



Popular Annual Financial Report

Union County, NC

Fiscal Year Ended June 30, 2025





Letter from the County Management Team

On behalf of the Union County Board of Commissioners and the Union County Management Team, we are proud to present the County's Popular Annual Financial Report (PAFR). This report highlights Union County Government's financial performance and significant achievements for the fiscal year that ended on June 30, 2025.

For more detailed financial information, read the Annual Comprehensive Financial Report (ACFR) on our website: unioncountync.gov.

The County is committed to meeting the evolving needs of our community while managing funds wisely and prioritizing the health and safety of our residents. By doing so, we stay true to our mission of providing essential services through efficiency, innovation and high-quality customer experience for the benefit of our community.

This year, we successfully completed projects to enhance services for residents and provided more resources for our employees. We focused on expanding access to reliable internet services, as part of Union County's 2050 Comprehensive Plan, which offers an outlook on the County's future. Our dedicated staff provided critical aid and essential resources for Hurricane Helene response efforts. The Solid Waste department completed improvements to the Union County Landfill, with new facilities, new signage and a paved driveway with accessible parking. Additionally, we celebrated the opening of a farm-themed playground at Jesse Helms Park, a tribute to our agricultural heritage. We partnered with Atrium Health to open the Employee Health & Wellness Center, which provides high-quality and easy-to-access health care just for our staff.

Our organization continues to be recognized for our financial strength and stability. The County kept its AAA bond ratings, the highest credit rating, from all three major agencies: S&P Global Ratings (formerly Standard & Poor's), Moody's, and Fitch Ratings.

Thank you for your interest in the County's financial information.

Best regards,

Brian Matthews, County Manager
Patrick Niland, Deputy County Manager
Clayton Voignier, Assistant County Manager

Table of Contents

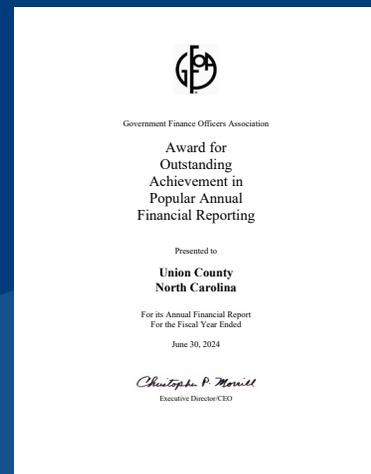
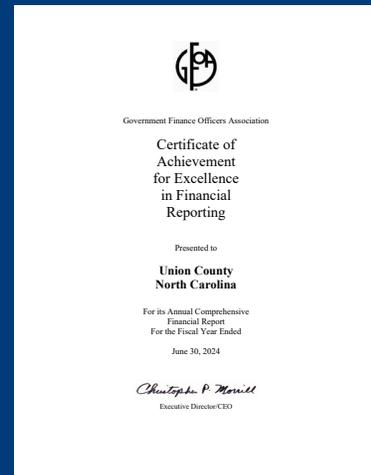
Letter from the County Management Team	1
Board of County Commissioners	2
About Union County	3
Union County: A Closer Look	4
Union County: Award-Winning Departments	5
Fiscal Control	7
Net Position	8
Fund Balance	9
Revenues	9
Expenses	11
A Review of the County's Debt	12
General Fund Debt	12
Enterprise Debt	15
Capital Improvement Program (CIP)	16
Our Year in Review	17
What's to Come	18

The Popular Annual Financial Report (PAFR) is an easy-to-understand look at the County’s finances for the fiscal year that started on July 1, 2024, and ended on June 30, 2025. This report is based on our more detailed Annual Comprehensive Financial Report (ACFR).

Both reports follow Generally Accepted Accounting Principles (GAAP).

The Government Finance Officers Association (GFOA), which sets best practices for government accounting, recommends publishing the PAFR. The organization presented Union County with the Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the fiscal year that ended on June 30, 2024. Union County has received this award for eleven years in a row for creative reports that are clear, creative, and useful.

For more details on our finances, read Annual Comprehensive Financial Reports on our Finance page at ucgov.info/ACFR.



Melissa Merrell
Chair



Brian Helms
Vice Chair



Clancy Baucom



Christina Helms



Gary Sides

About Union County

Union County was created in 1841 by joining parts of Anson County and Mecklenburg County. The name "Union" was a compromise between the Whigs, who wanted to honor politician Henry Clay, and the Democrats, who wanted to recognize President Andrew Jackson. The County is about 643 square miles, and is in the south-central Piedmont area of North Carolina, southeast of Charlotte.

The Board of County Commissioners makes the policies and sets the budget each year. The Board includes five members who serve on a staggered basis for four years.

The County offers many services, including public safety, human services, education funding, and cultural and recreational activities. The County also manages water, sewer, and waste systems. The financial report includes funding for all activities the County controls and relies on.

Our Mission

Provide essential services through efficiency, innovation and high-quality customer experience for the benefit of our community.

Our Vision

A safe, healthy and rural community for residents and businesses to learn, progress and thrive.

Our Values

Integrity

Doing the right thing always.

Transparency

Communicate openly; share honestly.

Service

People first.

Teamwork

Together, we achieve more.

North Carolina



Union County: A Closer Look

23

Largest County in NC By Area

8th

Largest County in NC By Population

266,672

Population

3%

Unemployment Rate

\$98,776

Median Household Income

\$403,000

Median Housing Value

39.1

Median Age

6.6%

Veterans

1,518

Number of County Employees

3

Number of County Parks

13.8%

Foreign Born

53

Number of Schools

4

Number of Libraries

81.9%

Homeownership

68,298

Meals Served by Senior Nutrition

82,936

Number of Trips by Transportation

4,228

Commercial Construction Permits

800

Miles of Sewer Lines

1,907

Number of Visitors to Veteran Services

6,969

Number of Patients for Public Health

Primary Employers

- Union County Public Schools
- Union County Government
- Tyson Farms Inc.
- ATI Specialty Materials LLC
- Harris Teeter

Largest Taxpayers

- Allegheny Technologies
- Duke Energy
- Charlotte Pipe & Foundry Co.
- Union Electric Membership Corp.
- Piedmont Natural Gas

Union County: Award-Winning Departments

Our departments were recognized for their innovative programs and outstanding service. Some of our awards include:

Academy of Interactive & Visual Arts – Public Communications:

- Two Communicator Awards

The Center for Digital Government (CDG) and the National Association of Counties (NACo) – Information Technology:

- Digital Government Survey for Technology Excellence Award for 2024 – Sixth Nationally

Government Finance Officers Association (GFOA) – Budget & Grants Management:

- Distinguished Budget Presentation Award for the Fiscal Year 2025 Budget

Government Finance Officers Association (GFOA) – Finance:

- Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year 2024 Annual Comprehensive Financial Report (ACFR)

National Association of Counties (NACo) – Public Communications:

- Two Achievement Awards

North Carolina Association of County Directors of Social Services (NCACDSS) – Social Services:

- Innovation Award – Behavioral Health Collaborative

North Carolina Association of Governmental Purchasing – Procurement:

- 2024 Sustained Professional Purchasing Award

North Carolina City & County Communicators (NC3C) – Public Communications:

- Three Excellence in Communications Awards

North Carolina Department of Labor (NCDOL) – Multiple departments:

- Gold Award – Union County Water, Parks & Recreation

North Carolina Emergency Management (NCEM) – Emergency Management:

- Hurricane Helene Response Efforts – Coordinated across several County departments

NC One Water – Union County Water & Wastewater Operations :

- George W. Burke Jr. Safety Award
- Walter J. Courmon Safety Award
- Various Skilled Competitions – Eight first-place trophies, One second-place trophy



Fiscal Control

Local governments focus on delivering services and ensuring resources are available to support them, often funding these through taxes.

Union County Government provides services, including law enforcement, fire protection, water and sewer, public health, social services, transportation, waste disposal, and education funding, to 266,672 residents.

The following areas help keep our organization financially healthy.

Bond Rating

Like a personal credit score, a bond rating reflects a government's creditworthiness, or ability to repay a loan. Our bond rating affects how we attract investors and receive the lowest interest rate on loans.

Union County is proud to be one of the few counties in the nation to keep a AAA credit rating with all major rating agencies.

Debt

The County has \$421.2 million in debt for government activities, which would equal about \$1,554 per resident. In the 2025 fiscal year, the County did not take on new debt; the County only made payments to current debt. As a result, the debt per person was \$251 less than the previous fiscal year.

The County looks for ways to lessen the impact that our debt has on residents by:

- Managing debt carefully
- Finding ways to refinance
- Paying off debt early

Additionally, the County is always responsible when considering taking on new debt.

Budget

The budget is an official document explaining how the County funds community services. North Carolina law requires each county to create a balanced budget. A balanced budget is when expected income matches planned spending, as required by the Local Government Budget and Fiscal Control Act. The budget process is based on how the Board of County Commissioners votes and includes input from residents and County Management. The balanced budget must be approved before the new fiscal year starts.

The budget ensures the County stays on track with spending. Usually, the County has brought in more money than it has spent and cut costs during the year. The Union County budget is online at ucgov.info/FY25AdoptedBudget.

Financial Planning

Union County uses past budgets, expected income, and long-term growth plans to determine future funding needs. The County also uses outside experts to help calculate costs for employee benefits, healthcare, and pensions.

Annual Independent Financial Audit

North Carolina law requires an independent certified public accountant to do an audit each year to ensure the County is following Generally Accepted Accounting Principles (GAAP). The annual audit includes a review of the more detailed Annual Comprehensive Financial Report (ACFR). More information is available online on the Finance department's webpage.



Net Position

Net position may be found on the government-wide Statement of Net Position, and it represents what the County owns (assets plus deferred outflows) and owes (liabilities and deferred inflows). It is reported for governmental activities and business-type activities. This amount is broken down into three categories, including net investment in capital assets, restricted net position, and unrestricted net position. Net position may serve over time as a useful indicator of the government’s financial condition.

The net investment in capital assets category reflects the County’s net investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure) less any related outstanding debt that was issued to acquire those assets. Union County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Restricted net position represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position represents resources available to the County to provide services to residents if no additional revenues were available.

As with many counties in the State of North Carolina, the County’s Governmental Activities deficit in unrestricted net position in the amount of \$97,525,120 is due primarily to the portion of the County’s outstanding debt incurred for the Union County Board of Education (the “school”) and the South Piedmont Community College (the “community college”).

Under North Carolina General Statute, the County is responsible for providing capital funding for the school and community college systems. The County has chosen to meet its legal obligation to provide the systems’ capital funding by using a mixture of County funds, general obligation debt, and installment financings. The assets funded by the County, unless otherwise obligated, are titled to and utilized by the school and community college systems. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets.

	Governmental	Business-type	Total
Net Investment in Capital Assets	104,755,339	308,362,821	413,118,160
Restricted	70,773,412	295,332	71,068,744
Unrestricted	(273,053,871)	202,383,224	(70,670,647)
Total Net Position	(97,525,120)	511,041,377	413,516,257

Fund Balance

Fund balance indicates the resources the County keeps for unexpected events, emergencies, and future needs. It shows how stable the County's finances are and is calculated at the end of the year. The available fund balance is money that can be used and is not set aside for a specific purpose.

As of June 30, 2025, the County had \$150,081,499 in its fund balance. This is \$1,916,236 less than the previous year's balance of \$151,997,735 because the County spent some one-time costs from the available fund balance.

The Board of County Commissioners passed strong policies outlining the appropriate reserve levels the County is expected to maintain. The Board determined the County should keep an available reserved (committed) fund balance of 20 percent of total expenditures for unforeseen needs.

The Fiscal Year 2025 Fund Balance by Category charts show how the County uses its funds and allow you to compare the available money to what the County spends.

The County's fund balance, including committed, assigned, and unassigned (see the Fund Balance Categories table), is 29.4 percent of total general fund spending.

Revenues

General Fund

Union County gets most of its revenue from ad valorem taxes, which are property taxes based on the value of homes and businesses. In 2025, these property taxes made up 61 percent of the County's general fund, totaling \$247,329,501.

This is mainly because the value of property in the County grew, while the tax rate stayed the same – and this growth should continue. The County can only change how much revenue it brings in by adjusting tax rates. Local sales tax and other income depend on the overall economy, the real estate market, and how people use County services.

The second-largest source of income was local sales tax, totaling \$73,187,411, or about 18 percent of all income.

The County collected \$353,660 more than planned because people steadily spent money, and the economy kept growing.

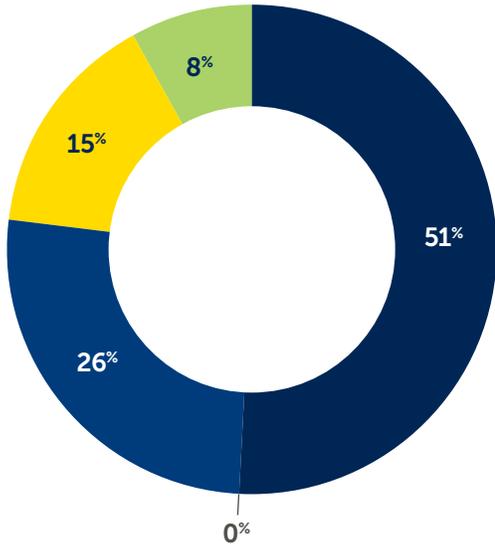
Proprietary Funds

The proprietary funds (business-type activities) operating revenues come from fees for services like water and sewer as well as solid waste disposal.

The operating budget for Union County Water is funded solely by customer rates and fees, not by revenue. As in past years, the rates and fees have been used only for proprietary funds, not for general county operations.

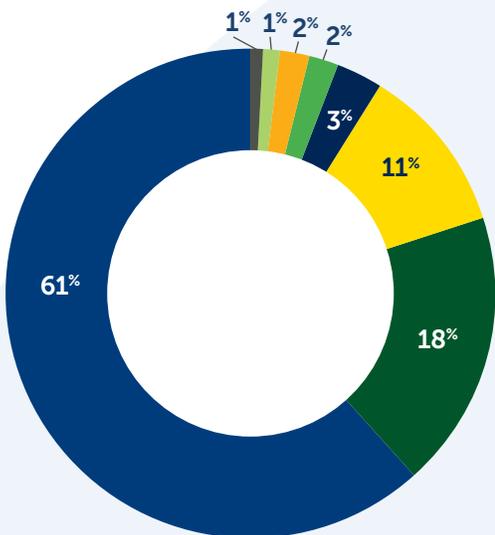
General Fund Activities	2025	2024	2023	2022	2021
Operating Revenues	405,485,094	391,816,122	371,195,204	354,778,911	326,128,886

Business-Type Activities	2025	2024	2023	2022	2021
Operating Revenues	98,784,218	88,302,146	91,057,943	84,503,623	74,536,352



Fund Balance Categories:

Nonspendable: 0%	Amounts that cannot be spent because they are either not in spendable form such as inventory, prepaid expenses, buildings; or the government is contractually bound to maintain the amount
Restricted: 26%	Amounts that are restricted to a specific purpose by external parties, or laws or regulations, constitutional provisions or legislation
Committed: 51%	Amounts that are committed for a specific purpose by formal action of the government's highest level of decision-making. (Board of County Commissioners)
Assigned: 8%	Amounts that are intended by the government to be used for specific purposes
Unassigned: 15%	Amounts available for any purpose



Percentage of Fiscal Year 2025 Revenues by Category

- Property Taxes | 61%
- Sales Tax | 18%
- Intergovernmental | 11%
- Investment Earnings | 3%
- Permits and Fees | 2%
- Sales and Service | 2%
- Miscellaneous | 1%
- Other Taxes and Licenses | 1%

Expenses

General Fund

In recent years, the County has successfully kept spending in line with its goals and carefully planned income to maintain adequate reserves. As a result, the County has been able to keep its spending steady and provide sufficient services for residents.

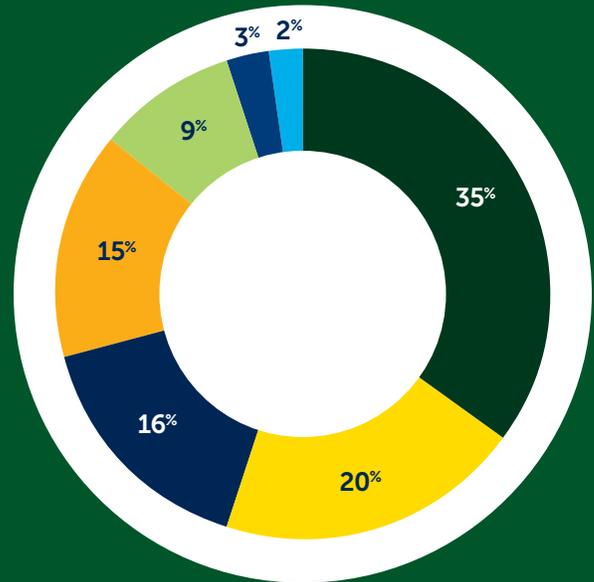
Education remains the highest cost, making up 35 percent of total expenditures. The fast-growing population and number of students have led to the need for additional funding, which the County borrows for education. About 40,459 students, or nearly one in every six County residents, attend primary school or South Piedmont Community College. Although the County is financially healthy and can handle tough economic times, it still has a high level of debt, about 15 percent of total expenses.

Besides debt payments, the main areas funded by taxes include:

General Government

- Public Safety (Sheriff's Office, Emergency Management, Emergency Communications, Fire Marshal's Office, Building Code Enforcement, Outside Agencies)
- Economic and Physical Development (Planning, Cooperative Extension Service, Soil and Water Conservation, Outside Agencies)
- Cultural and Recreational (Libraries, Parks & Recreation, Outside Agencies)
- Human Services (Public Health, Social Services, Transportation, Community Outreach, Veterans Services, Outside Agencies)

Public Safety and Human Services require significant funding due to the essential services they provide. The County is committed to ensuring these services are available to enhance the health, safety, and well-being of our residents. Public Safety is the County's second-largest cost, making up 20 percent of the County's spending. Human Services at 16 percent is the third-largest cost.



Percentage of General Fund Expenses



Proprietary Funds

Operating expenses for proprietary funds (business-type activities) include the cost of sales and services, administrative expenses, and depreciation of capital assets. (Capital asset depreciation is a way to spread the cost of a long-term asset, such as a machine or building, over its useful life, showing how its value decreases over time.) Any money made or spent that does not fit this definition is shown as non-operating revenues and expenses.

Business-Type Activities	2025	2024	2023	2022	2021
Operating Expenses	77,750,432	82,294,603	65,376,659	62,681,384	58,836,147

General Fund Activities	2025	2024	2023	2022	2021
Operating Expenditures	380,088,535	355,588,698	333,335,013	310,837,676	299,423,218

A Review of the County's Debt

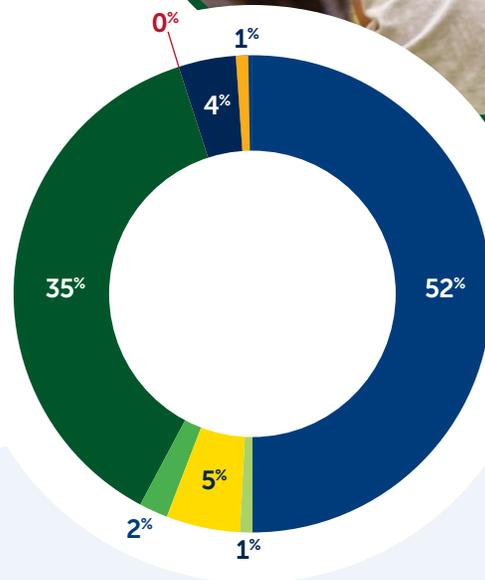
Debt is useful for local governments that often cannot pay for large projects with cash. Currently, the County carries a total of \$775,796,000 debt, which includes the following areas:

- \$304.9 million for education (public schools and the community college)
- \$35.9 million for public safety
- \$14.6 million for economic and physical development
- \$9.8 million for cultural and recreational needs
- \$10.4 million for general government
- \$400.1 million for water and sewer services

In the past, Union County has borrowed money for a variety of projects. These include schools, libraries, parks, water and sewer systems, jails, public safety, emergency communications equipment, and court buildings.

The County uses general obligation bonds, revenue bonds, and certificates of participation to pay for these projects. General obligation bonds help the government raise money for public projects, such as schools and infrastructure. Usually, the bonds are approved by voters and are backed by the government's ability to collect taxes.

Revenue bonds are used for specific projects and are repaid with revenue from fees. In Union County, these bonds help pay for water and sewer systems and are funded by the fees that customers pay for these services.



Percentage of County Debt by Area

- Water and Sewer | 52%
- Education - UCPS | 35%
- Public Safety | 5%
- Education - SPCC | 4%
- Economic/Physical Development | 2%
- Cultural and Recreational | 1%
- General Government | 1%
- Human Services | 0%

Outstanding Debt by Use

Function:	GO Bonds	Installment Financing	Revenue Bonds	Total Outstanding Principal
General Government	6,359,000	4,104,000	-	10,463,000
Public Safety	35,925,538	-	-	35,925,538
Economic/Physical Development	14,599,000	-	-	14,599,000
Human Services	-	-	-	-
Education - UCPS	253,505,462	20,280,000	-	273,785,462
Education - SPCC	31,117,000	-	-	31,117,000
Cultural and Recreational	9,851,000	-	-	9,851,000
Water and Sewer	-	-	400,055,000	400,055,000
Total	\$351,357,000	\$24,384,000	\$400,055,000	\$775,796,000

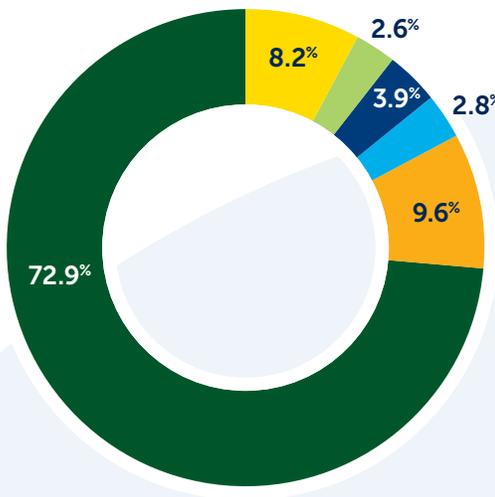
General Fund Debt

The total debt for the general fund is \$375.7 million. Of this, \$351.3 million is from general obligation bonds, and \$24.4 million is from certificates of participation and installment financing. About 72.9 percent of the County's tax-supported debt is for Union County Public Schools.

Note: If a government has too much debt compared to its expenditures, it can affect its bond ratings. Union County works hard to manage its debt while saving money for residents and reducing the overall debt. For Fiscal Year 2025, the debt is 14.7 percent of the total expenditures.



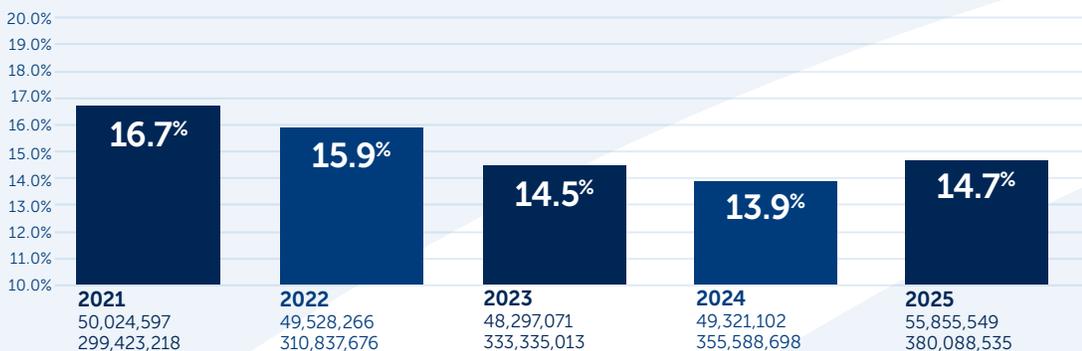
Debt by Category - Governmental Funds



Percentage of County Debt by Category

- Education - UCPS | 72.9%
- Public Safety | 9.6%
- Cultural and Recreational | 8.2%
- Economic Development | 3.9%
- General Government | 2.8%
- Cultural and Recreational | 2.6%

Debt Service as Percentage of Expenditures



* Bond ratings indicate the creditworthiness and financial health of the issuer. Usually, bonds with a higher rating mean the issuer is very likely to repay.

Enterprise Debt

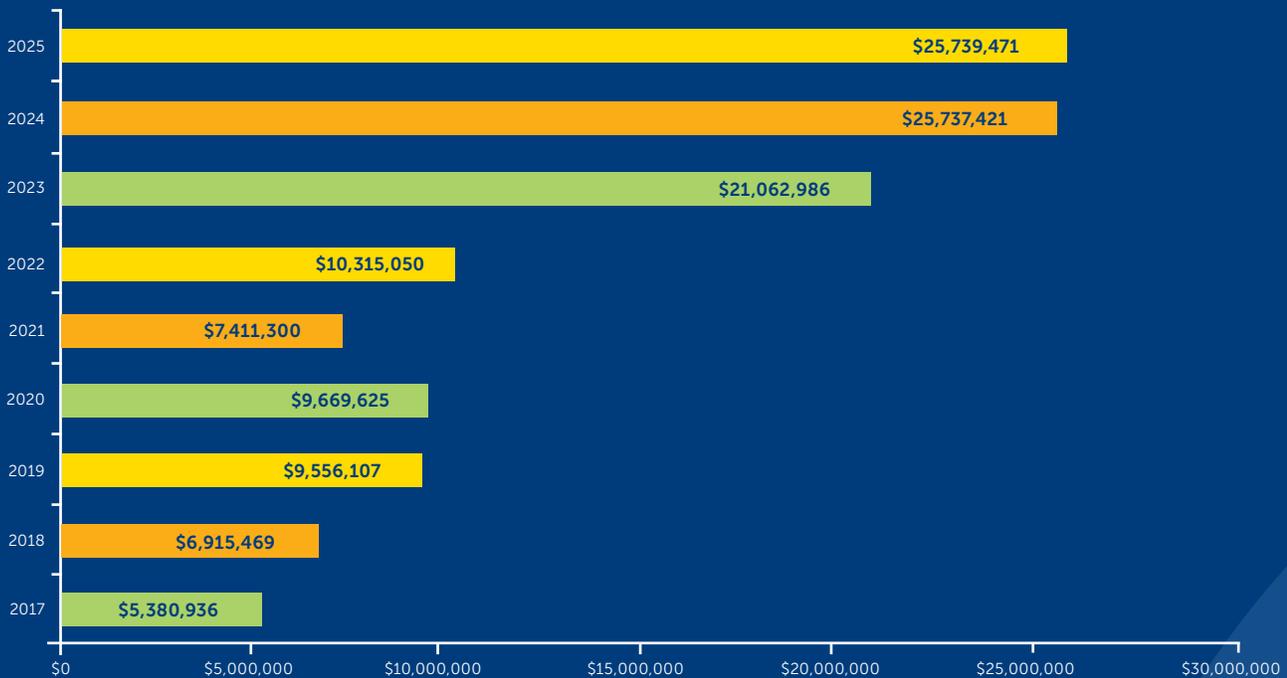
The County has issued enterprise system debt for water and sewer capital improvements throughout the prior fiscal years. The utility system has four revenue bond issues outstanding.

The debt issued benefited the system and rate payers by providing capital funding for projects such as:

- Catawba River Water Treatment Plant
- 12 Mile Wastewater Treatment Plant
- Transmission Mains
- Water pressure, distribution, and collection systems
- Crooked Creek Headworks Improvements
- Yadkin Regional Water Supply Project



Enterprise Fund Debt Service



Capital Improvement Program (CIP)

A Capital Improvement Program (CIP) is a multiyear plan that focuses on major projects, such as buildings, roads, and utility systems, in order of priority, with details on how they will be funded.

The Fiscal Year 2025-2030 Union County Capital Improvement Program (CIP) includes three parts with the following future major projects:



Union County Water Capital Program

The Union County Water Capital Program offers a six-year plan for water and wastewater utility services. The plan is based on the Comprehensive Water and Wastewater Master Plan. This long-term study explores future needs driven by population growth and trends, data on previous demand, and other factors. This program includes the following projects:

- Catawba River Water Treatment Plant improvements
- Crooked Creek Basin improvements
- Twelve Mile Creek Sewer System Expansion
- Various rehabilitation and replacements
- West Zone improvements
- 821 Zone improvements
- Water administration building construction



General Capital Program

The General Capital Program outlines a six-year plan for County projects that do not involve utilities. These projects aim to fix important issues and enhance the services the government provides:

- Government and judicial center renovations
- Facilities maintenance and renewal
- Parks and Recreation renewal and expansion
- Jail replacement and expansion
- South Piedmont Community College expansion
- Union County Public Schools facility maintenance, renewal and expansion



Solid Waste Capital Program

Union County's Solid Waste Capital Program includes a six-year plan for buying equipment, expanding and renovating current facilities, and building new ones at the Union County Landfill and other solid waste sites.

- Site construction and expansion

Our Year in Review

The County continued to experience growth in population, which resulted in increased demand for essential public services.

Here are the major projects that Union County accomplished in the past fiscal year:

Jesse Helms Park Playground

On May 9, 2025, a ribbon-cutting was held to celebrate the opening of Jesse Helms Park Playground in Wingate. The farm-themed playground features equipment such as barns, a tractor playset, and more to inspire children of all ages and abilities to use their imaginations while playing outdoors. Future enhancements are being considered, including the addition of pickleball courts and an expanded trail network.



Union County Landfill

Improvements were completed to the residential service side of the County landfill in Wingate. The landfill now has a paved driveway, accessible parking, expanded disposal facilities, and new signage.

What's to Come

Union County continues to invest in projects that support our growing community.

Here are the major projects that are in progress:



Union County Government Center Entrance Renovation

The Facilities team managed renovations to the entrance and first floor of the Union County Government Center in Monroe to improve safety and accessibility. The project began in July 2025 and was completed in February 2026.

Union County Landfill on Austin Chaney Road

The Union County Solid Waste Department is completing an expansion of the construction & demolition (C&D) landfill on Austin Chaney Road in Wingate in FY26. This project will ensure adequate waste disposal capacity for C&D material generated in Union County and enhance safety, accessibility and ensure disposal capacity for years to come.

Food and Innovation Center

The Food Innovation Center, formerly the Building Agricultural Resources and Nutrition (BARN) Project, in Wingate will prepare, process, package, and distribute local farm produce, serving farmers, food trucks, restaurants, food service owners, and entrepreneurs. The facility is supported by a state grant and is a partnership of state, local, and educational institutions. The groundbreaking for the center is scheduled for Spring 2026, and the center is expected to open in 2027.

Camp Store at Cane Creek Park

The Camp Store at Cane Creek Park in Waxhaw will be a new on-site retail shop and general store offering supplies, groceries, equipment, and other products. The groundbreaking for the Camp Store began in spring of 2025 and is expected to open in spring of 2026.

South Piedmont Regional Autopsy Center

The South Piedmont Regional Autopsy Center will be constructed next to the Sheriff's Office Administration Building starting in the fall of 2026. Union County Government will own and operate the facility, which will provide morgue and forensic services for law enforcement in Union County and for nine surrounding counties. Center services are already operational, using a temporary facility with Atrium Health Union.

