One of the largest portions, \$413,118,160, reflects the County's net investment in capital assets (e.g. land, buildings, machinery, equipment, vehicles, right to use assets and infrastructure) less any related outstanding debt that was issued to acquire those assets. The increase in capital assets in FY 2025 over FY 2024, is contributed to improvements to Public Safety improvements as well as recognizing right to use subscription assets. Also, contributing is construction on numerous projects and donation of water and sewer lines constructed for new developments. Union County uses 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, \$71,068,744, represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$70,670,647 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, 2025 and 2024						
	Governmental Activities		Business-type Activities		Total	
	2025	2024*	2025	2024	2025	2024
Current and Other Assets (2024 Restated) \$	476,486,233	\$ 570,045,114	\$ 476,486,233	\$ 256,394,044	\$ 952,972,466	\$ 826,439,158
Capital Assets	171,805,218	168,208,539	724,816,721	683,440,584	896,621,939	851,649,123
Total Assets	648,291,451	738,253,653	1,201,302,954	939,834,628	1,849,594,405	1,678,088,281
Total Deferred Outflows of						
Resources	58,344,490	78,269,505	9,402,360	12,579,357	67,746,850	90,848,862
Long-Term Liabilities	515,146,326	546,619,462	451,211,677	462,980,740	966,358,003	1,009,600,202
Other Liabilities	107,509,291	111,566,484	35,320,885	38,433,449	142,830,176	149,999,933
Total Liabilities	622,655,617	658,185,946	486,532,562	501,414,189	1,109,188,179	1,159,600,135
Total Deferred Inflows of						
Resources	181,505,444	171,640,810	4,945,013	2,330,845	186,450,457	173,971,655
Net Position:						
Net investment in capital assets	104,755,339	73,828,805	308,362,821	264,481,592	413,118,160	338,310,397
Restricted (2024 Restated)	70,773,412	246,301,451	295,332	377,778	71,068,744	246,679,229
Unrestricted	(273,053,871)	(333,433,854)	202,383,224	183,809,581	(70,670,647)	(149,624,273)
Total net position (2024 Restated) \$	(97,525,120)	\$ (13,303,598)	\$ 511,041,377	\$ 448,668,951	\$ 413,516,257	\$ 435,365,353

**Restatement to FY2024 for correction of an error, see Note 21A & B

As with many counties in the State of North Carolina, the County's Governmental Activities deficit in unrestricted net position in the amount of \$273,053,871 is due primarily to the portion of the County's outstanding debt incurred for the Union County Board of Education (the "school") and 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.

Though the County has a negative unrestricted net position, the County's finances continue to be strong. The County's property tax collection rate is at 100%. During FY 2025, the County opened a new facility; the Union County Southwest Regional Library, spent down bond funds on several open projects, completed the Yadkin Regional Water Treatment Plant and entered into additional right to use assets for leases and subscriptions. These accomplishments increased the overall value in capital assets by \$44,972,816.

Long term liabilities decreased \$43,242,199 from FY 2024. This reflects the liabilities for the County's outstanding debt, County's pension plans including the Local Government Employees Retirement System with a net liability of \$63,916,763, OPEB with a net liability of \$75,572,778 and a net liability of \$14,792,958 in the Separation Allowance Fund. Other liabilities include accrued landfill post-closure care cost, grant funding due to other governments mainly from unspent American Rescue Plan Act funding. The deferred inflows in FY 2025 increased by \$12,478,802 compared to FY 2024. The majority of this increase reflects pension plans changes in assumptions, pension plan differences between expected and actual experiences.

The County's overall net position decreased \$21,849,096 from the prior fiscal year as restated. Key elements of this decrease are included below:

Union County, North Carolina Changes in Net Position June 30, 2025 and 2024						
	Governmental Activities		Business-type Activities		Total	
	2025	2024*	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for Services	\$ 28,815,184	\$ 27,896,677	\$ 127,361,810	\$ 90,831,816	\$ 156,176,994	\$ 118,728,493
Operating grants and contributions	53,249,279	53,249,499	20,479	(2,080,152)	53,269,758	51,169,347
Capital grants and contributions	2,337,507	729,811	63,866,890	17,297,076	66,204,397	18,026,887
General Revenues:						
Property taxes	265,497,193	251,629,252	-	-	265,497,193	251,629,252
Other taxes	81,738,248	79,550,774	-	-	81,738,248	79,550,774
Grants and contributions not restricted to a specific purpose	493,749	220,156	-	-	493,749	220,156
Other	14,945,635	22,145,721	7,676,699	8,329,941	22,622,334	30,475,662
Total Revenues	447,076,795	435,421,890	198,925,878	114,378,681	646,002,673	549,800,571
Expenses:						
General government	44,067,108	38,567,467	-	-	44,067,108	38,567,467
Public safety	129,619,494	105,841,345	-	-	129,619,494	105,841,345
Economic and physical Environment	11,509,257	6,021,141	-	-	11,509,257	6,021,141
Human Services	80,253,669	62,297,408	-	-	80,253,669	62,297,408
Cultural and recreational	13,928,898	11,313,809	-	-	13,928,898	11,313,809
Education	228,898,675	220,924,425	-	-	228,898,675	220,924,425
Interest and fees on long-term debt	17,468,740	19,262,514	-	-	17,468,740	19,262,514
Water and sewer	-	-	129,239,499	86,797,790	129,239,499	86,797,790
Solid waste	-	-	12,866,429	9,453,996	12,866,429	9,453,996
Total Expenses	525,745,841	464,228,109	142,105,928	96,251,786	667,851,769	560,479,895
Excess (deficiency) of revenues over (under expenditures)	(78,669,046)	(28,806,219)	56,819,950	18,126,895	(21,849,096)	(10,679,324)
Transfers	(5,552,476)	(1,650,000)	5,552,476	1,650,000	-	-
Change in net position	(84,221,522)	(30,456,219)	62,372,426	19,776,895	(21,849,096)	(10,679,324)
Net position as of July 1	(13,303,598)	3,260,856	448,668,951	428,892,056	435,365,353	432,152,912
Restatement		13,891,765				
Net position as of June 30	\$ (97,525,120)	\$ (13,303,598)	\$ 511,041,377	\$ 448,668,951	\$ 413,516,257	\$ 421,473,588

*Restatement to FY2024 for correction of an error, see Note 21A & B

Governmental Activities – During the current fiscal year, net position for governmental activities decreased by \$84,221,522 over restated FY2024, to reach a negative balance of \$97,525,120. This is primarily due to previously mentioned increase in expenses in all functional programs. The most significant factor in the increase in expenses is personnel cost. An additional 34 full-time employees were added in FY 2025, and the County implemented the second phase of its classification and compensation plan to make market adjustments to employees salaries to help recruit highly qualified candidates and retain high-performing employees. In addition to the increase in salaries, the County implemented Governmental Accounting Standards Board (GASB) Statement 101 for Compensated Absences and had an increase in OPEB expenses related to a change to offer insurance to all employees that complete 20 consecutive years of service will be eligible to receive health insurance on the same basis as active employees once retired. Property taxes increased mainly due to new development and increases in values, compared to FY 2024 as the County continues to see significant growth, which offset some of the increase in expenses.

The majority of the County's expenses are related to education, \$228,898,675 (43.5 percent); public safety, \$129,619,494 (24.7 percent); and human services, \$80,253,669 (15.3 percent).

FY 2025 Program Revenues and Expenses - Government Activities								
	General Government	Public Safety	Economic and Physical Development	Human Services	Culture and Recreation	Education	Interest on Long-Term Debt	
Program Revenues	\$ 12,163,675	\$ 14,749,677	\$ 8,350,996	\$ 29,480,035	\$ 1,301,563	\$ 18,356,024	\$ -	
Expenses	\$ 44,067,108	\$ 129,619,494	\$ 11,509,257	\$ 80,253,669	\$ 13,928,898	\$ 228,898,675	\$ 17,468,740	

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 \$62,372,426 to reach an ending balance of \$511,041,377. The FY 2025 budget reflected an increase of water and sewer revenue based on rate increase as well as a growing customer base that contributed to the necessary funding for capital and operations. Solid Waste saw an increase in charges for services over expenses during FY 2025.

The majority of the County’s business-type expenses are related to water and sewer, \$129,239,499 (90.9 percent) and solid waste, \$12,866,429 (9.1 percent). As noted in the governmental funds, increases in personnel and personnel costs were also significant in the business-type activities.

FY 2025 Program Revenues and Expenses - Business-type Activities			
	Water and Sewer		Solid Waste
Program Revenues	\$	177,161,296	\$ 14,087,883
Expenses	\$	129,239,499	\$ 12,866,429

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, 2025, Union County’s governmental funds reported combined fund balances of \$265,961,971, a decrease of \$79,799,018 in comparison with the prior year as restated. Approximately 8.8 percent of this amount \$23,397,531 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 \$11,260 2) restricted to specific purposes as imposed by law \$112,014,003 3) committed amounts that can be used only for the

specific purposes determined by a formal action of the Board of County Commissioners \$76,746,600, or 4) assigned and intended to be used for specific purposes \$53,792,577.

Governmental Funds Components of Fund Balance for the Fiscal Year Ended June 30, 2025 and 2024		
	2025	2024*
Nonspendable	\$ 11,260	\$ 70,090
Restricted (2024 Restated)	112,014,003	184,813,646
Committed	76,746,600	71,513,449
Assigned	53,792,577	73,961,288
Unassigned - other	23,397,531	15,402,516

*Restatement to FY2024 for correction of an error, see Note 21A & B

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 \$22,551,919, while total fund balance decreased by \$1,916,236, from \$151,997,735 to \$150,081,499. 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, 2025 the County has a fund balance (based on committed, assigned, and unassigned) of 29.4 percent of general fund expenditures, while total fund balances represent 39.5 percent of that same amount.

General Fund Components of Fund Balance for the Fiscal Year Ended June 30, 2025 and 2024		
	2025	2024
Nonspendable	\$ 11,260	\$ 70,090
Restricted	38,254,797	37,155,303
Committed	76,746,600	71,513,449
Assigned	12,516,923	25,177,750
Unassigned - other	22,551,919	18,081,143

During fiscal year 2025, Union County appropriated unassigned fund balance for one-time expenditures and an overall increase in expenditures as noted earlier. Local Option Sales Tax collections increased slightly over prior year. Ad Valorem collections were higher than estimated.

The General Special Revenue Fund saw an increase of \$208,992 in the overall fund balance in FY 2025. The majority of this increase is related to an increase in grant funding.

The fund balance of the General Capital Project Fund, a major fund, had a net decrease of \$79,857,684 to \$103,560,268. There were \$108,628,268 of capital and related expenditures during the current fiscal year. There were \$23,023,499 in transfers from other governmental funds.

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 \$193,110,402; an increase of \$16,355,838. The overall net position of the Water and Sewer Fund increased by \$60,337,670 to \$495,136,046. A portion of the net position, net investment in capital assets increased by \$44,064,278 to \$301,730,312.

Unrestricted net position of the Solid Waste Fund at the end of the year was \$9,674,672; an increase of \$2,572,022. The increase in the unrestricted net position is related to an increase in revenue collections.

General Fund Budgetary Highlights

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

The General Fund final budget for expenditures increased \$14,102,904 primarily due to increases in public safety ,program expenses for salaries as well as transfers to other funds for capital outlay. The General Fund final budget for revenue increased by \$2,177,668, primarily due to an expected increase in grant revenue.

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

FY 2025 General Fund Revenue Compared to Estimates			
	Estimated	Actual	Differences
Ad valorem taxes	\$ 240,778,067	\$ 247,329,501	\$ 6,551,434
Local option sales tax	72,833,751	73,187,411	353,660
Other taxes and license	4,525,000	4,034,104	(490,896)
Intergovernmental	50,127,803	45,935,639	(4,192,164)
Permits and fees	5,057,724	7,014,645	1,956,921
Sales and services	7,255,745	8,665,436	1,409,691
Investment earnings	3,635,000	9,659,207	6,024,207
Miscellaneous	8,142,060	9,659,151	1,517,091

Ad valorem taxes collected over the estimated budget amount were due to discoveries and conservative budgeting during FY 2025. The trends in local option sales tax collected increased slightly compared to prior year trends. It is anticipated that local option sales tax trends will continue to see minimal growth across the State of North Carolina, intergovernmental revenues were collected at less than estimated revenues due to unspent grant funding programs mainly within health and human services, investment earnings were higher than expected as rates remained mostly unchanged.

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, 2025, amounts to \$896,621,939 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, right to use leased assets, right to use subscription assets and water and wastewater infrastructure. The total increase in capital assets for the current fiscal year was approximately 5.3 percent.

Union County, North Carolina Capital Assets (net of depreciation)							
	Governmental Activities		Business-type Activities		Total		
	2025	2024	2025	2024	2025	2024	
Land	\$ 23,634,785	\$ 21,424,623	\$ 9,850,609	\$ 8,895,834	\$ 33,485,394	\$ 30,320,457	
Buildings	116,966,316	120,583,641	9,396,449	9,690,230	126,362,765	130,273,871	
Improvements	3,586,635	2,833,954	604,226,112	586,984,459	607,812,747	589,818,413	
Machinery and equipment	16,248,456	13,761,253	5,823,991	5,943,321	22,072,447	19,704,574	
Construction in progress	5,855,132	3,641,316	93,900,217	71,049,416	99,755,349	74,690,732	
Right to use leases	1,203,733	1,447,729	46,219	66,364	1,249,952	1,514,093	
Right to use subscriptions	4,310,161	4,516,023.00	1,573,124	810,960	5,883,285	5,326,983.00	
Total Capital Assets	\$ 171,805,218	\$ 168,208,539	\$ 724,816,721	\$ 683,440,584	\$ 896,621,939	\$ 851,649,123	

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
- Finalized construction of Southwest Union Library
- Continuation of engineering, design and construction of 762 Zone Elevated Storage Tank
- Continuation of 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 construction of Yadkin River Water Supply water system improvements

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

Long-Term Financing – At the end of the current fiscal year, the County had total long-term financing liabilities of \$827,565,000. Of this amount, \$385,927,000 is debt backed by the full faith and credit of the government. The remainder of Union County's long-term obligations is comprised of certificates of participation, installment financing, limited obligation bonds, revenue bonds, right-to-use leases, and subscription based information technology agreements.

Union County, North Carolina Long-term Financings							
	Governmental Activities		Business-type Activities		Total		
	2025	2024	2025	2024	2025	2024	
General Obligation Bonds	\$ 389,444,622	\$ 426,999,703	\$ -	\$ -	\$ 389,444,622	\$ 426,999,703	
Certificates of participation	22,406,532	27,745,384	-	-	22,406,532	27,745,384	
Installment financing	4,104,000	4,478,000	-	-	4,104,000	4,478,000	
Revenue Bonds	-	-	437,419,593	451,070,387	437,419,593	451,070,387	
Lease Liabilities	\$ 1,230,528	\$ 1,467,978	\$ 46,970	\$ 67,365	1,277,498	1,535,343	
Subscription Liabilities	\$ 3,982,008	\$ 4,299,293	\$ 1,361,473	\$ 687,868	5,343,481	4,987,161	
Total	\$ 415,955,154	\$ 459,223,087	\$ 437,419,593	\$ 451,070,387	\$ 853,374,747	\$ 910,293,474	

Union County's total outstanding principal financing debt decreased by \$56,918,727 during the past fiscal year. The change is due to annual debt service payments.

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 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 \$2,895,057,320.

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 2026 budget and rates:
- North Carolina's statewide unemployment rate (not seasonally adjusted) was 4.0 percent in June 2025, increasing slightly from the June 2024 revised rate of 3.9 percent.
- The North Carolina unemployment rate has been stable during the first half of 2025 at 4.0 percent. Projections are mixed for the remainder of 2025 with some sources predicting a potential increase of about a 0.50 percent, by December 2025
- North Carolina real GDP is forecast to increase by 2.1 percent over the 2025 level. This would be the sixth consecutive year of GDP growth. All fifteen of the state's economic sectors are expected to experience output increases in 2026. The sectors with the strongest expected growth rates are information with a projected increase of 3.9 percent, followed by agriculture with an increase of 3.8 percent, mining with an increase of 3.5 percent and construction with an increase of 2.6 percent.

- North Carolina establishments are forecasted to add 80,850 new jobs during the 2026 year. a net increase of 1.6 percent.
- During fiscal year 2025 there were 390 commercial, and 4,228 residential construction permits issued county-wide, compared to fiscal year 2023 of 375 commercial and 4,037 residential permits: showing an increase in the residential number of permits. It is anticipated that the number of residential permits for 2026 would remain relatively flat with current housing market trends.

Budget Highlights for the Fiscal Year Ending June 30, 2026

Countywide, for FY 2026, estimated revenues and expenditures, including debt service expenditures, are anticipated to increase by 7.3 percent, or about \$42.2 million, going from \$578.1 million to \$620.3 million.

Governmental Activities – Ad Valorem Taxes and Local Option Sales Tax provide the largest portion of funding for Union County. Ad Valorem Taxes are estimated to generate \$264.7 million in FY 2026 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 2.4 percent over the FY 2025 amount of \$244.1 million. The tax rate for FY 2026 was set to 43.42 cents. This year was a revaluation year for the County, and the 43.42 rate represents 1.82 cents over the revenue neutral tax rate. Local sales tax is estimated to increase from the 2025 budget by \$3.6 million in FY 2025, an increase of 5 percent.

The Adopted FY 2026 General Fund Budget, as mentioned earlier, includes an increase over prior year's budget for operations and enhancements including increasing staff, establishing a Deputy Sheriff Cadet training program, second phase of class and compensation adjustments, implementing an unmanned aerial vehicle (drone) program and establishing a joint swift water emergency management response program with the City of Monroe. The Education Budgetary Operating Fund will see an increase of more than \$10 million. This increase in total expense is mainly due to increased funding to Union County Public School that will fund increases to insurance and utility costs, salary and benefit increases, required increase for charter school payments, and year one of a five-year phased plan to have a School Nurse at every school. The Economic Development fund increases are attributable to hiring two additional staff members for the County to have its own Economic Development department.

Business-type Activities – Enterprise charges provide most revenue sources for business type activities. Enterprise charges for water and wastewater are expected to increase by \$8.0 million in FY 2026 or 9% as a result of rate increases. Expenditures for water and wastewater are budgeted to increase by approximately. 9.4% mainly as a result of additional personnel, class and compensation adjustments. The FY 2026 budget for Solid Waste reflects an 11.3 percent increase over the FY 2025 adopted budget. This rise in expenditures is balanced by anticipated increases in fee revenue for FY 2026 The budget includes several fee adjustments designed to keep up with inflation, establish a more resilient revenue structure, support capital improvement, and build an operating reserve equivalent to 180 days of expenses.

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

Request for Information

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

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

Basic Financial Statements



Statement of Net Position

June 30, 2025

	Governmental Activities	Business Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 169,508,766	\$ 172,071,364	\$ 341,580,130
Property taxes receivable (net)	734,926	-	734,926
Accounts receivable (net)	18,247,835	15,214,220	33,462,055
Due from other governments	31,462,307	15,045,659	46,507,966
Current portion of lease receivable	2,357,103	-	2,357,103
Accrued interest receivable on leases	1,932,753	-	1,932,753
Inventories	-	1,297,174	1,297,174
Internal balances	401,850	(401,850)	-
Prepaid Items	11,260	-	11,260
Cash and investments, restricted	18,802,079	295,332	19,097,411
Cash and investments, restricted-deposits	588,687	1,842,384	2,431,071
Total current assets	244,047,566	205,364,283	449,411,849
Noncurrent assets:			
Cash and investments	25,889,566	18,200,552	44,090,118
Cash and Investments, restricted	58,906,001	-	58,906,001
Noncurrent portion of lease receivable	147,294,725	-	147,294,725
Net pension asset, ROD	348,375	-	348,375
Investment in joint venture	-	44,735,036	44,735,036
Capital assets:			
Land and other assets not being depreciated	29,489,917	103,750,826	133,240,743
Other capital and right-to-use assets	142,315,301	621,065,895	763,381,196
Total noncurrent assets	404,243,885	787,752,309	1,191,996,194
Total assets	648,291,451	993,116,592	1,641,408,043
DEFERRED OUTFLOWS OF RESOURCES			
	58,344,490	9,402,360	67,746,850
Total assets and deferred outflows of resources	706,635,941	1,002,518,952	1,709,154,893
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	32,776,117	17,428,568	50,204,685
Unearned revenue	18,856,028	-	18,856,028
Liabilities payable by restricted assets	588,687	1,842,384	2,431,071
Workers' compensation claims	237,899	-	237,899
Health care benefits	2,703,312	-	2,703,312
Property and casualty claims payable	497,846	-	497,846
Current portion of compensated absences	7,897,943	1,210,971	9,108,914
Current portion of long-term obligations	43,951,459	14,838,962	58,790,421
Total current liabilities	107,509,291	35,320,885	142,830,176
Noncurrent liabilities:			
Accrued landfill postclosure care costs	-	5,509,035	5,509,035
Noncurrent portion of compensated absences	4,607,355	753,809	5,361,164
Net OPEB liability	64,542,173	11,030,605	75,572,778
Net pension liability, LGERS	54,914,166	9,002,597	63,916,763
Net pension liability, separation allowance	13,866,401	926,557	14,792,958
Noncurrent portion of long-term obligations	377,216,231	423,989,074	801,205,305
Total noncurrent liabilities	515,146,326	451,211,677	966,358,003
Total liabilities	622,655,617	486,532,562	1,109,188,179
DEFERRED INFLOWS OF RESOURCES			
	181,505,444	4,945,013	186,450,457
Total liabilities and deferred inflows of resources	804,161,061	491,477,575	1,295,638,636
NET POSITION			
Net investment in capital assets	104,755,339	308,362,821	413,118,160
Restricted for:			
Stabilization by State statute	36,874,911	-	36,874,911
General government	728,364	-	728,364
Public safety	2,798,407	-	2,798,407
Economic and physical development	336,013	-	336,013
Human services	8,998,997	-	8,998,997
Cultural and recreational	22,006	-	22,006
Education	20,666,339	-	20,666,339
Debt service	-	295,332	295,332
Pension benefits	348,375	-	348,375
Unrestricted	(273,053,871)	202,383,224	(70,670,647)
Total net position	\$ (97,525,120)	\$ 511,041,377	\$ 413,516,257

Statement of Activities

For the Year Ended June 30, 2025

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		
					Governmental Activities	Business-type Activities	Total
Primary government:							
General government	\$ 44,067,108	\$ 10,161,321	\$ 2,002,354	\$ -	\$ (31,903,433)	\$ -	\$ (31,903,433)
Public safety	129,619,494	8,258,639	6,491,038	-	(114,869,817)	-	(114,869,817)
Economic and physical development	11,509,257	573,386	6,787,263	990,347	(3,158,261)	-	(3,158,261)
Human services	80,253,669	7,271,008	21,436,327	772,700	(50,773,634)	-	(50,773,634)
Cultural and recreational	13,928,898	1,022,821	278,742	-	(12,627,335)	-	(12,627,335)
Education	228,898,675	1,528,009	16,253,555	574,460	(210,542,651)	-	(210,542,651)
Interest on long term debt	17,468,740	-	-	-	(17,468,740)	-	(17,468,740)
Total governmental activities	525,745,841	28,815,184	53,249,279	2,337,507	(441,343,871)	-	(441,343,871)
Business-type activities:							
Water and sewer	129,239,499	113,294,406	-	63,866,890	-	47,921,797	47,921,797
Solid waste	12,866,429	14,067,404	20,479	-	-	1,221,454	1,221,454
Total business-type activities	142,105,928	127,361,810	20,479	63,866,890	-	49,143,251	49,143,251
Total primary government	\$ 667,851,769	\$ 156,176,994	\$ 53,269,758	\$ 66,204,397	(441,343,871)	49,143,251	(392,200,620)
General revenues:							
Property taxes levied for general purposes					265,497,193	-	265,497,193
Local option sales tax					77,704,144	-	77,704,144
Other taxes and licenses					4,034,104	-	4,034,104
Grants and contributions not restricted to specific programs					493,749	-	493,749
Investment earnings, unrestricted					14,530,230	7,565,190	22,095,420
Gains on sales and disposals of capital assets					415,405	111,509	526,914
Transfers					(5,552,476)	5,552,476	-
Total general revenues					357,122,349	13,229,175	370,351,524
Change in net position					(84,221,522)	62,372,426	(21,849,096)
Net position - beginning					(27,195,363)	448,668,951	421,473,588
Adjustment to net position					13,891,765	-	13,891,765
Net position - beginning, as restated					(13,303,598)	448,668,951	435,365,353
Net position - ending					\$ (97,525,120)	\$ 511,041,377	\$ 413,516,257

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

Balance Sheet**Governmental Funds**

June 30, 2025

	Major			Nonmajor	
	General Fund	General Capital Project Fund	General Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 126,445,418	\$ 58,016,597	\$ 1,706,798	\$ 3,886,688	\$ 190,055,501
Property taxes receivable, net	686,990	-	-	47,936	734,926
Accounts receivable, net	32,273,087	1,935,010	533,372	13,596,703	48,338,172
Lease receivable	149,651,828	-	-	-	149,651,828
Accrued interest receivable on leases	1,932,753	-	-	-	1,932,753
Prepaid Item	11,260	-	-	-	11,260
Advances to other funds	100,820	-	-	-	100,820
Cash and investments, restricted	218,985	58,687,016	15,134,924	3,667,155	77,708,080
Cash and investments, restricted-deposits	588,687	-	-	-	588,687
Total assets	311,909,828	118,638,623	17,375,094	21,198,482	469,122,027
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	10,180,818	10,682,202	266,451	189,919	21,319,390
Unearned revenue	-	4,396,153	14,459,875	-	18,856,028
Deposits	588,687	-	-	-	588,687
Advances from other funds	-	-	-	100,820	100,820
Total liabilities	10,769,505	15,078,355	14,726,326	290,739	40,864,925
DEFERRED INFLOWS OF RESOURCES					
	151,058,824	-	-	11,236,307	162,295,131
Total liabilities and deferred inflows of resources	161,828,329	15,078,355	14,726,326	11,527,046	203,160,056
FUND BALANCES					
Nonspendable	11,260	-	-	-	11,260
Restricted	38,254,797	61,753,058	2,695,715	9,310,433	112,014,003
Committed	76,746,600	-	-	-	76,746,600
Assigned	12,516,923	40,914,651	-	361,003	53,792,577
Unassigned	22,551,919	892,559	(46,947)	-	23,397,531
Total fund balances	150,081,499	103,560,268	2,648,768	9,671,436	265,961,971
Total liabilities, deferred inflows of resources and fund balances	\$ 311,909,828	\$ 118,638,623	\$ 17,375,094	\$ 21,198,482	\$ 469,122,027

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, 2025

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

Ending fund balance - governmental funds	\$ 265,961,971
Capital assets in governmental activities are not financial resources and, therefore, are not reported in the funds.	171,805,218
Other long-term assets, related to the net pension asset, are not current financial resources and therefore are deferred in the funds.	348,375
Other long-term assets, \$11,186,982 of opioid settlement receivables and \$488,801 related to property taxes receivable that are not current financial resources and therefore are deferred in the funds.	11,675,783
Deferred gains on advance refunding, deferred inflows.	(3,845,334)
Deferred loss on advance refunding, deferred outflows.	11,102,142
Deferred accrued interest on lease receivables are not current financial resources and therefore are deferred in the funds.	1,932,753
Contributions to pension plans in the current fiscal year are deferred outflows of resources.	12,882,703
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.	79,787
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.	1,836,268
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.	1,013,429
Internal balance due from Business-Type Activities to Governmental Activities.	401,850
OPEB related deferrals.	(12,295,542)
Pension related deferrals.	17,681,671
Long-term liabilities that are not due in the current period and therefore are not reported in the funds:	
Compensated absences	(12,505,298)
Net other postemployment benefits	(64,542,173)
Net pension liability for LGERS	(54,914,166)
Net pension liability for separation allowance	(13,866,401)
Leases payable and accrued interest	(1,231,634)
Subscription based agreements payable and accrued interest	(4,065,555)
Arbitrage rebate liability payable	(6,348,569)
Bonds and installment financing payable and accrued interest	(420,632,398)
Net position of governmental activities	<u>\$ (97,525,120)</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, 2025

	Major			Nonmajor	Total
	General Fund	General Capital Project Fund	General Special Revenue Fund	Other Governmental Funds	Governmental Funds
REVENUES					
Ad valorem taxes	\$ 247,329,501	\$ -	\$ -	\$ 18,150,861	\$ 265,480,362
Local option sales tax	73,187,411	-	-	4,516,733	77,704,144
Other taxes and licenses	4,034,104	-	-	-	4,034,104
Intergovernmental	45,935,639	1,178,307	9,379,529	107,215	56,600,690
Permits and fees	7,014,645	-	-	123,504	7,138,149
Sales and services	8,665,436	-	42,000	-	8,707,436
Investment earnings	9,659,207	3,619,235	968,263	101,061	14,347,766
Miscellaneous	9,659,151	949,543	2,669	3,760,725	14,372,088
Total revenues	405,485,094	5,747,085	10,392,461	26,760,099	448,384,739
EXPENDITURES					
Current:					
General government	34,548,647	290	581,483	36,750	35,167,170
Public safety	74,687,310	-	517,981	29,582,228	104,787,519
Economic and physical development	7,709,718	-	1,594,744	-	9,304,462
Human services	60,114,628	-	862,398	1,395,820	62,372,846
Cultural and recreational	10,228,246	-	-	-	10,228,246
Education	134,685,111	-	-	964,966	135,650,077
Capital outlay:					
General government	-	2,932,086	-	-	2,932,086
Public safety	-	7,076,650	-	-	7,076,650
Economic and physical development	-	1,229,502	-	-	1,229,502
Cultural and recreational	-	1,704,630	-	-	1,704,630
Education	-	95,643,190	-	-	95,643,190
Debt service:					
Principal bond retirement	39,799,000	-	-	-	39,799,000
Principal - leases	495,664	38,074	-	224	533,962
Principal - subscriptions	1,649,458	-	59,056	-	1,708,514
Interest on long term debt	16,056,549	-	-	-	16,056,549
Interest - leases	10,616	3,846	-	-	14,462
Interest - subscriptions	103,588	-	6,569	-	110,157
Total expenditures	380,088,535	108,628,268	3,622,231	31,979,988	524,319,022
Excess (deficiency) of revenues over (under) expenditures	25,396,559	(102,881,183)	6,770,230	(5,219,889)	(75,934,283)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	1,936,821	23,123,499	128,060	7,135,798	32,324,178
Transfers to other funds	(30,937,357)	(100,000)	(6,689,298)	(149,999)	(37,876,654)
Issuance of lease liability	296,512	-	-	-	296,512
Issuance of subscription liability	1,391,229	-	-	-	1,391,229
Total other financing sources (uses)	(27,312,795)	23,023,499	(6,561,238)	6,985,799	(3,864,735)
Net change in fund balances	(1,916,236)	(79,857,684)	208,992	1,765,910	(79,799,018)
FUND BALANCES					
Beginning	151,997,735	183,417,952	2,439,776	6,781,673	344,637,136
Adjustment to Fund Balance	-	-	-	1,123,853	1,123,853
Beginning of Year Restated	151,997,735	183,417,952	2,439,776	7,905,526	345,760,989
Ending	\$ 150,081,499	\$ 103,560,268	\$ 2,648,768	\$ 9,671,436	\$ 265,961,971

**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, 2025

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

Net change in fund balances - total governmental funds	\$ (79,799,018)
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.	3,596,679
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	16,831
Opioid settlement revenues	(1,580,930)
Government funds report accrued interest receivable on lease as a deferred inflow. However, in the Statement of Activities these transaction are eliminated and reflection as an increase in revenue.	(29,675)
Revenues in the statement of activities from internal service funds' investment earnings.	285,830
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.	42,689,341
Contributions to the pension plans in the current fiscal year are not included on the statement of activities.	12,882,703
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.	(58,664,549)
Accrued interest payable related to lease agreements	(174)
Accrued interest payable related to subscriptions agreements	5,509
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.	(4,163,471)
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.	461,000
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.	78,402
Change in net position of governmental activities	<u>\$ (84,221,522)</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, 2025

	Original Budget	Final Budget	Actual	Variance With Final Positive Negative)
REVENUES				
Ad valorem taxes	\$ 240,778,067	\$ 240,778,067	\$ 247,329,501	\$ 6,551,434
Local option sales tax	72,833,751	72,833,751	73,187,411	353,660
Other taxes and licenses	4,525,000	4,525,000	4,034,104	(490,896)
Intergovernmental	48,640,437	50,127,803	45,935,639	(4,192,164)
Permits and fees	5,057,724	5,057,724	7,014,645	1,956,921
Sales and services	6,702,120	7,255,745	8,665,436	1,409,691
Investment earnings	3,635,000	3,635,000	9,659,207	6,024,207
Miscellaneous	8,005,383	8,142,060	9,659,151	1,517,091
Total revenues	<u>390,177,482</u>	<u>392,355,150</u>	<u>405,485,094</u>	<u>13,129,944</u>
EXPENDITURES				
Current:				
General government	44,825,584	39,165,334	34,548,647	4,616,687
Public safety	69,972,469	76,929,411	74,687,310	2,242,101
Economic and physical development	5,150,866	10,083,134	7,709,718	2,373,416
Human services	59,422,120	64,766,065	60,114,628	4,651,437
Cultural and recreational	9,500,184	10,230,112	10,228,246	1,866
Education	134,692,346	134,692,346	134,685,111	7,235
Intergovernmental:				
Debt service:				
Principal bond retirement	39,799,000	39,799,000	39,799,000	-
Principal - leases	474,623	502,326	495,664	6,662
Principal - subscriptions	-	1,668,494	1,649,458	19,036
Interest on long term debt	16,056,547	16,056,547	16,056,549	(2)
Interest - leases	10,366	10,648	10,616	32
Interest - subscriptions	-	103,592	103,588	4
Total expenditures	<u>379,904,105</u>	<u>394,007,009</u>	<u>380,088,535</u>	<u>13,918,474</u>
Revenues over (under) expenditures	<u>10,273,377</u>	<u>(1,651,859)</u>	<u>25,396,559</u>	<u>27,048,418</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	150,000	1,936,820	1,936,821	1
Transfers to other funds	(31,418,676)	(30,937,448)	(30,937,357)	91
Issuance of lease liability	-	296,513	296,512	(1)
Issuance of subscription liability	-	1,391,234	1,391,229	(5)
Total other financing sources (uses)	<u>(31,268,656)</u>	<u>(27,312,881)</u>	<u>(27,312,795)</u>	<u>86</u>
Revenues and other financing sources under expenditures and other financing uses	<u>(20,995,279)</u>	<u>(28,964,740)</u>	<u>(1,916,236)</u>	<u>27,048,504</u>
APPROPRIATED FUND BALANCE	<u>20,995,279</u>	<u>28,964,740</u>	<u>-</u>	<u>(28,964,740)</u>
Revenues, other financing sources, and appropriated fund balance over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(1,916,236)</u>	<u>\$ (1,916,236)</u>
FUND BALANCE				
Beginning			151,997,735	
Ending			<u>\$ 150,081,499</u>	

Statement of Net Position**Proprietary Funds**

June 30, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Water and Sewer Fund	Nonmajor Solid Waste Fund	Total	
ASSETS				
Current assets:				
Cash and investments	\$ 156,522,504	\$ 15,548,860	\$ 172,071,364	\$ 5,342,831
Accounts receivable, net	13,926,042	1,288,178	15,214,220	1,371,972
Due from other governments	15,045,659	-	15,045,659	-
Inventories	1,297,174	-	1,297,174	-
Cash and investments, restricted	295,332	-	295,332	-
Cash and investments, restricted-deposits	1,812,384	30,000	1,842,384	-
Total current assets	188,899,095	16,867,038	205,766,133	6,714,803
Noncurrent assets:				
Cash and investments	16,572,945	1,627,607	18,200,552	-
Investment in joint venture	44,735,036	-	44,735,036	-
Capital assets:				
Land and other assets not being depreciated	99,748,128	4,002,698	103,750,826	-
Buildings, equipment, infrastructure, and right to use assets, net	618,433,922	2,631,973	621,065,895	-
Total noncurrent assets	779,490,031	8,262,278	787,752,309	-
Total assets	968,389,126	25,129,316	993,518,442	6,714,803
DEFERRED OUTFLOWS OF RESOURCES				
Total assets and deferred outflows of resources	8,558,112	844,248	9,402,360	34,455
	976,947,238	25,973,564	1,002,920,802	6,749,258
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	16,549,906	844,447	17,394,353	346,261
Accrued interest payable	34,214	1	34,215	-
Current portion of compensated absences	1,071,812	139,159	1,210,971	1,642
Current portion of long-term obligations	14,838,912	50	14,838,962	-
Deposits	1,812,384	30,000	1,842,384	-
Workers' compensation claims payable	-	-	-	237,899
Health care benefits payable	-	-	-	2,703,312
Property and casualty claims payable	-	-	-	497,846
Total current liabilities	34,307,228	1,013,657	35,320,885	3,786,960
Noncurrent liabilities:				
Accrued landfill postclosure care costs	-	5,509,035	5,509,035	-
Noncurrent portion of compensated absences	687,078	66,731	753,809	-
Net OPEB liability	9,586,121	1,444,484	11,030,605	65,658
Net pension liability, LGERS	8,012,582	990,015	9,002,597	38,421
Net pension liability, separation allowance	894,607	31,950	926,557	-
Noncurrent portion of long-term obligations	423,986,962	2,112	423,989,074	-
Total noncurrent liabilities	443,167,350	8,044,327	451,211,677	104,079
Total liabilities	477,474,578	9,057,984	486,532,562	3,891,039
DEFERRED INFLOWS OF RESOURCES				
Total liabilities and deferred inflows of resources	4,336,614	608,399	4,945,013	27,342
	481,811,192	9,666,383	491,477,575	3,918,381
NET POSITION				
Net investment in capital assets	301,730,312	6,632,509	308,362,821	-
Restricted for debt service	295,332	-	295,332	-
Unrestricted	193,110,402	9,674,672	202,785,074	2,830,877
Total net position	\$ 495,136,046	\$ 16,307,181	511,443,227	\$ 2,830,877
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(401,850)	
Net position of business-type activities			\$ 511,041,377	

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, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Water and Sewer Fund	Nonmajor Solid Waste Fund	Total	
OPERATING REVENUES				
Charges for services	\$ 82,963,181	\$ 13,306,696	\$ 96,269,877	\$ -
Disposal fees	-	695,701	695,701	-
Interfund charges and employee contributions	-	-	-	29,616,319
Miscellaneous revenue	3,746	-	3,746	-
Other operating revenue	1,749,887	65,007	1,814,894	44
Total operating revenues	84,716,814	14,067,404	98,784,218	29,616,363
OPERATING EXPENSES				
Personnel	26,330,173	3,589,321	29,919,494	116,935
Operating expenses	26,207,287	8,439,259	34,646,546	2,829,100
Depreciation and amortization	34,421,295	627,043	35,048,338	-
Landfill closure	-	136,054	136,054	-
Worker's compensation claims	-	-	-	(79,491)
Health benefit claims and premiums	-	-	-	29,004,263
Property and casualty claims and premiums	-	-	-	1,906,886
Total operating expenses	86,958,755	12,791,677	99,750,432	33,777,693
Operating income	(2,241,941)	1,275,727	(966,214)	(4,161,330)
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	6,942,572	622,618	7,565,190	285,831
Intergovernmental	30,451,873	20,479	30,472,352	-
Sale of capital assets	108,311	3,198	111,509	-
Interest on long-term debt	(12,262,190)	-	(12,262,190)	-
Loss on investment in joint venture	(978,448)	-	(978,448)	-
Total nonoperating revenue (expenses)	24,262,118	646,295	24,908,413	285,831
Income (loss) before contributions and transfers	22,020,177	1,922,022	23,942,199	(3,875,499)
Transfers from General Fund	-	650,000	650,000	-
Transfer from special revenue fund	4,902,476	-	4,902,476	-
Capital contributions - cash-other	430,661	-	430,661	-
Capital contributions - system development fees	11,535,872	-	11,535,872	-
Capital contributions - non-cash	21,448,484	-	21,448,484	-
Change in net position	60,337,670	2,572,022	62,909,692	(3,875,499)
NET POSITION				
Beginning	434,798,376	13,735,159	448,533,535	6,706,376
Ending	\$ 495,136,046	\$ 16,307,181	\$ 511,443,227	\$ 2,830,877
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(537,266)	
Change in net position of business-type activities			\$ 62,372,426	

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, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Water and Sewer Fund	Nonmajor Solid Waste Fund	Total	
OPERATING ACTIVITIES				
Cash received from customers for services	\$ 70,015,871	\$ 13,227,013	\$ 83,242,884	\$ 28,250,160
Other operating revenue	32,205,506	760,708	32,966,214	-
Cash paid to employees	(19,683,573)	(2,676,464)	(22,360,037)	(94,109)
Cash paid for goods and services	(30,150,191)	(9,685,282)	(39,835,473)	(33,108,683)
Net cash provided by operating activities	52,387,613	1,625,975	54,013,588	(4,952,632)
NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	4,902,476	650,000	5,552,476	-
Net cash provided (used) by noncapital financing activities	4,902,476	650,000	5,552,476	-
CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of capital assets	115,522	3,198	118,720	-
Proceeds from system development fees	11,535,872	-	11,535,872	-
Proceeds from developer contributions	430,661	-	430,661	-
Proceeds from state grant	-	20,479	20,479	-
Payments on revenue bond debt	(11,970,000)	-	(11,970,000)	-
Interest paid on bonds and other debt	(13,722,050)	-	(13,722,050)	-
Payment of retainage payable	(658,590)	(164,687)	(823,277)	-
Acquisition and construction of capital assets	(51,489,760)	(443,012)	(51,932,772)	-
Net cash used by capital and related financing activities	(65,758,345)	(584,022)	(66,342,367)	-
INVESTING ACTIVITIES				
Investment earnings	6,942,572	622,618	7,565,190	285,831
Net cash provided by investing activities	6,942,572	622,618	7,565,190	285,831
Net change in cash and investments	(1,525,684)	2,314,571	788,887	(4,666,801)
CASH AND INVESTMENTS				
Beginning of year	176,728,849	14,891,896	191,620,745	10,009,632
End of year	\$ 175,203,165	\$ 17,206,467	\$ 192,409,632	\$ 5,342,831
Reconciliation of cash and investments to the Statement of Net Position:				
Cash and investments	\$ 156,522,504	\$ 15,548,860	\$ 172,071,364	\$ 5,342,831
Cash and investments, noncurrent	16,572,945	1,627,607	18,200,552	-
Cash and investments, restricted assets	295,332	-	295,332	-
Cash and investments, restricted assets-deposits	1,812,384	30,000	1,842,384	-
Total Statement of Net Position cash and cash equivalents	\$ 175,203,165	\$ 17,206,467	\$ 192,409,632	\$ 5,342,831
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income	\$ 28,209,932	\$ 1,275,727	\$ 29,485,659	\$ (4,161,330)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	\$ 33,915,354	\$ 626,073	\$ 34,541,427	\$ -
Amortization	505,941	970	506,911	-
Provision for uncollectible accounts	691,371	-	691,371	-
Landfill closure and post closure care costs	-	136,054	136,054	-
<i>Change in assets, deferred outflows, liabilities and deferred inflows:</i>				
Accounts receivable (net)	(13,781,277)	(68,433)	(13,849,710)	(1,366,203)
Accrued interest payable	7,382	-	7,382	-
Inventories	525,686	-	525,686	-
Deferred outflows of resources - LGERS	662,008	72,173	734,181	24,461
Deferred outflows of resources - OPEB	1,830,730	344,609	2,175,339	15,864
Deferred outflows of resources - Sep. Allow.	34,625	11,918	46,543	-
Accounts payable and accrued liabilities	(3,933,438)	(1,170,620)	(5,104,058)	552,288
Deposits	142,596	(11,250)	131,346	-
Net pension liability, LGERS	(67,866)	7,443	(60,423)	(35,340)
Net OPEB liability	1,324,354	53,388	1,377,742	2,000
Net pension liability, separation allowance	(15,325)	(33,045)	(48,370)	-
Compensated absences payable	629,747	68,312	698,059	1,642
Deferred inflows of resources - LGERS	73,599	9,260	82,859	(16)
Deferred inflows of resources - OPEB	2,248,348	309,905	2,558,253	14,002
Deferred inflows of resources - Sep. Allow.	(21,418)	(5,527)	(26,945)	-
Lease liability	(19,413)	(982)	(20,395)	-
Subscription liability	(575,323)	-	(575,323)	-
Total adjustments	24,177,681	350,248	24,527,929	(791,302)
Net cash provided by operating activities	\$ 52,387,613	\$ 1,625,975	\$ 54,013,588	\$ (4,952,632)
Noncash investing, capital, and financing activities:				
Loss on investment in joint venture	\$ 978,448	\$ -	\$ 978,448	\$ -
Capital contributions (non-cash)	\$ 21,448,484	\$ -	\$ 21,448,484	\$ -
Subscription asset acquired under GASB 96	\$ 1,248,928	\$ -	\$ 1,248,928	\$ -
Subscription liability recognized under GASB 96	\$ 1,248,928	\$ -	\$ 1,248,928	\$ -
Retainage payable incurred on capital projects	\$ 1,801,501	\$ -	\$ 1,801,501	\$ -

Statement of Fiduciary Net Position**Fiduciary Funds**

June 30, 2025

	Pension Trust Funds	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 815,736
Investments:		
State Treasurer's Office OPEB Trust	79,244,995	-
Separation Allowance Trust Fund	7,846,161	-
Total assets	<u>87,091,156</u>	<u>815,736</u>
LIABILITIES		
Accounts payable and accrued liabilities	<u>15,121</u>	-
Total liabilities	<u>15,121</u>	-
NET POSITION		
Restricted for:		
State Treasurer's Office OPEB Trust	79,244,995	-
Separation Allowance Trust Fund	7,831,040	-
Individuals, organizations, and other governments	-	815,736
Total net position	<u>\$ 87,076,035</u>	<u>\$ 815,736</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, 2025

	Pension Trust Funds	Custodial Funds
ADDITIONS		
Ad valorem taxes for other governments	\$ -	\$ 31,633,853
Collections on behalf of inmates	-	789,600
Employer contributions	7,468,763	-
Investment income		
Net appreciation in fair value of investments	6,982,086	-
Interest	1,024,612	-
Dividends	3,507	-
Total investment income	8,010,205	-
Investment expense	(7,153)	-
Net investment income	8,003,052	-
Total additions	15,471,815	32,423,453
DEDUCTIONS		
Benefits	6,259,921	-
Due to program participants	-	31,514,514
Payments on behalf of inmates	-	775,778
Total Deductions	6,259,921	32,290,292
Change in net position	9,211,894	133,161
NET POSITION		
Beginning	77,864,141	682,575
Ending	\$ 87,076,035	\$ 815,736

Union County, North Carolina

Notes to the Financial Statements

For the Year Ended June 30, 2025

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 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

The Union County Public Facilities Corporation (the "Corporation") is a component unit of the County and exists to issue or refund certain types of debt. The Corporation is governed by a three-member board, all of whom are appointed by the Union County Board of Commissioners. The Board of Commissioners also retains the authority to remove any member of the Corporation's board, 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 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 has operated the County's Water and Sewer system operations under the name Union County Public Works, setting certain rate and fee schedules, and performing 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). During

the October 17, 2022, Union County Board of Commissioners meeting the Board adopted a resolution to abolish the Union County Water and Sewer District as of July 1, 2023 and was closed off the general ledger in fiscal year 2024. The fiscal year 2025 statements will only show this Budget and Actual statement for comparative information for the year ending June 30, 2024.

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, Education Operating Budgetary Fund, Education 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 and Education 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 and the Union County Water and Sewer 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-seven 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, the Opioid Settlement Fund and the Reappraisal 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, retirees (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 Post-employment 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 post-employment 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 is required by GAAP. 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 Post-employment 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/amortization 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 and IT subscriptions 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.

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, Reappraisal 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 function 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, 2025. 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 Outflows/Inflows of Resources, and Net Position/Fund Balance

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 Post-employment 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).

At June 30, 2025 Union County's Irrevocable OPEB Trust had \$79,244,995 invested in the Ancillary Governmental Participant Investment Program (AGPIP) established by the NC Department of State Treasurer (NCDST), pursuant to G.S. 159-30.1. The AGPIP Program 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 Union County's Irrevocable OPEB Trust was invested as follows: Short Term Investment Fund (STIF) 25%, which is reported as cash and cash equivalents; Bond Index Fund (BIF) 40% and Equity Index Fund (EIF) 35% (the equities were split with 64.67% in domestic securities and 35.33% in international securities).

At June 30, 2025 Union County's Separation Allowance Trust had \$7,846,161 invested in the Ancillary Governmental Participant Investment Program (AGPIP) established by the NC Department of State Treasurer (NCDST), pursuant to G.S. 159-30.1. The AGPIP Program 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 Union County's Separation Allowance Trust was invested as follows: Short Term Investment Fund (STIF) 100%, which is reported as cash and cash equivalents.

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

The North Carolina Local Government Investment Pool (NCLGIP) and 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. TIF 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, 2025 of 2.1 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, 2025 the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.11 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, 2025, the fair value of the funds was \$44.333857 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.

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.

2. 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 and the Opioid Settlement Fund are unexpended funds, which are restricted for the purpose of drug enforcement programs and other multi-year grant programs.

Restricted Cash and Investments

Governmental Activities:

General Capital Project Fund	2019A general obligation bond construction	\$	6,871,700
General Capital Project Fund	2019B general obligation bond construction		208,852
General Capital Project Fund	2019C general obligation bond construction		2,697,162
General Capital Project Fund	2022 general obligation bond construction		8,353,782
General Capital Project Fund	2023 general obligation bond construction		40,774,505
General Special Revenue Fund	American Rescue Plan Act Funding		15,134,924
Opioid Settlement Fund-Other	Opioid Settlement Funds		3,667,155
Governmental Funds			
General Fund	Security Deposits		588,687
			<u>78,296,767</u>

Business-Type Activities:

Water and Sewer Fund	2015 revenue bond debt service reserve		18,118
Water and Sewer Fund	2017 revenue bond debt service reserve		49,056
Water and Sewer Fund	2019A revenue bond debt service reserve		56,364
Water and Sewer Fund	2021 revenue bond debt service reserve		171,794
Water and Sewer Fund	Customer deposits		1,812,384
			<u>2,107,716</u>

Solid Waste Fund	Customer deposits		<u>30,000</u>
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Total Restricted Cash and Investments		\$	<u>80,434,483</u>
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3. 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, 2024.

4. 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.

5. Allowances for Doubtful Accounts

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

6. Inventories and Prepaid Items

The inventories of the County are valued at cost (first-in, first-out), which approximates market. The 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.

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, right to use leases, right to use subscription based information technology, 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 \$10,000 (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 has set a capitalization threshold to recognize the right to use lease and subscriptions assets that have a total asset balance of \$100,000 or more.

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

The right to use assets are initially measured at an amount equal to the initial measurement of the related liability plus any payments made prior to the term, less any incentives, and plus ancillary charges necessary to place the underlying asset into service. The right to use assets are amortized on a straight-line basis over the life of the related arrangement.

7. 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. 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.

8. 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.

9. Compensated Absences

The County recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee) during or upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences - *compensatory time*, *vacation*, and *sick leave*. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because an employee resigns or retires. The liability for compensated absences includes salary-related benefits, where applicable.

Compensatory Time

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. Vacation leave, holiday leave and compensatory time are fully vested when earned.

Vacation

The vacation policy of the County provides for the accumulation of up to thirty (30) days earned vacation leave which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave

The County's sick leave policy provides for an unlimited accumulation of earned but unused sick leave. All sick leave lapses when employees leave the employ of the County and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

10. 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.

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. As of June 30, 2025, funds of \$1,740,004 have been expended. 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.

11. 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, \$13,539,197 for rehiring public sector staff, \$3,602,313 for COVID mitigation, \$17,498,289 in strategic investments in County services, and \$1,950,000 in administration.

12. Net Position / Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through State statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

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

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.* 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. Twenty percent is based on the general fund expenditures excluding debt service payments. This commitment is reaffirmed annually in the County's adopted budget ordinance.

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 Governmental Funds
	General Fund	General Capital Project Fund	General Special Revenue Fund	Other Governmental Funds	
Nonspendable:					
Prepaid items	\$ 11,260	\$ -	\$ -	\$ -	\$ 11,260
Restricted:					
Stabilization by State Statute	35,281,760	-	-	1,593,151	36,874,911
General Government:					
Register of Deeds automation enhancement funds	-	-	-	628,364	628,364
Tax Assessor Reappraisal funds	-	-	-	100,000	100,000
Public Safety:					
Civil Fees agency - pass through	-	-	-	22,133	22,133
Emergency management Catawba Nuclear grant funds	-	-	118,666	-	118,666
Emergency management admin	-	-	10,923	-	10,923
Communications PSAP funds	-	-	-	842,887	842,887
Fire protection	-	-	-	1,018,066	1,018,066
Law enforcement federal forfeited property funds	-	-	520,800	-	520,800
Law enforcement controlled substance tax funds	-	-	219,102	-	219,102
Law enforcement GHSP grant (Indian Trail)	-	-	48,129	-	48,129
Animal control	-	-	7,474	-	7,474
Economic and physical development:					
County-wide economic development grants	-	-	190,716	-	190,716
Cooperative extension service fee based programs' funds	153,636	-	-	-	153,636
Soil and Water conservation grant	-	-	11,792	-	11,792
Human Services:					
American Rescue Plan investment earnings	-	-	1,354,367	-	1,354,367
Child Health	-	-	694	-	694
COVID 19	-	-	89,692	-	89,692
Medicaid cost settlement program funds	2,010,178	-	-	-	2,010,178
Opioid addiction treatment	-	-	-	4,904,769	4,904,769
Social services contribution and donation programs' funds	19,945	-	-	-	19,945
Social services federal adoption assistance grant funds	498,261	-	-	-	498,261
Social services agency - pass through	-	-	-	201,063	201,063
Transportation grant funds for purpose of purchasing vehicle	269,011	-	96,021	-	365,032
Veterans Services	-	-	18,289	-	18,289
Cultural and Recreational:					
ARPA - Library State Grant	-	-	9,050	-	9,050
Library contribution and donation program funds	22,006	-	-	-	22,006
Education:					
School regular capital outlay	-	1,988,459	-	-	1,988,459
School capital acquisition and construction projects	-	59,764,599	-	-	59,764,599
Committed:					
Twenty percent reserve policy - General Fund	76,746,600	-	-	-	76,746,600
Assigned:					
General Government:					
Board of Elections renovations	-	202,378	-	-	202,378
Cloud Migration	-	360,000	-	-	360,000
County facility operating capital	-	928,386	-	-	928,386
County facility repairs	-	1,751,037	-	-	1,751,037
Government Center Building Envelope Repairs	-	912,935	-	-	912,935
Government Center Electrical Infrastructure	-	588,625	-	-	588,625
Government Center Liebert unit replacement	-	18,500	-	-	18,500
Historic courthouse renovations - Phase I	-	140,848	-	-	140,848
Historic courthouse renovations - Phase II	-	1,671,527	-	-	1,671,527
Information technology infrastructure projects	-	119,629	-	-	119,629
Information technology phone system upgrade	-	106,963	-	-	106,963
Judicial center and government center renovations	-	1,560,824	-	-	1,560,824
Judicial Center server room split system	-	66,145	-	-	66,145
Network segmentation	-	192,099	-	-	192,099
Phone system replacement	-	992,099	-	-	992,099
Pictometry Ph 4	-	221,255	-	-	221,255
Radio install shop	-	19,426	-	-	19,426
Security system upgrades	-	372,767	-	-	372,767
Storage area network	-	128	-	-	128
UCPS generator replacement	-	2,255	-	-	2,255
UPS infrastructure upgrades and replacements	-	265,408	-	-	265,408
UC Progress Building	-	23,458	-	-	23,458
Progress building generator install	-	525,000	-	-	525,000
UC Fueling Stations	-	441,291	-	-	441,291
Public Safety:					
Emergency management equipment	-	4,286	-	-	4,286
Emergency Services Complex	-	130,813	-	-	130,813
Emergency shelter electrical	-	175,000	-	-	175,000
Law enforcement animal shelter UPS system replacement	-	30,000	-	-	30,000
Law enforcement crime lab	-	102,292	-	-	102,292
Law enforcement jail expansion phase I	-	1,838,439	-	-	1,838,439
Law enforcement jail block renovations	-	1,930,563	-	-	1,930,563
Law enforcement jail commercial washer & dryer replacement	-	76,057	-	-	76,057
Law enforcement jail domestic water source	-	65,000	-	-	65,000
Law enforcement jail door controls and locks	-	944,487	-	-	944,487
Law enforcement jail generator replacement	-	369,746	-	-	369,746
Law enforcement jail rooftop HVAC replacement	-	519,834	-	-	519,834
Law enforcement sheriff's office R&R	-	920,311	-	-	920,311
Law enforcement sheriff's office renovation and expansion	-	462,134	-	-	462,134
Law enforcement sheriff's operating capital	-	362,022	-	-	362,022
P25 Simulcast TDMA conversion	-	82,756	-	-	82,756
Radio backhaul	-	5,065	-	-	5,065

Radio replacements	-	45,910			45,910
Radio Microwave Replacement		225,656			225,656
Radio towers and microwave replacements	-	1,605,553	-	-	1,605,553
Radio towers HVAC	-	49,200	-	-	49,200
Short-term fire training needs	-	1,418,905	-	-	1,418,905
Union EMS capital projects	-	2,268,222	-	-	2,268,222
Volunteer Fire Department air packs	-	433,117	-	-	433,117
Economic and physical development:					
Ag Center generator	-	330,760	-	-	330,760
EDC BARN project	-	8,054,132	-	-	8,054,132
EDC Industrial Park	-	80,494	-	-	80,494
Planning NCDOT Projects	-	1,196,250	-	-	1,196,250
Education:					
SPCC 2024 IT Infrastructure	-	500,000	-	-	500,000
SPCC Aseptic Training Center	-	1,076,000	-	-	1,076,000
SPCC Book Store/Library Conversion	-	(27,176)	-	-	(27,176)
SPCC Braswell Building HVAC	-	123,731	-	-	123,731
SPCC camera system	-	21,365	-	-	21,365
SPCC campus improvement Ph 1	-	620,609	-	-	620,609
SPCC parking	-	345,000	-	-	345,000
SPCC parking lot resurfacing	-	467,100	-	-	467,100
SPCC STEM building	-	210,594	-	-	210,594
SPCC Tyson driving pad	-	1,912,730	-	-	1,912,730
SPCC Center For Entrepreneurship	-	(2,228,298)	-	-	(2,228,298)
Cultural and Recreational:					
Libraries Main Library metal architectural panel replacement	-	77,652	-	-	77,652
Libraries Southwest Union Library	-	294,339	-	-	294,339
Parks and recreation Cane Creek Park campstore	-	180,716	-	-	180,716
Parks and Recreation Cane Creek Park renovation	-	24,313	-	-	24,313
Parks and recreation Event Center JHP	-	882,460	-	-	882,460
Parks and Recreation JHP amenities improvements	-	480,500	-	-	480,500
Parks and Rec R&R	-	36,951	-	-	36,951
UC Parks ADA Improvements	-	350,000	-	-	350,000
Jesse Helms Park Lighting	-	(6,794)	-	-	(6,794)
Nondepartmental pay-go-capital funds	-	362,872	-	-	362,872
Subsequent year's expenditures	12,516,923	-		361,003	12,877,926
Unassigned	22,551,919	892,559	(46,947)	-	23,397,531
Total	<u>\$ 150,081,499</u>	<u>\$ 103,560,268</u>	<u>\$ 2,648,768</u>	<u>\$ 9,671,436</u>	<u>\$ 265,961,971</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 expense. 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.

15. Defined Benefit Pension and OPEB Plans

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

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

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

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. Long-term liabilities that are not due and payable in the current period, that do not require current resources to pay and therefore, are not recorded in the funds are a part of this reconciliation. Included in these liabilities are bonds and installment financing principal payments, leases payable, subscription payable and related accrued interest payable.

Description	Amount
Bonds and installment financing principal payments	\$ (415,955,154)
Accrued interest payable - bonds	(4,677,244)
Bond and installment financing payable and accrued interest	<u>\$ (420,632,398)</u>
Leases payable	\$ (1,230,528)
Accrued interest payable - leases	(1,106)
Leases payable and accrued interest	<u>\$ (1,231,634)</u>
Subscription based agreements payable	\$ (3,982,008)
Accrued interest payable - subscriptions	(83,547)
Subscription based agreements payable and accrued interest	<u>\$ (4,065,555)</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 \$4,422,504 as follows:

Description	Amount
Capital outlay and right-to-use assets expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 16,614,321
Depreciation/amortization expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(12,829,541)
Loss on disposal of assets	(188,101)
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:	
Principal payments on debt	39,799,000
Debt issuance premium amortization	3,468,933
Debt issuance deferred inflows of gain amortization	753,756
Issuance of lease liability	(296,512)
Issuance of subscription liability	(1,391,229)
Debt issuance refunding loss	(1,013,397)
Defeasance amortization over remaining life of debt	(873,687)
Lease principal expense	533,962
Subscriptions principal expense	1,708,515
Accrued interest payable related to lease and subscription agreements	5,335
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.	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	474,893
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(4,454,465)
Arbitrage rebate	(1,598,638)
County's portion of collective pension expense	(17,255,500)
County's other post employment benefit expense	(35,830,839)
Contribution to the pension plan in the current fiscal year	12,882,703
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Reversal of deferred tax revenue recorded at 7/1/24	(1,098,604)
Recording of tax receipts deferred in the fund statements as of 6/30/25	707,014
Decrease in accrued taxes receivable for year ended 6/30/25	408,421
Accrued interest receivable on leases	(29,675)
Opioid settlement revenues	(1,580,930)
Internal service funds' net investment earnings	285,830
Health and dental insurance costs, net of investment earnings	(4,163,471)
Workers' compensation costs, net of investment earnings	461,000
Property and casualty costs, net of investment earnings	78,402
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net position-governmental activities	<u>\$ (4,422,504)</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, 2025, the County's deposits had a carrying amount of \$22,307,698 and a bank balance of \$21,595,382. Of the bank balance, \$487,735 was covered by federal depository insurance and \$21,107,647 in interest bearing deposits were covered by collateral held under the Pooling Method. Also, at June 30, 2025, the County had \$11,270 cash on hand.

As of June 30, 2025, 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	\$ 359,399,653	\$ 359,399,653	\$ -	\$ -	\$ -
North Carolina Investment Pool	Fair Value - Level 1	33,241,339	33,241,339	-	-	-
US Treasuries	Fair Value - Level 1	22,687,663	-	-	-	22,687,663
US Government Agencies	Fair Value - Level 1	29,272,843	450,855	7,419,532	14,419,301	6,983,155
Total		<u>\$ 444,601,498</u>	<u>\$ 393,091,847</u>	<u>\$ 7,419,532</u>	<u>\$ 14,419,301</u>	<u>\$ 29,670,818</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 (\$559,318,679) and Custodial Funds (\$815,736).

Also, at June 30, 2025, the Special Separation Allowance Pension Trust Fund deposits had a carrying amount and bank balance of \$7,846,161 as shown on the Statement of Fiduciary Net Position.

Also, at June 30, 2025, the Other Post-employment Retiree Healthcare Benefits (OPEB) Pension Trust Fund deposits had a carrying amount and bank balance of \$79,244,995 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, 2025, the County had no investment in commercial paper. The North Carolina Capital Management Trust (NCCMT) is a SEC registered money market mutual fund that is certified by the Local Government Commission under the provisions of G.S. 159-30(c)8 and the North Carolina Administrative Code, Title 20, Chapter 03, Section .0700. The Government Portfolio is a 2a7 fund that invests in treasuries, government agencies, and repurchase agreements collateralized by treasuries. It is rated AAAM by S&P and AAA-mf by Moody's Investor Services and is reported at fair value. The North Carolina Investment Pool (NCIP or Pool) is a commingled local government investment pool established to invest idle funds in various short-term investments in accordance with NC G.S. 159-30(c)(10). The County's investment in the North Carolina Investment Pool carried a AAAM by Standard & Poor's and AAAMmf by Fitch as of June 30, 2025. As of June 30, 2025, the County's investments in US Treasuries and US Agencies (Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae and Freddie Mac) are rated AA+ by Standard & Poor's, AA+ by Fitch Ratings, and Aa1 by Moody's Investors Service.

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

Concentration of Credit Risk – Cash and Investments. The County has adopted a policy stating that of total cash and investments, the County places a limit of 10 percent on the amount that the County may invest in any one issuer of commercial paper, no more exposure than 25 percent in commercial paper, and no limitations on Federal Agencies. At June 30, 2025, 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, 2025, the County was not holding more than 5% of the County's investments in US Agencies.

At June 30, 2025, the County's Other Post-employment Retiree Healthcare Benefits (OPEB) Pension Trust Fund had \$79,244,995 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 County's OPEB Trust was invested as follows: State Treasurer's Short-Term Investment Fund (STIF) 19.69%; State Treasurer's Bond Index Fund (BIF) 29.52%; State Treasurer's Equity Index Fund (EIF) 50.79%.

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.

Short Term Investment Fund (STIF) investments are measured at fair value by the custodian using Level 2 inputs. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity on June 30, 2025 of 2.1 years.

Bond Index Fund (BIF) does not have a credit rating, was valued at \$1 per unit, and had an average maturity of 8.11 years on June 30, 2025.

The Equity Index Fund (EIF) is a common trust fund considered to be commingled in nature. On June 30, 2025, the net asset value was \$44.333857 per share. Fair value for this fund is determined using Level 1 inputs.

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, 2025, were as follows:

	Accounts	Taxes and Related Accrued Interest	Total
Governmental Activities:			
General	\$ 29,345,859	\$ 2,927,228	\$ 32,273,087
Capital Projects	1,935,010	-	1,935,010
Major Special Revenue	533,372	-	533,372
Non-Major Special Revenue	13,624,613	-	13,624,613
Internal Service	1,365,286	6,686	1,371,972
Total Receivables	46,804,140	2,933,914	49,738,054
Allowance for doubtful accounts	-	(27,912)	(27,912)
Total-governmental activities	\$ 46,804,140	\$ 2,906,002	\$ 49,710,142
Business-type Activities:			
Water and Sewer	\$ 14,864,638	\$ -	\$ 14,864,638
Solid Waste	1,312,369	-	1,312,369
Total Receivables	16,177,007	-	16,177,007
Allowance for doubtful accounts	(962,787)	-	(962,787)
Total-business-type activities	\$ 15,214,220	\$ -	\$ 15,214,220

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
2021	2020	\$ 7,490,120	\$ 430,682	\$ 7,920,802
2022	2021	7,292,237	419,304	7,711,541
2023	2022	7,249,148	416,826	7,665,974
2024	2023	7,105,137	408,545	7,513,682
2025	2024	7,009,502	403,046	7,412,548
		\$ 36,146,144	\$ 2,078,403	\$ 38,224,547

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. This includes lease payments related to the hospital space leased to Atrium Health.

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 recognized on a straight-line basis over the term of the lease.

Fiscal Year	Lease Payment	Interest Income	Lease Revenue
2026	\$ 6,222,610	\$ 3,865,507	\$ 2,357,103
2027	6,284,836	3,804,623	2,480,213
2028	6,284,836	3,740,559	2,544,277
2029	6,284,836	3,674,840	2,609,996
2030	6,284,836	3,607,424	2,677,412
2031-2035	31,675,574	16,953,421	14,722,153
2036-2040	31,992,330	14,934,503	17,057,827
2041-2045	32,312,253	12,597,774	19,714,479
2046-2050	32,635,376	9,899,580	22,735,796
2051-2055	32,961,729	6,790,327	26,171,402
2056-2061	39,962,827	3,381,657	36,581,170
Total	<u>\$ 232,902,043</u>	<u>\$ 83,250,215</u>	<u>\$ 149,651,828</u>

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended June 30, 2025 was as follows:

	Beginning Balances	Additions	Retirements & Adjustments	Transfers	Ending Balances
Governmental activities:					
Capital assets not being depreciated/amortized:					
Land	\$ 21,424,623	\$ 2,210,162	\$ -	\$ -	\$ 23,634,785
Construction in progress	3,641,316	5,798,582	-	(3,584,766)	5,855,132
Total capital assets not being depreciated	25,065,939	8,008,744	-	(3,584,766)	29,489,917
Capital assets being depreciated/amortized:					
Other improvements	8,979,240	1,028,369	-	-	10,007,609
Buildings	181,032,087	827,037	25,875	1,010,796	182,844,045
Furniture and equipment	43,708,373	1,687,333	27,609	2,372,398	47,740,495
Vehicles	20,803,585	3,162,150	964,272	201,572	23,203,035
Computer software	910,583	-	-	-	910,583
Right-to-use lease asset - buildings	1,194,453	296,512	-	-	1,490,965
Right-to-use lease asset - equipment	1,235,767	-	-	-	1,235,767
Right-to-use subscription asset	5,747,739	1,604,176	300,842	-	7,051,073
Total capital assets being depreciated/amortized	263,611,827	8,605,577	1,318,598	3,584,766	274,483,572
Less accumulated depreciation/amortization for:					
Other improvements	6,145,286	275,688	-	-	6,420,974
Buildings	60,448,446	5,455,158	25,875	-	65,877,229
Furniture and equipment	36,996,496	2,344,681	27,610	-	39,313,567
Vehicles	13,744,820	2,565,525	964,273	-	15,346,072
Computer software	919,972	26,046	-	-	946,018
Lease asset - buildings	573,231	286,847	-	-	860,078
Lease asset - equipment	409,260	253,661	-	-	662,921
Subscription asset	1,231,716	1,621,935	112,739	-	2,740,912
Total accumulated depreciation/amortization	120,469,227	12,829,541	1,130,497	-	132,168,271
Total capital assets, net	143,142,600	(4,223,964)	188,101	3,584,766	142,315,301
Governmental activities capital assets, net	\$ 168,208,539	\$ 3,784,780	\$ 188,101	\$ -	\$ 171,805,218

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

General government	\$ 3,632,291
Public safety	6,018,264
Economic and physical development	256,557
Human services	1,649,688
Education	63,462
Cultural and recreational	1,209,279
Total depreciation/amortization expense	\$ 12,829,541

Capital asset activity for the business-type activities for the year ended June 30, 2025, was as follows:

Business-type activities:	Beginning Balances	Additions	Retirements and Adjustments	Transfers	Ending Balances
<u>Water and Sewer</u>					
Capital assets not being depreciated:					
Land	\$ 7,447,944	\$ -	\$ -	\$ -	\$ 7,447,944
Land - easements	1,113,633	954,775	-	-	2,068,408
Construction in progress	67,436,296	51,155,379	62,557	(28,297,342)	90,231,776
Total capital assets not being depreciated	75,997,873	52,110,154	62,557	(28,297,342)	99,748,128
Capital assets being depreciated/amortized:					
Plant and collection systems	359,768,503	10,978,395	184,877	3,530,052	374,092,073
Plant and distribution systems	506,043,538	10,836,681	-	24,767,290	541,647,509
Water rights (intangible asset)	1,902,757	-	-	-	1,902,757
Administration Building	12,416,786	-	-	-	12,416,786
Equipment	5,962,512	339,453	150,493	-	6,151,472
Vehicles	6,784,951	722,497	190,629	-	7,316,819
Computer Software	107,907	-	-	-	107,907
Right-to-use lease asset - equipment	93,423	-	-	-	93,423
Right-to-use subscription asset	1,135,873	1,248,928	-	-	2,384,801
Total capital assets being depreciated/amortized	894,216,250	24,125,954	525,999	28,297,342	946,113,547
Less accumulated depreciation/amortization for:					
Plant and collection systems	175,570,013	13,885,343	-	-	189,455,356
Plant and distribution systems	104,442,932	18,676,563	-	-	123,119,495
Water rights intangible asset	1,534,099	47,569	-	-	1,581,668
Administration Building	2,726,556	293,781	-	-	3,020,337
Equipment	4,181,489	375,400	143,283	-	4,413,606
Vehicles	4,591,871	636,697	190,626	-	5,037,942
Computer Software	190,223	-	-	-	190,223
Right-to-use lease asset - equipment	30,144	19,177	-	-	49,321
Right-to-use subscription asset	324,914	486,763	-	-	811,677
Total accumulated depreciation/amortization	293,592,241	34,421,293	333,909	-	327,679,625
Total capital assets, net	600,624,009	(10,295,339)	192,090	28,297,342	618,433,922
Water and Sewer capital assets, net	676,621,882	41,814,815	254,647	-	718,182,050
<u>Solid Waste</u>					
Capital assets not being depreciated:					
Land	334,257	-	-	-	334,257
Construction in progress	3,613,120	55,321	-	-	3,668,441
Total capital assets no being depreciated	3,947,377	55,321	-	-	4,002,698
Capital assets being depreciated/amortized:					
Other improvements	1,243,334	-	-	-	1,243,334
Plant and collection systems	2,368,199	-	-	-	2,368,199
Equipment	4,643,650	137,528	-	-	4,781,178
Vehicles	1,057,716	250,163	23,931	-	1,283,948
Right-to-use lease asset - equipment	4,725	-	-	-	4,725
Total capital assets being depreciated/amortized	9,317,624	387,691	23,931	-	9,681,384
Less accumulated depreciation/amortization for:					
Other improvements	740,620	54,585	-	-	795,205
Plant and collection systems	2,054,208	21,828	-	-	2,076,036
Equipment	2,982,277	458,243	-	-	3,440,520
Vehicles	667,555	91,417	23,930	-	735,042
Right-to-use lease asset - equipment	1,640	968	-	-	2,608
Total accumulated depreciation/amortization	6,446,300	627,041	23,930	-	7,049,411
Total capital assets, net	2,871,324	(239,350)	1	-	2,631,973
Solid Waste capital assets, net	6,818,701	(184,029)	1	-	6,634,671
Business-type activities capital assets, net	\$ 683,440,583	\$ 41,630,786	\$ 254,648	\$ -	\$ 724,816,721

NOTE 6 - LIABILITIES

Payables at the government-wide level at June 30, 2025 including liabilities payable from restricted assets, were as follows:

Payables:	Governmental Activities	Business Type Activities	Total
Vendors	\$ 16,033,620	\$ 15,443,112	\$ 31,476,732
Salaries and benefits	5,632,031	907,639	6,539,670
Accrued Interest and arbitrage liabilities	11,110,466	1,077,817	12,188,283
Total	<u>\$ 32,776,117</u>	<u>\$ 17,428,568</u>	<u>\$ 50,204,685</u>

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.

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, 2024, was 15.04% of compensation for law enforcement officers and 13.63% 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 \$13,859,434 for the year ended June 30, 2025.

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, 2025, the County reported a liability of \$63,916,763 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 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 the measurement date of June 30, 2024, the County's proportion was 0.948%, which was an decrease of 0.030% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the County recognized a pension expense of \$18,941,545. At June 30, 2025, 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	\$ 11,200,637	\$ 75,309
Net difference between projected and actual earnings on pension plan investments	8,689,446	-
Changes in proportion and differences between County contributions and proportionate share of contributions	156,400	1,189,543
County contributions subsequent to the measurement date	13,859,434	-
Total	<u>\$ 33,905,917</u>	<u>\$ 1,264,852</u>

\$13,859,434 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, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2026	\$	5,823,268
2027		12,165,151
2028		1,775,742
2029		(982,530)
Total	\$	<u>18,781,631</u>

Actuarial Assumptions. The total pension liability in the December 31, 2023 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, 2022 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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0 %	2.4 %
Global Equity	38.0 %	6.9 %
Real Estate	8.0 %	6.0 %
Alternatives	8.0 %	8.6 %
Opportunistic Fixed Income	7.0 %	5.3 %
Inflation Sensitive	6.0 %	4.3 %
Total	<u>100.0 %</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 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 2.76%. 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%, 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%) or 1-percentage-point higher (7.50%) 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)	\$ 113,262,376	\$ 63,916,763	\$ 23,323,210

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, 2025 is as follows:

	Statement of Fiduciary Net Position
ASSETS	
Investments:	
Separation Allowance Trust Fund	\$ 7,831,040
Total Assets	<u>7,831,040</u>
Net Position	
Separation Allowance Trust Fund	\$ 7,831,040
Total Net Position	<u><u>7,831,040</u></u>
	Changes in Net Position
ADDITIONS	
Employer Contributions	\$ 2,981,045
Net investment income	<u>320,784</u>
Total Additions	<u>3,301,829</u>
DEDUCTIONS	
Benefits	\$ 1,772,203
Total Deductions	<u>1,772,203</u>
Change in net position	<u>1,529,626</u>
NET POSITION	
Beginning	<u>6,301,414</u>
Ending	<u>\$ 7,831,040</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, 2023 valuation date, the Separation Allowance's membership consisted of:

	<u>2023</u>
Retirees receiving benefits	83
Active plan members	<u>380</u>
Total	<u><u>463</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 \$2,981,045 or 10.72% 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, 2025 was determined as part of the December 31, 2023 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	4.28%, 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.
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Discount Rate

The discount rate used to measure the total pension liability as of December 31, 2024 (measurement date) was 4.28%. 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, 2024.

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 4.28% annually.

Net Pension Liability

The components of the net pension liability of the County as of June 30, 2025 are as follows:

Total pension liability	\$ 21,460,271
Plan fiduciary assets	6,667,313
Net pension liability	<u>\$ 14,792,958</u>
Plan fiduciary assets as a percentage of total pension liability	31.07%

At June 30, 2025, the County reported a net pension liability of \$14,792,958. The net pension liability was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of December 31, 2024.

For the fiscal year ended June 30, 2025, the County recognized pension expense in the amount of \$2,647,780. As of the December 31, 2024 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	\$ 2,772,991	\$ -
Changes of assumptions and other inputs	390,986	1,850,849
Net difference between projected and actual earnings on plan investments	197,725	-
Employer contributions subsequent to the measurement date	1,011,247	-
Total	<u>\$ 4,372,949</u>	<u>\$ 1,850,849</u>

\$1,011,247 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, 2026. 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
2026	\$ 1,259,834	\$ 824,574	\$ 435,260
2027	972,510	741,540	230,970
2028	769,303	197,375	571,928
2029	360,055	87,360	272,695
2030	-	-	-
Total	<u>\$ 3,361,702</u>	<u>\$ 1,850,849</u>	<u>\$ 1,510,853</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 3.28%	Current Discount Rate 4.28%	1% Increase 5.28%
Net pension liability	\$ 16,458,806	\$ 14,792,958	\$ 13,272,568

Changes in the Net Pension Liability

	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance as of December 31, 2023	\$ 20,295,344	\$ 5,118,983	\$ 15,176,361
Changes for the year:			
Service Cost	643,346	-	643,346
Interest	780,511	-	780,511
Difference between expected and actual experience	1,757,592	-	1,757,592
Changes of assumptions or other inputs	(451,368)	-	(451,368)
Contributions - employer	-	2,896,542	(2,896,542)
Net investment income	-	216,942	(216,942)
Benefits paid	(1,565,154)	(1,565,154)	-
Net changes	<u>1,164,927</u>	<u>1,548,330</u>	<u>(383,403)</u>
Balance as of December 31, 2024	<u>\$ 21,460,271</u>	<u>\$ 6,667,313</u>	<u>\$ 14,792,958</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 4.00% at the December 31, 2023 measurement date to 4.28% at the December 31, 2024 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, 2025 totaled \$7,614,385 consisting of \$2,675,424 in employee contributions and \$4,938,961 in employer contributions.

D. Register of Deeds' Supplemental Pension Fund

Plan Description. The County is a participating employer in the Registers of Deeds' Supplemental Pension Fund (RODSPF), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. Union County also contributes to the 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.

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 \$27,445 for the year ended June 30, 2025.

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

At June 30, 2025, the County reported an asset of \$348,375 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 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, 2024 measurement date, the County's proportion was 3.023%, which was a decrease of 0.073% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the County recognized pension expense of \$73,404. At June 30, 2025, 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	\$ 7,649	\$ 6,228
Net difference between projected and actual earnings on pension plan investments	134,537	-
Changes in proportion and differences between County contributions and proportionate share of contributions	8,518	15,286
County contributions subsequent to the measurement date	27,445	-
Total	<u>\$ 178,149</u>	<u>\$ 21,514</u>

\$27,445 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, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2026	\$ 54,277
2027	62,215
2028	12,214
2029	484
Total	<u>\$ 129,190</u>

Actuarial Assumptions. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	12/31/2023
Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar
Amortization Period	12 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	6.5%
Projected Salary Increases	3.25%-8.25%
Inflation	2.50%
Salary Increases Includes	
Inflation and Productivity Factor	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 white papers, 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 weighing 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 6.5% except for Register of Deeds' Supplemental Pension Fund which was 3% for the December 31, 2023 valuation. 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 6.5 percent (3% for RODSPF), 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 (5.5%; RODSPF 2%) or 1-percentage-point higher (7.5%; RODSPF 4%) 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)	\$ (230,829)	\$ (348,375)	\$ (447,388)

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, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as December 31, 2023. The total pension liability for Special Separation Allowance was measured as of December 31, 2024, with an actuarial valuation date of December 31, 2023.

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	SEPA	Total
Proportionate Share of Net Pension Liability (Asset)	\$ 63,916,763	\$ (348,375)	N/A	\$ 63,568,388
Proportion of the Net Pension Liability (Asset)	0.979	% (3.023)	% N/A	-
Net Pension Liability	-	-	14,792,958	14,792,958
Pension Expense	\$ 18,941,545	\$ 73,404	\$ 2,647,780	21,662,729

At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	ROD	SEPA	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	\$ 11,200,637	\$ 7,649	\$ 2,772,991	\$ 13,981,277
Change of assumptions	8,689,446	-	390,986	9,080,432
Net difference between projected and actual earnings on pension plan investments	-	134,537	197,725	332,262
Changes in proportion and differences between County contributions and proportionate share of contributions	156,400	8,518	-	164,918
County contributions subsequent to the measurement date	13,859,434	27,445	1,011,247	14,898,126
Deferred Inflows of Resources				
Differences between expected and actual experience	\$ 75,309	\$ 6,228	\$ -	\$ 81,537
Changes of assumptions	-	-	1,850,849	1,850,849
Changes in proportion and differences between County contributions and proportionate share of contributions	1,189,543	15,286	-	1,204,829

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 Post-employment 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). Any full-time employee of the County of Union who (1) was employed by Union County before July 1, 2008, (2) retire from service under the provisions of the North Carolina Local Governmental Employees' Retirement System (NCLGERS) or the North Carolina Law Enforcement Officer's Benefit and Retirement Fund (NCLEOBRF), (3) immediately prior to such retirement earns ten (10) consecutive years of credible, continuous service with the County, shall be eligible to continue coverage under the County's Group Health Insurance Program on the same basis as active full-time employees of the County.

Any full-time employee of the County of Union who (1) was employed by Union County on or after July 1, 2008, (2) retire from service under the provisions of the NCLGERS or NCLEOBRF, (3) immediately prior to such retirement earns twenty (20) consecutive years of credible, continuous service with the County, shall be eligible to continue coverage under the County's Group Health Insurance Program on the same basis as active full-time employees of the County. The plan, which has a June 30, 2025 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, 2025.

	Statement of Fiduciary Net Position
ASSETS	
Investments:	
State Treasurer's Office OPEB Trust	\$ 79,244,995
Total assets	<u>79,244,995</u>
NET POSITION	
State Treasurer's Office OPEB Trust	79,244,995
Total net position	<u>\$ 79,244,995</u>
	Changes in Net Position
ADDITIONS	
Employer contributions	\$ 4,487,718
Net investment income	7,682,268
Total additions	<u>12,169,986</u>
DEDUCTIONS	
Benefits	<u>4,487,718</u>
Total deductions	<u>4,487,718</u>
Change in net position	<u>7,682,268</u>
NET POSITION	
Beginning	<u>71,562,727</u>
Ending	<u>\$ 79,244,995</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.

Plan membership. At June 30, 2024 the HCB Plan membership consisted of the following:

	2024
Inactive plan members or beneficiaries currently receiving benefit payments	465
Active plan members	1,313
Total	1,778

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 time frame. 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
Equity Index Fund	25.00%
Bond Index Fund	25.00%
Short Term Investment Fund	25.00%
Other Investments	25.00%
Total	100.00%

Rate of return. For the year ended June 30, 2025, the annual money weighted rate of return on investments, net of investment expense, was 10.74 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, 2025 measurement date is presented in the table below:

Measurement Date of June 30, 2025	
Total OPEB Liability	\$ 154,817,773
Fiduciary Net Position	79,244,995
Net OPEB Liability	\$ 75,572,778
Ratio of Fiduciary Net Position to Total OPEB Liability	51.19%

Actuarial Assumptions. The Total OPEB Liability was determined by an actuarial valuation as of June 30, 2024, 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%
Firefighters	3.25% - 8.15%
Law Enforcement Officers	3.25% - 7.90%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflation	3.50%
Municipal Bond Index Rate	
Prior Measurement Date	3.93%
Measurement Date	5.20%
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	2.85%
Measurement Date	3.50%
Health Care Cost Trends	
Pre-Medicare	7.00% for 2024 decreasing to an ultimate rate of 4.50% by 2034
Medicare	5.125% for 2024 decreasing to an ultimate rate of 4.50% by 2027
Dental	3.50%

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, 2024 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, 2024 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2024 valuation.

Discount Rate. The discount rate used to measure the TOL as of the measurement date was 3.50%. The projection's basis was an actuarial valuation performed as of June 30, 2024. In addition to the actuarial methods and assumptions of the June 30, 2024 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. 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 3.50%, 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 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
Net OPEB Liability	\$ 104,376,423	\$ 75,572,778	\$ 53,019,134

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	\$ 49,193,440	\$ 75,572,778	\$ 110,298,788

Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows or Resources Related to OPEB. At June 30, 2024, the County reported a net OPEB liability of \$65,990,547. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2025, the components of the net OPEB liability of the County, measured as of June 30, 2025, were as follows:

	Total OPEB Liability	Increase/(Decrease) Plan Fiduciary Net Position	Net OPEB Liability
Balance as of June 30, 2024	\$ 137,553,174	\$ 71,562,727	\$ 65,990,447
Changes for the year:			
Services Cost at the end of the year	2,893,350	-	2,893,350
Interest on TOL and Cash Flows	3,856,765	-	3,856,765
Change in benefit terms	40,440,121	-	40,440,121
Difference between expected and actual experience	(13,200,418)	-	(13,200,418)
Changes of assumptions or other inputs	(12,237,501)	-	(12,237,501)
Contributions - employer	-	4,487,718	(4,487,718)
Net investment income	-	7,682,268	(7,682,268)
Benefit payments	(4,487,718)	(4,487,718)	-
Net changes	17,264,599	7,682,268	9,582,331
Balance as of June 30, 2025	<u>\$ 154,817,773</u>	<u>\$ 79,244,995</u>	<u>\$ 75,572,778</u>

For the year ended June 30, 2025, the County recognized OPEB expense of \$46,461,760. At June 30, 2025, 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	\$ 69,788	\$ 11,530,520
Changes of assumptions or other inputs	16,129,499	13,406,317
Net difference between projected and actual earnings on plan investments	-	5,659,367
Total	<u>\$ 16,199,287</u>	<u>\$ 30,596,204</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:	
2026	\$ 4,509,194
2027	(1,556,079)
2028	(5,508,843)
2029	(4,809,865)
2030	(3,681,319)
Thereafter	\$ (3,350,005)
Total	<u>\$ (14,396,917)</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, 2025, the County contributed \$39,455 for employees not engaged in law enforcement and \$27,747 for employees for law enforcement officers for a total of \$67,202.

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 \$5,509,035 reported as landfill closure and post closure care liability at June 30, 2025 represents a cumulative liability based on the estimated post closure maintenance and monitoring costs associated with the construction and demolition cells and closure costs associated with 37.6% of the closed construction and demolition cells. At June 30, 2025, there was an increase of \$136,054 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, 2025. At year-end, the significant contractual commitments include the following:

Project	Spent to Date	Remaining Commitment
General Capital Project Fund		
Planning NC DOT Projects	\$ 87,500	\$ 1,004,500
Water and Sewer Operating Fund		
AMI Services	615,029	1,784,971
Water Capital Projects:		
SCADA Master Plan - Water	1,057,171	3,074,291
Yadkin River Water Supply	21,823,775	4,850,570
Advanced Metering Infrastructure	12,880,877	1,621,364
Shortline Water Extension Fiscal Year 2022	-	3,116,338
Sewer Capital Projects:		
SCADA Master Plan Update - Sewer	1,057,171	3,074,290
Crooked Ck Interceptor Improvment Phase 2	6,261,783	10,591,813
Potter-Pleasant Plains WW Interceptor	-	2,263,280
Grassy Branch WRF Expansion	4,407,667	5,753,599
12 Mile Creek Exp 7.5 - 9 MGD	6,046,523	47,408,287
Total	<u>\$ 54,237,496</u>	<u>\$ 84,543,303</u>

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

B. Other Commitments

The County has an economic development and incentive grants program that is offered to companies meeting certain agreed upon criteria. Amounts to be paid in the future under these agreements are not readily determinable; however, management estimates an amount of up to \$7,315,895 and expects the payments to be made over the next five years.

NOTE 12 - RISK MANAGEMENT

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 \$300,000 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 of \$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 June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2025	Year Ended June 30, 2024
Unpaid Claims beginning of fiscal year	\$ 1,954,336	\$ 1,707,079	\$ 462,283	\$ 484,717	\$ 459,603	\$ 362,260
Incurred claims and premiums	29,753,239	23,979,775	(303,875)	340,836	1,945,129	2,012,059
Claims and premiums paid	(29,004,263)	(23,732,518)	79,491	(363,270)	(1,906,886)	(1,914,716)
Unpaid Claims end of fiscal year	<u>\$ 2,703,312</u>	<u>\$ 1,954,336</u>	<u>\$ 237,899</u>	<u>\$ 462,283</u>	<u>\$ 497,846</u>	<u>\$ 459,603</u>

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 \$1,000,000; 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, 2025, 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 2012 and 2023 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, 2025 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, 2025
<u>1. General Obligation Bonds (GO Bonds)</u>					
2013A Refunding Bonds (School Facility)	March 19, 2013	March 01, 2029	1.50% - 5.00%	\$ 42,890,000	\$ 18,600,000
2015 Refunding Bonds (School Facility)	Dec. 08, 2015	Sept. 01, 2029	2.00% - 5.00%	41,020,000	14,805,000
2017 Schools Facility	Nov. 21, 2017	Sept. 01, 2037	2.00% - 5.00%	50,000,000	32,500,000
2019 Multipurpose Bonds - Series C	Aug 22, 2019	Sept. 01, 2039	2.00% - 5.00%	91,910,000	68,890,000
2019 Refunding Bonds (School Facility) - Series D	Aug 22, 2019	Sept. 01, 2032	2.00% - 5.00%	15,260,000	11,870,000
2022 Multipurpose Bonds	April 22, 2022	March 01, 2042	3.00% - 5.00%	20,590,000	17,500,000
2023 School Bonds	May 16, 2023	Sept. 01, 2043	5.00%	134,405,000	127,680,000
					<u>291,845,000</u>
<u>2. GO Bonds from direct placements</u>					
2004 School Facility - Series A	Dec. 14, 2004	March 01, 2029	2.28%	48,265,000	14,035,462
2004 Law Enf. Facility - Series A	Dec. 14, 2004	March 01, 2029	2.28%	1,735,000	504,538
2007 School Facility - Series A and C	June 10, 2016	March 01, 2031	2.19%	43,040,000	26,850,000
2019 Economic Development Series A	July 23, 2019	March 01, 2039	2.95% - 4.53%	17,555,000	12,384,000
2019 Multipurpose Series B	July 23, 2019	March 01, 2039	2.33% - 4.38%	8,045,000	5,738,000
					<u>59,512,000</u>
<u>3. Installment Financing</u>					
2020 Installment Financing Contract	October 15, 2020	October 15, 2035	1.86%	5,600,000	4,104,000
2023 Limited Obligation Bonds	April 27, 2023	December 01, 2031	5.00%	23,210,000	20,280,000
					<u>24,384,000</u>
<u>4. Revenue Bonds</u>					
2015 Enterprise System	December 9, 2015	June 01, 2040	2.00% - 5.00%	22,955,000	16,990,000
2017 Enterprise System	August 30, 2017	June 01, 2040	3.00% - 5.00%	58,990,000	45,610,000
2019 Enterprise System - Series A	May 30, 2019	June 01, 2044	2.00% - 5.00%	68,430,000	57,810,000
2021 Enterprise System	March 10, 2021	June 01, 2051	1.375% - 5.00%	298,775,000	279,645,000
					<u>400,055,000</u>
Total General Obligation Bonds, GO Bond Notes from direct placement, Installment Financings, Revenue Bonds and Other Long-term Obligation					<u>\$ 775,796,000</u>

2. The preceding long-term obligations are as follows:

	Governmental Activities	Business-type Activities	Total
General Obligation Bonds	\$ 329,932,622	\$ -	\$ 329,932,622
GO Bonds from direct placements	59,512,000	-	59,512,000
Certificates of Participation	22,406,532	-	22,406,532
Installment Financing	4,104,000	-	4,104,000
Revenue Bonds	-	437,419,593	437,419,593
Total	<u>\$ 415,955,154</u>	<u>\$ 437,419,593</u>	<u>\$ 853,374,747</u>

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

	Unamortized Premium
<u>General Obligation Bonds</u>	
2013A School Refunding	\$ (901,190)
2015 School Refunding	(2,294,920)
2017 School Facility	(2,549,377)
2019C Multipurpose Bonds	(9,146,232)
2019D School Refunding	(1,902,376)
2022 Multipurpose Bonds	(1,822,927)
2023 GO Bonds	(19,470,600)
<u>Installment Financing</u>	
2023 Limited Obligation Bonds (Schools)	(2,126,532)
<u>Revenue Bonds</u>	
2015 Enterprise System Revenue Bonds	(1,354,298)
2017 Enterprise System Revenue Bonds	(3,246,976)
2019 Enterprise System Revenue Bonds	(7,598,941)
2021 Enterprise System Revenue Bonds	(25,164,378)
Total	(77,578,747)
Long-term Obligations (per Note 14, A,2)	853,374,747
Future Maturities of Long-term Obligations (per Note 14, B)	<u>\$ 775,796,000</u>

B. Future Maturities of Long-Term Obligations

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

	General Obligation Bonds		General Obligation Bonds from Direct Placement		Total General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
Governmental Activities						
2026	\$ 25,430,000	\$ 11,938,700	\$ 9,665,000	\$ 1,524,747	\$ 35,095,000	\$ 13,463,447
2027	23,765,000	10,819,125	9,385,000	1,301,859	33,150,000	12,120,984
2028	23,415,000	9,662,300	9,105,000	1,085,337	32,520,000	10,747,637
2029	22,480,000	8,683,713	8,769,000	875,180	31,249,000	9,558,893
2030	19,455,000	7,714,150	9,034,000	672,636	28,489,000	8,386,786
2031-2035	79,170,000	27,898,963	8,774,000	1,783,467	87,944,000	29,682,430
2036-2040	69,200,000	13,566,150	4,780,000	497,692	73,980,000	14,063,842
2041-2045	28,930,000	4,453,500	-	-	28,930,000	4,453,500
2046-2050	-	-	-	-	-	-
	<u>\$ 291,845,000</u>	<u>\$ 94,736,601</u>	<u>\$ 59,512,000</u>	<u>\$ 7,740,918</u>	<u>\$ 351,357,000</u>	<u>\$ 102,477,519</u>
	Certificates of Participation and Installment Financing		Total Governmental Activities			
	Principal	Interest	Principal	Interest		
Governmental Activities						
2026	\$ 3,304,000	\$ 1,013,606	\$ 38,399,000	\$ 14,477,053		
2027	3,293,000	860,409	36,443,000	12,981,393		
2028	3,283,000	707,721	35,803,000	11,455,358		
2029	3,268,000	555,659	34,517,000	10,114,552		
2030	3,263,000	404,096	31,752,000	8,790,882		
2031-2035	7,600,000	336,787	95,544,000	30,019,217		
2036-2040	373,000	3,469	74,353,000	14,067,311		
2041-2045	-	-	28,930,000	4,453,500		
2046-2050	-	-	-	-		
	<u>\$ 24,384,000</u>	<u>\$ 3,881,747</u>	<u>\$ 375,741,000</u>	<u>\$ 106,359,266</u>		

	Revenue Bonds		Total Long-term Obligations for Governmental and Business-type Activities	
	Principal	Interest	Principal	Interest
Business Type Activities				
2026	\$ 12,575,000	\$ 13,170,971	\$ 50,974,000	\$ 27,648,025
2027	13,195,000	12,542,221	49,638,000	25,523,614
2028	13,835,000	11,906,621	49,638,000	23,361,979
2029	14,525,000	11,214,871	49,042,000	21,329,423
2030	15,145,000	6,969,121	46,897,000	15,760,003
2031-2035	82,855,000	46,252,431	178,399,000	76,271,647
2036-2040	91,280,000	33,576,284	165,633,000	47,643,594
2041-2045	73,070,000	20,140,825	102,000,000	24,594,325
2046-2050	68,595,000	8,542,050	68,595,000	8,542,050
2051-2055	14,980,000	449,400	14,980,000	449,400
	<u>\$ 400,055,000</u>	<u>\$ 164,764,795</u>	<u>\$ 775,796,000</u>	<u>\$ 271,124,060</u>

As of June 30, 2025, Union County had \$32,725,000 of general obligation bonds authorized and unissued and had a legal debt margin of \$2,895,057,320.

C. Changes in Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2025 (and agrees to table in Note 14 part A):

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Governmental Activities:					
Bonds Payable					
General obligation bonds	\$ 318,525,000	\$ -	\$ 26,680,000	\$ 291,845,000	\$ 25,430,000
GO Bonds from direct placements	67,402,000	-	7,890,000	59,512,000	9,665,000
Certificates of participation	25,135,000	-	4,855,000	20,280,000	2,930,000
Installment financing	4,478,000	-	374,000	4,104,000	374,000
Premium	43,683,087	-	3,468,933	40,214,154	3,339,503
Total Bonds Payable	<u>459,223,087</u>	<u>-</u>	<u>43,267,933</u>	<u>415,955,154</u>	<u>41,738,503</u>
Compensated absences *	8,049,191	4,456,107	-	12,505,298	7,897,943
Lease liability	1,467,978	296,512	533,962	1,230,528	519,853
Subscription liability	4,299,293	1,391,229	1,708,514	3,982,008	1,693,103
Net OPEB liability	56,337,584	8,204,589	-	64,542,173	-
Net pension liability (LGERS)	55,746,602	-	832,436	54,914,166	-
Net pension liability, separation allowance	14,201,434	-	335,033	13,866,401	-
Government activities long term liabilities	<u>\$ 599,325,169</u>	<u>\$ 14,348,437</u>	<u>\$ 46,677,878</u>	<u>\$ 566,995,728</u>	<u>\$ 51,849,402</u>
Business-type Activities:					
Bonds Payable					
Revenue bonds	\$ 412,025,000	\$ -	\$ 11,970,000	\$ 400,055,000	\$ 12,575,000
Premium	39,045,387	-	1,680,794	37,364,593	1,680,794
Total Bonds Payable	<u>451,070,387</u>	<u>-</u>	<u>13,650,794</u>	<u>437,419,593</u>	<u>14,255,794</u>
Compensated absences *	1,266,721	698,059	-	1,964,780	1,210,971
Accrued landfill post-closure care costs	5,372,981	136,054	-	5,509,035	-
Lease liability	67,365	-	20,395	46,970	21,661
Subscription liability	687,868	1,248,928	575,323	1,361,473	582,159
Net OPEB liability	9,652,863	1,377,742	-	11,030,605	-
Net pension liability (LGERS)	9,063,020	-	60,423	9,002,597	-
Net pension liability, separation allowance	974,927	-	48,370	926,557	-
Business-type activities long term liabilities	<u>\$ 478,156,132</u>	<u>\$ 3,460,783</u>	<u>\$ 14,355,305</u>	<u>\$ 467,261,610</u>	<u>\$ 16,070,585</u>

* The change in compensated absences above is a net change for the year.

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, 2025. The calculation for the various debt service coverage ratios for the year ended June 30, 2025 is as follows:

Revenues	\$ 103,625,919
Current Expenses	52,537,460
Net revenues available for debt service	<u>\$ 51,088,459</u>
Senior debt service coverage:	
Debt service, principal and interest paid	\$ 25,739,471
Subordinate debt service:	
Debt service, principal and interest paid	<u>-</u>
Total debt service:	
Total debt service, principal and interest paid	25,739,471
Add: 20% of senior debt service	5,147,894
Adjusted debt service requirements	<u>\$ 30,887,365</u>
Coverage Test 1	
Net revenues / adjusted debt service	1.65
Coverage Test 2	
Net revenues / total debt service	1.98

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, 2025, there are no industrial revenue bonds outstanding.

F. Debt Related to Capital Activities

As of June 30, 2025, of the total Governmental Activities debt listed, \$82,261,469 relates to assets the County holds title to. As of June 30, 2025, there is \$16,422,558 in unspent restricted cash related to this debt amount. The remaining \$338,906,221 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 and equipment. The lease agreements have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The future lease obligations and the net present value of these lease payments as of June 30, 2025, were as follows:

<u>Year Ending June 30</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2026	541,514	12,853	\$ 554,367
2027	400,583	8,734	409,317
2028	198,778	4,975	203,753
2029	136,623	1,781	138,404
	<u>\$ 1,277,498</u>	<u>\$ 28,343</u>	<u>\$ 1,305,841</u>

H. Subscriptions

The County has entered into agreements to subscribe to certain software. The agreements have been recorded at the present value of the future minimum lease payments as of the date of their inception.

<u>Year Ending June 30</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2026	2,275,262	146,838	\$ 2,422,100
2027	1,378,585	85,213	1,463,798
2028	777,735	44,119	821,854
2029	393,868	21,549	415,417
2030	203,614	10,286	213,900
2031	208,393	5,507	213,900
2032	106,024	926	106,950
	<u>\$ 5,343,481</u>	<u>\$ 314,438</u>	<u>\$ 5,657,919</u>

NOTE 15 - INTERFUND BALANCES AND ACTIVITY

A. INTERFUND BALANCES

The composition of inter-fund balances as of June 30, 2025 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water & Sewer Fund	\$ 330,108
General Fund	Solid Waste Fund	71,742
		<u>\$ 401,850 *</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, 2025, consist of the following:

Transfers From:	Transfers To:						Total
	General Fund	General Capital Project Fund	Water & Sewer Capital Project Fund	Solid Waste Fund	General Special Revenue Fund	Non-Major Special Revenue Funds	
General Fund	\$ -	\$ 23,123,499	\$ -	\$ 650,000	\$ 28,060	\$ 7,135,798	\$ 30,937,357
General Capital Project Fund	-	-	-	-	100,000	-	\$ 100,000
General Special Revenue Fund	1,786,822	-	4,902,476	-	-	-	6,689,298
Non-Major Special Revenue Funds	149,999	-	-	-	-	-	149,999
Total	\$ 1,936,821	\$ 23,123,499	\$ 4,902,476	\$ 650,000	\$ 128,060	\$ 7,135,798	\$ 37,876,654

Interfund transfers from General Fund consisted of \$650,000 transfer to Solid Waste Fund for the implementation of free disposal of bagged household waste program, and \$28,060 to General Special Revenue Fund for the local grant match for Transportation Carbon Reduction Grant. Also from General Fund, \$7,135,797 was transferred to Non-Major Special Revenue Funds that includes the budget appropriation to Fire Districts for \$7,008,989; adjustment to Emergency Telephone Fund for the expenditures over the amount that was approved by the PSAP Board for \$1,808, and \$125,000 from General Fund to Reappraisal Fund.

There was a transfer from the Reappraisal Fund to General Fund of \$150,000.

There were transfers from General Special Revenue Fund to other funds including General Fund for \$1,786,822 to rehire public sector staff using ARPA funding; and \$4,902,476 to Water and Sewer Capital Project Fund to appropriate ARPA funding for Crooked Creek Interceptor Improvements Phase II.

Transfer of \$23,123,499 from General Fund to General Capital Project Fund was for the purpose of funding ongoing and planned projects.

NOTE 16 - DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities:		
Pensions - difference between expected and actual experience		
LGERS	\$ 9,623,041	\$ 64,702
Register of Deeds	7,649	6,228
Separation Allowance	2,599,305	-
OPEB	59,602	9,847,524
Pensions - Changes of assumptions and other inputs		
Separation Allowance	366,497	1,734,921
OPEB	13,775,237	11,449,531
Pensions - difference between projected and actual investment earnings		
LGERS	7,465,548	-
Register of Deeds	134,537	-
Separation Allowance	185,340	-
OPEB	-	4,833,326
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	134,371	1,021,997
Register of Deeds	8,518	15,286
Contributions to pension plans subsequent to measurement date		
LGERS	11,907,350	-
Register of Deeds	27,445	-
Separation Allowance	947,908	-
Prepaid taxes not yet earned (General)	-	70,619
Prepaid taxes not yet earned (Special Revenue)	-	1,385
Taxes receivable, net, less penalties (General)	-	198,182
Taxes receivable, net, less penalties (Special Revenue)	-	47,940
Deferred Gain of Debt Refundings	-	3,845,334
Deferred loss on refundings	11,102,142	-
Leases where the County is the lessor (General)	-	148,368,469
Total governmental activities	58,344,490	181,505,444
Business-Type Activities:		
Pensions - difference between expected and actual experience		
LGERS	1,577,596	10,607
Separation Allowance	173,686	-
OPEB	10,186	1,682,995
Pensions - changes of assumptions		
LGERS	-	-
Separation Allowance	24,489	115,928
OPEB	2,354,262	1,956,786
Pensions - difference between projected and actual investment earnings		
LGERS	1,223,898	-
Separation Allowance	12,385	-
OPEB	-	826,041
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions - LGERS	22,029	167,546
Contributions to pension plans subsequent to measurement date		
LGERS	1,952,084	-
Separation Allowance	63,339	-
Developer contributions for future Water and Sewer line extensions, not yet earned	-	185,110
Deferred loss on refundings	1,988,406	-
Total business type activities	9,402,360	4,945,013
Total	\$ 67,746,850	\$ 186,450,457

Following are the deferred inflows of resources that are reported in the governmental fund financial statements at June 30, 2025:

	General Fund	Other nonmajor Governmental Funds
Prepaid taxes not yet earned	\$ 70,619	\$ 1,385
Taxes receivable, net, less penalties	686,983	47,940
Opioid settlement fund receivable	-	11,186,982
Leases where the County is the lessor	150,301,222	-
Total	<u>\$ 151,058,824</u>	<u>\$ 11,236,307</u>

NOTE 17 - 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 \$3,790,228 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, 2025 was \$44,735,036. This included the County's share of the recognized loss of \$978,448 for the year, which includes an adjustment from the prior year for compensated absences and the current year change in net position. 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, 2025, is as follows:

Cash and investments	\$ 3,453,747
Other assets	92,914,873
Total assets and deferred outflows	<u>\$ 96,368,620</u>
Total liabilities and deferred inflows	\$ 6,898,548
Total net position	89,470,072
Total liabilities, deferred inflows and net position	<u>\$ 96,368,620</u>
Total revenues	\$ 8,224,368
Total expenses	(10,314,578)
Capital contributions	349,859
Net increase in net position	<u>\$ (1,740,351)</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, 2025, was \$31,117,000. The County contributed \$3,830,426 to South Piedmont Community College for operating and \$8,433,650 for capital purposes during the fiscal year ended June 30, 2025. The majority of the capital purchases are being paid for by general obligation bond proceeds that were issued on August 22, 2019 and on April 12, 2022. In addition, the County made debt service payments of \$3,458,356 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, 2025. 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 18 - 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 \$68,711 during the fiscal year ended June 30, 2025. The County was the sub-recipient of a grant for \$1,507,365 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 19 - 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 20 - SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS

In July of 2025, the County issued 2025 2/3rds General Obligation Bonds in the amount of \$13,000,000 and 2025 voter approved General Obligation Bonds in the amount of \$72,150,000. The 2025 2/3rds proceeds will be used to pay for renovations and/or expansions to the County's general administration spaces including but not limited to the Judicial Center and Government Center. The 2025 General Obligation bonds proceeds will be used for Union County Public Schools and South Piedmont Community College. Union County Public Schools projects include renovation to the previous Forest Hills High School to become the new East Union Middle School and design for a new Parkwood High School. South Piedmont Community College's project includes a new Center for Entrepreneurship.

NOTE 21 - CHANGE IN ACCOUNTING PRINCIPLES**A. Correction of an Error in Previously Issued Financial Statements**

During fiscal year 2025, it was discovered that the Opioid Settlement Funds received from participating the Memorandum of Agreement with the State created an exchange transactions between the County and the pharmaceutical companies, therefore requiring a correction of error for the receivable amount due over the life of the settlement agreement. The effect of correcting that error is shown in the table below.

B. Adjustments to and Restatements of Beginning Balances

	6/30/2024		
	As Previously	Error	6/30/2024
	Reported	Correction	As Restated
Government-Wide			
Governmental Activities	\$ (27,195,363)	\$ 13,891,765	\$ (13,303,598)
Total Government-Wide	<u>\$ (27,195,363)</u>	<u>\$ 13,891,765</u>	<u>\$ (13,303,598)</u>
 Opioid Special Revenue Fund			
Non-major Special Revenue Fund	\$ 2,937,847	\$ 1,123,853	\$ 4,061,700
Total Opioid Special Revenue Fund	<u>\$ 2,937,847</u>	<u>\$ 1,123,853</u>	<u>\$ 4,061,700</u>

Required Supplementary Information

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

Special Separation Allowance

Schedule of Changes in the Total Pension Liability

Schedule of the Total Pension Liability

Schedule of Employer Contributions

Notes to the Required Schedules

Other Postemployment Retiree Healthcare Benefits (OPEB)

Schedule of Changes in the Total OPEB Liability and Related Ratios

Schedule of Employer Contributions

Schedule of Investment Returns

Notes to the Required Schedules

Local Government Employees' Retirement System

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

Schedule of County Contributions
Local Governmental Employees' Retirement System

Register of Deeds Supplemental Pension Fund

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

Schedule of County Contributions
Register of Deeds Supplemental Pension Fund



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

Fiscal Year Ending June 30	Beginning Total Pension Liability Balance	Service Cost	Interest	Difference Between Expected and Actual Experience	Change of Assumptions or Other Inputs	Benefit Payments	Ending Total Pension Liability Balance
2016	\$ 13,617,112	\$ 435,613	\$ 482,738	\$ -	\$ 125,473	\$ (1,140,254)	\$ 13,520,682
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
2023	21,133,997	790,701	460,649	905,091	(3,235,043)	(1,321,393)	18,734,002
2024	18,734,002	561,736	775,301	1,266,990	448,481	(1,491,166)	20,295,344
2025	20,295,344	643,346	780,511	1,757,592	(451,368)	(1,565,154)	21,460,271

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

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%
2023	18,734,002	4,765,519	13,968,483	25.44%	26,760,051	52.20%
2024	20,295,344	5,118,983	15,176,361	25.22%	28,147,085	53.92%
2025	21,460,271	6,667,313	14,792,958	31.07%	29,028,564	50.96%

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

**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
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%
2023	2,790,512	1,939,454	851,058	26,760,051	7.25%
2024	2,979,253	2,757,781	221,472	27,112,853	10.17%
2025	2,870,020	2,981,045	(111,025)	27,814,522	10.72%

Notes to the Required Schedules:

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Changes of benefit terms. None

Changes of assumption. The discount rate increased from 4.00% to 4.28% 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	8 years as of December 31, 2022
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 inflation	4.28% for FY2025, net of pension plan investment expense, including

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

Total OPEB Liability	2025	2024	2023	2022	2021	2020	2019	2018	2017
Service Cost at end of year	\$ 2,893,350	\$ 1,538,214	\$ 2,728,514	\$ 1,987,859	\$ 2,774,670	\$ 2,936,199	\$ 3,153,453	\$ 3,564,909	\$ 4,117,337
Interest on the Total OPEB Liability	3,856,765	5,009,136	4,019,583	4,389,770	4,874,600	4,573,417	4,350,254	3,952,508	3,641,969
Change in benefit terms	40,440,121								
Difference between expected and actual experience	(13,200,418)	(404,575)	(589,992)	1,066,740	(14,009,110)	308,146	2,656,661	910,489	-
Changes of assumptions or other inputs	(12,237,501)	36,144,808	(23,938,381)	17,150,645	(689)	(5,777,993)	1,607,421	(10,205,157)	(12,808,598)
Benefit payments	(4,487,718)	(4,322,657)	(3,782,521)	(5,017,337)	(4,159,350)	(4,039,770)	(3,459,789)	(3,816,691)	(3,634,511)
Net change in Total OPEB Liability	17,264,599	37,964,926	(21,562,797)	19,577,677	(10,519,879)	(2,000,001)	8,308,000	(5,593,942)	(8,683,803)
Total OPEB Liability - beginning	137,553,174	99,588,248	121,151,045	101,573,368	112,093,247	114,093,248	105,785,248	111,379,190	120,062,993
Total OPEB Liability - ending	\$ 154,817,773	\$ 137,553,174	\$ 99,588,248	\$ 121,151,045	\$ 101,573,368	\$ 112,093,247	\$ 114,093,248	\$ 105,785,248	\$ 111,379,190
Plan Fiduciary Net Position									
Contributions - employer	\$ 4,487,718	\$ 7,441,924	\$ 5,777,214	\$ 8,619,384	\$ 6,659,350	\$ 8,712,229	\$ 11,006,979	\$ 13,221,916	\$ 3,634,511
Net investment income	7,682,268	6,745,335	4,089,475	(6,453,703)	7,148,282	2,256,752	2,402,748	947,514	1,610,803
Benefit payments	(4,487,718)	(4,322,657)	(3,782,521)	(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	7,682,268	9,864,602	6,084,168	(2,851,656)	9,648,282	6,929,211	9,948,012	10,350,431	1,584,508
Plan Fiduciary Net Position - beginning	71,562,727	61,698,125	55,613,957	58,465,613	48,817,331	41,888,120	31,940,108	21,589,677	20,005,169
Plan Fiduciary Net Position - ending	79,244,995	71,562,727	61,698,125	55,613,957	58,465,613	48,817,331	41,888,120	31,940,108	21,589,677
Net OPEB Liability - ending	\$ 75,572,778	\$ 65,990,447	\$ 37,890,123	\$ 65,537,088	\$ 43,107,755	\$ 63,275,916	\$ 72,205,128	\$ 73,845,140	\$ 89,789,513
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	51.19%	52.03%	61.95%	45.90%	57.56%	43.55%	36.71%	30.19%	19.38%
Covered Payroll	\$ 84,982,871	\$ 26,088,219	\$ 23,678,783	\$ 22,976,268	\$ 26,941,927	\$ 29,668,870	\$ 29,668,870	\$ 31,621,099	\$ 31,621,099
Net OPEB Liability as a percentage of covered payroll	88.93%	252.95%	160.02%	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%
2023	4,995,684	5,777,214	(781,530)	23,678,783	24.40%
2024	4,369,218	7,441,924	(3,072,706)	26,088,219	28.53%
2025	4,369,218	4,487,718	(118,500)	84,982,871	5.28%

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

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

<u>Fiscal Year Ending June 30</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2017	4.18 %
2018	3.57 %
2019	6.64 %
2020	4.75 %
2021	14.58 %
2022	(10.54)%
2023	7.16 %
2024	10.72 %
2025	10.74 %

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

(continued)

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, 2024:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Amortization period	22 Years
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%
Firefighters	3.25% - 8.15%
Law Enforcement Officers	3.25% - 7.90%
Long-term Investment Rate of Return, net of OPEB	
plan investment expense, including price inflation	3.50%
Municipal Bond Index Rate	
Prior Measurement Date	3.93%
Measurement Date	5.20%
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	2.85%
Measurement Date	3.50%
Health Care Cost Trends	
Pre-Medicare	7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2034
Medicare	5.125% for 2022 decreasing to an ultimate rate of 4.50% by 2027
Dental	3.5%

**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>
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 %
2023	0.982 %	55,424,774	73,292,362	75.62 %	84.14 %
2024	0.979 %	64,809,622	80,488,203	80.52 %	82.49 %
2025	0.984 %	63,916,763	87,433,259	73.10 %	83.30 %

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
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 %
2023	10,002,124	10,002,124	-	80,488,203	12.43 %
2024	11,617,665	11,617,665	-	87,433,259	13.29 %
2025	13,859,434	13,859,434	-	99,513,358	13.93 %

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

Fiscal Year Ending June 30	County's Proportion of the Net Pension Liability (Asset) %	County's Proportionate Share of the Net Pension Liability (Asset) \$	County's Covered Payroll	County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
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 %
2023	(2.858) %	(378,453)	111,673	(338.89) %	139.04 %
2024	(3.096) %	(372,040)	115,653	(321.69) %	135.74 %
2025	(3.023) %	(348,375)	126,420	(275.57) %	133.61 %

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
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 %
2023	27,630	27,630	-	115,653	23.89 %
2024	26,014	26,014	-	126,420	20.58 %
2025	27,445	27,445	-	133,308	20.59 %



Combining and Individual Fund Statements



Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025

	Allens Crossroad Fire District Fund	Bakers Fire District Fund	Beaver Lane Fire District Fund	Fairview Fire District Fund
ASSETS				
Cash and investments	\$ 33,876	\$ 71,815	\$ 19,731	\$ 57,545
Property taxes receivable, net	849	4,234	4,206	1,501
Accounts receivable, net	13,418	92,910	33,244	29,358
Cash and investments, restricted	-	-	-	-
Total assets	<u>\$ 48,143</u>	<u>\$ 168,959</u>	<u>\$ 57,181</u>	<u>\$ 88,404</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Advances from other funds	-	-	-	-
Total liabilities	-	-	-	-
DEFERRED INFLOWS OF RESOURCES	851	4,234	4,855	1,501
Total liabilities and deferred inflows of resources	<u>851</u>	<u>4,234</u>	<u>4,855</u>	<u>1,501</u>
FUND BALANCES				
Restricted	47,292	164,725	52,326	86,903
Assigned	-	-	-	-
Total fund balances	<u>47,292</u>	<u>164,725</u>	<u>52,326</u>	<u>86,903</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 48,143</u>	<u>\$ 168,959</u>	<u>\$ 57,181</u>	<u>\$ 88,404</u>

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**Combining Balance Sheet
Nonmajor Special Revenue Funds**

June 30, 2025

	Griffith Road Fire District Fund	Hemby Bridge Fire District Fund	Jackson Fire District Fund	Lanes Creek Fire District Fund
ASSETS				
Cash and investments	\$ -	\$ 26,812	\$ 35,912	\$ 11,194
Property taxes receivable, net	81	11,272	483	614
Accounts receivable, net	3,027	148,223	15,135	12,086
Cash and investments, restricted	-	-	-	-
Total assets	<u>\$ 3,108</u>	<u>\$ 186,307</u>	<u>\$ 51,530</u>	<u>\$ 23,894</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Advances from other funds	7,013	-	-	-
Total liabilities	<u>7,013</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	81	11,273	483	614
Total liabilities and deferred inflows of resources	<u>7,094</u>	<u>11,273</u>	<u>483</u>	<u>614</u>
FUND BALANCES				
Restricted	(3,986)	175,034	51,047	23,280
Assigned	-	-	-	-
Total fund balances	<u>(3,986)</u>	<u>175,034</u>	<u>51,047</u>	<u>23,280</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,108</u>	<u>\$ 186,307</u>	<u>\$ 51,530</u>	<u>\$ 23,894</u>

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**Combining Balance Sheet
Nonmajor Special Revenue Funds**

June 30, 2025

	New Salem Fire District Fund	Providence Fire District Fund	Sandy Ridge Fire District Fund	Springs Fire District Fund
ASSETS				
Cash and investments	\$ -	\$ -	\$ -	\$ 157,380
Property taxes receivable, net	2,279	-	890	3,190
Accounts receivable, net	25,959	-	10,384	71,950
Cash and investments, restricted	-	-	-	-
Total assets	<u>\$ 28,238</u>	<u>\$ -</u>	<u>\$ 11,274</u>	<u>\$ 232,520</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Advances from other funds	9,206	-	6,853	-
Total liabilities	<u>9,206</u>	<u>-</u>	<u>6,853</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>2,279</u>	<u>-</u>	<u>891</u>	<u>3,587</u>
Total liabilities and deferred inflows of resources	<u>11,485</u>	<u>-</u>	<u>7,744</u>	<u>3,587</u>
FUND BALANCES				
Restricted	16,753	-	3,530	228,933
Assigned	-	-	-	-
Total fund balances	<u>16,753</u>	<u>-</u>	<u>3,530</u>	<u>228,933</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 28,238</u>	<u>\$ -</u>	<u>\$ 11,274</u>	<u>\$ 232,520</u>

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**Combining Balance Sheet
Nonmajor Special Revenue Funds**

June 30, 2025

	Stack Road Fire District Fund	Stallings Fire District Fund	Unionville Fire District Fund	Waxhaw Fire District Fund
ASSETS				
Cash and investments	\$ -	\$ 105,209	\$ 221,244	\$ -
Property taxes receivable, net	516	4,496	2,216	4,058
Accounts receivable, net	9,491	136,776	60,704	130,661
Cash and investments, restricted	-	-	-	-
Total assets	<u>\$ 10,007</u>	<u>\$ 246,481</u>	<u>\$ 284,164</u>	<u>\$ 134,719</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Advances from other funds	15,502	-	-	62,246
Total liabilities	<u>15,502</u>	<u>-</u>	<u>-</u>	<u>62,246</u>
DEFERRED INFLOWS OF RESOURCES	<u>642</u>	<u>4,515</u>	<u>2,222</u>	<u>4,089</u>
Total liabilities and deferred inflows of resources	<u>16,144</u>	<u>4,515</u>	<u>2,222</u>	<u>66,335</u>
FUND BALANCES				
Restricted	(6,137)	241,966	281,942	68,384
Assigned	-	-	-	-
Total fund balances	<u>(6,137)</u>	<u>241,966</u>	<u>281,942</u>	<u>68,384</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,007</u>	<u>\$ 246,481</u>	<u>\$ 284,164</u>	<u>\$ 134,719</u>

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**Combining Balance Sheet
Nonmajor Special Revenue Funds**

June 30, 2025

	Wesley Chapel Fire District Fund	Wingate Fire District Fund	Fee Supported Fire Districts Fund	Automation Enhancement Fund
ASSETS				
Cash and investments	\$ 235,290	\$ 33,056	\$ 111,207	\$ 628,364
Property taxes receivable, net	3,533	3,518	-	-
Accounts receivable, net	329,006	32,301	-	-
Cash and investments, restricted	-	-	-	-
Total assets	<u>\$ 567,829</u>	<u>\$ 68,875</u>	<u>\$ 111,207</u>	<u>\$ 628,364</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Advances from other funds	-	-	-	-
Total liabilities	-	-	-	-
DEFERRED INFLOWS OF RESOURCES	3,633	3,575	-	-
Total liabilities and deferred inflows of resources	<u>3,633</u>	<u>3,575</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	564,196	65,300	111,207	628,364
Assigned	-	-	-	-
Total fund balances	<u>564,196</u>	<u>65,300</u>	<u>111,207</u>	<u>628,364</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 567,829</u>	<u>\$ 68,875</u>	<u>\$ 111,207</u>	<u>\$ 628,364</u>

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**Combining Balance Sheet
Nonmajor Special Revenue Funds**

June 30, 2025

	UC Sheriff's Office Civil Fees Fund	DSS Representative Payee Fund	Emergency Telephone System Fund	Fines and Forfeitures Fund
ASSETS				
Cash and investments	\$ 22,133	\$ 201,063	\$ 1,642,467	\$ 172,390
Property taxes receivable, net	-	-	-	-
Accounts receivable, net	-	-	-	-
Cash and investments, restricted	-	-	-	-
Total assets	<u>\$ 22,133</u>	<u>\$ 201,063</u>	<u>\$ 1,642,467</u>	<u>\$ 172,390</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 55	\$ 172,390
Advances from other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>55</u>	<u>172,390</u>
DEFERRED INFLOWS OF RESOURCES				
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>55</u>	<u>172,390</u>
FUND BALANCES				
Restricted	22,133	201,063	1,281,409	-
Assigned	-	-	361,003	-
Total fund balances	<u>22,133</u>	<u>201,063</u>	<u>1,642,412</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,133</u>	<u>\$ 201,063</u>	<u>\$ 1,642,467</u>	<u>\$ 172,390</u>

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Combining Balance Sheet
Nonmajor Special Revenue Funds

June 30, 2025

	Opioid Settlement Fund	Reappraisal Fund	Total Nonmajor Special Revenue Funds
ASSETS			
Cash and investments	\$ -	\$ 100,000	\$ 3,886,688
Property taxes receivable, net	-	-	47,936
Accounts receivable, net	12,442,070	-	13,596,703
Cash and investments, restricted	3,667,155	-	3,667,155
Total assets	<u>\$ 16,109,225</u>	<u>\$ 100,000</u>	<u>\$ 21,198,482</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	\$ 17,474	\$ -	\$ 189,919
Advances from other funds	-	-	100,820
Total liabilities	<u>17,474</u>	<u>-</u>	<u>290,739</u>
DEFERRED INFLOWS OF RESOURCES	<u>11,186,982</u>	<u>-</u>	<u>11,236,307</u>
Total liabilities and deferred inflows of resources	<u>11,204,456</u>	<u>-</u>	<u>11,527,046</u>
FUND BALANCES			
Restricted	4,904,769	100,000	9,310,433
Assigned	-	-	361,003
Total fund balances	<u>4,904,769</u>	<u>100,000</u>	<u>9,671,436</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,109,225</u>	<u>\$ 100,000</u>	<u>\$ 21,198,482</u>

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

For the Year Ended June 30, 2025

	Allens Crossroad Fire District Fund	Bakers Fire District Fund	Beaver Lane Fire District Fund	Fairview Fire District Fund
REVENUES				
Ad valorem taxes	\$ 216,696	\$ 1,555,688	\$ 498,482	\$ 501,684
Local option sales tax	52,484	363,452	130,046	114,843
Intergovernmental	-	-	-	-
Permits and fees	-	-	-	-
Investment earnings	73	547	188	188
Miscellaneous	-	-	-	-
Total revenues	<u>269,253</u>	<u>1,919,687</u>	<u>628,716</u>	<u>616,715</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	422,573	2,207,297	1,058,624	897,830
Human services	-	-	-	-
Education	-	-	-	-
Principal - leases	-	-	-	-
Total expenditures	<u>422,573</u>	<u>2,207,297</u>	<u>1,058,624</u>	<u>897,830</u>
Excess (deficiency) of revenues over (under) expenditures	(153,320)	(287,610)	(429,908)	(281,115)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	169,146	441,500	439,196	359,276
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	<u>169,146</u>	<u>441,500</u>	<u>439,196</u>	<u>359,276</u>
Net change in fund balances	15,826	153,890	9,288	78,161
FUND BALANCES				
Beginning	31,466	10,835	43,038	8,742
Adjustment to Fund Balance	-	-	-	-
Beginning of Year Restated	<u>31,466</u>	<u>10,835</u>	<u>43,038</u>	<u>8,742</u>
Ending	<u>\$ 47,292</u>	<u>\$ 164,725</u>	<u>\$ 52,326</u>	<u>\$ 86,903</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, 2025

	Griffith Road Fire District Fund	Hemby Bridge Fire District Fund	Jackson Fire District Fund	Lanes Creek Fire District Fund
REVENUES				
Ad valorem taxes	\$ 48,218	\$ 2,306,204	\$ 259,838	\$ 203,207
Local option sales tax	11,846	579,822	59,206	47,277
Intergovernmental	-	-	-	-
Permits and fees	-	-	-	-
Investment earnings	21	786	72	72
Miscellaneous	-	-	-	-
Total revenues	60,085	2,886,812	319,116	250,556
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	114,500	3,532,400	490,968	395,217
Human services	-	-	-	-
Education	-	-	-	-
Principal - leases	-	-	-	-
Total expenditures	114,500	3,532,400	490,968	395,217
Excess (deficiency) of revenues over (under) expenditures	(54,415)	(645,588)	(171,852)	(144,661)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	50,195	707,073	196,470	158,172
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	50,195	707,073	196,470	158,172
Net change in fund balances	(4,220)	61,485	24,618	13,511
FUND BALANCES				
Beginning	234	113,549	26,429	9,769
Adjustment to Fund Balance	-	-	-	-
Beginning of Year Restated	234	113,549	26,429	9,769
Ending	<u>\$ (3,986)</u>	<u>\$ 175,034</u>	<u>\$ 51,047</u>	<u>\$ 23,280</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, 2025

	New Salem Fire District Fund	Providence Fire District Fund	Sandy Ridge Fire District Fund	Springs Fire District Fund
REVENUES				
Ad valorem taxes	\$ 553,449	\$ -	\$ 164,182	\$ 1,179,480
Local option sales tax	101,547	-	40,615	281,458
Intergovernmental	-	-	-	-
Permits and fees	-	-	-	-
Investment earnings	171	-	69	414
Miscellaneous	-	-	-	-
Total revenues	655,167	-	204,866	1,461,352
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	1,070,745	-	345,468	1,721,477
Human services	-	-	-	-
Education	-	-	-	-
Principal - leases	-	-	-	-
Total expenditures	1,070,745	-	345,468	1,721,477
Excess (deficiency) of revenues over (under) expenditures	(415,578)	-	(140,602)	(260,125)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	428,400	-	138,320	347,798
Transfers to other funds	-	(1,931)	-	-
Total other financing sources (uses)	428,400	(1,931)	138,320	347,798
Net change in fund balances	12,822	(1,931)	(2,282)	87,673
FUND BALANCES				
Beginning	3,931	1,931	5,812	141,260
Adjustment to Fund Balance	-	-	-	-
Beginning of Year Restated	3,931	1,931	5,812	141,260
Ending	\$ 16,753	\$ -	\$ 3,530	\$ 228,933

continued on next page

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

For the Year Ended June 30, 2025

	Stack Road Fire District Fund	Stallings Fire District Fund	Unionville Fire District Fund	Waxhaw Fire District Fund
REVENUES				
Ad valorem taxes	\$ 186,410	\$ 2,111,814	\$ 899,367	\$ 2,203,226
Local option sales tax	37,129	535,047	237,462	511,126
Intergovernmental	-	-	-	-
Permits and fees	-	-	-	-
Investment earnings	64	635	332	728
Miscellaneous	-	-	-	-
Total revenues	<u>223,603</u>	<u>2,647,496</u>	<u>1,137,161</u>	<u>2,715,080</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	386,570	3,196,020	1,332,631	3,312,112
Human services	-	-	-	-
Education	-	-	-	-
Principal - leases	-	-	-	-
Total expenditures	<u>386,570</u>	<u>3,196,020</u>	<u>1,332,631</u>	<u>3,312,112</u>
Excess (deficiency) of revenues over (under) expenditures	(162,967)	(548,524)	(195,470)	(597,032)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	156,830	639,597	266,830	662,819
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	<u>156,830</u>	<u>639,597</u>	<u>266,830</u>	<u>662,819</u>
Net change in fund balances	(6,137)	91,073	71,360	65,787
FUND BALANCES				
Beginning	-	150,893	210,582	2,597
Adjustment to Fund Balance	-	-	-	-
Beginning of Year Restated	-	150,893	210,582	2,597
Ending	<u>\$ (6,137)</u>	<u>\$ 241,966</u>	<u>\$ 281,942</u>	<u>\$ 68,384</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, 2025

	Wesley Chapel Fire District Fund	Wingate Fire District Fund	Fee Supported Fire Districts Fund	Automation Enhancement Fund
REVENUES				
Ad valorem taxes	\$ 4,684,491	\$ 578,425	\$ -	\$ -
Local option sales tax	1,287,019	126,354	-	-
Intergovernmental	-	-	-	-
Permits and fees	-	-	2,710	120,794
Investment earnings	1,248	246	-	-
Miscellaneous	-	-	-	-
Total revenues	5,972,758	705,025	2,710	120,794
EXPENDITURES				
Current:				
General government	-	-	-	36,750
Public safety	6,889,324	1,140,312	-	-
Human services	-	-	-	-
Education	-	-	-	-
Principal - leases	-	-	-	-
Total expenditures	6,889,324	1,140,312	-	36,750
Excess (deficiency) of revenues over (under) expenditures	(916,566)	(435,287)	2,710	84,044
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	1,387,836	461,464	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	1,387,836	461,464	-	-
Net change in fund balances	471,270	26,177	2,710	84,044
FUND BALANCES				
Beginning	92,926	39,123	108,497	544,320
Adjustment to Fund Balance	-	-	-	-
Beginning of Year Restated	92,926	39,123	108,497	544,320
Ending	\$ 564,196	\$ 65,300	\$ 111,207	\$ 628,364

continued on next page

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

For the Year Ended June 30, 2025

	UC Sheriff's Office Civil Fees Fund	DSS Representative Payee Fund	Emergency Telephone System Fund	Fines and Forfeitures Fund
REVENUES				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Local option sales tax	-	-	-	-
Intergovernmental	-	-	107,215	-
Permits and fees	-	-	-	-
Investment earnings	-	-	30,259	-
Miscellaneous	578,658	636,171	-	964,966
Total revenues	578,658	636,171	137,474	964,966
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	561,177	-	506,983	-
Human services	-	593,011	-	-
Education	-	-	-	964,966
Principal - leases	-	-	224	-
Total expenditures	561,177	593,011	507,207	964,966
Excess (deficiency) of revenues over (under) expenditures	17,481	43,160	(369,733)	-
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	1,808	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	1,808	-
Net change in fund balances	17,481	43,160	(367,925)	-
FUND BALANCES				
Beginning	4,652	157,903	2,010,337	-
Adjustment to Fund Balance	-	-	-	-
Beginning of Year Restated	4,652	157,903	2,010,337	-
Ending	\$ 22,133	\$ 201,063	\$ 1,642,412	\$ -

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Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended June 30, 2025

	Opioid Settlement Fund	Reappraisal Fund	Total Nonmajor Special Revenue Funds
REVENUES			
Ad valorem taxes	\$ -	\$ -	\$ 18,150,861
Local option sales tax	-	-	4,516,733
Intergovernmental	-	-	107,215
Permits and fees	-	-	123,504
Investment earnings	64,948	-	101,061
Miscellaneous	1,580,930	-	3,760,725
Total revenues	1,645,878	-	26,760,099
EXPENDITURES			
Current:			
General government	-	-	36,750
Public safety	-	-	29,582,228
Human services	802,809	-	1,395,820
Education	-	-	964,966
Principal - leases	-	-	224
Total expenditures	802,809	-	31,979,988
Excess (deficiency) of revenues over (under) expenditures	843,069	-	(5,219,889)
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	-	125,000	7,137,730
Transfers to other funds	-	(150,000)	(151,931)
Total other financing sources (uses)	-	(25,000)	6,985,799
Net change in fund balances	843,069	(25,000)	1,765,910
FUND BALANCES			
Beginning	2,937,847	125,000	6,781,673
Adjustment to Fund Balance	1,123,853	-	1,123,853
Beginning of Year Restated	4,061,700	125,000	7,905,526
Ending	\$ 4,904,769	\$ 100,000	\$ 9,671,436

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

June 30, 2025

	Health Benefits Fund	Workers' Compensation Fund	Property and Casualty Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 1,740,975	\$ 2,082,526	\$ 1,519,330	\$ 5,342,831
Accounts receivable, net	1,369,225	1,781	966	1,371,972
Total assets	3,110,200	2,084,307	1,520,296	6,714,803
DEFERRED OUTFLOWS OF RESOURCES	-	17,248	17,207	34,455
Total assets and deferred outflows of resources	3,110,200	2,101,555	1,537,503	6,749,258
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	327,101	10,139	9,021	346,261
Current portion of compensated absences	-	821	821	1,642
Workers' compensation claims payable	-	237,899	-	237,899
Health care benefits payable	2,703,312	-	-	2,703,312
Property and casualty claims payable	-	-	497,846	497,846
Non-current liabilities:				
Net OPEB liability	-	32,829	32,829	65,658
Net pension liability, LGERS	-	19,249	19,172	38,421
Total liabilities	3,030,413	300,937	559,689	3,891,039
DEFERRED INFLOWS OF RESOURCES	-	13,672	13,670	27,342
Total liabilities and deferred inflows of resources	3,030,413	314,609	573,359	3,918,381
NET POSITION				
Unrestricted	79,787	1,786,946	964,144	2,830,877
Total net position	\$ 79,787	\$ 1,786,946	\$ 964,144	\$ 2,830,877

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

For the Year Ended June 30, 2025

	Health Benefits Fund	Workers' Compensation Fund	Property and Casualty Fund	Total
OPERATING REVENUES				
Interfund charges and employee contributions	\$ 26,635,144	\$ 799,979	\$ 2,181,196	\$ 29,616,319
Other operating revenue	44	-	-	44
Total operating revenues	26,635,188	799,979	2,181,196	29,616,363
OPERATING EXPENSES				
Personnel	213	57,170	59,552	116,935
Operating expenses	2,503,282	281,569	44,249	2,829,100
Worker's compensation claims	-	(79,491)	-	(79,491)
Health benefit claims and premiums	28,966,020	-	38,243	29,004,263
Property and casualty claims and premiums	-	-	1,906,886	1,906,886
Total operating expenses	31,469,515	259,248	2,048,930	33,777,693
Operating income (loss)	(4,834,327)	540,731	132,266	(4,161,330)
NONOPERATING REVENUES				
Investment earnings	174,761	72,172	38,898	285,831
Change in net position	(4,659,566)	612,903	171,164	(3,875,499)
NET POSITION				
Beginning	4,739,353	1,174,043	792,980	6,706,376
Ending	<u>\$ 79,787</u>	<u>\$ 1,786,946</u>	<u>\$ 964,144</u>	<u>\$ 2,830,877</u>

Combining Statement of Cash Flows
Internal Service Funds

For the Year Ended June 30, 2025

	Health Benefits Fund	Workers' Compensation Fund	Property and Casualty Fund	Total
OPERATING ACTIVITIES				
Cash received from customers for services	\$ 25,270,403	\$ 799,086	\$ 2,180,671	\$ 28,250,160
Other operating revenue	-	-	-	-
Cash paid to employees	-	(47,130)	(46,979)	(94,109)
Cash paid for goods and services	(30,723,122)	(416,842)	(1,968,719)	(33,108,683)
Cash paid	-	-	-	-
Net cash provided (used) by operating activities	(5,452,719)	335,114	164,973	(4,952,632)
INVESTING ACTIVITIES				
Proceeds from sale of investments	-	-	-	-
Purchase of investments	-	-	-	-
Investment earnings	174,761	72,172	38,898	285,831
Net cash provided by investing activities	174,761	72,172	38,898	285,831
Net change in cash and investments	(5,277,958)	407,286	203,871	(4,666,801)
CASH AND INVESTMENTS				
Beginning of year	7,018,933	1,675,240	1,315,459	10,009,632
End of year	\$ 1,740,975	\$ 2,082,526	\$ 1,519,330	\$ 5,342,831
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (4,834,327)	\$ 540,731	\$ 132,266	\$ (4,161,330)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	-	-	-
Change in assets, deferred outflows, liabilities and deferred inflows				
Accounts receivable	(1,364,785)	(893)	(525)	(1,366,203)
Inventories	-	-	-	-
Deferred outflows of resources - LGERS	-	12,862	11,599	24,461
Deferred outflows of resources - OPEB	-	8,484	7,380	15,864
Deferred outflows of resources - Sep. Allow.	-	-	-	-
Accounts payable and accrued liabilities	746,393	(214,764)	20,659	552,288
Compensated absences payable	-	821	821	1,642
Net pension liability, LGERS	-	(18,704)	(16,636)	(35,340)
Net OPEB liability	-	(174)	2,174	2,000
Net pension liability, separation allowance	-	-	-	-
Deferred inflows of resources - LGERS	-	(18)	2	(16)
Deferred inflows of resources - OPEB	-	6,769	7,233	14,002
Deferred inflows of resources - Sep. Allow.	-	-	-	-
Total adjustments	(618,392)	(205,617)	32,707	(791,302)
Net cash provided (used) by operating activities	\$ (5,452,719)	\$ 335,114	\$ 164,973	\$ (4,952,632)

Combining Statement of Fiduciary Net Position - Pension Trust Funds

June 30, 2025

	Special Separation Allowance Pension Trust Fund	Other Postemployment Retiree Healthcare Benefits (OPEB) Pension Trust Fund	Total
ASSETS			
Investments:			
State Treasurer's Office OPEB Trust	\$ -	\$ 79,244,995	\$ 79,244,995
Separation Allowance Trust Fund	7,846,161	-	7,846,161
Total assets	7,846,161	79,244,995	87,091,156
LIABILITIES			
Accounts payable and accrued liabilities	15,121	-	15,121
Total liabilities	15,121	-	15,121
NET POSITION			
State Treasurer's Office OPEB Trust	-	79,244,995	79,244,995
Separation Allowance Trust Fund	7,831,040	-	7,831,040
Total net position	\$ 7,831,040	\$ 79,244,995	\$ 87,076,035

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

For the Year Ended June 30, 2025

	Special Separation Allowance Pension Trust Fund	Other Postemployment Retiree Healthcare Benefits (OPEB) Pension Trust Fund	Total
ADDITIONS			
Employer contributions	\$ 2,981,045	\$ 4,487,718	\$ 7,468,763
Net investment income	320,784	7,682,268	8,003,052
Total additions	3,301,829	12,169,986	15,471,815
DEDUCTIONS			
Benefits	1,772,203	4,487,718	6,259,921
Total deductions	1,772,203	4,487,718	6,259,921
Change in net position	1,529,626	7,682,268	9,211,894
NET POSITION			
Beginning	6,301,414	71,562,727	77,864,141
Ending	<u>\$ 7,831,040</u>	<u>\$ 79,244,995</u>	<u>\$ 87,076,035</u>

Combining Statement of Fiduciary Assets and Liabilities - Custodial Funds

For the Year Ended June 30, 2025

	Jail Inmate Fund	Municipal Tax Collection Fund	Gross Rental Receipts Tax Fund	Total
ASSETS				
Cash and cash equivalents	\$ 67,110	\$ 747,903	\$ 723	\$ 815,736
Total assets	<u>\$ 67,110</u>	<u>\$ 747,903</u>	<u>\$ 723</u>	<u>\$ 815,736</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	<u>67,110</u>	<u>747,903</u>	<u>723</u>	<u>815,736</u>
Total net position	<u>\$ 67,110</u>	<u>\$ 747,903</u>	<u>\$ 723</u>	<u>\$ 815,736</u>

**Combining Statement of Changes in Fiduciary Net Position
Custodial Funds**
For The Year Ended June 30, 2025

	Jail Inmate Fund	Municipal Tax Collection Fund	Gross Rental Receipts Tax Fund	Total Custodial Funds
ADDITIONS				
Ad Valorem taxes for other governments	\$ -	\$ 31,436,366	\$ 197,487	\$ 31,633,853
Collections on behalf of inmates	789,600	-	-	789,600
Total Additions	<u>789,600</u>	<u>31,436,366</u>	<u>197,487</u>	<u>32,423,453</u>
DEDUCTIONS				
Due to program participants	-	31,316,967	197,547	31,514,514
Payments on behalf of inmates	775,778	-	-	775,778
Total Deductions	<u>775,778</u>	<u>31,316,967</u>	<u>197,547</u>	<u>32,290,292</u>
Net increase (decrease) in				
fiduciary net position	13,822	119,399	(60)	133,161
NET POSITION				
Beginning of year - July 1	53,288	628,504	783	682,575
End of year - June 30	<u>\$ 67,110</u>	<u>\$ 747,903</u>	<u>\$ 723</u>	<u>\$ 815,736</u>



General Fund

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



Union County, North Carolina

Schedule 10

General Fund - Combining

Balance Sheet

June 30, 2025

	General	Debt Service Budgetary Fund	Economic Development Budgetary Fund	Education Debt Fund
ASSETS				
Cash and investments	\$ 113,257,140	\$ 3,469,296	\$ 71,031	\$ 3,986,285
Property taxes receivable, net	321,075	37,865	3,141	23,517
Accounts receivable, net	26,000,742	3,280	429	6,248,492
Lease receivable	149,651,828	-	-	-
Accrued interest receivable on leases	1,932,753	-	-	-
Prepaid Item	11,260	-	-	-
Advances to other funds	100,820	-	-	-
Cash and investments, restricted	-	90	202,618	16,277
Cash and investments, restricted-deposits	588,687	-	-	-
Total assets	<u>\$ 291,864,305</u>	<u>\$ 3,510,531</u>	<u>\$ 277,219</u>	<u>\$ 10,274,571</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 10,180,381	\$ 437	\$ -	\$ -
Deposits	588,687	-	-	-
Total liabilities	<u>10,769,068</u>	<u>437</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>150,646,196</u>	<u>40,660</u>	<u>3,562</u>	<u>26,666</u>
FUND BALANCE				
Nonspendable	11,260	-	-	-
Restricted	31,979,312	3,280	3,570	6,248,491
Committed	76,746,600	-	-	-
Assigned	9,584,968	2,580,302	-	-
Unassigned	12,126,901	885,852	270,087	3,999,414
Total fund balance	<u>130,449,041</u>	<u>3,469,434</u>	<u>273,657</u>	<u>10,247,905</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 291,864,305</u>	<u>\$ 3,510,531</u>	<u>\$ 277,219</u>	<u>\$ 10,274,571</u>

Continued on next page

Union County, North Carolina

Schedule 10

General Fund - Combining

Balance Sheet

June 30, 2025

	Education Budgetary Fund	Total
ASSETS		
Cash and investments	\$ 5,661,666	\$ 126,445,418
Property taxes receivable, net	301,392	686,990
Accounts receivable, net	20,144	32,273,087
Lease receivable	-	149,651,828
Accrued interest receivable on leases	-	1,932,753
Prepaid Item	-	11,260
Advances to other funds	-	100,820
Cash and investments, restricted	-	218,985
Cash and investments, restricted-deposits	-	588,687
Total assets	<u>\$ 5,983,202</u>	<u>\$ 311,909,828</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued liabilities	\$ -	\$ 10,180,818
Deposits	-	588,687
Total liabilities	<u>-</u>	<u>10,769,505</u>
DEFERRED INFLOWS OF RESOURCES	<u>341,740</u>	<u>151,058,824</u>
FUND BALANCE		
Nonspendable	-	11,260
Restricted	20,144	38,254,797
Committed	-	76,746,600
Assigned	351,653	12,516,923
Unassigned	5,269,665	22,551,919
Total fund balance	<u>5,641,462</u>	<u>150,081,499</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 5,983,202</u>	<u>\$ 311,909,828</u>

Union County, North Carolina

Schedule 11

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

General Fund

For the Year Ended June 30, 2025

	General	Debt Service Budgetary Fund	Economic Development Budgetary Fund	Education Debt Fund
REVENUES				
Ad valorem taxes	\$ 69,427,427	\$ 7,468,671	\$ 1,631,954	\$ 12,218,648
Local option sales tax	50,341,872	-	-	22,845,539
Other taxes and licenses	4,034,104	-	-	-
Intergovernmental	42,934,062	-	-	3,001,577
Permits and fees	7,014,645	-	-	-
Sales and services	8,665,436	-	-	-
Investment earnings	8,455,940	135,345	40,340	174,742
Miscellaneous	9,478,087	-	181,064	-
Total revenues	200,351,573	7,604,016	1,853,358	38,240,506
EXPENDITURES				
Current:				
General government	34,532,036	16,611	-	-
Public safety	74,686,536	774	-	-
Economic and physical development	7,706,121	-	3,597	-
Human services	60,114,628	-	-	-
Cultural and recreational	10,227,866	380	-	-
Education	-	-	-	43,005
Intergovernmental:				
Debt service:				
Principal bond retirement	-	4,908,843	1,083,000	33,807,157
Principal - leases	495,664	-	-	-
Principal - subscriptions	1,649,458	-	-	-
Interest on long term debt	-	2,104,841	528,370	13,423,338
Interest - leases	10,616	-	-	-
Interest - subscriptions	103,588	-	-	-
Total expenditures	189,526,513	7,031,449	1,614,967	47,273,500
Excess (deficiency) of revenues over (under) expenditures	10,825,060	572,567	238,391	(9,032,994)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	2,195,647	-	-	4,075,000
Transfers to other funds	(17,214,403)	-	(535,825)	-
Issuance of lease liability	296,512	-	-	-
Issuance of subscription liability	1,391,229	-	-	-
Total other financing sources (uses)	(13,331,015)	-	(535,825)	4,075,000
Net change in fund balances	(2,505,955)	572,567	(297,434)	(4,957,994)
FUND BALANCES				
Beginning	132,954,996	2,896,867	571,091	15,205,899
Ending	\$ 130,449,041	\$ 3,469,434	\$ 273,657	\$ 10,247,905

Continued on next page

Union County, North Carolina

Schedule 11

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

General Fund

For the Year Ended June 30, 2025

	Education Budgetary Fund	Total
REVENUES		
Ad valorem taxes	\$ 156,582,801	\$ 247,329,501
Local option sales tax	-	73,187,411
Other taxes and licenses	-	4,034,104
Intergovernmental	-	45,935,639
Permits and fees	-	7,014,645
Sales and services	-	8,665,436
Investment earnings	852,840	9,659,207
Miscellaneous	-	9,659,151
Total revenues	157,435,641	405,485,094
EXPENDITURES		
Current:		
General government	-	34,548,647
Public safety	-	74,687,310
Economic and physical development	-	7,709,718
Human services	-	60,114,628
Cultural and recreational	-	10,228,246
Education	134,642,106	134,685,111
Intergovernmental:		
Debt service:		
Principal bond retirement	-	39,799,000
Principal - leases	-	495,664
Principal - subscriptions	-	1,649,458
Interest on long term debt	-	16,056,549
Interest - leases	-	10,616
Interest - subscriptions	-	103,588
Total expenditures	134,642,106	380,088,535
Excess (deficiency) of revenues over (under) expenditures	22,793,535	25,396,559
OTHER FINANCING SOURCES (USES)		
Transfers from other funds	2,205,020	8,475,667
Transfers to other funds	(19,725,975)	(37,476,203)
Issuance of lease liability	-	296,512
Issuance of subscription liability	-	1,391,229
Total other financing sources (uses)	(17,520,955)	(27,312,795)
Net change in fund balances	5,272,580	(1,916,236)
FUND BALANCES		
Beginning	368,882	151,997,735
Ending	\$ 5,641,462	\$ 150,081,499

General Fund**Comparative Balance Sheet**

June 30, 2025 and 2024

	June 30, 2025	June 30, 2024
ASSETS		
Cash and investments	\$ 113,257,140	\$ 114,874,153
Property taxes receivable, net	321,075	624,742
Accounts receivable, net	26,000,742	24,288,768
Lease receivable	149,651,828	151,949,581
Accrued interest receivable on leases	1,932,753	1,962,429
Inventories	-	58,250
Prepaid Item	11,260	11,840
Advances to other funds	100,820	1,159,886
Cash and investments, restricted-deposits	588,687	582,422
Total assets	<u>\$ 291,864,305</u>	<u>\$ 295,512,071</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 10,180,381	\$ 6,904,241
Deposits	588,687	582,422
Total liabilities	<u>10,769,068</u>	<u>7,486,663</u>
DEFERRED INFLOWS OF RESOURCES	<u>150,646,196</u>	<u>155,070,412</u>
FUND BALANCE		
Nonspendable	11,260	70,090
Restricted	31,979,312	31,055,301
Committed	76,746,600	71,513,449
Assigned	9,584,968	15,727,149
Unassigned	12,126,901	14,589,007
Total fund balance	<u>130,449,041</u>	<u>132,954,996</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 291,864,305</u>	<u>\$ 295,512,071</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024	
	Final Budget	Actual	Variance Positive (Negative)	Actual	
REVENUES					
Ad valorem taxes	\$ 67,982,228	\$ 69,427,427	\$ 1,445,199	\$ 70,044,466	
Local option sales tax	50,214,751	50,341,872	127,121	48,965,372	
Other taxes and licenses	4,525,000	4,034,104	(490,896)	4,080,804	
Intergovernmental	46,744,303	42,934,062	(3,810,241)	43,851,321	
Permits and fees	5,057,724	7,014,645	1,956,921	5,232,309	
Sales and services	7,255,745	8,665,436	1,409,691	6,710,600	
Investment earnings	3,500,000	8,455,940	4,955,940	9,563,768	
Miscellaneous	8,142,060	9,478,087	1,336,027	9,146,412	
Total revenues	193,421,811	200,351,573	6,929,762	197,595,052	
EXPENDITURES					
General Government					
Board of Commissioners	645,046	537,583	107,463	579,038	
Board of Elections	2,208,820	2,085,399	123,421	2,272,977	
Budget	719,323	692,890	26,433	644,669	
Central Administration	1,669,684	1,381,661	288,023	1,572,159	
Court Facilities	692,781	588,259	104,522	484,097	
Finance	1,512,196	1,363,667	148,529	1,316,553	
Fleet Management	1,906,111	1,803,233	102,878	1,422,788	
G.I.S. Department	573,676	502,520	71,156	366,787	
Human Resources	1,785,969	1,542,609	243,360	1,751,167	
Information Technology	4,409,654	4,049,886	359,768	3,732,268	
Legal	1,170,409	1,089,492	80,917	1,039,806	
Nondepartmental	2,704,882	738,177	1,966,705	5,601,667	
Procurement	726,938	621,446	105,492	645,840	
Property Management	7,896,761	7,873,374	23,387	8,032,244	
Public Communications	1,291,447	1,173,465	117,982	1,009,683	
Register of Deeds	1,545,916	1,435,093	110,823	1,364,346	
Security and Risk Management	541,699	376,086	165,613		
Tax Administration	7,121,472	6,677,196	444,276	6,375,067	
Total General Government	39,122,784	34,532,036	4,590,748	38,211,156	
Public Safety					
911 Communications	5,942,747	5,685,649	257,098	4,987,509	
Building Code Enforcement	5,293,820	5,155,222	138,598	4,537,533	
Emergency Management	568,242	562,333	5,909	455,639	
Fire Marshal's Office	1,384,329	1,288,761	95,568	1,159,871	
Law Enforcement	53,210,762	51,732,939	1,477,823	48,563,793	
Other Public Safety Outside Agencies					
South PR Autopsy Center	520,980	402,380	118,600	124,099	
Emergency Medical Services	9,405,109	9,404,280	829	9,249,725	
Juvenile Detention	602,422	454,972	147,450	554,719	
Total Public Safety	76,928,411	74,686,536	2,241,875	69,632,888	

Continued on next page

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
Economic and Physical Development				
Cooperative Extension Service	1,602,584	1,560,905	41,679	1,444,598
Planning	\$ 1,029,072	\$ 917,587	\$ 111,485	\$ 671,024
Soil and Water Conservation	2,439,441	394,292	2,045,149	540,963
Other Economic and Physical Dev. Outside Agencies				
Economic Development	4,886,134	4,741,292	144,842	1,833,622
Forest Resources	115,303	92,045	23,258	128,108
<i>Total Economic and Physical Development</i>	<u>10,072,534</u>	<u>7,706,121</u>	<u>2,366,413</u>	<u>4,618,315</u>
Human Services				
Community Support & Outreach	4,661,202	4,245,570	415,632	3,977,446
Human Services Administration	5,359,292	5,254,411	104,881	5,331,391
Public Health	14,960,291	14,203,559	756,732	12,832,763
Social Services	32,294,191	30,423,113	1,871,078	27,541,393
Transportation	4,591,277	3,645,831	945,446	3,618,746
Veterans' Services	627,092	587,298	39,794	561,120
Other Human Services Outside Agencies				
Bridge to Recovery	20,000	20,000	-	-
City of Monroe Senior Center	20,000	513	19,487	413
Community Action	69,263	69,263	-	69,263
Community Health Services	50,000	50,000	-	-
Community Shelter	30,000	30,000	-	30,000
Council of Aging	715,896	226,647	489,249	925,362
Crisis Assistance	10,000	10,000	-	10,000
DJJDP - Programs	499,927	491,966	7,961	457,044
Health Quest	22,784	22,784	-	22,784
Humane Society	35,000	35,000	-	67,000
Mental Health	714,850	713,673	1,177	714,850
New Covenant Community Development	25,000	25,000	-	25,000
Other Human Services	10,000	10,000	-	10,000
Turning Point	50,000	50,000	-	50,000
<i>Total Human Services</i>	<u>64,766,065</u>	<u>60,114,628</u>	<u>4,651,437</u>	<u>56,244,575</u>
Cultural and Recreational				
Library	7,167,782	7,133,990	33,792	6,876,790
Parks and Recreation	2,991,712	3,023,858	(32,146)	2,462,454
Other Cultural and Recreational Outside Agencies				
Arts Council	52,018	52,018	-	52,018
Historical Properties	18,000	18,000	-	18,000
<i>Total Cultural and Recreational</i>	<u>10,229,512</u>	<u>10,227,866</u>	<u>1,646</u>	<u>9,409,262</u>
Education				
<i>Total Education</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Continued on next page

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
Debt Service				
Principal - leases	502,326	495,664	6,662	425,984
Principal - subscriptions	1,668,494	1,649,458	19,036	1,272,897
Interest - leases	10,648	10,616	32	5,042
Interest - subscriptions	103,592	103,588	4	41,893
<i>Total Debt Service</i>	<i>2,285,060</i>	<i>2,259,326</i>	<i>25,734</i>	<i>1,745,816</i>
Total expenditures	203,404,366	189,526,513	13,877,853	179,862,012
Revenues over (under) expenditures	(9,982,555)	10,825,060	20,807,615	17,733,040
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	2,195,646	2,195,647	1	4,480,897
Transfers to other funds	(17,214,494)	(17,214,403)	91	(35,076,257)
Issuance of lease liability	296,513	296,512	(1)	375,674
Issuance of subscription liability	1,391,234	1,391,229	(5)	5,167,248
Total other financing sources (uses)	<i>(13,331,101)</i>	<i>(13,331,015)</i>	<i>86</i>	<i>(25,052,438)</i>
Revenues and other financing sources over (under) expenditures and other financing uses	(23,313,656)	(2,505,955)	20,807,701	(7,319,398)
APPROPRIATED FUND BALANCE	23,313,656	-	(23,313,656)	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(2,505,955)</u>	<u>\$ (2,505,955)</u>	<u>(7,319,398)</u>
FUND BALANCE				
Beginning		132,954,996		140,274,394
Ending		<u>\$ 130,449,041</u>		<u>\$ 132,954,996</u>

Debt Service Budgetary Fund**Comparative Balance Sheet**

June 30, 2025 and 2024

	June 30, 2025	June 30, 2024
ASSETS		
Cash and investments	\$ 3,469,296	\$ 2,902,588
Property taxes receivable, net	37,865	80,094
Accounts receivable, net	3,280	1,494
Cash and investments, restricted	90	90
Total assets	<u>\$ 3,510,531</u>	<u>\$ 2,984,266</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Accounts payable and accrued liabilities	\$ 437	\$ -
DEFERRED INFLOWS OF RESOURCES	<u>40,660</u>	<u>87,399</u>
FUND BALANCE		
Restricted	3,280	1,494
Assigned	2,580,302	-
Unassigned	<u>885,852</u>	<u>2,895,373</u>
Total fund balance	<u>3,469,434</u>	<u>2,896,867</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 3,510,531</u>	<u>\$ 2,984,266</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 7,193,174	\$ 7,468,671	\$ 275,497	\$ 8,062,242
Investment earnings	125,000	135,345	10,345	222,218
Miscellaneous	-	-	-	46
Total revenues	7,318,174	7,604,016	285,842	8,284,506
EXPENDITURES				
Board of Elections	750	681	69	631
Court Facilities	500	500	-	-
Property Management	1,825	1,713	112	-
Tax Administration	39,475	13,717	25,758	15,500
911 Communications	500	303	197	253
Law Enforcement	500	471	29	521
Library	600	380	220	205
Principal bond retirement	4,908,843	4,908,843	-	4,231,295
Interest on long term debt	2,104,839	2,104,841	(2)	2,283,258
Total expenditures	7,057,832	7,031,449	26,383	6,531,663
Revenues over (under) expenditures	260,342	572,567	312,225	1,752,843
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	-	-	-	(19,539,503)
Total other financing sources (uses)	-	-	-	(19,539,503)
Revenues and other financing sources over (under) expenditures and other financing uses	260,342	572,567	312,225	(17,786,660)
APPROPRIATED FUND BALANCE	(260,342)	-	260,342	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	\$ -	572,567	\$ 572,567	(17,786,660)
FUND BALANCE				
Beginning		2,896,867		20,683,527
Ending		\$ 3,469,434		\$ 2,896,867

Economic Development Budgetary Fund**Comparative Balance Sheet**

June 30, 2025 and 2024

	June 30, 2025	June 30, 2024
ASSETS		
Cash and investments	\$ 71,031	\$ 386,211
Property taxes receivable, net	3,141	3,490
Accounts receivable, net	429	2,065
Cash and investments, restricted	202,618	183,165
Total assets	<u>\$ 277,219</u>	<u>\$ 574,931</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
DEFERRED INFLOWS OF RESOURCES	\$ 3,562	\$ 3,840
FUND BALANCE		
Restricted	3,570	2,065
Assigned	-	32,862
Unassigned	270,087	536,164
Total fund balance	<u>273,657</u>	<u>571,091</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 277,219</u>	<u>\$ 574,931</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 1,589,108	\$ 1,631,954	\$ 42,846	\$ 1,527,577
Investment earnings	-	40,340	40,340	371,924
Miscellaneous	-	181,064	181,064	-
Total revenues	<u>1,589,108</u>	<u>1,853,358</u>	<u>264,250</u>	<u>1,899,501</u>
EXPENDITURES				
Economic Development	10,600	3,597	7,003	4,262
Principal bond retirement	1,083,000	1,083,000	-	1,083,000
Interest on long term debt	528,370	528,370	-	463,791
Total expenditures	<u>1,621,970</u>	<u>1,614,967</u>	<u>7,003</u>	<u>1,551,053</u>
Revenues over (under) expenditures	<u>(32,862)</u>	<u>238,391</u>	<u>271,253</u>	<u>348,448</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	<u>(535,825)</u>	<u>(535,825)</u>	-	<u>(6,500,000)</u>
Total other financing sources (uses)	<u>(535,825)</u>	<u>(535,825)</u>	-	<u>(6,500,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(568,687)</u>	<u>(297,434)</u>	<u>271,253</u>	<u>(6,151,552)</u>
APPROPRIATED FUND BALANCE	<u>568,687</u>	<u>-</u>	<u>(568,687)</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(297,434)</u>	<u>\$ (297,434)</u>	<u>(6,151,552)</u>
FUND BALANCE				
Beginning		<u>571,091</u>		<u>6,722,643</u>
Ending		<u>\$ 273,657</u>		<u>\$ 571,091</u>

Education Debt Fund
Comparative Balance Sheet
June 30, 2025 and 2024

	June 30, 2025	June 30, 2024
ASSETS		
Cash and investments	\$ 3,986,285	\$ 4,904,470
Property taxes receivable, net	23,517	26,120
Accounts receivable, net	6,248,492	6,088,572
Cash and investments, restricted	16,277	4,215,685
Total assets	<u>\$ 10,274,571</u>	<u>\$ 15,234,847</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Accounts payable and accrued liabilities	\$ -	\$ 198
DEFERRED INFLOWS OF RESOURCES	<u>26,666</u>	<u>28,750</u>
FUND BALANCE		
Restricted	6,248,491	6,088,572
Assigned	-	9,417,739
Unassigned	<u>3,999,414</u>	<u>(300,412)</u>
Total fund balance	<u>10,247,905</u>	<u>15,205,899</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 10,274,571</u>	<u>\$ 15,234,847</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 11,860,496	\$ 12,218,648	\$ 358,152	\$ 11,437,183
Local option sales tax	22,619,000	22,845,539	226,539	22,170,852
Intergovernmental	3,383,500	3,001,577	(381,923)	3,003,276
Investment earnings	-	174,742	174,742	331,225
Total revenues	<u>37,862,996</u>	<u>38,240,506</u>	<u>377,510</u>	<u>36,942,536</u>
EXPENDITURES				
Community College-other costs	640	652	(12)	412
Public Schools - other costs	49,600	42,353	7,247	15,970
Principal bond retirement	33,807,157	33,807,157	-	27,964,705
Interest on long term debt	13,423,338	13,423,338	-	13,295,053
Total expenditures	<u>47,280,735</u>	<u>47,273,500</u>	<u>7,235</u>	<u>41,276,140</u>
Revenues over (under) expenditures	<u>(9,417,739)</u>	<u>(9,032,994)</u>	<u>384,745</u>	<u>(4,333,604)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	<u>4,075,000</u>	<u>4,075,000</u>	-	<u>19,539,503</u>
Total other financing sources (uses)	<u>4,075,000</u>	<u>4,075,000</u>	-	<u>19,539,503</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(5,342,739)</u>	<u>(4,957,994)</u>	<u>384,745</u>	<u>15,205,899</u>
APPROPRIATED FUND BALANCE	<u>5,342,739</u>	-	<u>(5,342,739)</u>	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(4,957,994)</u>	<u>\$ (4,957,994)</u>	<u>15,205,899</u>
FUND BALANCE				
Beginning		15,205,899		-
Ending		<u>\$ 10,247,905</u>		<u>\$ 15,205,899</u>

Education Budgetary Fund
Comparative Balance Sheet
June 30, 2025 and 2024

	June 30, 2025	June 30, 2024
ASSETS		
Cash and investments	\$ 5,661,666	\$ 394,716
Property taxes receivable, net	301,392	334,734
Accounts receivable, net	20,144	7,871
Total assets	<u>\$ 5,983,202</u>	<u>\$ 737,321</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Accounts payable and accrued liabilities	\$ -	\$ 4
DEFERRED INFLOWS OF RESOURCES	<u>341,740</u>	<u>368,435</u>
FUND BALANCE		
Restricted	20,144	7,871
Assigned	351,653	-
Unassigned	<u>5,269,665</u>	<u>361,011</u>
Total fund balance	<u>5,641,462</u>	<u>368,882</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 5,983,202</u>	<u>\$ 737,321</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 152,153,061	\$ 156,582,801	\$ 4,429,740	\$ 146,568,231
Investment earnings	10,000	852,840	842,840	526,296
Total revenues	152,163,061	157,435,641	5,272,580	147,094,527
EXPENDITURES				
Tax Administration	200,000	200,000	-	320,608
Community College - operations	3,830,426	3,830,426	-	3,356,808
Public Schools - current expense	130,611,680	130,611,680	-	122,690,414
Total expenditures	134,642,106	134,642,106	-	126,367,830
Revenues over (under) expenditures	17,520,955	22,793,535	5,272,580	20,726,697
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	2,205,020	2,205,020	-	-
Transfers to other funds	(19,725,975)	(19,725,975)	-	(20,357,815)
Total other financing sources (uses)	(17,520,955)	(17,520,955)	-	(20,357,815)
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	\$ -	5,272,580	\$ 5,272,580	368,882
FUND BALANCE				
Beginning		368,882		-
Ending		\$ 5,641,462		\$ 368,882

Special Revenue Funds

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.

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.

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.

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

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

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.

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.

Reappraisal Fund - This fund is used to pay for the reappraisal of real property. It is created through the county's budget ordinance to set aside funds to be used in the reappraisal process.

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, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 204,079	\$ 216,696	\$ 12,617	\$ 177,529
Local option sales tax	49,640	52,484	2,844	48,539
Investment earnings	-	73	73	42
Total revenues	<u>253,719</u>	<u>269,253</u>	<u>15,534</u>	<u>226,110</u>
EXPENDITURES				
Public safety	<u>422,865</u>	<u>422,573</u>	<u>292</u>	<u>387,140</u>
Total expenditures	<u>422,865</u>	<u>422,573</u>	<u>292</u>	<u>387,140</u>
Revenues over (under) expenditures	(169,146)	(153,320)	15,826	(161,030)
OTHER FINANCING SOURCES				
Transfers from other funds	<u>169,146</u>	<u>169,146</u>	-	<u>154,936</u>
Total other financing sources (uses)	<u>169,146</u>	<u>169,146</u>	-	<u>154,936</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>15,826</u>	<u>\$ 15,826</u>	<u>(6,094)</u>
FUND BALANCE				
Beginning of year - July 1		<u>31,466</u>		<u>37,560</u>
End of year - June 30		<u>\$ 47,292</u>		<u>\$ 31,466</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 1,520,090	\$ 1,555,688	\$ 35,598	\$ 1,240,218
Local option sales tax	245,910	363,452	117,542	228,651
Investment earnings	-	547	547	309
Total revenues	<u>1,766,000</u>	<u>1,919,687</u>	<u>153,687</u>	<u>1,469,178</u>
EXPENDITURES				
Public safety	<u>2,207,500</u>	<u>2,207,297</u>	<u>203</u>	<u>2,085,389</u>
Total expenditures	<u>2,207,500</u>	<u>2,207,297</u>	<u>203</u>	<u>2,085,389</u>
Revenues over (under) expenditures	(441,500)	(287,610)	153,890	(616,211)
OTHER FINANCING SOURCES				
Transfers from other funds	<u>441,500</u>	<u>441,500</u>	-	<u>485,982</u>
Total other financing sources (uses)	<u>441,500</u>	<u>441,500</u>	-	<u>485,982</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>153,890</u>	<u>\$ 153,890</u>	<u>(130,229)</u>
FUND BALANCE				
Beginning of year - July 1		<u>10,835</u>		<u>141,064</u>
End of year - June 30		<u>\$ 164,725</u>		<u>\$ 10,835</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 494,756	\$ 498,482	\$ 3,726	\$ 444,594
Local option sales tax	125,038	130,046	5,008	125,233
Investment earnings	-	188	188	110
Total revenues	<u>619,794</u>	<u>628,716</u>	<u>8,922</u>	<u>569,937</u>
EXPENDITURES				
Public safety	<u>1,058,990</u>	<u>1,058,624</u>	<u>366</u>	<u>1,051,298</u>
Total expenditures	<u>1,058,990</u>	<u>1,058,624</u>	<u>366</u>	<u>1,051,298</u>
Revenues over (under) expenditures	(439,196)	(429,908)	9,288	(481,361)
OTHER FINANCING SOURCES				
Transfers from other funds	<u>439,196</u>	<u>439,196</u>	-	<u>434,561</u>
Total other financing sources (uses)	<u>439,196</u>	<u>439,196</u>	-	<u>434,561</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>9,288</u>	<u>\$ 9,288</u>	<u>(46,800)</u>
FUND BALANCE				
Beginning of year - July 1		<u>43,038</u>		<u>89,838</u>
End of year - June 30		<u>\$ 52,326</u>		<u>\$ 43,038</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 480,017	\$ 501,684	\$ 21,667	\$ 388,734
Local option sales tax	58,897	114,843	55,946	108,672
Investment earnings	-	188	188	125
Total revenues	<u>538,914</u>	<u>616,715</u>	<u>77,801</u>	<u>497,531</u>
EXPENDITURES				
Public safety	<u>898,190</u>	<u>897,830</u>	<u>360</u>	<u>837,145</u>
Total expenditures	<u>898,190</u>	<u>897,830</u>	<u>360</u>	<u>837,145</u>
Revenues over (under) expenditures	(359,276)	(281,115)	78,161	(339,614)
OTHER FINANCING SOURCES				
Transfers from other funds	<u>359,276</u>	<u>359,276</u>	-	<u>334,876</u>
Total other financing sources (uses)	<u>359,276</u>	<u>359,276</u>	-	<u>334,876</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>78,161</u>	<u>\$ 78,161</u>	<u>(4,738)</u>
FUND BALANCE				
Beginning of year - July 1		<u>8,742</u>		<u>13,480</u>
End of year - June 30		<u>\$ 86,903</u>		<u>\$ 8,742</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 45,791	\$ 48,218	\$ 2,427	\$ 40,894
Local option sales tax	18,751	11,846	(6,905)	11,512
Investment earnings	-	21	21	14
Total revenues	<u>64,542</u>	<u>60,085</u>	<u>(4,457)</u>	<u>52,420</u>
EXPENDITURES				
Public safety	<u>114,737</u>	<u>114,500</u>	<u>237</u>	<u>133,852</u>
Total expenditures	<u>114,737</u>	<u>114,500</u>	<u>237</u>	<u>133,852</u>
Revenues over (under) expenditures	(50,195)	(54,415)	(4,220)	(81,432)
OTHER FINANCING SOURCES				
Transfers from other funds	<u>50,195</u>	<u>50,195</u>	-	<u>66,358</u>
Total other financing sources (uses)	<u>50,195</u>	<u>50,195</u>	-	<u>66,358</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(4,220)</u>	<u>\$ (4,220)</u>	<u>(15,074)</u>
FUND BALANCE				
Beginning of year - July 1		<u>234</u>		<u>15,308</u>
End of year - June 30		<u>\$ (3,986)</u>		<u>\$ 234</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 2,290,383	\$ 2,306,204	\$ 15,821	\$ 1,950,365
Local option sales tax	537,907	579,822	41,915	537,403
Investment earnings	-	786	786	614
Total revenues	<u>2,828,290</u>	<u>2,886,812</u>	<u>58,522</u>	<u>2,488,382</u>
EXPENDITURES				
Public safety	<u>3,535,363</u>	<u>3,532,400</u>	<u>2,963</u>	<u>3,327,430</u>
Total expenditures	<u>3,535,363</u>	<u>3,532,400</u>	<u>2,963</u>	<u>3,327,430</u>
Revenues over (under) expenditures	(707,073)	(645,588)	61,485	(839,048)
OTHER FINANCING SOURCES				
Transfers from other funds	<u>707,073</u>	<u>707,073</u>	-	<u>665,633</u>
Total other financing sources (uses)	<u>707,073</u>	<u>707,073</u>	-	<u>665,633</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>61,485</u>	<u>\$ 61,485</u>	<u>(173,415)</u>
FUND BALANCE				
Beginning of year - July 1		<u>113,549</u>		<u>286,964</u>
End of year - June 30		<u>\$ 175,034</u>		<u>\$ 113,549</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 253,043	\$ 259,838	\$ 6,795	\$ 199,559
Local option sales tax	41,662	59,206	17,544	54,834
Investment earnings	-	72	72	45
Total revenues	<u>294,705</u>	<u>319,116</u>	<u>24,411</u>	<u>254,438</u>
EXPENDITURES				
Public safety	<u>491,175</u>	<u>490,968</u>	<u>207</u>	<u>418,109</u>
Total expenditures	<u>491,175</u>	<u>490,968</u>	<u>207</u>	<u>418,109</u>
Revenues over (under) expenditures	(196,470)	(171,852)	24,618	(163,671)
OTHER FINANCING SOURCES				
Transfers from other funds	<u>196,470</u>	<u>196,470</u>	-	<u>167,270</u>
Total other financing sources (uses)	<u>196,470</u>	<u>196,470</u>	-	<u>167,270</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>24,618</u>	<u>\$ 24,618</u>	<u>3,599</u>
FUND BALANCE				
Beginning of year - July 1		<u>26,429</u>		<u>22,830</u>
End of year - June 30		<u>\$ 51,047</u>		<u>\$ 26,429</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 192,649	\$ 203,207	\$ 10,558	\$ 159,489
Local option sales tax	44,609	47,277	2,668	43,505
Investment earnings	-	72	72	50
Total revenues	<u>237,258</u>	<u>250,556</u>	<u>13,298</u>	<u>203,044</u>
EXPENDITURES				
Public safety	<u>395,430</u>	<u>395,217</u>	<u>213</u>	<u>358,725</u>
Total expenditures	<u>395,430</u>	<u>395,217</u>	<u>213</u>	<u>358,725</u>
Revenues over (under) expenditures	(158,172)	(144,661)	13,511	(155,681)
OTHER FINANCING SOURCES				
Transfers from other funds	<u>158,172</u>	<u>158,172</u>	-	<u>143,532</u>
Total other financing sources (uses)	<u>158,172</u>	<u>158,172</u>	-	<u>143,532</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>13,511</u>	<u>\$ 13,511</u>	<u>(12,149)</u>
FUND BALANCE				
Beginning of year - July 1		<u>9,769</u>		<u>21,918</u>
End of year - June 30		<u>\$ 23,280</u>		<u>\$ 9,769</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 537,101	\$ 553,449	\$ 16,348	\$ 359,643
Local option sales tax	105,499	101,547	(3,952)	97,789
Investment earnings	-	171	171	110
Total revenues	<u>642,600</u>	<u>655,167</u>	<u>12,567</u>	<u>457,542</u>
EXPENDITURES				
Public safety	<u>1,071,000</u>	<u>1,070,745</u>	<u>255</u>	<u>861,065</u>
Total expenditures	<u>1,071,000</u>	<u>1,070,745</u>	<u>255</u>	<u>861,065</u>
Revenues over (under) expenditures	(428,400)	(415,578)	12,822	(403,523)
OTHER FINANCING SOURCES				
Transfers from other funds	<u>428,400</u>	<u>428,400</u>	-	<u>349,569</u>
Total other financing sources (uses)	<u>428,400</u>	<u>428,400</u>	-	<u>349,569</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>12,822</u>	<u>\$ 12,822</u>	<u>(53,954)</u>
FUND BALANCE				
Beginning of year - July 1		<u>3,931</u>		<u>57,885</u>
End of year - June 30		<u>\$ 16,753</u>		<u>\$ 3,931</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 33,292
Local option sales tax	-	-	-	9,624
Investment earnings	-	-	-	3
Total revenues	-	-	-	42,919
EXPENDITURES				
Public safety	-	-	-	124,550
Total expenditures	-	-	-	124,550
Revenues over (under) expenditures	-	-	-	(81,631)
OTHER FINANCING SOURCES				
Transfers from other funds	-	-	-	59,479
Transfers to other funds	(1,932)	(1,931)	1	-
Total other financing sources (uses)	(1,932)	(1,931)	1	59,479
APPROPRIATED FUND BALANCE	1,932	-	(1,932)	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	(1,931)	\$ (1,931)	(22,152)
FUND BALANCE				
Beginning of year - July 1		1,931		24,083
End of year - June 30		\$ -		\$ 1,931

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 157,440	\$ 164,182	\$ 6,742	\$ 137,334
Local option sales tax	50,040	40,615	(9,425)	38,812
Investment earnings	-	69	69	43
Total revenues	<u>207,480</u>	<u>204,866</u>	<u>(2,614)</u>	<u>176,189</u>
EXPENDITURES				
Public safety	<u>345,800</u>	<u>345,468</u>	<u>332</u>	<u>348,331</u>
Total expenditures	<u>345,800</u>	<u>345,468</u>	<u>332</u>	<u>348,331</u>
Revenues over (under) expenditures	(138,320)	(140,602)	(2,282)	(172,142)
OTHER FINANCING SOURCES				
Transfers from other funds	<u>138,320</u>	<u>138,320</u>	-	<u>153,410</u>
Total other financing sources (uses)	<u>138,320</u>	<u>138,320</u>	-	<u>153,410</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(2,282)</u>	<u>\$ (2,282)</u>	<u>(18,732)</u>
FUND BALANCE				
Beginning of year - July 1		<u>5,812</u>		<u>24,544</u>
End of year - June 30		<u>\$ 3,530</u>		<u>\$ 5,812</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 1,145,890	\$ 1,179,480	\$ 33,590	\$ 951,423
Local option sales tax	229,303	281,458	52,155	260,959
Investment earnings	-	414	414	276
Total revenues	<u>1,375,193</u>	<u>1,461,352</u>	<u>86,159</u>	<u>1,212,658</u>
EXPENDITURES				
Public safety	<u>1,722,991</u>	<u>1,721,477</u>	<u>1,514</u>	<u>1,531,990</u>
Total expenditures	<u>1,722,991</u>	<u>1,721,477</u>	<u>1,514</u>	<u>1,531,990</u>
Revenues over (under) expenditures	(347,798)	(260,125)	87,673	(319,332)
OTHER FINANCING SOURCES				
Transfers from other funds	<u>347,798</u>	<u>347,798</u>	-	<u>309,620</u>
Total other financing sources (uses)	<u>347,798</u>	<u>347,798</u>	-	<u>309,620</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>87,673</u>	<u>\$ 87,673</u>	<u>(9,712)</u>
FUND BALANCE				
Beginning of year - July 1		<u>141,260</u>		<u>150,972</u>
End of year - June 30		<u>\$ 228,933</u>		<u>\$ 141,260</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 182,576	\$ 186,410	\$ 3,834	\$ 125,664
Local option sales tax	47,469	37,129	(10,340)	35,798
Investment earnings	-	64	64	114
Total revenues	<u>230,045</u>	<u>223,603</u>	<u>(6,442)</u>	<u>161,576</u>
EXPENDITURES				
Public safety	<u>386,875</u>	<u>386,570</u>	<u>305</u>	<u>323,745</u>
Total expenditures	<u>386,875</u>	<u>386,570</u>	<u>305</u>	<u>323,745</u>
Revenues over (under) expenditures	(156,830)	(162,967)	(6,137)	(162,169)
OTHER FINANCING SOURCES				
Transfers from other funds	<u>156,830</u>	<u>156,830</u>	-	<u>133,353</u>
Total other financing sources (uses)	<u>156,830</u>	<u>156,830</u>	-	<u>133,353</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(6,137)</u>	<u>\$ (6,137)</u>	<u>(28,816)</u>
FUND BALANCE				
Beginning of year - July 1		-		28,816
End of year - June 30		<u>\$ (6,137)</u>		<u>\$ -</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 2,059,924	\$ 2,111,814	\$ 51,890	\$ 1,797,282
Local option sales tax	498,463	535,047	36,584	500,018
Investment earnings	-	635	635	484
Total revenues	<u>2,558,387</u>	<u>2,647,496</u>	<u>89,109</u>	<u>2,297,784</u>
EXPENDITURES				
Public safety	<u>3,197,984</u>	<u>3,196,020</u>	<u>1,964</u>	<u>3,022,071</u>
Total expenditures	<u>3,197,984</u>	<u>3,196,020</u>	<u>1,964</u>	<u>3,022,071</u>
Revenues over (under) expenditures	(639,597)	(548,524)	91,073	(724,287)
OTHER FINANCING SOURCES				
Transfers from other funds	<u>639,597</u>	<u>639,597</u>	-	<u>604,457</u>
Total other financing sources (uses)	<u>639,597</u>	<u>639,597</u>	-	<u>604,457</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>91,073</u>	<u>\$ 91,073</u>	<u>(119,830)</u>
FUND BALANCE				
Beginning of year - July 1		<u>150,893</u>		<u>270,723</u>
End of year - June 30		<u>\$ 241,966</u>		<u>\$ 150,893</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 878,621	\$ 899,367	\$ 20,746	\$ 800,955
Local option sales tax	188,700	237,462	48,762	221,065
Investment earnings	-	332	332	243
Total revenues	<u>1,067,321</u>	<u>1,137,161</u>	<u>69,840</u>	<u>1,022,263</u>
EXPENDITURES				
Public safety	<u>1,334,151</u>	<u>1,332,631</u>	<u>1,520</u>	<u>1,275,356</u>
Total expenditures	<u>1,334,151</u>	<u>1,332,631</u>	<u>1,520</u>	<u>1,275,356</u>
Revenues over (under) expenditures	(266,830)	(195,470)	71,360	(253,093)
OTHER FINANCING SOURCES				
Transfers from other funds	<u>266,830</u>	<u>266,830</u>	-	<u>255,204</u>
Total other financing sources (uses)	<u>266,830</u>	<u>266,830</u>	-	<u>255,204</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>71,360</u>	<u>\$ 71,360</u>	<u>2,111</u>
FUND BALANCE				
Beginning of year - July 1		<u>210,582</u>		<u>208,471</u>
End of year - June 30		<u>\$ 281,942</u>		<u>\$ 210,582</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 2,162,128	\$ 2,203,226	\$ 41,098	\$ 1,719,087
Local option sales tax	489,147	511,126	21,979	482,285
Investment earnings	-	728	728	510
Total revenues	<u>2,651,275</u>	<u>2,715,080</u>	<u>63,805</u>	<u>2,201,882</u>
EXPENDITURES				
Public safety	<u>3,314,094</u>	<u>3,312,112</u>	<u>1,982</u>	<u>3,129,932</u>
Total expenditures	<u>3,314,094</u>	<u>3,312,112</u>	<u>1,982</u>	<u>3,129,932</u>
Revenues over (under) expenditures	(662,819)	(597,032)	65,787	(928,050)
OTHER FINANCING SOURCES				
Transfers from other funds	<u>662,819</u>	<u>662,819</u>	-	<u>728,310</u>
Total other financing sources (uses)	<u>662,819</u>	<u>662,819</u>	-	<u>728,310</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>65,787</u>	<u>\$ 65,787</u>	<u>(199,740)</u>
FUND BALANCE				
Beginning of year - July 1		<u>2,597</u>		<u>202,337</u>
End of year - June 30		<u>\$ 68,384</u>		<u>\$ 2,597</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 4,639,096	\$ 4,684,491	\$ 45,395	\$ 2,990,970
Local option sales tax	873,185	1,287,019	413,834	835,467
Investment earnings	-	1,248	1,248	741
Total revenues	<u>5,512,281</u>	<u>5,972,758</u>	<u>460,477</u>	<u>3,827,178</u>
EXPENDITURES				
Public safety	<u>6,898,184</u>	<u>6,889,324</u>	<u>8,860</u>	<u>5,186,114</u>
Total expenditures	<u>6,898,184</u>	<u>6,889,324</u>	<u>8,860</u>	<u>5,186,114</u>
Revenues over (under) expenditures	(1,385,903)	(916,566)	469,337	(1,358,936)
OTHER FINANCING SOURCES				
Transfers from other funds	<u>1,387,835</u>	<u>1,387,836</u>	<u>1</u>	<u>1,043,568</u>
Total other financing sources (uses)	<u>1,387,835</u>	<u>1,387,836</u>	<u>1</u>	<u>1,043,568</u>
APPROPRIATED FUND BALANCE	<u>(1,932)</u>	<u>-</u>	<u>1,932</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>471,270</u>	<u>\$ 471,270</u>	<u>(315,368)</u>
FUND BALANCE				
Beginning of year - July 1		<u>92,926</u>		<u>408,294</u>
End of year - June 30		<u>\$ 564,196</u>		<u>\$ 92,926</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes	\$ 558,257	\$ 578,425	\$ 20,168	\$ 431,628
Local option sales tax	120,939	126,354	5,415	121,228
Investment earnings	-	246	246	152
Total revenues	<u>679,196</u>	<u>705,025</u>	<u>25,829</u>	<u>553,008</u>
EXPENDITURES				
Public safety	<u>1,140,660</u>	<u>1,140,312</u>	<u>348</u>	<u>1,004,297</u>
Total expenditures	<u>1,140,660</u>	<u>1,140,312</u>	<u>348</u>	<u>1,004,297</u>
Revenues over (under) expenditures	(461,464)	(435,287)	26,177	(451,289)
OTHER FINANCING SOURCES				
Transfers from other funds	<u>461,464</u>	<u>461,464</u>	<u>-</u>	<u>408,573</u>
Total other financing sources (uses)	<u>461,464</u>	<u>461,464</u>	<u>-</u>	<u>408,573</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>26,177</u>	<u>\$ 26,177</u>	<u>(42,716)</u>
FUND BALANCE				
Beginning of year - July 1		<u>39,123</u>		<u>81,839</u>
End of year - June 30		<u>\$ 65,300</u>		<u>\$ 39,123</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Permits and fees	\$ -	\$ 2,710	\$ 2,710	\$ 6,413
Total revenues	-	2,710	2,710	6,413
Revenues and appropriated fund balance over (under) expenditures	\$ -	2,710	\$ 2,710	6,413
FUND BALANCE				
Beginning of year - July 1		108,497		102,084
End of year - June 30		\$ 111,207		\$ 108,497

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Permits and fees	\$ 140,000	\$ 120,794	\$ (19,206)	\$ 152,881
Total revenues	<u>140,000</u>	<u>120,794</u>	<u>(19,206)</u>	<u>152,881</u>
EXPENDITURES				
General government	130,000	36,750	93,250	29,830
Total expenditures	<u>130,000</u>	<u>36,750</u>	<u>93,250</u>	<u>29,830</u>
Revenues over (under) expenditures	10,000	84,044	74,044	123,051
APPROPRIATED FUND BALANCE	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>84,044</u>	<u>\$ 84,044</u>	<u>123,051</u>
FUND BALANCE				
Beginning of year - July 1		<u>544,320</u>		<u>421,269</u>
End of year - June 30		<u>\$ 628,364</u>		<u>\$ 544,320</u>

UC Sheriff's Office Civil Fees Fund**Schedule of Revenues, Expenditures and Changes****in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Miscellaneous	\$ 578,658	\$ 578,658	\$ -	\$ 763,241
Total revenues	<u>578,658</u>	<u>578,658</u>	<u>-</u>	<u>763,241</u>
EXPENDITURES				
Public safety	578,658	561,177	17,481	767,474
Total expenditures	<u>578,658</u>	<u>561,177</u>	<u>17,481</u>	<u>767,474</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	17,481	<u>\$ 17,481</u>	(4,233)
FUND BALANCE				
Beginning of year - July 1		<u>4,652</u>		<u>8,885</u>
End of year - June 30		<u>\$ 22,133</u>		<u>\$ 4,652</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Miscellaneous	\$ 636,172	\$ 636,171	\$ (1)	\$ 525,053
Total revenues	<u>636,172</u>	<u>636,171</u>	<u>(1)</u>	<u>525,053</u>
EXPENDITURES				
Human services	636,172	593,011	43,161	539,538
Total expenditures	<u>636,172</u>	<u>593,011</u>	<u>43,161</u>	<u>539,538</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>43,160</u>	<u>\$ 43,160</u>	<u>(14,485)</u>
FUND BALANCE				
Beginning of year - July 1		<u>157,903</u>		<u>172,388</u>
End of year - June 30		<u>\$ 201,063</u>		<u>\$ 157,903</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Other taxes and licenses	\$ 170,847	\$ -	\$ (170,847)	\$ 572,352
Intergovernmental	-	107,215	107,215	-
Investment earnings	-	30,259	30,259	39,518
Total revenues	<u>170,847</u>	<u>137,474</u>	<u>(33,373)</u>	<u>611,870</u>
EXPENDITURES				
Capital	548,969	107,215	441,754	125,000
Hardware maintenance	331,798	126,754	205,044	51,833
Implemental functions	124,269	20,464	103,805	15,161
Phone and Furniture	48,602	44,777	3,825	-
Software maintenance	187,264	187,264	-	278,264
Telephone	-	-	-	30,657
Training	17,194	20,509	(3,315)	20,910
Principal - leases	671	224	447	224
Interest - leases	7	-	7	2
Total expenditures	<u>1,258,774</u>	<u>507,207</u>	<u>751,567</u>	<u>522,051</u>
Revenues over (under) expenditures	(1,087,927)	(369,733)	718,194	89,819
OTHER FINANCING SOURCES				
Transfers from other funds	-	1,808	1,808	4,686
Total other financing sources (uses)	<u>-</u>	<u>1,808</u>	<u>1,808</u>	<u>4,686</u>
APPROPRIATED FUND BALANCE	<u>1,087,927</u>	<u>-</u>	<u>(1,087,927)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(367,925)</u>	<u>\$ (367,925)</u>	<u>94,505</u>
FUND BALANCE				
Beginning of year - July 1		<u>2,010,337</u>		<u>1,915,832</u>
End of year - June 30		<u>\$ 1,642,412</u>		<u>\$ 2,010,337</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Miscellaneous	\$ 1,100,000	\$ 964,966	\$ (135,034)	\$ 966,508
Total revenues	<u>1,100,000</u>	<u>964,966</u>	<u>(135,034)</u>	<u>966,508</u>
EXPENDITURES				
Education	1,100,000	964,966	135,034	966,508
Total expenditures	<u>1,100,000</u>	<u>964,966</u>	<u>135,034</u>	<u>966,508</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	-	<u>\$ -</u>	-
FUND BALANCE				
Beginning of year - July 1		-		-
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual	Total To Date	Variance Positive (Negative)
REVENUES					
Investment earnings	\$ -	\$ 57,505	\$ 64,948	\$ 122,453	\$ 122,453
Miscellaneous	2,724,783	4,941,390	1,580,930	6,522,320	3,797,537
Total revenues	2,724,783	4,998,895	1,645,878	6,644,773	3,919,990
EXPENDITURES					
Opioid Abuse Mitigation	2,724,783	937,195	802,809	1,740,004	984,779
Total expenditures	2,724,783	937,195	802,809	1,740,004	984,779
Revenues and other financing sources over (under) expenditures	\$ -	\$ 4,061,700	843,069	\$ 4,904,769	\$ 4,904,769
FUND BALANCE					
Beginning of year - July 1			2,937,847		
Adjustment to Fund Balance			1,123,853		
Beginning of Year Restated			4,061,700		
End of year - June 30			\$ 4,904,769		

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
OTHER FINANCING SOURCES				
Transfers from other funds	\$ 125,000	\$ 125,000	\$ -	\$ 125,000
Transfers to other funds	(150,000)	(150,000)	-	-
Total other financing sources (uses)	(25,000)	(25,000)	-	125,000
APPROPRIATED FUND BALANCE	25,000	-	(25,000)	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(25,000)</u>	<u>\$ (25,000)</u>	125,000
FUND BALANCE				
Beginning of year - July 1		125,000		-
End of year - June 30		<u>\$ 100,000</u>		<u>\$ 125,000</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, 2025

	Actual				
	Project Authorization	Prior Years	Current Year	Total To Date	Variance Positive (Negative)
REVENUES					
Intergovernmental	\$ 95,733,442	\$ 63,589,321	\$ 9,379,529	\$ 72,968,850	\$ (22,764,592)
Sales and services	450,900	409,066	42,000	451,066	166
Investment earnings	3,455,842	3,236,575	968,263	4,204,838	748,996
Miscellaneous	2,668,469	2,826,481	2,669	2,829,150	160,681
Total revenues	102,308,653	70,061,443	10,392,461	80,453,904	(21,854,749)
EXPENDITURES					
Capital outlay					
General Government					
American Rescue Plan	7,050,601	4,132,215	696,877	4,829,092	2,221,509
ARPA APS Essential Services	17,061	3,892	-	3,892	13,169
ARPA Interest Earnings	804,997	88,718	67,242	155,960	649,037
ARPA Lead and Asbestos	25,490	8,695	9,421	18,116	7,374
ARPA Library	129,595	120,545	-	120,545	9,050
ARPA Nutrition	332,183	259,091	73,092	332,183	-
ARPA School Health Team Workforce	261,457	261,457	-	261,457	-
ARPA Temporary Savings Fund	50,000	5,463	22,413	27,876	22,124
Human Services					
Cameron's House of Hope	400,000	400,000	-	400,000	-
Carbon Reduction Grant	200,000	-	78,040	78,040	121,960
CARES Act	8,813,446	8,813,443	-	8,813,443	3
CARES Act ELC	2,502,824	2,502,824	-	2,502,824	-
CARES Act Older Americans	93,736	93,736	-	93,736	-
CARES Act Transportation	1,369,239	1,368,448	755	1,369,203	36
CDC 117 Infrastructure LWFC	568,902	179	9,975	10,154	558,748
CDC Vaccination Program	714,667	583,704	8,715	592,419	122,248
Communicable Disease Pandemic Recovery	587,964	431,181	62,717	493,898	94,066
Community Shelter State Aid	1,500,000	1,500,000	-	1,500,000	-
Coronavirus Response and Relief	273,044	201,588	56,000	257,588	15,456
Covid Medicaid - Child Health	130,882	130,882	-	130,882	-
Emergency Rental Assistance	17,081,086	12,359,969	-	12,359,969	4,721,117
Families First Coronavirus Response Act	117,927	117,927	-	117,927	-
NEHA-FDA Retail Flexible Module	4,994	3,986	-	3,986	1,008
Supplemental 5-HDC	72,656	72,656	-	72,656	-
Urbanized Area Formula Grant - 5307	1,526,571	74,981	489,093	564,074	962,497
Veterinarian Equipment	450,000	9,975	11,645	21,620	428,380
Public Safety					
Cert Grant Program	68,500	69,682	-	69,682	(1,182)
Controlled Substance Tax	637,994	533,418	-	533,418	104,576
EM Community Storm Resiliency Grant	25,000	23,104	-	23,104	1,896
Federal Forfeited Property	2,342,808	1,589,231	308,487	1,897,718	445,090
Firearms Range Ph II	275,385	213,265	-	213,265	62,120
Homeland Security-Catawba Nuclear	466,475	301,544	46,266	347,810	118,665
Indian Trail GHSP Grant	547,616	498,755	-	498,755	48,861
NCEM Swift Water Rescue Equipment	80,000	80,000	-	80,000	-
Sheriff Office Equipment	300,000	260,477	21,124	281,601	18,399
Economic and Physical Environment					
Community Development Block Grant	9,274,313	5,600,241	1,563,580	7,163,821	2,110,492
EDC Grant East Side Sewer Study	100,000	98,826	-	98,826	1,174
EDC Grant Marshville Gas Line	100,000	71,032	-	71,032	28,968
EDC Invest - Charlotte Publication	24,500	24,500	-	24,500	-
Walden Pond Lake	1,100,000	34,917	31,164	66,081	1,033,919
Principal - subscriptions	105,630	46,573	59,056	105,629	1
Interest - subscriptions	6,871	302	6,569	6,871	-
Total expenditures	60,534,414	42,991,422	3,622,231	46,613,653	13,920,761
Revenues under expenditures	41,774,239	27,070,021	6,770,230	33,840,251	(7,933,988)

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, 2025

	Actual				
	Project Authorization	Prior Years	Current Year	Total To Date	Variance Positive (Negative)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	325,953	209,124	128,060	337,184	11,231
Transfers to other funds	(41,974,620)	(24,187,797)	(6,689,298)	(30,877,095)	11,097,525
Transfers to Water and Sewer Capital Fund	(125,572)	(651,572)	-	(651,572)	(526,000)
Total other financing sources (uses)	(41,774,239)	(24,630,245)	(6,561,238)	(31,191,483)	10,582,756
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 2,439,776	208,992	\$ 2,648,768	\$ 2,648,768
FUND BALANCE					
Beginning of year - July 1			2,439,776		
End of year - June 30			\$ 2,648,768		

Capital Project Funds

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

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



General Capital Project Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
From Inception and for the Year Ended June 30, 2025

	Actual				
	Project Authorization	Prior Years	Current Year	Total To Date	Variance Positive (Negative)
REVENUES					
Intergovernmental	\$ 26,944,936	\$ 1,915,486	\$ 1,178,307	\$ 3,093,793	\$ (23,851,143)
Investment earnings	4,068,761	12,992,175	3,619,235	16,611,410	12,542,649
Miscellaneous	9,134,470	7,807,712	949,543	8,757,255	(377,215)
Capital outlay					
Total revenues	40,148,167	22,715,373	5,747,085	28,462,458	(11,685,709)
EXPENDITURES					
General Government					
Board of Elections Renovations	4,877,674	4,675,296	-	4,675,296	202,378
County Facilities Audio Visual Equipment	-	-	290	290	(290)
Cloud Migration	360,000	-	-	-	360,000
County Facilities Operating Capital	3,125,111	1,720,616	449,350	2,169,966	955,145
County Facilities Repairs	5,815,325	2,616,769	1,447,518	4,064,287	1,751,038
County Fueling Stations	450,000	-	8,709	8,709	441,291
Emergency Shelter Electrical	175,000	-	-	-	175,000
Government Center Building Envelope Repairs	1,600,000	683,514	3,550	687,064	912,936
Government Center Electrical Infrastructure	1,040,000	424,494	26,880	451,374	588,626
Government Center Replace Liebert Unit	40,000	21,500	-	21,500	18,500
Historic Courthouse Renovations Ph 1	1,990,503	1,846,101	3,554	1,849,655	140,848
Historic Courthouse Renovations Ph 2	1,725,000	-	53,473	53,473	1,671,527
I.T. Infrastructure	1,441,238	1,306,354	15,256	1,321,610	119,628
Judicial Center Server Room Split System	90,000	23,855	-	23,855	66,145
Judicial and Government Center Renovations Ph I	14,734,078	81,962	91,293	173,255	14,560,823
Network Segmentation Enhancement	200,000	-	7,901	7,901	192,099
Phone System Replacement	1,000,000	-	7,901	7,901	992,099
Phone System Upgrade	655,000	547,232	805	548,037	106,963
Physical Server Refresh	206,500	-	206,500	206,500	-
Pictometry Phase 4	440,840	-	219,585	219,585	221,255
Progress Building Ph 1	6,908,730	6,640,517	5,199	6,645,716	263,014
Progress Building Ph 2	-	23,823	(23,823)	-	-
Public Safety					
Progress Building Generator Installation	525,000	-	-	-	525,000
Security System Upgrades	550,000	74,279	102,954	177,233	372,767
Storage Area Network Refresh	388,500	-	388,372	388,372	128
UCPS Admin Building Generator Replacement	121,649	93,321	26,073	119,394	2,255
UPS Infrastructure Upgrades	305,000	39,592	-	39,592	265,408
Animal Shelter Replace UPS	30,000	-	-	-	30,000
Emergency Management Equipment	216,296	208,728	3,282	212,010	4,286
Emergency Services Complex	16,415,120	16,091,104	239,243	16,330,347	84,773
Fire Training Needs Short Term	1,500,000	32,000	49,095	81,095	1,418,905
Jail Block Renovations	1,715,000	-	19,437	19,437	1,695,563
Jail Domestic Water Source	65,000	-	-	-	65,000
Jail Door Control and Lock System	3,157,193	217,656	1,766,284	1,983,940	1,173,253
Jail Expansion Phase I	3,600,000	1,630,194	131,368	1,761,562	1,838,438
Jail Generator Replacement	370,000	254	-	254	369,746
Jail Replace Washers and Dryers	435,000	342,854	16,090	358,944	76,056
Jail Rooftop HVAC Replacement	730,000	-	210,166	210,166	519,834
P25 Simulcast TDMA Conversion	2,455,154	711,788	1,660,610	2,372,398	82,756
Radio Backhaul	559,000	553,935	-	553,935	5,065
Radio Install Shop	993,455	904,861	69,168	974,029	19,426
Radio Microwave Replacement	482,774	257,118	-	257,118	225,656
Radio Replacements	4,706,254	4,349,430	310,916	4,660,346	45,908
Radio Towers HVAC Systems	64,000	-	14,800	14,800	49,200
Radio Towers SW Union	2,520,335	1,020,427	44,355	1,064,782	1,455,553
Sheriff's Office Crime Lab	878,637	718,495	57,850	776,345	102,292
Sheriff's Office Operating Capital	645,422	316,423	141,976	458,399	187,023
Sheriff's Office R&R	967,733	459,768	198,922	658,690	309,043
Sheriff's Office Renovations	27,592,166	27,067,733	62,300	27,130,033	462,133
South Piedmont Autopsy Center	20,000,000	-	-	-	20,000,000
Union EMS Capital Projects	3,482,212	924,817	289,172	1,213,989	2,268,223
VFD Air Packs	1,084,000	153,938	496,945	650,883	433,117
VHF Simulcast Paging System	474,755	-	474,755	474,755	-

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, 2025

	Actual				
	Project Authorization	Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Cultural and Recreation					
Cane Creek Park Camp Store	950,000	50,524	468,761	519,285	430,715
Cane Creek Park Campground R&R	600,070	435,832	139,926	575,758	24,312
Jesse Helms Park Amenities Improvements	500,000	19,500	-	19,500	480,500
Jesse Helms Park Lighting	400,000	-	6,794	6,794	393,206
Library Replace Metal Architectural Panels	857,712	33,790	746,271	780,061	77,651
Parks and Recreation ADA Improvements	350,000	-	-	-	350,000
Parks and Recreation R&R	811,254	590,903	183,399	774,302	36,952
Parks and Recreation Paving	232,460	-	-	-	232,460
Southwest Union Library	14,817,414	14,266,245	234,479	14,500,724	316,690
Economic and Physical Development					
Ag Center Generator	350,000	19,240	-	19,240	330,760
EDC Barn Project	13,577,000	72,754	665,454	738,208	12,838,792
EDC-Industrial Park	18,212,405	18,131,911	-	18,131,911	80,494
Planning-NC DOT Projects	1,125,000	315,250	-	315,250	809,750
Education					
Design Work for Forest Hills and East Elementary	4,900,000	4,689,824	210,176	4,900,000	-
East Elementary Bond Project	44,092,589	15,849,219	22,007,624	37,856,843	6,235,746
Forest Hills Bond Project	104,939,411	45,137,681	38,808,519	83,946,200	20,993,211
Transportation Facility-Bond Project	15,244,656	15,147,817	96,839	15,244,656	-
UCPS Interfund Transfer	14,247	-	-	-	14,247
Schools Capital Outlay 5YR Laptop Lease	20,955,255	17,198,102	3,448,512	20,646,614	308,641
Schools Capital Outlay FY 2021 Building Systems	6,595,500	6,243,230	352,270	6,595,500	-
Schools Capital Outlay FY 2021 Exp. & Renov.	5,075,514	4,782,605	292,909	5,075,514	-
Schools Capital Outlay FY 2022 Building Systems	7,889,494	4,357,995	3,482,344	7,840,339	49,155
Schools Capital Outlay FY 2022 Classroom F&E	458,850	376,298	82,552	458,850	-
Schools Capital Outlay FY 2022 Exp. and Renov.	3,460,350	3,131,355	328,995	3,460,350	-
Schools Capital Outlay FY 2022 Roofing	2,100,000	1,549,366	506,634	2,056,000	44,000
Schools Capital Outlay FY 2022 Safety & Security	1,210,773	934,059	276,714	1,210,773	-
Schools Capital Outlay FY 2023 Building Systems	8,639,286	6,853,593	1,196,962	8,050,555	588,731
Schools Capital Outlay FY 2023 Classroom F&E	275,000	206,608	68,392	275,000	-
Schools Capital Outlay FY 2023 Exp. and Renov.	5,833,103	4,453,484	495,092	4,948,576	884,527
Schools Capital Outlay FY 2023 Painting	714,000	677,400	27,200	704,600	9,400
Schools Capital Outlay FY 2023 Roofing	1,870,000	1,094,807	451,368	1,546,175	323,825
Schools Capital Outlay FY 2023 Vehi & Equip	461,031	419,594	35,448	455,042	5,989
Schools Capital Outlay FY 2024 ADA	144,900	61,362	74,624	135,986	8,914
Schools Capital Outlay FY 2024 Building Systems	8,598,550	761,654	2,271,752	3,033,406	5,565,144
Schools Capital Outlay FY 2024 Classroom F&E	120,750	63,145	-	63,145	57,605
Schools Capital Outlay FY 2024 East Union Ph I	2,721,015	-	1,011,850	1,011,850	1,709,165
Schools Capital Outlay FY 2024 Exp. and Renov.	4,719,548	943,897	1,345,135	2,289,032	2,430,516
Schools Capital Outlay FY 2024 Marvin R HVAC	1,129,013	5,707	86,898	92,605	1,036,408
Schools Capital Outlay FY 2024 Painting	1,298,325	139,875	789,038	928,913	369,412
Schools Capital Outlay FY 2024 Roofing	2,307,976	-	634,011	634,011	1,673,965
Schools Capital Outlay FY 2024 Safety & Security	505,943	175,417	66,935	242,352	263,591
Schools Capital Outlay FY 2024 Transportation	421,000	409,576	11,424	421,000	-
Schools Capital Outlay FY 2024 Vehi & Equip	970,043	783,146	167,328	950,474	19,569
Schools Capital Outlay FY 2025 Band Equipment	50,000	-	-	-	50,000
Schools Capital Outlay FY 2025 Building Systems	3,332,600	-	720,898	720,898	2,611,702
Schools Capital Outlay FY 2025 Classroom F&E	2,500,000	-	556,348	556,348	1,943,652
Schools Capital Outlay FY2025 East Union Ph II	28,430,000	-	-	-	28,430,000
Schools Capital Outlay FY 2025 Exp. and Renov.	4,469,410	-	2,235,906	2,235,906	2,233,504
Schools Capital Outlay FY 2025 MR HVAC	2,640,000	-	1,495,990	1,495,990	1,144,010
Schools Capital Outlay FY 2025 Parkwood High	10,995,000	-	34,000	34,000	10,961,000
Schools Capital Outlay FY 2025 Safety & Security	468,600	-	365,668	365,668	102,932
Schools Capital Outlay FY 2025 Trans/Veh	3,020,425	-	2,823,383	2,823,383	197,042

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, 2025

	Actual				
	Project Authorization	Prior Years	Current Year	Total To Date	Variance Positive (Negative)
SPCC 2024 IT Infrastructure	500,000	-	-	-	500,000
SPCC Access Controls	647,780	647,780	-	647,780	-
SPCC Aseptic Training Center	6,175,100	1,893,682	4,281,418	6,175,100	-
SPCC Bookstore Library Conversion	303,440	-	27,176	27,176	276,264
SPCC Braswell Building HVAC	176,269	176,269	-	176,269	-
SPCC Building A Restrooms	238,000	238,000	-	238,000	-
SPCC Building A Salon Renovation	775,000	-	775,000	775,000	-
SPCC Camera System	239,400	134,158	83,878	218,036	21,364
SPCC Campus Improvement Ph 1	765,004	-	20,664	20,664	744,340
SPCC Capital Maintenance	115,900	-	115,900	115,900	-
SPCC Center for Entrepreneurship	32,725,000	969,477	1,258,821	2,228,298	30,496,702
SPCC HVAC and Security	100,000	-	100,000	100,000	-
SPCC Land Purchase	1,908,000	25,000	1,883,000	1,908,000	-
SPCC Make Up Air Unit	75,000	74,700	300	75,000	-
SPCC Parking	345,000	-	-	-	345,000
SPCC Renovations Building A	10,740,000	10,724,540	15,460	10,740,000	-
SPCC Renovations Building B	1,800,000	607,103	1,192,897	1,800,000	-
SPCC Resurfacing of Parking Lot	467,100	-	-	-	467,100
SPCC STEM Building	19,873,539	19,873,539	-	19,873,539	-
SPCC Technology	175,000	-	175,000	175,000	-
SPCC Tyson Driving Pad	2,688,560	-	3,270	3,270	2,685,290
SPCC Website Redesign	200,000	149,332	50,668	200,000	-
Principal - leases	59,521	21,446	38,074	59,520	1
Interest - leases	6,401	2,554	3,846	6,400	1
Total expenditures	591,359,140	282,701,093	108,628,268	391,329,361	200,029,779
Revenues under expenditures	(551,210,973)	(259,985,720)	(102,881,183)	(362,866,903)	188,344,070
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	170,840,035	148,082,734	23,123,499	171,206,233	366,198
Transfer in-Water and Sewer Fund	327,500	327,500	-	327,500	-
Transfers to other funds	(3,152,000)	(3,052,000)	(100,000)	(3,152,000)	-
Issuance of general obligation bonds	361,249,194	267,397,151	-	267,397,151	(93,852,043)
Issuance of general obligation bonds, premiums	16,394,568	25,096,611	-	25,096,611	8,702,043
Issuance of refunding installment financing	5,551,676	5,551,676	-	5,551,676	-
Total other financing sources (uses)	551,210,973	443,403,672	23,023,499	466,427,171	(84,783,802)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 183,417,952	(79,857,684)	\$ 103,560,268	\$ 103,560,268
FUND BALANCE					
Beginning of year - July 1			183,417,952		
End of year - June 30			\$ 103,560,268		



Enterprise Funds

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

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

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



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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)	2024 Actual
REVENUES				
Operating revenues				
Charges for services	\$ 82,515,870	\$ 82,963,181	\$ 447,311	\$ 77,695,377
Miscellaneous revenue	-	3,746	3,746	15,352
Other operating revenue	2,078,245	1,749,887	(328,358)	1,819,781
Total	84,594,115	84,716,814	122,699	79,530,510
Nonoperating revenues				
Investment earnings	550,000	6,942,572	6,392,572	7,676,912
Sale of capital assets	70,000	115,521	45,521	2,557
Total	620,000	7,058,093	6,438,093	7,679,469
Total revenues	85,214,115	91,774,907	6,560,792	87,209,979
EXPENDITURES				
Administration	27,905,715	19,731,494	8,174,221	18,098,821
Water regulatory compliance	123,508	90,624	32,884	102,443
Water system operations	8,299,837	7,569,257	730,580	7,241,757
Water system maintenance and repairs	5,193,997	5,016,589	177,408	4,549,555
Sewer-county customers system operations	17,647,249	13,063,907	4,583,342	12,458,411
Sewer-county customers system maint & repairs	665,871	683,790	(17,919)	528,231
Sewer-Marshville/Monroe system operations	369,795	354,660	15,135	342,561
Sewer regulatory compliance	319,320	276,414	42,906	255,471
Revenue bonds - principal	11,970,000	11,970,000	-	11,405,000
Interest on long term debt	13,769,471	13,769,471	-	14,332,421
Total expenditures	86,264,763	72,526,206	13,738,557	69,314,671
Revenues over (under) expenditures	(1,050,648)	19,248,701	20,299,349	17,895,308
OTHER FINANCING SOURCES (USES)				
Transfers out				
Transfers out Water and Sewer Capital Project Fund	(5,629,614)	(5,629,614)	-	(50,201,447)
Transfers In				
Transfer in Water and Sewer District Fund	-	-	-	17,071,897
Transfer in Water Sewer District SDF CRF	-	670,153	670,153	2,025,500
Capital contributions - cash-other	-	1,112	1,112	720
Issuance of lease liability	-	-	-	11,476
Issuance of subscription liability	1,248,928	1,248,928	-	1,135,873
Total other financing sources (uses)	(4,380,686)	(3,709,421)	671,265	(29,955,981)
APPROPRIATED FUND BALANCE				
	(5,431,334)	-	5,431,334	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	\$ (10,862,668)	\$ 15,539,280	\$ 26,401,948	\$ (12,060,673)

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)	2024 Actual
OTHER FINANCING SOURCES (USES)				
Transfers out Water and Sewer Operating Fund	\$ -	\$ -	\$ -	\$ (17,071,897)
Total other financing sources (uses)	-	-	-	(17,071,897)
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	\$ -	\$ -	\$ -	\$ (17,071,897)

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)	2024 Actual
OTHER FINANCING SOURCES (USES)				
Transfers out Water and Sewer Capital Project Fund	\$ (5,907,201)	\$ (5,907,201)	\$ -	\$ (4,958,655)
Transfers out Water and Sewer Operating Fund	(670,153)	(670,153)	-	(2,025,500)
Capital contributions - system development fees	-	11,535,872	11,535,872	6,563,539
Total other financing sources (uses)	(6,577,354)	4,958,518	11,535,872	(420,616)
APPROPRIATED FUND BALANCE	(6,577,354)	-	6,577,354	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ (13,154,708)</u>	<u>\$ 4,958,518</u>	<u>\$ 18,113,226</u>	<u>\$ (420,616)</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, 2025

	Project Authorization	Prior Years	Actual	Total To Date	Variance Positive (Negative)
REVENUES					
Nonoperating revenues					
Investment earnings	\$ 3,024,036	\$ 3,284,575	\$ -	\$ 3,284,575	\$ 260,539
Intergovernmental	70,360,000	2,587,741	30,451,873	33,039,614	(37,320,386)
Total revenues	73,384,036	5,872,316	30,451,873	36,324,189	(37,059,847)
EXPENDITURES					
Administrative Capital Outlay					
12 ML WRF Adm Building	1,583,512	1,568,304	-	1,568,304	15,208
CCWRF Admin Building	1,325,000	122,300	15,576	137,876	1,187,124
Master Plan Update	1,360,834	1,212,671	147,226	1,359,897	937
Op Center Expansion & Renovation	14,543,060	42,920	147,163	190,083	14,352,977
Water Capital Outlay					
821 Zone Providence Rd BPS Sup	2,300,000	-	-	-	2,300,000
853 East Zone Transmission	480,000	-	-	-	480,000
853 W Zone Transmission Main Ph 1	24,058,971	23,546,663	2,800	23,549,463	509,508
853 W Zone Transmission Main Ph 2	2,073,321	2,073,320	-	2,073,320	1
853 W Zone Transmission Main Ph 3	1,365,580	545,491	125,338	670,829	694,751
853 W Zone Transmission Main Ph 4	13,200,000	-	-	-	13,200,000
853 West Hydraulic Modeling	100,000	-	59,164	59,164	40,836
880 Zone Charlotte Interconnection	1,078,000	-	-	-	1,078,000
935 East Zone Tank	926,000	-	-	-	926,000
Advanced Metering Infrastructure	18,212,625	13,380,931	2,630,189	16,011,120	2,201,505
Chestnut Lane Connector Water	775,000	-	-	-	775,000
CRWTP Expansion	8,962,579	-	-	-	8,962,579
CRWTP Mitigation	35,866	-	-	-	35,866
CRWTP Water Pump Upgrade	925,810	786,179	76,081	862,260	63,550
Emerald Woods Water Line	800,000	114,057	497,873	611,930	188,070
Galvanized Water Line Replacement	905,794	836,685	-	836,685	69,109
Indian Trail Additional Tank	2,488,000	-	-	-	2,488,000
Indian Trail Road Streetscape	1,100,000	15,200	-	15,200	1,084,800
Lawyers-Rocky River Road Roundabout	400,000	-	-	-	400,000
Marshville Tank Interior Rehabilitation	1,000,000	-	60,801	60,801	939,199
Marshville Water Tank Rehabilitation	1,280,406	1,059,846	47,461	1,107,307	173,099
Moore Park Water Main Extension	50,000	-	31,200	31,200	18,800
New Additional Marshville Tank	3,250,373	3,222,863	2,306	3,225,169	25,204
Risk & Resiliency Assessment	160,000	-	88,800	88,800	71,200
SCADA	1,714,852	202,059	115,238	317,297	1,397,555
SCADA Master Plan Water	9,200,000	3,465,890	1,105,568	4,571,458	4,628,542
Short Water Line Extensions	20,005,801	7,766,827	2,599,071	10,365,898	9,639,903
Stack Road Water Line	793,488	760,403	-	760,403	33,085
Stallings Road Water Line	329,077	329,076	-	329,076	1
Storage Tank Rehabilitation	425,000	-	-	-	425,000
Water R&R Program	4,540,000	-	-	-	4,540,000
Water Treatment PFAS Study	103,000	73,950	29,050	103,000	-
Waxhaw Water Improvements	430,600	418,084	187	418,271	12,329
Yadkin Carbon Dioxide Pilot Study	50,000	-	9,905	9,905	40,095
Yadkin Distribution System Improvements	37,450,000	3,295,516	22,008,272	25,303,788	12,146,212
Yadkin Program Management	17,045,420	16,797,863	49,374	16,847,237	198,183
Yadkin Raw Water Intake & Pump Station	160,240,720	156,565,558	214,051	156,779,609	3,461,111
Yadkin Water Supply	4,691,510	4,166,280	-	4,166,280	525,230
Yadkin Water Treatment Plant	120,655,044	117,213,080	565,992	117,779,072	2,875,972
Yadkin-Montgomery County Settlement	784,943	778,318	-	778,318	6,625
Yadkin-Stanly County Settlement	1,038,440	1,022,986	-	1,022,986	15,454
Sewer Capital Outlay					
12 Mile Creek Exp 7.5 to 9 MGD	56,390,000	2,237,798	6,037,111	8,274,909	48,115,091
12 Mile Creek I&I Abatement	1,232,981	414,955	355,181	770,136	462,845
CCWRF Electrical Improvements	3,908,962	3,848,239	-	3,848,239	60,723
CCWRF Process Improvements	4,240,000	4,129,769	-	4,129,769	110,231
Collection System SSES & Rehab	798,919	544,824	-	544,824	254,095
Crooked Creek Interceptor Improve Ph 1	635,129	570,196	29,554	599,750	35,379
Crooked Creek Interceptor Improve Ph 2	20,670,400	2,766,002	6,296,504	9,062,506	11,607,894
Crooked Creek UV Equipment	3,598,710	349,055	2,053,206	2,402,261	1,196,449

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, 2025

	Project Authorization	Prior Years	Actual	Total To Date	Variance Positive (Negative)
East Fork Interceptor Improvements	3,829,000	-	62,762	62,762	3,766,238
Eastside #3 Pump Station Improvements	50,000	-	21,819	21,819	28,181
EDC Industrial Park Pump Station	3,700,000	2,670,658	613,315	3,283,973	416,027
Forest Park Pump Station Improvements	451,000	-	49,850	49,850	401,150
Grassy Branch WRF Expansion	11,750,000	754,464	4,710,240	5,464,704	6,285,296
Helmsville Force Main Replacement	800,000	30,015	466,539	496,554	303,446
Hwy 74/IT Fairview Rd Replacement	1,500,000	-	37,800	37,800	1,462,200
Lower Crooked Creek Site B	4,817,506	4,814,760	-	4,814,760	2,746
Poplin Force Main Relocation	600,000	40,000	-	40,000	560,000
Poplin Road Pump Station Interim IP	17,140,281	16,157,753	-	16,157,753	982,528
Potter-Pleasant Plains WW	2,300,000	-	-	-	2,300,000
SCADA Master Plan Wastewater	9,200,000	3,796,064	1,128,377	4,924,441	4,275,559
Sewer PS Rehab Assessment Study	100,000	-	49,232	49,232	50,768
Six Mile Crk Joe Kerr Manhole Rehab	60,000	-	-	-	60,000
SPCC Extension	660,000	-	-	-	660,000
Stallings-Collection System	388,200	106,200	-	106,200	282,000
STEG Assessment Waxhaw	4,120,000	238,225	10,614	248,839	3,871,161
STEG Asset Inventory/Assessment	3,104,302	1,851,461	4,658	1,856,119	1,248,183
STEG Indian Trail/Stallings Sewer Replacement	3,400,000	-	168,146	168,146	3,231,854
Wastewater Pump Station Improvement	3,377,314	136,608	103,139	239,747	3,137,567
Wastewater R&R Program	2,476,068	80,376	-	80,376	2,395,692
Wastewater Treatment Plant R&R	300,181	179,310	-	179,310	120,871
Waxhaw Interceptor	6,243,160	6,046,801	(184,877)	5,861,924	381,236
West Fork 12ML Interceptor Improvement	13,931,135	12,743,466	151,265	12,894,731	1,036,404
WRF Process Evaluation	591,380	481,031	86,793	567,824	23,556
Total expenditures	670,603,254	426,371,350	52,879,914	479,251,264	191,351,990
Revenues over expenditures	(597,219,218)	(420,499,034)	(22,428,041)	(442,927,075)	154,292,143
OTHER FINANCING SOURCES					
Transfers from General Fund	400,000	400,000	-	400,000	-
Transfer from General Capital Project Fund	3,000,000	3,000,000	-	3,000,000	-
Transfers from water and sewer operating fund	161,598,365	158,365,108	5,629,614	163,994,722	2,396,357
Transfer from special revenue fund	16,700,000	700,000	4,902,476	5,602,476	(11,097,524)
Transfer in Water Sewer District SDF CRF	23,782,446	17,893,445	5,907,201	23,800,646	18,200
Capital contributions - cash-other	400,000	3,013,714	429,549	3,443,263	3,043,263
Revenue bonds issuance premiums	8,765,000	20,404,154	-	20,404,154	11,639,154
Revenue bonds issuance	382,573,407	336,523,775	-	336,523,775	(46,049,632)
Total other financing sources	597,219,218	540,300,196	16,868,840	557,169,036	(40,050,182)
Revenues and other financing sources over (under) expenditures	\$ -	\$ 119,801,162	(5,559,201)	\$ 114,241,961	\$ 114,241,961

FUND BALANCE

Beginning of year - July 1

119,801,162

End of year - June 30

\$ 114,241,961

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025	2024
Revenues and other financing sources over (under) expenditures and other financing uses		
Operating Fund	\$ 15,539,280	\$ (12,060,673)
Water and Sewer District	-	(17,071,897)
Water and Sewer SDF CRF	4,958,518	(420,616)
Water and Sewer Capital Project Fund	(5,559,201)	22,946,040
Total	14,938,597	(6,607,146)
Reconciling items		
Amortization of G.O. and revenue bond premium	1,680,794	1,680,794
Payment of debt principal	11,970,000	11,405,000
Increase (decrease) in compensated absences payable	(629,748)	(207,502)
Increase (decrease) in interest expense accrual	47,421	44,606
Increase (decrease) in inventories	(525,686)	556,905
Decrease in allowance for uncollectible accounts	(186,509)	(60,715)
Increase (decrease) in net pension asset, separation allowance	2,118	(8,098)
Increase (decrease) in net other post employment benefit liability	(5,403,433)	164,744
Capital Outlay	53,291,262	32,012,137
Capital contributions	21,448,484	10,254,323
Gain (loss) on investment in joint venture	(978,448)	(1,297,343)
Loss on disposal of capital asset	(7,210)	-
Depreciation	(33,915,354)	(29,255,458)
Increase (decrease) in pension expense	(667,743)	(1,068,306)
Amortization of deferred loss on refundings	(220,934)	(220,934)
Amortization of lease assets	(19,177)	(18,088)
Amortization of subscription assets	(486,764)	(403,097)
Issuance of lease liability	-	(11,476)
Issuance of subscription liability	(1,248,928)	(1,135,873)
Right to use lease asset	-	11,476
Right to use subscription asset	1,248,928	1,135,873
Revenue bond arbitrage rebate liability	-	91,181
Total	45,399,073	23,670,149
Change in net position	\$ 60,337,670	\$ 17,063,003

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)	2024 Actual
REVENUES				
Operating Revenues				
Charges for services	\$ 13,131,504	\$ 13,306,696	\$ 175,192	\$ 10,097,690
Disposal fees	480,200	695,701	215,501	711,526
Miscellaneous revenue	-	-	-	5,339
Other operating revenue	25,000	65,007	40,007	58,346
Total	13,636,704	14,067,404	430,700	10,872,901
Nonoperating Revenue				
Investment earnings	100,000	622,618	522,618	641,934
Intergovernmental	-	20,479	20,479	20,113
Sale of capital assets	-	3,198	3,198	8,538
Total	100,000	646,295	546,295	670,585
Total revenues	13,736,704	14,713,699	976,995	11,543,486
EXPENDITURES				
Personnel	2,850,971	2,750,885	100,086	2,523,482
Operating expense	9,938,801	8,876,016	1,062,785	7,423,302
Total expenditures	12,789,772	11,626,901	1,162,871	9,946,784
Revenues over (under) expenditures	946,932	3,086,798	2,139,866	1,596,702
OTHER FINANCING SOURCES (USES)				
Transfers from General Fund	650,000	650,000	-	550,000
Transfers in				
Transfers to Solid Waste Capital Project Fund	(1,400,000)	(1,400,000)	-	(1,112,000)
Issuance of lease liability	-	-	-	(200)
Total other financing sources (uses)	(750,000)	(750,000)	-	(562,200)
APPROPRIATED FUND BALANCE	196,932	-	(196,932)	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	\$ 393,864	\$ 2,336,798	\$ 1,942,934	\$ 1,034,502

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)	2024 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, 2025

	Project Authorization	Prior Years	Actual	Total To Date	Variance Positive (Negative)
EXPENDITURES					
Austin Chaney Site Redesign	\$ 3,846,300	\$ 3,613,120	\$ 55,321	\$ 3,668,441	\$ 177,859
C&D Cell Expansion	700,000	117,751	-	117,751	582,249
Landfill Access Road Widening	125,000	-	-	-	125,000
Scalehouse Renovation	350,000	-	-	-	350,000
Landfill Operations Center	1,500,000	-	-	-	1,500,000
MSW Transfer Station Expansion	150,000	-	-	-	150,000
Total expenditures	6,671,300	3,730,871	55,321	3,786,192	2,885,108
Revenues over expenditures	(6,671,300)	(3,730,871)	(55,321)	(3,786,192)	2,885,108
OTHER FINANCING SOURCES					
Transfers from water and sewer operating fund	6,671,300	5,271,300	1,400,000	6,671,300	-
Total other financing sources	6,671,300	5,271,300	1,400,000	6,671,300	-
Revenues and other financing sources over (under) expenditures	\$ -	\$ 1,540,429	1,344,679	\$ 2,885,108	\$ 2,885,108
FUND BALANCE					
Beginning of year - July 1			1,540,429		
End of year - June 30			\$ 2,885,108		

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025	2024
Revenues and other financing sources over (under) expenditures and other financing uses		
Operating Fund	\$ 2,336,798	\$ 1,034,502
Solid Waste Capital Fund	1,344,679	(2,312,893)
Total	3,681,477	(1,278,391)
Reconciling items		
Increase (decrease) in compensated absences payable	(68,311)	(6,894)
Decrease in allowance for uncollectible accounts	49,066	18,621
Increase (decrease) in net pension asset, separation allowance	26,654	(578)
Increase (decrease) in net other post employment benefit liability	(707,902)	39,659
Capital Outlay	443,012	3,565,262
Depreciation	(626,073)	(606,494)
Increase in accrued landfill postclosure care costs	(136,054)	1,020,400
Increase (decrease) in pension expense	(88,877)	(113,712)
Amortization of lease assets	(970)	(915)
Issuance of lease liability	-	200
Right to use lease asset	-	(200)
Total	(1,109,455)	3,915,349
Change in net position	\$ 2,572,022	\$ 2,636,958



Internal Service Funds

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

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

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

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



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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Operating revenues				
Interfund charges and employee contributions	\$ 26,598,569	\$ 26,635,144	\$ 36,575	\$ 27,044,917
Total	26,598,569	26,635,144	36,575	27,044,917
Nonoperating revenues				
Other operating revenue	-	44	44	-
Investment earnings	9,705	174,761	165,056	330,704
Total transfers	-	-	-	-
Total revenues	26,608,274	26,809,949	201,675	27,375,621
EXPENDITURES				
Operating expenditures				
Personnel	-	213	(213)	-
Other operating expenditures	3,743,916	3,551,343	192,573	3,579,434
Health benefit claims and premiums	27,164,358	27,908,399	(744,041)	23,707,072
Total expenditures	30,908,274	31,459,955	(551,681)	27,286,506
Revenues over (under) expenditures	(4,300,000)	(4,650,006)	(350,006)	89,115
APPROPRIATED FUND BALANCE				
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ (4,650,006)	\$ (4,650,006)	\$ 89,115
Reconciliation from budgetary basis (modified accrual) to full accrual basis				
Revenues over expenditures		\$ (4,650,006)		\$ 89,115
Increase (decrease) in health benefit claims payable		(9,560)		(25,446)
Change in net position		\$ (4,659,566)		\$ 63,669

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Operating revenues				
Interfund charges and employee contributions	\$ 795,408	\$ 799,979	\$ 4,571	\$ 680,107
Insurance Reimbursement	-	-	-	7,474
Total	795,408	799,979	4,571	687,581
Nonoperating revenues				
Investment earnings	9,017	72,172	63,155	68,378
Total revenues	804,425	872,151	67,726	755,959
EXPENDITURES				
Operating expenditures				
Personnel	73,074	47,130	25,944	82,161
Other operating expenditures	425,626	281,569	144,057	317,309
Worker's compensation claims	305,725	144,893	160,832	385,704
Total expenditures	804,425	473,592	330,833	785,174
Revenues over (under) expenditures	-	398,559	398,559	(29,215)
Reconciliation from budgetary basis (modified accrual) to full accrual basis				
Revenues over expenditures		\$ 398,559		\$ (29,215)
Increase (decrease) in workers' compensation claims payable		224,384		22,434
Increase (decrease) in compensated absences payable		(821)		9,620
Increase (decrease) in pension expense		5,860		676
Increase (decrease) in net other post employment benefit liability		(15,079)		(24,003)
Change in net position		\$ 612,903		\$ (20,488)

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

For the Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Operating revenues				
Interfund charges and employee contributions	\$ 2,176,636	\$ 2,181,196	\$ 4,560	\$ 2,332,484
Miscellaneous revenue	-	-	-	352
Total	2,176,636	2,181,196	4,560	2,332,836
Nonoperating revenues				
Investment earnings	3,951	38,898	34,947	31,764
Total transfers	-	-	-	-
Total revenues	2,180,587	2,220,094	39,507	2,364,600
EXPENDITURES				
Operating expenditures				
Personnel	73,074	46,977	26,097	77,444
Property and casualty claims and premiums	2,219,843	1,951,135	268,708	1,857,374
Total expenditures	2,292,917	1,998,112	294,805	1,934,818
Revenues over (under) expenditures	(112,330)	221,982	334,312	429,782
APPROPRIATED FUND BALANCE	112,330	-	(112,330)	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ 221,982	\$ 221,982	\$ 429,782
Reconciliation from budgetary basis (modified accrual) to full accrual basis				
Revenues over (under) expenditures		\$ 221,982		\$ 429,782
Increase (decrease) in property and casualty claims payable		(38,243)		(97,342)
Increase (decrease) in compensated absences payable		(821)		9,414
Increase (decrease) in pension expense		5,034		936
Increase (decrease) in net other post employment benefit liability		(16,788)		(22,296)
Change in net position		\$ 171,164		\$ 320,494



Fiduciary Funds

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, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	<u>2025</u>	<u>2024</u>
ADDITIONS		
Operating revenues		
Employer contributions	\$ 2,981,045	\$ 2,761,020
Net investment income	320,784	63,760
Total revenues	<u>3,301,829</u>	<u>2,824,780</u>
DEDUCTIONS		
Operating expenses		
Employee benefits	<u>1,772,203</u>	<u>1,639,110</u>
Revenues under expenses	1,529,626	1,185,670
NET POSITION		
Beginning of year-July 1	6,301,414	5,115,744
End of year-June 30	<u>\$ 7,831,040</u>	<u>\$ 6,301,414</u>
Funds do not reconcile by:	-	(7,831,040)

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, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	<u>2025</u>	<u>2024</u>
ADDITIONS		
Operating revenues		
Employer contributions	\$ 4,487,718	\$ 7,441,924
Net investment income	7,682,268	6,745,335
Total revenues	<u>12,169,986</u>	<u>14,187,259</u>
DEDUCTIONS		
Operating expenses		
Employee benefits	<u>4,487,718</u>	<u>4,322,657</u>
Revenues under expenses	7,682,268	9,864,602
NET POSITION		
Beginning of year-July 1	71,562,727	61,698,125
End of year-June 30	<u>\$ 79,244,995</u>	<u>\$ 71,562,727</u>
Funds do not reconcile by:	-	(79,244,995)

Additional Financial Data

This section contains additional information on property taxes.

Schedule of Ad Valorem Taxes Receivable - General Fund

Analysis of Current Tax Levy - County-Wide Levy



Union County, North Carolina

Schedule 64

Schedule of Ad Valorem Taxes Receivable - General Fund

June 30, 2025

Fiscal Year	Uncollected Balance June 30, 2024	Additions and Adjustments	Collections and Credits	Uncollected Balance June 30, 2025
2024-2025	\$ -	\$ 176,883	\$ 70,619	\$ 106,264
2023-2024	499,157	245,681,439	245,837,359	343,237
2022-2023	254,734	73,256	228,524	99,466
2021-2022	127,650	129,668	194,932	62,386
2020-2021	85,047	81,738	118,016	48,769
2019-2020	83,269	1,836	22,168	62,937
2018-2019	93,805	(1,577)	8,341	83,887
2017-2018	50,640	(1,080)	2,390	47,170
2016-2017	41,809	-	2,610	39,199
2015-2016	34,974	-	2,383	32,591
2014-2015	18,033	-	2,180	15,853
2013-2014	36,073	-	36,073	-
	<u>\$ 1,325,191</u>	<u>\$ 246,142,163</u>	<u>\$ 246,525,595</u>	<u>\$ 941,759</u>
Less: Allowance for uncollectible ad valorem taxes receivable				(254,769)
Ad valorem taxes receivable (net)				<u>\$ 686,990</u>
Reconcilement with revenues				
Taxes - ad valorem				<u>\$ 247,329,501</u>
Reconciling items				
2025-2026 tax prepayments				70,619
Write-offs per statute of limitations				36,073
Collections in advance				(93,874)
Interest, advertising cost recovery, and garnishments				(810,487)
Foreclosure fees and overpayments				(6,236)
Rounding adjustment				(1)
Total reconciling items				<u>(803,906)</u>
Total collections and credits				<u>\$ 246,525,595</u>

Analysis of Current Tax Levy

County-Wide Levy

For the Year Ended June 30, 2025

	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	\$ 40,732,994,296	0.5880	\$ 239,488,819	\$ 219,813,170	\$ 19,675,649
Motor vehicles taxed at prior year's rate	988,644,449	0.5880	5,808,136	-	5,808,136
Motor vehicles taxed at prior year's rate	12,239,108	0.5880	72,986	-	72,986
Total	<u>41,733,877,853</u>		<u>245,369,941</u>	<u>219,813,170</u>	<u>25,556,771</u>
Discoveries					
Property taxed at current year's rate	116,345,570	0.5880	684,112	684,111	-
Total	<u>116,345,570</u>		<u>684,112</u>	<u>684,111</u>	<u>-</u>
Abatements					
Property taxed at current year's rate	63,369,782	0.5880	372,614	372,614	-
Total	<u>63,369,782</u>		<u>372,614</u>	<u>372,614</u>	<u>-</u>
Total property valuation	<u>\$ 41,786,853,641</u>				
Net levy			245,681,439	220,124,668	25,556,771
Add: Uncollected taxes at June 30, 2024			499,157	499,157	-
Less: Uncollected taxes at June 30, 2025			<u>(343,237)</u>	<u>(343,237)</u>	<u>-</u>
Total collections and credits for 2024-2025			<u>\$ 245,837,359</u>	<u>\$ 220,280,588</u>	<u>\$ 25,556,771</u>
Percent current year collected			100.06 %	100.06 %	100.00 %

SECONDARY MARKET DISCLOSURES

	County-wide		
	Property Valuation	Rate	Amount of Levy
Assessed valuation			
Assessment ratio	67%		
Real property	\$ 34,382,478,024		
Personal property	2,429,655,896		
Public service companies	624,722,651		
	<u>37,436,856,571</u>	0.5880	\$ 220,124,668
Personal property-motor vehicles	3,349,113,513	0.5880	19,675,649
Personal property-motor vehicles	988,644,449	0.5880	5,808,136
Personal property-motor vehicles	12,239,108	0.5880	72,986
	<u>4,349,997,070</u>		<u>25,556,771</u>
Total	<u>\$ 41,786,853,641</u>		<u>\$ 245,681,439</u>

In addition to the county-wide rate, the following table lists the levies by the county on behalf of fire protection districts for the fiscal year ended June 30, 2025:

Fire protection districts	\$ 16,192,753
Total	<u>\$ 16,192,753</u>

Statistical Section

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

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

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

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

Ad Valorem Taxes-General Fund	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 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									
	2016	2017	2018	2019	Restated 2020	2021	2022	2023	2024 (restated)	2025
Governmental activities:										
Net investment in capital assets	\$ 50,856,584	\$ 72,437,355	\$ 86,556,007	\$ 98,903,188	\$ 14,861,530	\$ 28,905,072	\$ 50,651,906	\$ 67,197,900	\$ 73,828,805	\$ 104,755,339
Restricted	62,691,666	52,573,379	101,469,756	97,719,693	73,441,423	107,862,145	89,263,583	227,642,813	246,301,451	70,773,412
Unrestricted	(272,131,081)	(242,163,566)	(319,114,878)	(312,549,502)	(219,769,638)	(242,772,927)	(193,063,777)	(291,579,857)	(333,433,854)	(273,053,871)
Total governmental activities net position	\$ (158,582,831)	\$ (117,152,832)	\$ (131,089,115)	\$ (115,926,621)	\$ (131,466,685)	\$ (106,005,710)	\$ (53,148,288)	\$ 3,260,856	\$ (13,303,598)	\$ (97,525,120)
Business-type activities:										
Net investment in capital assets	\$ 180,438,094	\$ 205,909,308	\$ 182,818,412	\$ 142,191,339	\$ 197,711,960	\$ 210,314,809	\$ 242,855,607	\$ 254,079,819	\$ 264,481,592	\$ 308,362,821
Restricted	913,570	876,897	18,235,580	55,468,003	23,555	14,087,659	4,741,596	251,004	377,778	295,332
Unrestricted	103,696,563	98,608,352	109,741,302	131,762,175	148,377,282	140,171,753	150,575,115	174,561,233	183,809,581	202,383,224
Total business-type activities net position	\$ 285,048,227	\$ 305,394,557	\$ 310,795,294	\$ 329,421,517	\$ 346,112,797	\$ 364,574,221	\$ 398,172,318	\$ 428,892,056	\$ 448,668,951	\$ 511,041,377
Primary government:										
Net investment in capital assets	\$ 231,294,678	\$ 278,346,663	\$ 269,374,419	\$ 241,094,527	\$ 212,573,490	\$ 239,219,881	\$ 293,507,513	\$ 321,277,719	\$ 338,310,397	\$ 413,118,160
Restricted	63,605,236	53,450,276	119,705,336	153,187,696	73,464,978	121,949,804	94,005,179	227,893,817	246,679,229	71,068,744
Unrestricted	(168,434,518)	(143,555,214)	(209,373,576)	(180,787,327)	(71,392,356)	(102,304,174)	(42,488,662)	(117,018,624)	(149,624,273)	(70,670,647)
Total primary government net position	\$ 126,465,396	\$ 188,241,725	\$ 179,706,179	\$ 213,494,896	\$ 214,646,112	\$ 258,865,511	\$ 345,024,030	\$ 432,152,912	\$ 435,365,353	\$ 413,516,257

Table 2

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities:										
General government	\$ 17,427,812	\$ 16,134,611	\$ 15,906,013	\$ 16,065,707	\$ 25,254,536	\$ 28,995,405	\$ 35,354,835	\$ 33,886,683	\$ 38,567,467	\$ 44,067,108
Public safety	52,402,492	57,578,659	59,894,161	67,026,282	72,845,343	74,294,108	69,232,976	92,602,509	105,841,345	129,619,494
Economic and physical development	2,729,040	2,933,004	3,598,518	4,905,724	4,939,816	5,067,559	9,308,379	5,585,773	6,021,141	11,509,257
Human services	38,311,835	44,403,278	41,198,351	45,685,378	49,623,331	57,758,191	53,295,379	59,608,975	62,297,408	80,253,669
Cultural and recreational	6,996,026	7,487,519	8,153,459	8,341,339	8,207,449	7,816,884	5,507,578	8,691,375	11,313,809	13,928,898
Education	114,373,247	114,522,089	117,388,325	142,232,139	169,570,717	140,119,720	145,593,143	150,878,680	220,924,425	228,898,675
Interest on long term debt	12,220,595	13,009,921	13,236,217	12,208,660	14,266,021	14,003,945	12,714,619	16,330,847	19,262,514	17,468,740
Total Governmental Activities	\$ 244,461,047	\$ 256,069,081	\$ 259,375,044	\$ 296,465,229	\$ 344,707,213	\$ 328,055,812	\$ 331,006,909	\$ 367,584,842	\$ 464,228,109	\$ 525,745,841
Business-type Activities:										
Water and sewer	37,743,763	44,396,330	46,256,524	50,629,603	54,648,868	32,709,337	66,136,936	70,410,768	86,797,790	129,239,499
Solid waste	4,480,119	4,746,161	5,066,103	5,183,839	6,072,828	7,209,309	9,020,044	9,728,256	9,453,996	12,866,429
Stormwater	166,741	359,971	-	-	-	-	-	-	-	-
Total Business-type Activities	42,390,623	49,502,462	51,322,627	55,813,442	60,721,696	39,918,646	75,156,980	80,139,024	96,251,786	142,105,928
Total Expenses	\$ 286,851,670	\$ 305,571,543	\$ 310,697,671	\$ 352,278,671	\$ 405,428,909	\$ 367,974,458	\$ 406,163,889	\$ 447,723,866	\$ 560,479,895	\$ 667,851,769
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ -	\$ -	\$ -	\$ -	\$ 13,561,605	\$ 10,663,324	\$ 11,674,780	\$ 10,293,086	\$ 10,784,988	\$ 10,161,321
Public safety	7,755,805	7,542,449	7,986,731	7,735,875	8,819,461	6,796,885	8,384,239	5,722,681	5,998,057	8,258,639
Human services	9,895,788	9,602,369	4,909,306	6,226,127	5,091,502	8,831,766	17,885,198	6,405,099	8,016,524	7,271,008
Other activities	2,524,474	2,966,685	9,353,755	9,826,010	1,777,412	4,097,252	4,875,776	2,959,389	3,097,108	3,124,216
Operating grants and contributions:										
Human services	20,348,777	20,894,206	18,200,442	17,153,949	17,796,125	25,547,896	16,844,962	25,637,633	23,958,457	21,436,327
Education	9,119,985	10,335,409	10,844,845	12,193,079	13,014,041	14,515,306	16,286,320	17,697,393	16,604,681	16,253,555
General government	-	-	-	-	184,258	277,055	233,567	18,407,528	5,221,466	2,002,354
Other activities	3,977,275	4,828,443	4,797,940	5,171,314	4,619,805	4,793,792	5,434,206	6,752,680	7,464,895	13,557,043
Capital grants and contributions	68,520	242,226	-	16,310	423,161	294,098	-	-	729,811	2,337,507
Total Governmental Activities	\$ 53,690,624	\$ 56,411,787	\$ 56,093,019	\$ 58,322,664	\$ 65,287,370	\$ 75,817,374	\$ 81,619,048	\$ 93,875,489	\$ 81,875,987	\$ 84,401,970
Business-type Activities:										
Charges for services:										
Water and sewer	\$ 39,992,024	\$ 52,611,512	\$ 50,908,521	\$ 49,747,920	\$ 53,512,791	\$ 33,418,576	\$ 73,917,884	\$ 78,819,459	\$ 79,959,915	\$ 113,294,406
Solid waste	5,200,090	5,581,482	5,434,204	6,216,595	6,890,017	7,955,165	9,024,723	10,114,105	10,871,901	14,067,404
Stormwater	46,386	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	12,888	4,706,371	(2,080,152)	20,479
Capital grants and contributions:										
Water and sewer	17,816,555	11,322,960	8,363,042	13,487,093	14,126,775	16,088,204	22,093,752	12,395,716	17,297,076	63,866,890
Total Business-type Activities	\$ 63,055,055	\$ 69,515,954	\$ 64,705,767	\$ 69,451,608	\$ 74,529,583	\$ 57,461,945	\$ 105,049,247	\$ 106,035,651	\$ 106,048,740	\$ 191,249,179
Total Primary Revenues	\$ 116,745,679	\$ 125,927,741	\$ 120,798,786	\$ 127,774,272	\$ 139,816,953	\$ 133,279,319	\$ 186,668,295	\$ 199,911,140	\$ 187,924,727	\$ 275,651,149
Net (Expense) /Revenue										
Governmental Activities	\$ (190,770,423)	\$ (199,657,294)	\$ (203,282,025)	\$ (238,142,565)	\$ (279,419,843)	\$ (253,238,438)	\$ (249,387,861)	\$ (273,709,353)	\$ (382,352,122)	\$ (441,343,871)
Business-type Activities	20,664,432	20,013,492	13,383,140	13,638,166	13,824,167	17,543,299	29,892,267	25,896,627	9,796,954	49,143,251
Total primary government net expense	\$ (170,105,991)	\$ (179,643,802)	\$ (189,898,885)	\$ (224,504,399)	\$ (265,595,676)	\$ (235,695,139)	\$ (219,495,594)	\$ (247,812,726)	\$ (372,555,168)	\$ (392,200,620)

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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues										
Governmental Activities:										
Property taxes levied for general purposes	\$ 191,316,580	\$ 194,800,497	\$ 205,216,133	\$ 199,894,266	\$ 205,248,659	\$ 216,215,388	\$ 230,345,003	\$ 240,724,747	\$ 251,629,252	\$ 265,497,193
Local option sales tax	37,420,598	42,828,128	44,074,996	47,069,786	50,242,063	58,998,697	69,525,750	73,534,546	74,897,618	77,704,144
Other taxes and licenses	2,622,315	2,822,173	2,916,298	3,182,688	3,207,810	4,049,677	5,137,873	4,830,535	4,653,156	4,034,104
Unrestricted grants and contributions	115,081	120,366	180,174	160,000	167,570	257,924	308,131	130,927	220,156	493,749
Unrestricted rental income	-	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	923,829	483,772	1,910,293	5,020,147	4,721,500	(13,767)	(1,006,337)	10,889,196	22,145,721	14,530,230
Unrestricted miscellaneous	714	112	2	-	-	-	-	-	-	-
Transfers in/out	-	-	-	(2,070,572)	159,300	(991,908)	-	-	(1,650,000)	(5,552,476)
Gain / (loss) on sale of capital assets	126,632	32,245	55,177	48,744	132,877	137,891	1,015,363	8,546	-	415,405
Extraordinary item	-	-	-	-	-	-	-	-	-	-
Total general revenues and transfers	232,525,749	241,087,293	254,353,073	253,305,059	263,879,779	278,653,902	305,325,783	330,118,497	351,895,903	357,122,349
Business-type Activities:										
Unrestricted investment earnings	636,881	274,237	1,179,405	2,850,947	2,260,714	(108,847)	(790,743)	4,756,503	8,318,846	7,565,190
Transfers	-	-	-	2,070,572	(159,300)	991,908	-	-	1,650,000	5,552,476
Gain / (loss) on sale of capital assets	113,935	58,601	88,781	66,538	785,699	35,064	141,728	66,608	11,095	111,509
Total Business-type activities	750,816	332,838	1,268,186	4,988,057	2,887,113	918,125	(649,015)	4,823,111	9,979,941	13,229,175
Total primary government	\$ 233,276,565	\$ 241,420,131	\$ 255,621,259	\$ 258,293,116	\$ 266,766,892	\$ 279,572,027	\$ 304,676,768	\$ 334,941,608	\$ 361,875,844	\$ 370,351,524
Change in Net Position										
Governmental Activities	\$ 41,755,326	\$ 41,429,999	\$ 51,071,048	\$ 15,162,494	\$ (15,540,064)	\$ 25,415,464	\$ 55,937,922	\$ 56,409,144	\$ (30,456,219)	\$ (84,221,522)
Business-type Activities	21,415,248	20,346,330	14,651,326	18,628,223	16,691,280	18,461,424	29,243,252	30,719,738	19,776,895	62,372,426
Total Change in Net Position	\$ 63,170,574	\$ 61,776,329	\$ 65,722,374	\$ 33,790,717	\$ 1,151,216	\$ 43,876,888	\$ 85,181,174	\$ 87,128,882	\$ (10,679,324)	\$ (21,849,096)

Table 3

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024 (restated)	2025
General Fund										
Nonspendable	\$ 547,783	\$ 342,875	\$ 176,614	\$ 11,836	\$ 53,650	\$ 37,638	\$ 50,308	\$ 61,142	\$ 70,090	\$ 11,260
Restricted	19,608,677	21,323,211	23,728,459	39,558,378	25,853,559	35,636,403	37,204,166	31,694,610	37,155,303	38,254,797
Committed	57,191,296	60,642,715	62,893,854	60,998,762	61,510,365	61,178,336	63,282,510	71,391,899	71,513,449	76,746,600
Assigned	6,043,138	7,284,270	9,053,252	2,779,068	2,933,011	22,447,868	8,270,719	22,169,876	25,177,750	12,516,923
Unassigned	9,080,301	11,172,122	17,025,170	6,026,025	37,695,947	12,260,033	26,263,676	42,363,037	18,081,143	22,551,919
Total general fund	<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>	<u>\$ 167,680,564</u>	<u>\$ 151,997,735</u>	<u>\$ 150,081,499</u>
All other governmental funds										
Restricted:										
Special revenue funds	\$ 3,632,849	\$ 3,380,379	\$ 3,412,616	\$ 3,850,487	\$ 4,956,214	\$ 6,366,198	\$ 7,336,166	\$ 10,782,074	\$ 10,154,023	\$ 12,006,148
Capital project funds	38,677,208	26,483,745	72,131,480	52,622,978	40,923,839	62,491,983	43,690,979	184,363,582	136,380,467	61,753,058
Opioid settlement funds	-	-	-	-	-	-	-	-	1,123,853	-
Assigned:										
Capital project funds	22,168,732	16,020,630	11,375,682	-	78,443,355	36,730,333	52,333,481	55,547,089	48,004,583	40,914,651
Public Safety	302,782	174,782	390,125	663,389	-	-	179,957	-	778,955	361,003
Unassigned:										
Public Safety	-	-	(142,370)	(1,051,824)	(674,705)	(1,336,113)	-	(17,487)	-	-
Special revenue funds	-	-	-	-	-	-	(814,125)	(1,928,875)	(1,711,529)	(46,947)
Capital project funds	-	-	-	(8,619,143)	31,474	-	-	(11,353,908)	(967,098)	892,559
Total all other governmental funds	<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>	<u>\$ 237,392,475</u>	<u>\$ 193,763,254</u>	<u>\$ 115,880,472</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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024 (restated)	2025
Revenues										
Ad valorem taxes	\$ 192,395,861	\$ 195,274,372	\$ 205,544,367	\$ 200,033,303	\$ 205,018,769	\$ 216,861,127	\$ 230,583,439	\$ 240,745,881	\$ 251,588,359	\$ 265,480,362
Local option sales tax	37,420,598	42,828,128	44,074,996	47,069,786	50,242,063	58,998,697	69,525,750	73,534,546	74,897,618	77,704,144
Other taxes and licenses	3,136,056	3,652,751	3,789,364	3,973,402	3,954,408	4,866,335	5,891,944	4,830,535	4,653,156	4,034,104
Intergovernmental revenue	33,831,925	36,527,796	34,516,783	36,880,791	38,003,442	52,634,253	53,207,574	69,741,940	55,738,240	56,600,690
Permits and fees	7,472,415	7,227,386	7,862,126	7,372,469	8,596,860	6,976,032	7,616,113	5,843,350	5,391,603	7,138,149
Sales and services	5,173,794	4,599,967	5,914,930	6,546,595	5,749,023	4,809,935	9,026,258	6,223,783	6,752,600	8,707,436
Investment earnings	867,318	451,706	1,824,378	4,764,823	4,609,079	18,714	(984,026)	10,695,931	21,739,972	14,347,766
Miscellaneous	7,145,607	7,583,456	7,377,686	13,543,304	8,182,913	9,976,311	9,932,134	12,268,703	15,380,451	14,372,088
Total Revenues	287,443,574	298,145,562	310,904,630	320,184,473	324,356,557	355,141,404	384,799,186	423,884,669	436,141,999	448,384,739
Expenditures										
Current:										
General government	12,344,165	13,165,184	13,381,265	14,665,382	18,002,109	26,398,132	31,058,589	34,581,334	38,764,658	35,167,170
Public safety	52,681,383	57,008,242	62,734,029	67,937,224	71,873,105	70,546,972	77,954,992	90,896,342	96,925,579	104,787,519
Economic and physical development	2,629,698	2,813,512	3,322,030	4,534,087	4,601,843	4,640,342	6,032,724	5,180,105	4,987,188	9,304,462
Human services	41,848,033	43,900,232	43,083,568	45,941,860	47,910,610	55,430,052	55,889,295	59,508,046	59,920,506	62,372,846
Cultural and recreational	6,579,913	6,888,443	7,597,933	8,027,154	7,332,683	6,690,573	7,471,269	7,906,109	9,530,012	10,228,246
Intergovernmental:										
Education	94,996,333	97,247,541	99,713,171	103,194,389	106,102,982	112,899,751	115,534,483	121,632,240	127,350,720	135,650,077
Debt Service:										
Principal	33,292,147	33,251,165	33,201,602	44,683,633	24,947,000	35,820,002	36,686,664	37,926,505	35,046,124	42,041,476
Interest and fiscal charges	14,522,294	12,607,982	12,355,204	12,511,719	14,048,665	14,204,595	13,022,847	11,676,872	16,091,895	16,181,168
Capital Outlay	23,343,138	39,935,681	34,419,297	59,785,746	69,294,756	49,078,618	55,984,248	47,992,142	110,730,289	108,586,058
Total Expenditures	282,237,104	306,817,982	309,808,099	361,281,194	364,113,753	375,709,037	399,635,111	417,299,695	499,346,971	524,319,022
Excess (Deficiency) of Revenues over (under) Expenditures	5,206,470	(8,672,420)	1,096,531	(41,096,721)	(39,757,196)	(20,567,633)	(14,835,925)	6,584,974	(63,204,972)	(75,934,283)
Other Financing Sources (Uses)										
Transfers from other funds	16,932,270	21,594,116	22,808,549	22,750,806	42,411,055	23,411,185	36,159,487	55,404,746	66,685,391	38,864,956
Transfers to other funds	(18,386,710)	(23,349,733)	(24,765,252)	(24,859,011)	(37,863,769)	(24,403,093)	(39,984,787)	(37,618,267)	(68,335,391)	(44,417,432)
Transfers to General Fund	-	-	-	-	-	-	-	(17,786,479)	-	-
Transfer to Water and Sewer Fund	-	-	-	-	-	-	-	-	-	(4,902,476)
Proceeds from borrowing	-	-	54,080,325	-	148,561,663	5,600,000	22,758,117	156,153,408	-	-
Proceeds from refunding	48,555,017	-	-	-	-	-	-	26,108,446	-	-
Proceeds from lease	-	-	-	-	-	-	618,766	1,379,623	375,674	296,512
Proceeds from subscription	-	-	-	-	-	-	-	3,004,974	5,167,248	1,391,229
Proceeds from land for resale	-	-	-	-	-	-	350,000	-	-	-
Payments to escrow agent	(48,215,017)	-	-	-	(18,465,000)	-	-	(25,956,223)	-	-
Total Other Financing Sources (Uses)	(1,114,440)	(1,755,617)	52,123,622	(2,108,205)	134,643,949	4,608,092	19,901,583	160,690,228	3,892,922	(8,767,211)
Net change in fund balances	\$ 4,092,030	\$ (10,428,037)	\$ 53,220,153	\$ (43,204,926)	\$ 94,886,753	\$ (15,959,541)	\$ 5,065,658	\$ 167,275,202	\$ (59,312,050)	\$ (84,701,494)
Debt service as a percentage of non-capital expenditures	17.0%	15.9%	15.3%	16.2%	10.7%	13.8%	13.3%	12.3%	10.4%	11.2%

Table 5

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
REVENUES										
Ad Valorem Taxes										
Current year levy	\$ 184,604,610	\$ 188,197,662	\$ 198,305,186	\$ 191,662,309	\$ 196,802,461	\$ 204,543,150	\$ 216,833,177	\$ 226,106,700	\$ 236,246,395	\$ 245,931,234
Prior years' levy	1,641,647	1,060,434	819,774	1,065,474	820,652	971,484	831,018	891,069	621,504	581,544
Penalties and interest	1,024,575	804,102	690,864	771,674	661,454	794,559	712,619	728,664	771,800	816,723
Total	\$ 187,270,832	\$ 190,062,198	\$ 199,815,824	\$ 193,499,457	\$ 198,284,567	\$ 206,309,193	\$ 218,376,814	\$ 227,726,433	\$ 237,639,699	\$ 247,329,501

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			
2016	2015	\$ 2,553,722	\$ 17,219,581	\$ 2,352,928	\$ 1,283,277	\$ 387,277	\$ 23,796,785	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	36,693,705	0.5880
2023	2022	2,722,123	29,453,886	3,691,635	2,003,875	557,933	38,429,452	0.5880
2024	2023	2,780,849	30,580,192	3,952,190	2,220,544	604,845	40,138,620	0.5880
2025	2024	2,837,064	31,545,414	4,349,997	2,429,656	624,723	41,786,854	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 2015 and 2021.

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		
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
2023	2022	82.03%	39,224,685	3,691,635	2,003,875	557,933	45,478,128
2024	2023	70.17%	47,543,168	3,952,190	2,220,544	604,845	54,320,747
2025	2024	66.97%	51,340,119	4,349,997	2,429,656	624,723	58,744,495

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
TaxYear	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Taxes Levied by Union County										
County-wide rate	0.7765	0.7665	0.7810	0.7309	0.7309	0.7309	0.5880	0.5880	0.5880	0.5880
Supplemental Fire Districts										
Allens Crossroads VFD	-	-	-	-	-	0.0838	0.0700	0.0689	0.0689	0.0800
Bakers VFD	-	-	-	-	-	0.0531	0.0335	0.0343	0.0522	0.0638
Beaver Lane VFD	-	-	-	-	-	0.0843	0.0644	0.0671	0.0671	0.0736
Fairview VFD	-	-	-	-	-	0.0517	0.0510	0.0503	0.0503	0.0605
Griffith VFD	-	-	-	-	-	0.0507	0.0215	0.0200	0.0200	0.0229
Hemby VFD	0.0512	0.0485	0.0503	0.0488	0.0488	0.0487	0.0441	0.0441	0.0441	0.0512
Jackson VFD	-	-	-	-	-	0.0404	0.0288	0.0399	0.0399	0.0502
Lanes Creek VFD	-	-	-	-	-	0.0792	0.0568	0.0546	0.0546	0.0658
New Salem VFD	-	-	-	-	-	0.0569	0.0396	0.0384	0.0384	0.0588
Providence VFD	-	-	-	-	-	0.0392	0.0361	0.0375	0.0375	-
Sandy Ridge VFD	-	-	-	-	-	0.0584	0.0385	0.0329	0.0329	0.0371
Springs VFD	0.0474	0.0437	0.0567	0.0552	0.0552	0.0403	0.0422	0.0464	0.0464	0.0552
Stack VFD	-	-	-	-	-	0.0611	0.0455	0.0348	0.0348	0.0508
Stallings VFD	0.0509	0.0503	0.0503	0.0502	0.0502	0.0548	0.0472	0.0478	0.0478	0.0535
Unionville VFD	-	-	-	-	-	0.0451	0.0616	0.0614	0.0614	0.0677
Waxhaw VFD	0.0380	0.0357	0.0413	0.0545	0.0545	0.0526	0.0403	0.0419	0.0419	0.0523
Wesley Chapel VFD	0.0282	0.0293	0.0293	0.0354	0.0354	0.0392	0.0361	0.0375	0.0375	0.0398
Wingate VFD	-	-	-	-	-	0.0817	0.0663	0.0670	0.0670	0.0855
Total County Rates										
Maximum	0.8277	0.8168	0.8377	0.7861	0.7861	0.8152	0.6524	0.6551	0.6551	0.6616
Minimum	0.7765	0.7665	0.7810	0.7309	0.7309	0.7309	0.5880	0.5880	0.5880	0.5880
Average	0.8021	0.7917	0.8094	0.7585	0.7585	0.7731	0.6202	0.6216	0.6216	0.6248
Overlapping Taxes Levied by Municipalities										
City of Monroe	0.5863	0.5863	0.5863	0.6163	0.6163	0.6163	0.5025	0.5025	0.5025	0.5025
Downtown Monroe District	0.2190	0.2190	0.2190	0.2190	0.2190	0.2190	0.1950	0.1950	0.1950	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 Indian Trail	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850
Town of Marshville	0.4800	0.4800	0.5100	0.5100	0.5100	0.5100	0.4900	0.4900	0.4900	0.5500
Town of Mineral Springs	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0210	0.0210	0.0210	0.0210
Town of Stallings	0.2150	0.2150	0.2150	0.2150	0.2150	0.2150	0.1860	0.1860	0.1860	0.2160
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	0.3600	0.3600	0.3600	0.3850	0.3850	0.3850	0.3850	0.3850	0.3850	0.3850
Town of Weddington	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0480	0.0480	0.0450	0.0250
Town of Wingate	0.4200	0.4200	0.4300	0.4300	0.4300	0.4300	0.3400	0.3400	0.3400	0.3400
Village of Lake Park	0.2300	0.2300	0.2300	0.2400	0.2500	0.2500	0.1900	0.2025	0.2025	0.2125
Village of Marvin	0.0500	0.0500	0.0500	0.0500	0.0500	0.0600	0.0600	0.0600	0.0600	0.0800
Village of Wesley Chapel	0.0165	0.0165	0.0165	0.0165	0.0165	0.0165	0.0129	0.0129	0.0129	0.0165

Table 9

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

Fiscal Year	Commercial Construction		Residential Construction	
	Number of Units	Value	Number of Units	Value
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
2023	391	327,800	3793	561,897
2024	375	217,578	4037	632,845
2025	390	250,450	4228	668,576

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, 2025			June 30, 2016		
		Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Allegheny Technologies Inc.	Metals	\$ 377,006,435	1	0.90 %	\$ 169,714,793	1	0.71 %
Duke Energy Carolinas, LLC	Utility	204,903,607	2	0.49 %	91,881,838	3	0.39 %
Charlotte Pipe & Foundry Company	Manufacturing	199,099,787	3	0.48 %	85,170,662	4	0.36 %
Union Electric Membership Corp	Utility	183,306,428	4	0.44 %	127,908,599	2	0.54 %
Piedmont Natural Gas	Utility	115,791,916	5	0.28 %	57,112,580	5	0.24 %
Goulston Technologies Inc	Manufacturing	78,160,272	6	0.19 %	-	-	- %
AMH NC Properties LP	Home Rentals	76,227,400	7	0.18 %	-	-	- %
Harris Teeter LLC 2300	Retail	73,856,796	8	0.18 %	-	-	- %
Utility Lines Construction Services	Utility	72,872,260	9	0.17 %	-	-	- %
Consolidated Metco Inc	Manufacturing	69,468,401	10	0.16 %	-	-	- %
Indian American Monroe Poplin	Retail	-	-	-	31,324,500	8	0.13 %
TDY Industries Inc	Manufacturing	-	-	-	30,456,100	9	0.13 %
CSX Transportation	Utility	-	-	-	27,719,304	10	0.12 %
Wal-Mart Real Estate Business	Retail	-	-	-	41,593,400	7	0.17 %
AEP Industries INC	Manufacturing	-	-	-	42,470,771	6	- %
Total assessed valuation of top 10 taxpayers		<u>\$ 1,450,693,302</u>		<u>3.47 %</u>	<u>\$ 705,352,547</u>		<u>2.79 %</u>
Total county-wide assessed valuation		<u>\$ 41,786,853,641</u>			<u>\$ 23,796,785,051</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	
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	216,817,624	100.0	%
2023	2022	225,973,933	225,998,455	100.0	%	108,245	226,106,700	100.1	%
2024	2023	235,976,975	236,177,952	100.1	%	68,443	236,246,395	100.1	%
2025	2024	245,681,439	245,837,359	100.1	%	93,874	245,931,234	100.1	%

Table 12

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

Fiscal Year	Governmental Activities						Debt to Assessed Value		Percentage of Personal Income		Debt Per Capita	
	General Obligation Bonds	C.O.P.'s and Installment Financing	Lease Liability	Subscription Liability	Total Governmental Activities							
2016*	\$ 318,941,151	\$ 76,303,778	\$ -	\$ -	\$ 395,244,929	1.66	%	3.8	%	\$	1,792	
2017*	289,513,224	69,396,598	-	-	358,909,822	1.46	%	3.2	%		1,602	
2018*	314,233,363	62,571,111	-	-	376,804,474	1.48	%	3.1	%		1,629	
2019*	273,169,328	55,808,592	-	-	328,977,920	1.25	%	2.6	%		1,385	
2020*	380,695,049	50,249,706	-	-	430,944,755	1.58	%	3.2	%		1,797	
2021*	347,174,304	50,425,820	-	-	397,600,124	1.42	%	n/a	%		1,639	
2022*	336,037,179	44,662,934	440,498	-	381,140,611	1.04	%	n/a	%		1,543	
2023*	458,427,030	37,918,794	1,539,957	1,870,854	499,756,635	1.30	%	n/a	%		1,967	
2024*	426,999,703	32,223,384	1,467,978	4,299,293	464,990,358	1.16	%	n/a	%		1,805	
2025*	389,444,622	26,510,532	1,230,528	3,982,008	421,167,690	1.01	%	n/a	%		1,554	

Fiscal Year							Debt Per Water Connections		Total Primary Government			
	General Obligation Bonds	Revenue Bonds	Other Long-term Obligations	Lease Liability	Subscription Liability	Total Business-Type Activities			Total Primary Government	Percentage of Personal Income	Debt Per Capita	
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	1,438		427,181,806	3.8	%	1,907
2018*	-	121,096,288	7,500,000	-	-	128,596,288	2,708		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		857,852,586	n/a	%	3,472
2023*	-	464,156,181	-	75,352	69,833	464,301,366	8,176		964,058,001	n/a	%	3,794
2024*	-	451,070,387	-	67,365	687,868	451,825,620	7,889		916,815,978	n/a	%	3,558
2025*	-	437,419,593	-	46,970	1,361,473	438,828,036	7,558		859,995,726	n/a	%	3,225

* - 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
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
2023	458,427,030	1.19	%	1,804
2024	426,999,703	1.06	%	1,657
2025	389,444,622	0.93	%	1,437

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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Assessed value of taxable property (in 000's)	\$ 23,796,785	\$ 24,579,264	\$ 25,405,693	\$ 26,233,277	\$ 27,064,764	\$ 27,981,476	\$ 36,693,704	\$ 38,429,452	\$ 40,138,620	\$ 41,786,854
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>1,903,742,804</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>	<u>3,074,356,160</u>	<u>3,211,089,600</u>	<u>3,342,948,320</u>
Gross debt										
General obligation debt	300,545,000	273,565,000	296,700,000	258,290,000	352,718,000	321,833,000	311,187,000	414,172,000	385,927,000	351,357,000
Authorized and unissued	-	104,320,000	54,320,000	54,320,000	54,320,000	-	-	32,725,000	32,725,000	72,150,000
Certificates of Participation	67,565,000	62,320,000	57,050,000	51,885,000	46,815,000	41,880,000	36,980,000	29,795,000	25,135,000	20,280,000
Installment Financing	3,201,399	2,175,234	1,108,633	-	-	5,600,000	5,226,000	4,852,000	4,478,000	4,104,000
NC Clean Water Revolving Loan	9,233,697	8,250,000	7,500,000	6,750,000	-	-	-	-	-	-
	<u>380,545,096</u>	<u>450,630,234</u>	<u>416,678,633</u>	<u>371,245,000</u>	<u>453,853,000</u>	<u>369,313,000</u>	<u>353,393,000</u>	<u>481,544,000</u>	<u>448,265,000</u>	<u>447,891,000</u>
Less: Sewer bonds issued and outstanding	-	-	-	-	-	-	-	-	-	-
NC Clean Water Revolving Loan	(9,233,697)	(8,250,000)	(7,500,000)	(6,750,000)	-	-	-	-	-	-
	<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>-</u>	<u>-</u>	<u>-</u>
Total amount of debt applicable to debt limit	<u>371,311,399</u>	<u>442,380,234</u>	<u>409,178,633</u>	<u>364,495,000</u>	<u>453,853,000</u>	<u>369,313,000</u>	<u>353,393,000</u>	<u>481,544,000</u>	<u>448,265,000</u>	<u>447,891,000</u>
Legal debt margin	<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>\$ 1,711,328,120</u>	<u>\$ 1,869,205,080</u>	<u>\$ 2,582,103,320</u>	<u>\$ 2,592,812,160</u>	<u>\$ 2,762,824,600</u>	<u>\$ 2,895,057,320</u>
Legal debt margin as a percentage of the debt limit	80.50%	82.81%	79.87%	82.63%	79.04%	83.50%	87.96%	84.34%	86.04%	86.60%

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.
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
2023	91,239,890	35,537,209	55,702,681	n/a	21,062,986	-	21,062,986	25,275,583	2.20	2.64
2024	92,148,910	43,161,432	48,987,478	n/a	25,737,421	-	25,737,421	30,884,905	1.59	1.90
2025	103,625,919	52,537,460	51,088,459	n/a	25,739,471	-	25,739,471	30,887,365	1.65	1.98

Table 16

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

Fiscal Year	Revenues	Current Expenses	Net Revenues Available for Debt Service	Revenue Bond Debt Service		Coverage
				Principal	Interest	
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
2023	91,239,890	35,537,209	55,702,681	10,875,000	10,187,986	2.64
2024	92,148,910	43,161,432	48,987,478	11,405,000	14,332,421	1.90
2025	103,625,919	52,537,460	51,088,459	11,970,000	13,769,471	1.98

Table 17

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

	Personal					
Fiscal Year	Population (1)	Income (thousands of dollars) (2)	Capita Personal Income (2)	School Enrollment (3)	Unemployment Rate (4)	Sales (5) (thousands of dollars)
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	15,781,383	64,609	39,767	4.0 %	2,869,555
2022	247,058	17,321,220	69,515	40,456	3.5 %	3,381,460
2023	254,070	18,606,363	72,553	41,278	3.1 %	3,652,424
2024	257,682	n/a	n/a	41,497	3.8 %	3,749,152
2025	266,672	n/a	n/a	40,459	3.3 %	3,868,325

Sources:

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

Table 18

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

Employer	Type of Business	2025		2016	
		Employees	Rank	Employees	Rank
Union County Schools	Educational Services	1,000+	1	1,000+	1
County of Union	Public Administration	1,000+	2	1,000+	5
Tyson Farms Inc	Manufacturing	1,000+	3	1,000+	2
ATI Specialty Materials LLC	Manufacturing	1,000+	4	-	-
Harris Teeter	Retail Trade	1,000+	5	1,000+	4
Utility Lines Construction	Construction	1,000+	6	-	-
Wingate University	Educational Services	1,000+	7	500-999	13
Wal-Mart Associates Inc	Retail Trade	500-999	8	500-999	6
City of Monroe	Public Administration	500-999	9	500-999	8
Atrium Health	Health Care and Social Assistance	500-999	10	-	-
TDY Industries	Manufacturing	-	-	1,000+	3
Pilgrims Pride Corporation	Manufacturing	500-999	-	500-999	7
Unicon INC	Agriculture, Forestry, Fishing and Hunting	-	-	-	9
Scott Technologies Inc	Manufacturing	-	-	-	10

Source: North Carolina Department of Commerce

Table 19

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
General government										
Board of County Commissioners	2.1	2.1	2.1	2.1	2.1	1.1	1.1	2.1	2.1	2.1
County Manager's Office	5.0	4.5	4.5	4.8	2.8	4.5	5.5	5.5	6.6	11.5
Economic Development	-	-	-	-	-	-	-	-	-	5.3
Legal Department	4.0	4.0	4.0	4.0	4.0	7.0	7.0	7.0	7.0	9.1
Human Resources Administration	8.1	9.1	9.1	9.1	10.3	10.3	10.3	10.0	8.8	8.1
Finance	8.8	9.8	9.8	10.9	13.9	9.0	11.0	10.0	11.5	11.5
Budget Management	-	-	-	-	-	5.0	5.0	5.0	5.0	5.0
Tax Administration	48.7	50.4	50.9	52.9	54.4	54.4	54.7	54.7	56.7	55.7
Board of Elections	18.1	17.1	13.0	15.5	18.8	20.7	18.4	18.6	27.0	10.4
Register of Deeds	10.5	10.6	10.5	11.4	11.4	12.4	12.9	11.9	12.3	12.3
Information Technology	11.1	12.1	13.1	15.2	14.3	19.2	19.2	19.2	19.6	20.1
Public Communications	-	-	-	-	5.0	6.0	6.0	6.3	6.3	7.6
Procurement	5.1	5.1	5.2	5.2	5.2	5.4	7.4	7.5	7.5	7.5
Fleet	-	-	-	-	5.0	5.0	5.0	5.0	7.0	9.0
Facilities Management	5.1	5.1	13.0	15.1	18.5	21.5	27.5	27.0	28.0	31.0
Outside Agencies - Business Partners	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Security & Risk Management	-	-	-	-	-	-	-	-	1.4	5.0
Public safety										
Sheriff's Office	295.9	300.6	308.9	325.2	328.8	332.8	345.8	356.3	365.5	363.5
Emergency Communications	42.2	50.0	54.0	52.0	52.4	53.3	54.3	54.3	53.7	53.6
Emergency Management	1.3	1.3	1.3	1.6	2.4	2.3	3.3	3.3	3.8	3.8
Fire Marshal's Office	5.3	4.3	5.3	7.6	7.4	7.3	7.3	7.3	7.3	7.3
Building Code Enforcement	18.9	19.8	19.8	26.0	27.6	29.1	31.1	35.1	34.1	34.8
Economic and physical development										
Planning & Zoning Services	5.3	6.3	6.3	3.2	4.2	4.0	4.0	4.0	4.0	4.0
Agricultural Services	12.3	12.4	14.4	14.4	15.1	17.4	17.6	17.8	9.0	8.0
Soil & Water Conservation	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0
Human services										
Human Services Administration	-	-	-	-	-	54.9	55.3	54.9	51.4	47.4
Community Support & Outreach	-	-	-	32.9	35.5	40.0	38.3	38.7	39.1	39.1
Environmental Health	-	-	-	25.7	27.5	27.5	27.5	27.5	27.7	28.3
Public Health	90.4	95.7	94.4	72.8	89.0	70.3	83.0	83.8	89.0	87.7
Social Services	216.1	231.6	225.9	252.6	281.5	240.0	243.2	247.2	264.4	266.4
Transportation	36.0	37.0	60.0	35.7	36.4	35.1	35.8	34.4	36.2	39.2
Veterans Services	4.0	4.0	4.0	4.0	5.1	5.0	5.0	5.0	5.0	5.0
Cultural and recreational										
Library Services	54.0	54.0	55.0	53.7	53.9	57.0	59.8	64.8	77.1	77.5
Parks & Recreation	24.7	25.7	26.8	27.5	28.3	28.3	29.7	29.7	29.7	30.3
Sub-total	935.0	974.6	1,014.3	1,084.1	1,163.8	1,189.8	1,236.0	1,257.9	1,307.8	1,311.1
Business-type activities:										
Union County Water	93.9	99.9	116.5	129.4	143.8	153.4	160.7	175.1	181.7	186.3
Solid Waste	20.6	21.6	22.4	22.5	27.9	31.9	31.6	37.2	37.1	36.8
Stormwater	1.0	-	-	-	-	-	-	-	-	-
Sub-total	115.5	121.5	138.9	151.9	171.7	185.3	192.3	212.3	218.8	223.1
Total	1,050.5	1,096.1	1,153.2	1,236.0	1,335.5	1,375.1	1,428.3	1,470.2	1,526.6	1,534.2

Table 20

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government:										
Personnel										
Number of full-time employees	864	864	898	951	1,013	1,048	1,123	1,256	1,155	1,189
Number of part-time employees	72	98	106	157	159	123	82	187	153	152
Elections										
Number of registered voters	145,645	148,448	154,300	150,789	160,261	159,957	168,355	173,272	180,072	177,104
Information Systems (and GIS)										
Number of users in system	1,242	1,257	1,883	1,772	1,815	1,828	1,346	1,501	1,577	1,617
General Services										
Number of vehicle service requests	4,501	4,629	4,462	4,552	4,518	4,683	4,491	4,928	5,095	4,089
Fire Services										
Number of volunteer fire personnel	500	500	500	500	500	500	500	985	985	985
Number of inspections	1,106	906	1,172	1,798	1,375	1,079	2,448	2,587	2,366	3,006
Human services										
Public Health										
Number of patients	6,786	10,198	8,904	6,497	4,382	3,664	11,031	4,744	6,898	6,969
Number of visits	15,716	17,508	15,099	12,728	10,667	9,211	18,110	11,246	12,421	13,737
Social Services										
Number of client visits	47,064	53,125	58,693	58,803	44,275	50,589	46,354	19,976	57,989	58,847
Transportation and Nutrition										
Number of trips	74,176	75,342	69,402	79,674	1,417	67,437	71,335	75,784	78,105	82936
Congregate, home delivered and supplemental meals	70,497	75,134	71,963	66,978	101,619	146,204	138,263	117,750	83,555	68,298
Veterans Services										
Number of visitors	3,652	3,576	3,556	3,628	3,048	1,956	2,072	2,293	2,179	1907
Number of phone calls	12,166	11,047	11,215	12,472	12,464	11,336	9,652	11,157	8,870	7974
Cultural and recreational										
Library										
Number of volumes	207,748	190,370	166,742	145,582	149,573	145,944	133,872	139,443	155,165	140,168
Education										
Number of licensed employees	N/A	2,976	2,603	3,111	3,117	2,873	2,819	2,786	2,646	2,660
Student Population:										
Number of UCPS students	41,780	42,000	41,500	41,300	41,395	41,500	41,200	41,278	41,451	40,459
Number of charter school students*	-	-	-	-	-	-	-	4,250	4,523	4,785
Number of virtual students*	-	-	-	-	-	-	-	157	173	225
Total student population	41,780	42,000	41,500	41,300	41,395	41,500	41,200	45,685	46,147	45,469
Business-type Activities:										
Personnel										
Number of full-time employees	109	107	126	137	155	167	183	203	168	174
Number of part-time employees	7	18	21	18	18	16	8	10	4	3
Water and Sewer										
Average daily consumption in gallons (in 000's)	13,100	13,880	13,870	14,160	14,228	14,206	15,020	15,140	15740	15,210
Number of water service connections	46,236	47,489	49,363	50,509	51,961	53,537	55,315	56,789	57274	58,061
Number of sewer service connections	33,631	34,711	36,402	37,319	38,834	40,169	41,742	43,002	43587	44,389

Source: Various county departments

*New data requested by the Board of County Commissioners for FY 2023 and beyond

Table 21

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government:										
Tax Administration										
Number of tax parcels	113,574	118,525	117,378	118,431	125,580	133,457	127,632	108,877	132,603	132,618
Elections										
Number of precincts	52	52	52	52	52	52	52	52	54	54
Public safety										
Law Enforcement (and AC)										
Number of stations	8	8	8	8	8	8	8	8	8	8
Number of patrol units	332	335	278	284	299	299	307	313	323	338
Fire Services										
Number of stations-main	17	17	17	17	17	17	17	17	16	17
Number of stations-sub	8	8	8	8	8	8	8	9	9	10
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 UCPS schools	53	53	53	53	53	53	53	53	53	53
Number of UCPS classrooms	N/A	2,379	2,075	2,084	2,084	2,084	2,084	2,084	2,094	2,300
Business-type activities:										
Water and Sewer										
Number of fire hydrants	4,843	4,964	5,041	5,096	5,189	5,279	5,528	5,677	5,666	5,782
Miles of water mains	1,043	1,065	1,082	1,095	1,114	1,132	1,119	1,141	1,174	1,217
Miles of sewer mains	663	684	698	708	727	741	736	758	772	709

Source: Various county departments