

Mecklenburg County  
Sarah Cunningham  
Director of Financial Services  
November 27, 2019

The Board of County Commissioners  
and County Manager  
Mecklenburg County  
Charlotte, North Carolina

The State requires that all general-purpose local governments publish a complete set of audited financial statements, presented in accordance with generally-accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed, certified public accountants. Pursuant to this requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of Mecklenburg County for the fiscal year ended June 30, 2019.

County management assumes full responsibility for the completeness and reliability of the information contained in this Report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The financial statements have been prepared in compliance with applicable General Statutes of North Carolina and accounting principles generally accepted in the United States of America for governmental entities. Cherry Bekaert LLP, an independent public accounting firm, has issued an unmodified ("clean") opinion on the financial statements. Their opinion is located at the beginning of the Financial Section of the Report. The audit was also designed to meet the requirements of the OMB Uniform Guidance, as well as the State Single Audit Act, N.C.G.S.159-34 and the required reports are issued separately.

GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The MD&A immediately follows the Report of Independent Auditor. This Letter of Transmittal complements the MD&A, and the two should be read together.

### ***Profile of the Government***

Mecklenburg County was created from a portion of Anson County through a petition that was granted on December 11, 1762 by the Provincial Assembly, effective February 1, 1763. During the colonial period, a governor appointed by the King of England administered the County. Settlers chose the name Mecklenburg for their county in the hopes of gaining favor with King George III. His wife, Queen Charlotte, was born in the German province of Mecklenburg. When Mecklenburg was established, it was considerably larger than it is today. Portions of what are now Cabarrus, Union, Lincoln, Rutherford, Cleveland and Gaston Counties in North Carolina and part of South Carolina were all once in Mecklenburg County. The City of Charlotte was incorporated on November 7, 1768 and was chosen as the county seat in 1774.

The current boundaries of the County were established in 1842. County officials continued to be appointed by the governor until 1868. The Constitution of North Carolina was rewritten in that year to allow citizens, for the first time, to elect officials to govern them at the county level. This form of government is still in practice today with the governing body known as the Board of County Commissioners (the Board). In 1963, the Board adopted the County Manager form of government and appointed a County Manager to perform the administrative duties of the County.

The Board has six district and three at-large members. Elections for Board members are held in November of even-numbered years, and candidates run for office as members of a political party. Any registered voter is eligible to run for Commissioner.

Following the election, Commissioners take office at the first meeting in December. At this meeting, the Board elects a chair and vice-chair from among its members.

The Board appoints several officials to help carry out the County's business: a County Manager, who serves as chief executive officer; a County Attorney, who serves as legal advisor to the Board; a Director of Financial Services, who provides required financial information and guidance for planning and conducting fiscal management in operating the County; a Clerk to the Board, who is responsible for keeping official Board records and preparing official minutes of all Board meetings, a County Assessor, who is responsible for discovering, listing, and appraising all real and personal property in accordance with North Carolina General Statutes, and a County Tax Collector who administers the tax laws and collection of taxes due.

The County provides the following primary services: land use, including listing and appraising all real and personal property, and regulating the development of land and construction of residential, commercial and industrial facilities; recreation and cultural activities; human services, including social services, public health, mental health and environmental health; detention and court support; and general administration. The County also provides support for education, public libraries, and emergency medical service.

The County represents a primary government as defined by Governmental Accounting Standards Board Statements 14 and 39, as amended by Statement 61. In addition to the primary government, the basic financial statements include the discrete presentation of three legally separate entities, the Public Library of Charlotte and Mecklenburg County, the Mecklenburg County Alcoholic Beverage Control Board, and the Mecklenburg Emergency Medical Services Agency. These entities are component units of the County as defined by the Governmental Accounting Standards Board.

State Statutes require the adoption of an annual balanced budget for all funds, except the agency fiduciary funds and those authorized by project ordinance. The final budget, which the Board of County Commissioners must approve by July 1<sup>st</sup> each year, serves as the foundation for the County's financial planning and control. The budget is prepared in accordance with the County's Strategic Business Plan that identifies the priority of County programs and is organized by fund, function and department. The County's goal is to create a culture of strategic thinking which aligns goals and objectives with programs and services. During the fiscal year, the County Manager or her designee is authorized to transfer budgeted amounts within any fund; however, any revisions that alter the total budget of any fund must be approved by the Board of County Commissioners.

### ***Local Economy***

The County is the second largest financial center in the United States, and is the 41<sup>st</sup> largest county in the nation, with Charlotte, a mid-sized city, as its largest municipality. The financial sector includes the corporate headquarters for Bank of America and Wells Fargo's east coast center of operations. A branch of the Federal Reserve Bank of Richmond, mortgage banks, financial institutions, credit unions, and accounting firms are also located in the County. In addition, BB&T and SunTrust have announced a merger creating Truist Bank, which will be headquartered in Charlotte and become the sixth-largest bank in the U.S.

The County's economic outlook remains positive as growth in the region continues to expand. Many of the County's economic indicators are trending upward. For instance, the County experienced a 3.7% increase in jobs in 2019 compared to 2018.

According to the U.S. Department of Commerce, Mecklenburg County is the fastest-growing large economy, and is structured to attract and retain jobs. New investments show the County is more than just a financial center—including the addition of Fortune 100 company Honeywell, Avid Exchange doubling its HQ size, and many more.

Mecklenburg is quickly becoming a major technology center with recent announcements by Lowe's, Cognizant, and AvidXchange to add 3,100 IT-related jobs. A total of 14,749 tech workers moved to Charlotte from 2011 – 2016, making the City the second highest growing tech center in the US, second only to the San Francisco Bay area.

Mecklenburg County's unemployment rate in June 2019 was 4.1%, a slight increase from 4.0% in 2018. The County's unemployment rate continues to trend slightly below the North Carolina rate of 4.4% and is marginally higher than the national rate of 3.8%. Employment numbers increased by 17,722 jobs to 611,690 from the prior year June amount of 593,968.

Home sales remained steady in 2019 compared to 2018; and the average closing price of homes experienced a 10.5% increase in 2019 from the prior year June amount. The number of building permits decreased slightly by 276 to 12,771 from the prior year June amount of 13,047.

### ***Revenue and Expenditure Trends***

Over the last 10 years, revenues and expenditures have increased with the County's recovery from the downturn and economic growth in recent years. Below is an overview of revenue and expenditure trends. For a more in-depth analysis please see table 4 in the Statistical Section

General governmental revenues were \$1,742.1 million in 2019, an increase of 29.3% over the last ten years. Taxes and assessment revenues have increased 36.3% for the same period, and the contribution to total revenue has increased from 77.3% in fiscal year 2010 to 81.5% in fiscal year 2019 reflecting the growth in population, demand for services, and decreases in other revenue. The percentage contribution of fee-based revenues, licenses and permits, as well as charges for services to total revenues has increased over the last ten years from 6.7% in fiscal year 2010 to 7.1% in fiscal year 2019. Intergovernmental revenue contributed 14.7% to total revenues in fiscal year 2010, however it has dropped to 8.0% in fiscal year 2019 as state revenues have declined relative to other sources of revenue, highlighted above.

General governmental expenditures were \$1,829.2 million in 2019, and has increased 23.3% in the last ten years. Governmental expenditures covered by tax revenues totaled \$1,419.6 million, increasing from 70.2% in fiscal year 2010 to 78.0% in fiscal year 2019. Costs of services continue to increase along with the growth in populations served. This is particularly true for Detention and Court Support Services where costs have increased 33.4%. Business Partners costs have increased 34.6% over the ten-year period reflecting the increased contributions for public education. Land Use and Environmental Services costs have increased 27.7% driven by the growth in construction in the County.

### ***Long-term Financial Planning***

The County employs long-term financial planning tools to help ensure fiscal sustainability, while providing the services and necessary capital investments to serve a dynamic and growing community, including construction and renovation of schools, community college facilities, parks, libraries and other government facilities. The County has a three-year Strategic Business Plan, employs a long-range model for overall revenues and expenditures, and maintains a five-year Capital Improvement Plan (CIP) for capital investments.

The current FY2019-2023 CIP includes \$922 million of Charlotte-Mecklenburg School capital projects to be funded through general obligation school bonds. These school bonds were approved by the voters in a November 7, 2017 county-wide referendum. In addition, the County assesses capital needs annually, and may update the CIP to address emerging needs or economic circumstances.

In FY2019, the County successfully completed a state-mandated revaluation of real property, as required by statute. The 2019 Revaluation reflected solid preparation by the County, Public Outreach with over 180 public workshops and appearances to inform the public, and a quality assessment based on statistics. The 2019 Revaluation resulted in an estimated assessed value for real property in FY2020 of \$183.4 billion, an increase of 41.3% or 53.6 billion over FY2019.

Mecklenburg County's fiscal year 2020 Budget invests in County priorities that generate long-term economic returns, while maintaining affordable tax rates for residents through a 1.99¢ property tax rate increase and strategic use of fund balance. The 2020 Budget County priorities reflect the County's Strategic Business Plan, and Board Priorities including reducing racial disparities, early childhood education/Meck Pre-K, affordable housing, mental health support, and parks and greenways.

Key focus areas are listed below:

- **Reducing Racial Disparities:** Reducing Racial Disparities is another top priority and the Budget supports phase two of the County's Equity and Inclusion Initiative and a new position to expand the Equity and Inclusion Division in the County Manager's office. The Budget provides funding for the establishment of a Small Business Micro Loan Fund to support start-up costs for new small businesses. Funding is also provided for the purchase of a Mobile Library and a Mobile Library Program Coordinator. In addition, a portion of the funding to the Charlotte Center for Legal Advocacy will assist people to expunge their criminal records, increasing employment and housing opportunities
- **Early Childhood Education/Meck Pre-K:** Early childhood education is a key priority as studies show that investing in and providing access to early education can be one of the greatest markers for future success. The 2020 Budget provides an additional \$21 million for continued support of early childhood initiatives, for a total investment of nearly \$37 million. \$14 million of the increased investment is dedicated to advancing efforts to clear the childcare subsidy waiting list and the \$7 million dollars will add 36 Meck Pre-K classrooms.
- **Affordable Housing:** The Budget includes \$15 million in new investments for affordable housing, expanding the County's role and impacting the estimated 22,000 unit shortfall of affordable housing for those earning less than 30% of area median income with investments in supportive services, home repair, shelters, and an \$11 million investment to provide rental subsidies and support services. Total funding for affordable housing in FY2020 is \$22.5 million. Investments include \$1 million in funding for the Habitat for Humanity's Crucial Home Repair Program to help people stay in their homes and the expansion of Legal Aid of North Carolina, and funding eight new staff positions to help those at risk of being evicted.
- **Mental Health:** The Budget provides \$7 million in new investments in mental health support. The Budget provides funding for therapeutic foster care to support the costs of emergency and regular placements for children and mental health screenings and referrals in Public Health clinics. Support is also provided for two full-time social workers, a Behavioral Health Coordinator and a Tobacco Prevention Campaign in behavioral health centers.
- **Parks & Greenways:** Mecklenburg County continues to work towards its goal of having more recreation amenities for residents to enjoy. To meet the goal of completing 30 miles of greenway trails by 2023, the budget includes \$37 million in increased capital investments to accelerate greenway construction, and an additional \$2 million for land purchases for future park and recreation needs. The County also increased investment by \$16 million to restore park and recreation funding to pre-recession levels.
- **Education:** Another crucial partner responsible for helping students to achieve is Charlotte Mecklenburg Schools. The County Budget funds the local supplement for teachers, salary increases for locally funded employees, phase one market adjustments for hourly staff bringing their new rate to \$13.22 an hour, the increased cost for health insurance and retirement contributions, charter school enrollment growth, building services and preventive maintenance and IT system modernization. The Budget also funds the school mental health support staff which includes 27 social workers, 10 psychologists, 10 counselors and eight coordinators. In addition, one-time funding is provided for security enhancements.
- **Higher Education:** Central Piedmont Community College is a crucial community partner responsible for helping students achieve academic success. They are the most important institution in the County for workforce development and creating career paths for students of all ages, backgrounds and socio-economic status, and county investments reflect this critical component of economic development.
- **Public Health:** Many County residents rely on Public Health, and the County continues to support strong service delivery and progress within Public Health. Funding is provided for an Environmental Health Specialist to meet its 100% on-time inspection rate for pools; five additional Environmental Health Specialists and one Supervisor for Food and Facilities as the number of restaurants have increased; two new School Health Nurse Supervisors and cover the costs of the School Health Nurse Certifications Exams and one Medical Assistant for Vaccine Administration. The budget also includes additional funding for the Breast and Cervical Cancer Control Program and Expansion of Prep Usage Awareness and funding to offer HIV testing in non- traditional locations.
- **Department of Social Services:** The Department of Social Services is another department that cares for the most vulnerable and funding is provided for the Homebound Meal Delivery Program, as the number of aging residents opting to remain in their homes continues to grow. The Budget also supports the Special Assistance Program which provides an alternative to placement in a special assistance facility by providing a monthly cash supplement and cash management to individuals that

can live at home safely with supportive services. In addition, the Budget provides for kinship care provider payments and will fund foster care expenses for the recently passed “Raise the Age” law.

- **Information Technology and Security:** Information Technology is another critical service and funding is provided for 11 new positions, six of those positions will be assigned to the IT Security Services Division and the remaining four positions will be for Strategy and Planning and Quality Assurance and the remaining position will provide support for the new conference center at the Valerie C. Woodard Conference Center. In addition, the Budget includes funding for a variety of hardware and software upgrades as well as new tools to strengthen the County’s security posture.
- **Employee Investments:** Our employees are the heart of our organization and no initiative or program can move forward without their commitment and hard work. To help close the salary gap with competitors, a 5.5% across the board salary increase was provided in the Budget for all County employees. The County has also raised the minimum hourly wage for staff to \$15.00. The budget provides an extra day of vacation during the Christmas holiday, and for the first time, employees will have the option to purchase Pet Insurance. In addition, the budget funds one-time bonuses for the Sheriff’s Office to help retain existing sworn and certified detention officers. The funding will allow officers who have been on the job two years or more to receive a \$2,000 bonus and officers who have been on the job less than two years will receive a \$1,000 bonus.

The adopted budget continues funding for the County’s 5-year, \$150 million deferred capital maintenance plan. Annual funding includes \$18 million for Charlotte-Mecklenburg Schools plus a one-time additional \$4.6 million for school security expenditures, \$4 million for Central Piedmont Community College, \$4.5 million for Park and Recreation, and \$3.5 million for County facilities.

### ***Major County Initiatives***

Strategic planning and performance measurement continue to be a major initiative of the County as it strives to meet the goals of Mecklenburg Vision 2020. The County has adopted a three-year strategic business plan to structure and articulate the Board’s desired results, the corporate strategies used to achieve these results, and the performance measures that gauge the level of achievements.

The following accomplishments during fiscal year 2019 highlight some of the activities County departments have pursued toward Mecklenburg Vision 2020:

#### **Financial and Administrative:**

- The Financial Services Department (Finance), working closely with the GIS team in Land Use and Environmental Services, launched an interactive Capital Improvement Plan (CIP) Website. This innovative tool allows the public to easily access information on the CIP overall. The website is in a storyboard format, and uses GIS technology so that users can see the location of each project, and easily gather details including how much the project is expected to cost and the timeline for construction.
- Finance significantly improved Minority, Women and Small Business Enterprise (MWSBE) utilization reporting by automating data from the State of North Carolina’s Historically Underutilized Business database. This enhancement is estimated to increase the number of MWSBE registered vendors by 30% and significantly reduce MWSBE vendor burden by directly linking to the State.
- The Office of the Tax Collector (OTC) redesigned its website homepage and marketed “Notify Me” to tax customers via the new website and inserts of tax bills/notices and increased mailings utilizing eStatements allowing taxpayers to opt to receive bills and notices electronically via email.
- The Office of the Tax Collector created a discovery audit program to discover businesses that are not registered and remitting gross receipt returns and payments.
- Human Resources (HR) launched the My Clinic program and there were 4,640 appointments in the first seven months, 17% were acute and 83% were preventive visits. The Customer Satisfaction Survey results indicate a Net Promoter Score of 85 for the My Clinic program and 98% of members rated their experience as excellent or good.
- Information Technology Services implemented a Security Information and Event Management (SiEM) Replacement, providing a solution to secure data and systems from malicious intrusion and unauthorized use.

- Information Technology Services completed firewall implementation to mitigate cyber security risks and rolled out the Phish Alert Email Button to all County employees.
- Asset and Facility Management began using a new replica tool for establishing energy -performance targets for individual building systems which allows design professionals will have an “energy target” as they proceed through the design of new buildings and large renovation projects.
- Asset and Facility Management successfully completed the relocation of LUESA from the Hal Marshal Building to Suttle Avenue, Valerie C. Woodard Center was renovated providing a home for the Tax Assessor and Tax Collection offices and renovations were completed in the Government District for the consolidated move of the Finance Department.
- The County Assessor’s Office planned and implemented the 2019 county wide reappraisal and appeal procedures. Ongoing trainings were implemented to ensure employees were proficient with MODRIA Online Customer Dispute Resolution and the newly implemented NCPTS Appeals Module.
- The County Assessor’s Office collaborated with the County’s Public Information Department to schedule community engagement sessions and promoted improved communications by updating and developing brochures about the countywide revaluation. The Assessor’s Office also offered outreach to organizations that serve the elderly and disabled to ensure they were aware of the exclusions and exemptions.
- The Medical Examiner’s Office entire staff completed Mass Fatality Incident Response training through the State of NC to learn scenarios for pandemic outbreak, natural disasters, mass transit accident, mass public shootings, public protest and riots.
- The Public Information Department dedicated two full-time staff members to social media to maintain fresh content and ensure adherence to the County Social Media policy.
- The Register of Deeds completed the restoration process for the County’s birth records from 1941 to 1955 and are archived at the Register of Deeds Office.
- The Office of Economic Development completed an RFP process and identified a community development financial institution to manage a small business revolving loan fund. The Capital Small Business Development Fund has projected a capital need of \$2.75 million for lending over a five-year period with an annual management fee of \$100,000. The County Manager recommended, and the Board of County Commissioners adopted funding the project in FY2020. The fund is expected to have a public launch in early September 2019.

#### Land Use and Environmental Services (LUESA):

- The Geographical Information System (GIS) Division provided a complete address database and updated statistical area boundaries for the Census Bureau in preparation of the upcoming 2020 Census.
- Mecklenburg County Storm Water Services collaborated with County Asset & Facilities Management, Parks and Recreation, Charlotte Water and UNCC to restore and enhance streams in support of the County’s Creek Use Policy. The erosion of stream banks had contributed to sediment in our surface waters and the sediment can act like a carrier for bacteria and bury aquatic habitat. The result increased the percentage of stream miles suitable for human contact.
- The Administration Division initiated a pilot program with “Autism after 18” and created two temporary positions for people without a high school diploma or GED but have completed the Occupational Course of Study provided by school systems. These employees will work at LUESA’s Compost Central and Suttle Avenue locations on tasks specifically identified for non-neurotypical individuals.
- The Code Enforcement, Fire Marshall Division organized a series of collaborative planning sessions with Volunteer Fire Department Chiefs to develop strategies for funding capital needs and to increase wages at VFD from \$13 an hour to \$15 an hour.

#### Health and Human Services:

- The Health Department initiated a transformation from a Regulative Business Model to an Integrative Business Model by expanding the focus beyond eligibility and adherence to policy to a more comprehensive focus that considers root causes of clients’ needs and problems by coordinating and integrating services. Numerous residents receive services from more than one service department and focus will be improving the health and the well-being of the residents, especially people most in need of support and assistance, emphasizing education and prevention and optimal human service delivery.

- The Health Department continued transformation to ensure exceptional public health services, including the delivery of quality care. The 2019 focus of the department transformation included the following: continued implementation of Public Health's change of management strategy; continued Electronic Medical Record (EMR) optimization of the current platform and conducted a EMR Technology Assessment; continued assessment to ensure staff performed at top of license and updated productivity measures for all nurses and Physicians; executed lab contract with an outside vendor for management and operation of laboratory service.
- The Health Department partnered with the Human Service Departments and assessed the services that are currently provided for children birth to 5 and their families, developed a gap analysis/needs assessment and developed processes to assure that services are provided in a family centered, coordinated approach. The assessment determined the appropriateness of the services being provided to address the social, emotional, cognitive, intellectual and physical development of children and the appropriateness of the resources to address those needs.
- The Health Department hired a Preparedness Coordinator to build capacity to ensure timely and appropriate response to communicable disease outbreaks and exposures in the community. Disaster response plans were developed for internally and for the community. State accreditation and Communicable Disease Control requirements were met.
- The Health Department partnered with DSS and conducted a feasibility study of the Health & Human Services (HHS) Agency Call Center operations to document current state, refresh data and provide recommendations to improve accessibility.
- The Department of Social Services Youth and Family Services Division (YFS) partnered with the Annie E Casey Foundation to improve services and outcomes for children and families. YFS's desire is to move the service delivery from "Good to Great".
- The Department of Social Service developed multi-year initiative which supports the designation of Mecklenburg County as an Age-Friendly community through the establishment of a community-wide strategy to address the existing and future needs of Mecklenburg's aging population. Planned an Age-Friendly Summit to coincide with AARP Livable Communities National Conference. Completed a gap analysis of Age-Friendly resources within the County.
- The Department of Social Service met with Charlotte Area Transit System (CATS) to increase the efficiency of services delivered to transportation-disadvantaged citizens. This initiative will leverage federal grant funding and collaborative partnerships with CATS, NC DOT, Charlotte Regional Transit System and neighboring counties.
- The Department of Social Service Implemented a desktop and mobile applications allowing customers to submit their applications for benefits without having to travel to an HHS facility. DSS clients have the option to submit supporting documentation via mail but customers are reluctant to rely on the postal service and they rely on hand delivery. This preference imposes additional travel and time costs on persons with limited means. In those cases that customers are using the postal service, DSS manages a high volume of telephone inquiries asking if documentation was received. This option to submit documents electronically reduces travel and time costs to the customer and allows DSS to increase operational efficiency and reallocate staff resources to meet other service needs.
- Community Support Services Veterans Services Division strengthened interventions to meet the needs of veterans and to decrease domestic violence (DV), community violence and substance use. This included a campaign to reduce suicides among veterans and their families, building closer relationships between homeless service providers and DV service providers
- Community Support Services working in partnership with other agencies developed and begin implementation of an action plan to reduce and prevent chronic, veterans and family homelessness. An ecosystem tool was developed to provide an overall landscape of who provides what for housing and homelessness in the community and this tool will be housed within the Housing & Homelessness Dashboard. An Emergency Shelter Capacity Assessment Project was developed with United Way to provide an overview of resources and structure of the emergency shelter system in the County, Served as a co-lead agency for Housing First Charlotte-Mecklenburg and coordinating with national efforts that are doing work locally, including Community Solutions: Built for Zero, has allowed the County develop a by name list of individuals who are experiencing chronic homelessness. This work evolved and expanded to include a focus on veteran homelessness.
- Community Support Services developed and implemented a unified workforce development strategy that will span multiple departments. The plan will assist individuals in improving their job skills and employment prospects. This strategy leverages the existing workforce development activities performed by Social Services, Child Support Enforcement, Community Support Services, Economic Development and Criminal Services. During the pilot program, 42 participants secured at least one job. This Unified Workforce Development Program (UWD) has transitioned to the Department of Community Resources (DCR). Child Support Enforcement (CSE) recruited and hired contract child support staff to become

the Court Team and improve case management structure by streamlining court processes and enhancing relationships with the County Attorney's Office and Mecklenburg County District Judges.

- Child Support Enforcement established Dual Notice processes to provide customers the opportunities to have paternity established, child support orders modified and enforced. The benefits of these new processes allow customers the opportunity to avoid inconveniences associated with going to court such as long hours, missed work and the cost of parking. Instead customers are provided dates and times to appear at the Child Support Office and participate in a "Settlement Conference" to resolve their child support needs, facilitated by CSE staff who are certified or in the process of being certified as Mediators.
- Child Support Enforcement hosted two Amnesty Events, the first was held in February 2019 and 3,515 letters were mailed to Noncustodial Parents (NCPs) and 33 NCPs made payments as part of this event totaling \$10,292 and 12 payment arrangements were made during this event. The second event was held in June and 4,208 letters were mailed to NCPs and 17 made payments totaling \$2,055 and six payment arrangements were made during this event.

#### Detention and Court Support Services:

- The Mecklenburg County Sheriff's Office reintroduced in-person visitation to residents of detention facilities, and worked with a provider to allow all residents one free remote video call per week, a critical communication tool for residents whose friends and family are unable to come for in person visits. The Sheriff's Office also hosted a career fair for residents of the Detention center, which allowed residents the ability to have a promise of employment on release.
- The Criminal Justice Services Department addressed the need for a strategic approach for prevention and treatment of opioid use and partnered with local and national partners to coordinate a community response and develop local interventions.
- The Criminal Justice Services Department participated in the MacArthur Foundation Safety and Justice Challenge by promoting dialogue, planning and meeting with criminal justice partners to advance strategies to safely reduce the jail population and racial disproportionalities and disparities in the adult criminal justice system.

#### Community Support Services:

- The Park and Recreation Department worked to increase access to public recreation amenities completing and updating four greenways, two parks and a gym.
- The Park and Recreation Department partnered with the CMPD, Urban Ministry, Sheriff's Department and Asset and Facility Management to decrease crime in the greenways and park facilities and reduce the loss of assets. Camera and security assessments were installed and staff training was completed.

#### Library:

- Charlotte Mecklenburg Library partnered with others to solve important community issues. The Library hosted its most successful Community Read by featuring the book *The Hate U Give* by Angie Thomas and reaching more than 150,000 residents with 30 community partnerships during the March 2019 event.
- The Library aligned programs with the Leading on Opportunity, Third Grade Reading and Digital Inclusion community initiatives. The Library continued lead as an education partner for the community and provided Active reading training sessions and mentor workshops, and signed up a record number of participants for Summer Break.
- The Library made improvements to the distribution system and technology infrastructure, improved business policies, procedures and processes, and increased private support and community awareness. With support from County Asset & Facility Management, the North County Regional Library was closed for renovation, and the new Scaleybank Library location began construction.

#### ***Awards and Acknowledgements***

The Government Finance Officers Association (GFOA) awarded its Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report of Mecklenburg County for the year ended June 30, 2018. This was the 43rd consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements. The award is valid for a period of one year only. We



believe the Report for fiscal year 2019 continues to substantially conform to those standards and this Report is being submitted to GFOA for the certificate program.

The County received the GFOA's Distinguished Budget Presentation Award for its Fiscal Year 2019 budget document. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

- Human Resources and Finance were awarded the Gold Safety Award from the North Carolina Department of Labor, its highest-level safety award given by NC Department of Labor. It is designed to recognize employers and employees that prioritize accident prevention and maintain a safe and healthful workplace.
- The County Assessor's Office received the "Excellence in Innovation" award at the North Carolina Association of County Commissioners Conference in Greensboro. The award is part of the 2019 Revaluation Community Engagement Program sponsored by the Local Government Federal Credit Union.
- Community Support Services along with the UNC Charlotte Urban Institute received the G. Thomas Kingsley Impact award from the National neighborhood Indicators Partnership (NNIP) for the impact their research and data on evictions have had on Charlotte. The award recognizes an NNIP Partner organization that has demonstrated impact using neighborhood data to improve local policy and practice to benefit low-income communities.
- Information Technology Services (ITS) received a 2019 Blue Diamond Award for their development of a new system for the County's Community Resource Center (CRC). ITS partnered with the Enterprise Project Management Office, Health & Human Services (HHS) and Microsoft to build the system using Microsoft Dynamics/CRM in the cloud. The CRC program provides a pleasant, efficient experience to the hundreds of customers who visit the center each day. Customers can access a multitude of County services under one roof at the CRC. Previously, HHS agencies were housed in separate locations around the County, where technology systems did not provide the modern experience that is now available at the CRC. The system was implemented and went live in June 2018 and has serviced 85,000 visitors. The Blue Diamond Awards has been Charlotte's leading annual technology awards celebration for over 20 years and this event recognizes the area's top technology solutions, programs and innovations.

During the National Association of Counties (NACo) 2019 conference, County employees received achievement awards for their contributions to several outstanding programs and initiatives which are listed below:

- Capital Improvement Plan (CIP) Story Map for Transparency and Community Engagement (Finance, LUESA – GIS) developed an easy to access format to make CIP projects understandable to the constituents. Maps, graphs, charts, images and links were combined to help citizens learn about CIP and how it impacts them. As public servants, we can reach, engage and inspire our constituents through the power of Story Telling.
- The Housing First Charlotte-Mecklenburg Partnership (Community Support Services – Homeless Services Division) – The Housing First Charlotte-Mecklenburg Partnership (HFCM) launched in April 2017 as collaboration to help end chronic homelessness in Charlotte. HFCM Partnership began as a pitch for a single-site 120-unit apartment building for the chronically homeless. When plans for the building unexpectedly stalled, the Mecklenburg Board of County Commissioners by special action vote authorized Community Support Services to hire six staff to work in partnership with Urban Ministry Center, a local homeless services non-profit, to develop a scattered site housing program. The clinical supervisor and team of five clinicians immediately began engaging clients in services. Within two years, during a serious affordable housing crisis in Charlotte, program staff housed 81 individuals by taking a data-driven approach. Creation of a small housing placement team reduced the number of days clients spent searching for apartments, offered financial incentives to engage landlords who were reticent to partner and expedited move-ins following housing inspections. The team provided intensive clinical services to help clients stay housed. Ninety-five percent of clients either remained in housing or had another successful outcome. The program is now adding staff to keep caseloads small while expanding to a capacity of 120.
- Paralympic Youth Goalball (Park and Recreation) - The Paralympic Youth Goalball program was created to give kids with visual impairments the opportunity to participate in a sport on a team while increasing their gross motor skills, physical fitness, and social skills. Goalball is played with a ball that has bells inside and allows players to use their senses.
- Scoop the Poop (Storm Water Services) – This campaign was implemented to increase the removal and proper disposal of pet waste by citizens focusing on public areas such as parks and greenways. The campaign was launched in response to

investigations and monitoring data revealing pet waste entering surface waters as a primary cause of elevated bacteria levels. The “Second Saturday” volunteer events were implemented to simplify volunteer programs and increase participation by being more accommodating of busy lifestyles and allow volunteers to “drop in” with-out preregistering.

- **Interactive Tax Foreclosure Web Tool (Office of the Tax Collector)** – The Office of the Tax Collector (OTC) designed and implemented an innovative web tool to attract buyers and investors to bid at tax foreclosure auctions. The web tool would enable the user to search through the OTC’s inventory of tax foreclosure properties utilizing user designed search fields. Many users are individuals or organizations that purchase properties at auction, often prices are below market value, rehabilitate the property and then live in them, sell them for profit, or retain them for rental. Commercial property, residential property and vacant land are all included in the tool.
- **Comprehensive Foreclosure Strategy and Notice (Office of the Tax Collector)** – The Office of the Tax Collector (OTC) has one strategic goal – to maximize tax collections. The OTC contracted with two legal service provider firms, a real estate services provider firm and developed a foreclosure web tool, and established a tier system to group tax properties based on number of months they were delinquent to ensure that the application of the new policy was executed, in a fair equitable manner. In establishing this new framework, the OTC demonstrated its commitment to administering a tax foreclosure program that maximizes property tax collections in an equitable and transparent manner as well as ensuring that risk to the county of acquiring properties through a foreclosure was minimized.
- **Notice of Bidder Solicitation (Office of the Tax Collector)** – The OTC developed a Notice of Bidder Solicitation that is sent to taxpayers that have delinquent taxes owed and are eligible for the foreclosure program and property has been sent to the OTC foreclosure website. By adding a property to the website, investors and other interested buyers are given the opportunity to search for, and review, and express interest in purchasing the property at foreclosure auction. When a taxpayer receives a letter stating the OTC has posted their property on the website, this can be a powerful incentive for taxpayers to rectify their delinquency.
- **Amnesty Event (DCR – CSE Division)** – The Amnesty Event is hosted twice a year and gives noncustodial parents (NCPs) an opportunity to visit the local office without fear of arrest or prosecution for non-payment of child support. This event also gives NCPs the opportunity to resolve their outstanding child support issues; have their order for arrest (OFA) possibly stricken; make payment arrangements; and meet with their case coordinator. The purpose of the event is to build better relationships with our paying parents, reduce future court dates, reduce arrears and address as many OFAs as possible. Through the success of the event an additional \$55k was collected and distributed to the children and families we serve.
- **Community Resource Center (Community Resources)** – The Mecklenburg County Community Resource Center (CRC) was created to provide integrated Health and Human services (HHS) to residents. The CRC is the first of six planned, place-based service sites strategically located throughout the county. With the implementation of the CRC, customers no longer require visits to multiple locations to requests assistance. Enhanced customer experience is a primary focus. By offering an open friendly environment, electronic check-in, expedited services for simple transactions, cross-service coordination, and access to community partners, the CRC provides an improved service delivery model for HHS customers which seeks to strengthened individuals and families, promote health and wellness, and build communities.
- **Vocational Skills Horticultural Program (Park & Recreation)** – The Vocational Skills Horticulture Program is conducted by volunteers and staff of NC Cooperative Extension, a part of the Park and Recreation Department, in partnership with the County’s Sheriff Office as a part of their Adult Programs for inmates. The purpose is to prepare participants for various careers in horticulture. Participants receive classroom instruction and hands on experiences in the greenhouse, labs, outdoor gardens, including raised beds. In two years, 120 inmates have completed the 2-week Horticultural Program. Follow-up, which can only be done with county residents a year after release, has indicated that at least six have been employed by a local greenhouse operation and two by a construction company after their release. In addition, participants have grown over 30,000 vegetable and herb plants that have been donated to community groups.
- **Plant 4 Change (Park and Recreation)** – Plant 4 Change is a program to encourage residents to plant for the change they want to see in themselves, their family, community and county. Teaching citizens to grow their own food increases their families’ access to fresh vegetables, which is vital in combating childhood obesity and to many residing in food deserts where fresh food is more than five miles away. Basic gardening skills were taught with an emphasis on growing in small spaces and containers. Green bean seeds were distributed at community events, in recreation programs and at a Farmer’s Market. Through these events over 845 green beans were distributed to 21 zip codes in Mecklenburg County. There are food deserts located in 16 zip codes in the County and this program was able to distribute seeds to 14 of those zip codes. This program included participants

of all ages and was able to reach many who currently did not garden or produce their own food. This program also promoted the importance of pollinators to food production. Participants were given information on how to create wildlife habitats in their own yards by using native plants in their landscaping.

- A Novel Model of Collaboration to Increase Availability of Pre-Exposure Prophylaxis (PrEP) to Uninsured Individuals (Community HIV Plan-Public Health) – PrEP is highly efficacious but under-utilized particularly in minority populations in the County. Despite an effective patient assistance program, barriers to PrEP include the cost of medical care and accessibility. Mecklenburg County Public Health (MCPH) and clinics that serve low-income clients developed an innovative pilot program through a county-practitioner partnership to provide PrEP to uninsured, primarily minority individuals who require PrEP. While the program is open to all uninsured high-risk County residents, the priority populations for the pilot program are uninsured HIV negative individuals who self-report high-risk behaviors, and who have sex with men. Since the implementation of the pilot program in March 2018, six medical clinics have provided PrEP to 108 clients: 99 of whom are still on the PrEP pilot program. None of the clients who started the program has developed a new HIV infection on PrEP. During screening, seven clients were diagnosed as HIV positive and linked to care.
- Edible Landscape Project – (Public Health) The MCPH's public health priority area has a disproportionate number of residents that do not have access to healthy foods. This lack of access is a risk factor for chronic diseases such as heart disease and diabetes. MCPH is partnering with several community organizations to create gardens and orchards (edible landscapes) that produce foods that can be distributed to at risk populations. The Edible Landscape Project is an example of how community representatives and food security stakeholders are engaged in the design of an intervention to address a public health priority. This effort has been successful improving access to fresh produce for at risk populations and has demonstrated that edible landscapes can be part of a multi-level approach to improving the availability of health foods.
- Information Technology Services/DSS Daysheets Applications – (Information Technology) In North Carolina, Social Services workers are required to submit "Daysheets" for every minute for every minute of time spent servicing clients to the State of North Carolina, who in turn reimburses Mecklenburg County DSS. Each month, workers record over 7 million of time and approximately 175,000 Daysheet entries. At the end of the month, a file is created and submitted to the State. Mecklenburg County Information Technology Services (ITS) saw an opportunity to replace limited, aging technology with a modern solution that could be used anywhere; on the desktop, tablet or phone, on or off the County network. ITS designed, constructed, tested and implemented a brand new Daysheets application in 2018 and launched in January 2019. The system has been highly successful, capturing more accurate Daysheet reporting and maximizing reimbursement potential.
- Information Technology Services/HHS Community Resource Center System Project – (Information Technology) Mecklenburg County opened a new Community Resource Center in June 2018, servicing up to 700 members of the visiting public a day. A new system was needed to facilitate the flow of visitors from arrival to exit. Information Technology Services partnered with Microsoft to develop a Microsoft Dynamics/365-based system to handle the end-to-end experience, enabling smooth operation and experience for visitors, workers, supervisors and managers. The system has serviced over 75,000 visitors to date and has been highly successful.
- Narcan Community Distribution Program (Medic) Mecklenburg EMS Agency (Medic) partnered with Cardinal Health and the North Carolina Office of Emergency Medical Services (NCOEMS) to develop the Narcan Community Distribution Program, an initiative that allows Paramedics and emergency Management Technicians to distribute Narcan, an effective antidote to opioids, directly in the community when they encounter people who are at a high risk for opioids overdose. As of March 2019, Medic crews have distributed 1,442 Narcan doses to at-risk individuals and those in their support system. The Narcan Community Distribution Program has also documented 45 cases of bystander Narcan administration prior to EMS arrival. An additional 1,242 doses of Narcan were provided to other local first responder agencies and substance abuse programs to further expand Narcan availability in Mecklenburg County.

Park and Recreation became reaccredited with the Commission for Accreditation and Park and Recreation Agencies (CAPRA). CAPRA is the only national accreditation of park and recreation agencies and achieving CAPRA accreditation is the best way to demonstrate that your agency and your staff provide your community with the highest level of service.

Park and Recreation received a NCDOL Carolina Star recertification. North Carolina Department of Labor's Carolina Star Program is administered through its Education, Training and technical Assistance Bureau of the Occupational Safety and Health Division. The Carolina Star Program recognizes employers and employees who have implemented effective safety and health management systems and maintain injury and illness rates that meet the criteria for participation.

(PI) won an IAAO (International Association of Assessing Officers) Public Information Program award for communications during the 2019 Revaluation. PI also won five Telly Awards in FY19, including its first-ever Gold Telly, two Silver Tellys and two Bronze Tellys for videos for a recycling campaign, adoption promotion, and Park and recreation videos. The Telly Awards is the premier award honoring the finest film and video productions. PI was also recognized by the North Carolina City & County Communicators (NC3C) with two awards for our blog and social media communications efforts during Hurricane Florence; and by the National Association of County Information Officers (NACIO) with an Excellence Award for video production for LUESA's "Recycling Woes" campaign.

I appreciate the cooperation of each County department as we work together to provide quality services to the residents and in conducting financial activities of the County, including preparation of this Report. I especially commend the members of the Financial Services Department, particularly, for their competence and diligence in the continuation of the progressive financial activities of the County and timely preparation of this Report.

I thank the Board of County Commissioners and County Manager Dena Diorio for their leadership in making Mecklenburg County a fiscally sound, well-governed community.

Respectfully submitted,

Sarah Cunningham  
Director of Financial Services

## **County Administration and Operations**

The nine-member Board of County Commissioners (the Board) holds regular business sessions on the first and third Tuesdays of each month and conducts a Public Policy Workshop on the second and fourth Tuesday of each month. All meetings of the Board are open to the public. Major duties of the Board include:

- Assessing and assigning priorities to the needs of the County and establishing programs and services to meet those needs.
- Adopting an annual balanced budget to fund County programs and services.
- Establishing the annual County property tax rate.
- Appointing officials, including members of County boards and commissions, and certain County employees.
- Regulating land use and zoning outside the jurisdiction of municipalities.
- Enacting policies concerning the operation of the County.
- Enacting local ordinances.
- Authorizing certificates of participation to fund capital projects.
- Calling bond referendums, entering into contracts and establishing new programs and departments.

Day to day operations of the County are the responsibility of the County Manager. In this capacity, she is assisted by three Assistant County Managers and an Assistant County Manager/Chief of Staff, which together comprises the Executive Team. Reporting directly to the Executive Team are the Department Directors. Major duties of the County Manager include:

- Supervising and coordinating activities of County Departments.
- Implementing all orders and policies of the Board.
- Attending all Board meetings and making recommendations on appropriate matters of business.
- Recommending an annual budget and advising the Board of the financial condition of the County.
- Appointing various employees.
- Representing the County in business with other agencies and performing other duties assigned by the Board.

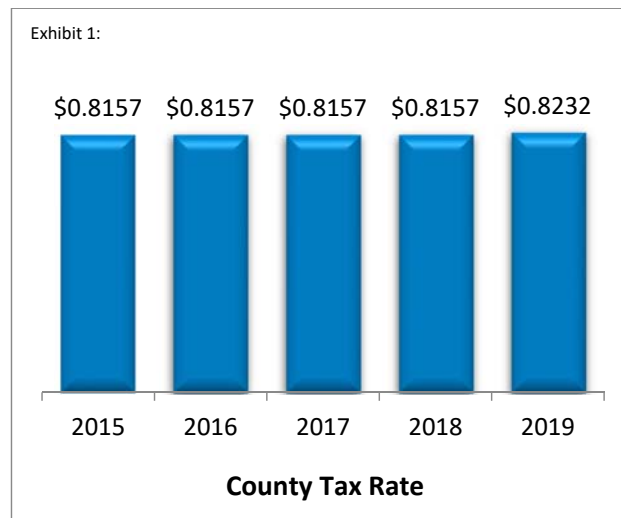
The County had 5,582 full-time equivalent employees at June 30, 2019 to provide the services mandated by State statutes and to meet the needs identified by the Board. Table 20 in the Statistical Section presents the distribution of employees between the core service areas for the current year and the prior nine years for comparison.

## **Fiscal Control**

Once the annual budget is adopted each June by the Board, including setting the property tax rate at a level necessary to produce sufficient revenue to accommodate the budget, the Director of Financial Services is responsible for monitoring expenditures of the various County departments to prevent expenditures from exceeding budget appropriations. Purchase orders and contracts are not considered valid until the Director of Financial Services has certified that funds are available to make payment upon satisfactory completion of the contract or delivery of the items ordered.

## Tax Rate

The tax rate is set each year by the Board when the budget ordinance is adopted—the rate reflects the property tax for every \$100 of assessed value. Exhibit 1 presents the County’s tax rates since fiscal year 2015. The assessed value is determined by the County Assessor’s Office, and the N.C. General Statutes require a real property revaluation at least once every eight years. The last revaluation was completed on January 1, 2019 and will apply to tax bills for fiscal year 2020. The next revaluation, consistent with North Carolina Statute, is projected to be effective January 1, 2023, and apply to tax bills for fiscal year 2024. In fiscal year 2015, the Board of County Commissioners set the tax rate at 81.57 cents to maintain County Services. This tax rate was the same as the prior tax year’s rate. The tax rate remained at 81.57 cents through fiscal year 2018. In fiscal year 2019, the Board of County Commissioners set the tax rate at 82.32 cents, an increase of 0.75 cents over the prior year rate.



## **Property Taxes**

Real property and automobiles, boats, trailers and income-producing personal property are subject to property tax unless specifically exempted by North Carolina statutes. Major property tax exemptions granted by the statutes include governmental organizations, charities, religious institutions, educational and cultural organizations, veterans' organizations and fraternal lodges. North Carolina statutes also exempt certain properties from listing for property taxes, including burial properties, solid waste disposal equipment, business inventory, cotton in storage (under certain conditions), and air and water pollution equipment. Reduced assessments are granted to owners of farms, historical properties, single residences of the elderly, and certain disabled veterans. For fiscal year 2019, the County's exempted or reduced assessments totaled approximately \$23.0 billion in real and personal property valuation. Exhibit 2 shows the counties in the State with an assessed valuation exceeding \$8 billion as of January 1, 2019, their tax levies and rates.

Exhibit 2:

**PROPERTY TAXES IN NORTH CAROLINA****With Assessed Valuations Over \$8 Billion**

County	Valuation	Revaluation	Tax Rate
Alamance	\$ 14,217,304,196	2017	\$ 0.5900
Brunswick	25,915,897,802	2015	0.4850
Buncombe	37,134,586,473	2017	0.5290
Cabarrus	22,987,016,243	2016	0.7200
Carteret	15,062,221,190	2015	0.3100
Catawba	17,123,306,799	2015	0.5750
Chatham	11,096,603,076	2017	0.6281
Cleveland	8,878,327,675	2016	0.7200
Craven	9,510,500,192	2016	0.5394
Cumberland	23,339,981,567	2017	0.7990
Dare	13,480,781,761	2013	0.4700
Davidson	14,390,147,411	2015	0.5400
Durham	37,236,694,984	2016	0.7779
Forsyth	36,572,613,846	2017	0.7235
Gaston	16,782,358,712	2015	0.8700
Guilford	51,595,146,838	2017	0.7305
Harnett	8,700,768,960	2017	0.7500
Henderson	14,024,464,252	2015	0.5650
Iredell	23,315,263,219	2015	0.5275
Jackson	9,416,418,253	2016	0.3800
Johnston	16,961,796,389	2011	0.7800
Lincoln	9,463,786,202	2015	0.6110
Macon	8,141,496,982	2015	0.3490
<b>Mecklenburg</b>	<b>129,078,507,939</b>	<b>2019</b>	<b>0.8232</b>
Moore	12,749,142,882	2015	0.4650
New Hanover	34,386,350,011	2017	0.5550
Onslow	14,214,542,455	2018	0.7050
Orange	18,604,251,064	2017	0.8504
Pitt	13,395,864,149	2016	0.6960
Randolph	10,927,786,141	2014	0.6525
Rowan	12,458,782,845	2015	0.6625
Union	26,136,816,953	2015	0.7309
Wake	148,244,444,468	2016	0.6544
Watauga	9,218,301,283	2014	0.3530
Wayne	8,397,856,408	2011	0.6635

**Note:** Amount shown are for motor vehicles for which tax notices were issued in accordance with G.S. 105-330.5(a), during calendar year 2017, net releases made by that date.

**Source:** N.C. Department of Revenue, Tax Research



## County Services

The services the County provides for its residents are categorized into the four major areas described below.

### Health and Human Services

The County's Health and Human Services Agency (HHS) provides essential services that are designed to protect and enhance the health and well-being of the County's residents. This area includes the Department of Social Services (DSS), Public Health, Community Support Services, and the Department of Community Resources.

DSS provides the services necessary to prevent or relieve economic and emotional hardship, and to rally the community to improve the quality of life for its residents. State and Federal agencies regulate the County's social services programs, and over half the Social Services funding comes from these sources. The Department of Social Services is charged with the countywide administration of all social services programs.

The major divisions of DSS are Economic Services, Services for Adults, Youth and Family Services, and Behavioral Health. The Economic Services Division administers federal and state-mandated programs for eligible families who request food and medical assistance. The Services for Adults Division provides assistance to older and disabled adults to enhance customers' self-sufficiency, and to access available resources including Medicaid, adult protective services, senior congregate nutrition, home delivered meals, transportation, community social work and monitoring of adult group care homes. Youth and Family Services provides services and information to protect children by strengthening the capacity for self-sufficiency of families of Mecklenburg County whose children's health, welfare and safety are at risk due to their circumstances or behavior which necessitates public intervention. The Behavioral Health Division provides guidance to address and resolve behavioral health issues and concerns identified by Health and Human Services and by Criminal Justice Services. All services promote independence and the highest quality of life in the least restrictive environment to delay or eliminate placement in an institutional setting at a far greater cost.

Public Health services protect and promote the public's health by providing clinical services, environmental health, health policy development and community engagement so that our community is afforded the opportunity to make the healthy choice the easy choice. Public Health is responsible for assessing health services and needs in the community; mobilizing community action to address them and protecting the health of the public by assuring that essential services are provided. Services include health promotion and education, communicable disease control, clinical preventive services, dental health, public health laboratory services, epidemiology, and vital statistics. Children's Developmental Services provides assessment, evaluation and treatment for developmentally delayed infants and toddlers through age five.

The Community Support Services department comprises three divisions. The Prevention and Intervention Services Division addresses domestic violence, substance use, and violence prevention. The division assists adult and teen victims of domestic violence, offenders, and child witnesses by providing individual and group counseling, safety planning and case management services. This division also addresses the issue of addiction within the homeless, domestic violence and incarcerated populations through jail and shelter treatment programs. Also, a new mental health services initiative is provided at the Men's Shelter of Charlotte. In addition, this division works to reduce violence through youth and community violence prevention services. The Homeless Services provides assessment, outreach and case management to individuals and families who are homeless, or working toward housing stability. The Veterans Services Division assists military veterans and their families to access benefits from the U.S. Department of Veterans Affairs, the U.S. Department of Defense, and state and local agencies.

The Department of Community Resources promotes the well-being of County residents through an integrative delivery of services. The CRC model seeks to involve and integrate Human Service Agency departments in a collaborative manner, preferably at one location versus numerous facilities.

#### **Detention and Court Support Services**

The Sheriff, Medical Examiner, Child Support Enforcement and coordination with the courts fall within the Detention and Court Support Services area. The Sheriff's Office is responsible for the operation of all county funded detention facilities in Mecklenburg County and provides security for judges, jurors, defendants and witnesses and executes certain orders of the court by serving criminal and civic processes.

The Sheriff has two main detention facilities. Jail Central is a direct supervision facility which opened for occupancy in February 1997. The building combines an arrest processing center and a pre-trial detention facility. It also houses a full-service medical component, which includes an infirmary, centralized property storage, administrative services and various support services. Jail North opened in 1994. This is a combination facility which was initially opened as a direct supervision facility that places emphasis on resident programming. In 2010, the facility opened the Youthful Offender. The Youthful Offender Housing Unit allows the 16 – 17-year-old population to be housed in smaller groups with an emphasis on education, structure and counseling. Both facilities are medium-security detention centers and holds inmates awaiting trial or sentencing or both. Mecklenburg County accepts inmates from surrounding towns, municipalities, and US Marshal's Service and the Charlotte Police Department who do not have their own long-term lock-up.

The Mecklenburg County Medical Examiner's Office serves as a county agency operating within the auspices of the North Carolina Medical Examiner system. The Mecklenburg County Medical Examiner's Office interacts with local, state and federal law enforcement agencies to assist in investigations. In addition to providing reports, the pathologists also testify in court as to the cause and manner of death.

Child Support Enforcement provides child support services to ensure both parents are responsible for the financial support of their children to the best of their ability. Core services include locating parents, establishing paternity, establishing support orders and collecting support. In addition, CSE strives to increase family economic independence through innovative approaches that promote the well-being of children such as Responsible Fatherhood Programming, Workforce Strategies, and Mom as Gateway not Gatekeeper. Court coordination includes administrative and case management services supporting the Public Defender's office.

#### **Land Use and Environmental Services**

This service area works in partnership with the community to enhance the quality of life through environmental stewardship and economic vitality. Services provided are Air Quality, Code Enforcement, Solid Waste, Storm Water Services and Geospatial Information Services. Air Quality services include emission reduction, air monitoring, permitting and compliance assistance. Code Enforcement provides building inspections, building permits and plan review services. Solid Waste includes landfill operations, recycling and waste reduction programs. Storm Water monitors and protects water quality and assists with floodplain preparedness and development. Geospatial Information Services maintains cadastral records, provides data and custom mapping and analysis, and develops and coordinates the strategic applications of GIS data.

### **Community Services**

Included in this service area are the Public Library of Charlotte and Mecklenburg County (Library), Park and Recreation and the Board of Elections. The Library, reported as a component unit in the basic financial statements, provides research services, access to reading and audio-visual materials as well as special programs for children and senior citizens at the Main Library, ImaginOn, Joe & Joan Martin Center, and 21 branch libraries and one online branch. Park and Recreation offers a variety of educational, cultural and recreational activities. This is accomplished through the programs offered to the residents of the County at the numerous parks, greenways, recreation centers and golf courses located in 210 parks and facilities on more than 21,000 acres of park land throughout the County. The Board of Elections supervises and manages all activities relating to elections, including voter registration and the operation of voting sites and services. There are 714,405 registered voters using 243 precincts in the County as of June 2019.

### **Other Service Areas**

The four major service areas are supported by following general operating departments: *County Manager's Office, Office of Management and Budget, Financial Services, Human Resources, Information Technology Services, Internal Audit, Legal, Asset & Facility Management, Strategic Planning & Evaluation, Workforce Development/Literacy and Public Information.* Additionally, *Business Partners* contains expenditures to the various agencies the County funds under statutory regulations or contractual agreement: Charlotte-Mecklenburg Schools, Central Piedmont Community College, Mecklenburg Emergency Medical Services Agency and Mecklenburg County Alcoholic Beverage Control Board.

## ***The County's Economic Landscape***

### **General Description**

Mecklenburg County is located in south central North Carolina on the South Carolina border. Situated in the gently rolling Piedmont Region of the Appalachian Highlands, the County is approximately 180 miles from the Atlantic coast, 390 miles southwest of Washington, and 250 miles northeast of Atlanta. Mecklenburg's topography varies from a mean sea level measurement of 840 feet at the northern end to 532 feet at the southern boundary. The County has a landmass of 546 square miles which excludes approximately 26.5 square miles of water resources provided by Lake Wylie, Mountain Island Lake, Lake Norman, and the Catawba River. Mountain Island Lake is the primary source of usable water for the County. The lakes, all part of the Catawba River Basin, are utilized in the production of electricity and provide recreational areas for the County.

The County has experienced population growth of 7.8% over the last five years, as presented in the chart at Exhibit 3 and continues to be the most populous county in the State. The County enjoys a relatively comfortable year-round climate that makes it appealing to residents and industry alike. The weather includes sunny or partly sunny skies about eight months out of the year. Extreme temperatures and severe weather are rare. Winters are mild with a January average low temperature of 32 degrees. The average high temperature in July is 90 degrees. Average rainfall is 43 inches. The combination of moderate and reasonable humidity makes the County well suited for commerce and industry.

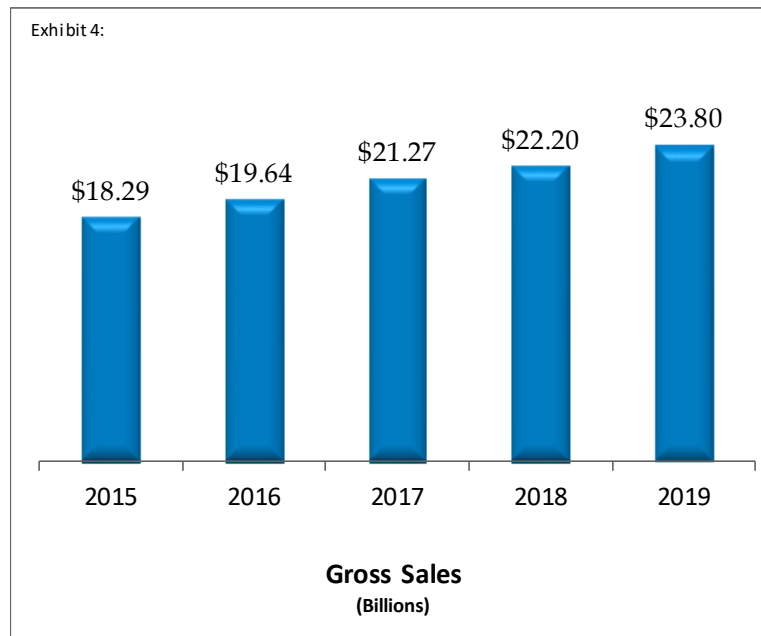
Exhibit 3:

**Mecklenburg County****Population**

2019	1,115,571
2018	1,093,901
2017	1,076,837
2016	1,057,237
2015	1,034,442

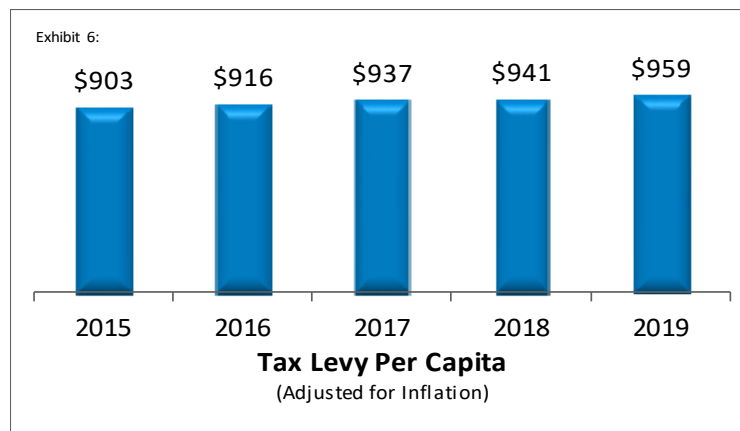
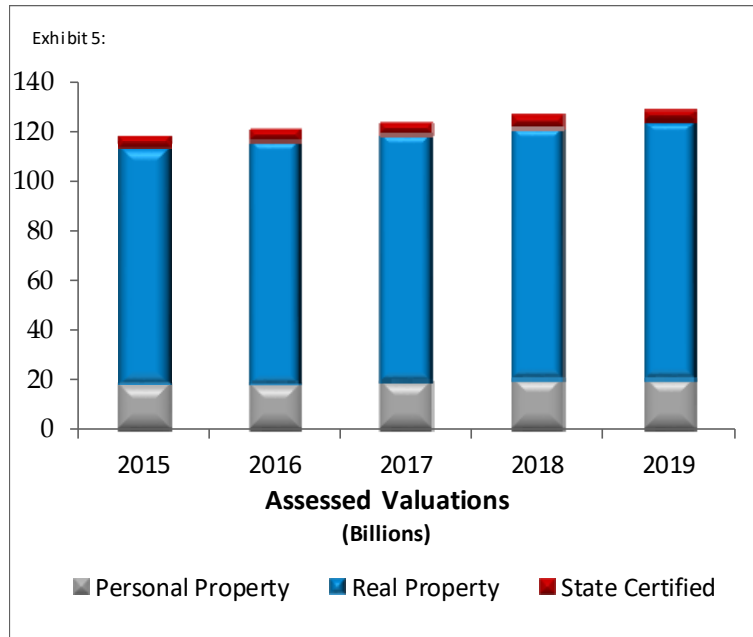
**Source: NC Office State Budget Management****General Economic Indicators**

Gross Retail Sales, generally accepted as a reliable indicator as to how well an economy is progressing, is shown in Exhibit 4 for the County. The data is provided by the North Carolina Department of Revenue. From fiscal year 2015 through fiscal year 2019 gross taxable sales increased by 30.1%.



### Growth of the Tax Base

Exhibit 5 shows the increase in the tax base over the last five years. Assessments for fiscal year 2015 were \$118.6 billion increasing to \$129.1 billion in 2019, which is an 8.81% increase over 5 years. Between fiscal years 2015 and 2019, the general tax levy increased 12.3% from \$952.9 million in 2015 to \$1.1 billion in 2019. The Tax Levy Per Capita for this period is presented in Exhibit 6. The tax levy per capita has slightly increased from fiscal year 2015 to fiscal year 2019.



The County's ten principal taxpayers, as presented in Table 10 of the Statistical Section, contribute 6.3% of total assessed valuation and represent a wide range of industrial categories. Nine of the ten principal taxpayers in fiscal year 2019 have consistently been in this group for the past ten years.

## **Transportation**

Availability of transportation alternatives is a major appeal for attracting businesses to the County. The County is served by Interstate Highways 77 (I-277) and 85 (I-485), which intersect in Charlotte; by U.S. Highways 21, 29, 52, 74, 521 and 601; and by N.C. Highways 16, 24, 27, 49, 51, 73, 115 and 160. Major expansion, maintenance and improvements of primary and secondary highways within the County are primarily the responsibility of the State. Each municipality within the County bears the primary responsibility for its local street system; therefore, the County has no financial obligation with respect to the construction and maintenance of roads.

Mecklenburg County is served by the Charlotte Area Transit System (CATS). CATS' mission is to improve the quality of life for everyone in the greater Charlotte region by providing community-wide transportation services while proactively contributing to focused growth and sustainable regional development. In November 2007, the CATS LYNX Blue Line light rail service between I-485 and uptown Charlotte began service. In March 2018, CATS completed its CATS Blue Line Extension. The light rail service is 18.9 miles long and operates from I-485 at South Boulevard to UNC Charlotte's main campus in University City

During 2019, CATS bus and light rail ridership totaled approximately 12,941,000 and 8,007,000, respectively. CATS maintain 300 buses, 52 of which are hybrids and 42 light rail vehicles

Rail and air service provide strong support for local commercial operations. The County established an Inland Port in 1984, a worldwide gateway linking importers and exporters globally. Charlotte also offers a Foreign Trade Zone and full U.S. Customs facilities. The County is served by Norfolk Southern Railway and CSX Transportation, the country's two major rail systems which link the County to 23 states, DC and Canada. Both main line railroads have junctions within the County and offer reciprocal switching among the lines as well as piggyback facilities that interface with trucking companies in the area. Amtrak in Charlotte provides north and south passenger lines that can connect to access most of the United States. In December 2013, Norfolk Southern relocated its intermodal facility to Charlotte-Douglas International Airport. The North Carolina Department of Transportation added an interchange to connect I-485 to the facility.

In 2018, Charlotte-Douglas International Airport ranked 6<sup>th</sup> in aircraft movements, 11<sup>th</sup> in total passengers and 31<sup>st</sup> in total cargo. The Airport has 114 gates and is served by eight domestic and three foreign airline carriers traveling to 177 nonstop and 37 international destinations. An estimated total of 46.4 million passengers passed through the airport and over 178,805 tons of cargo were handled in calendar year 2018.

## **Employment and the Economy**

Exhibit 7 highlights the economic and employment diversity in the County and presents corporations in the County.

Exhibit 7:

**Industry Structure**

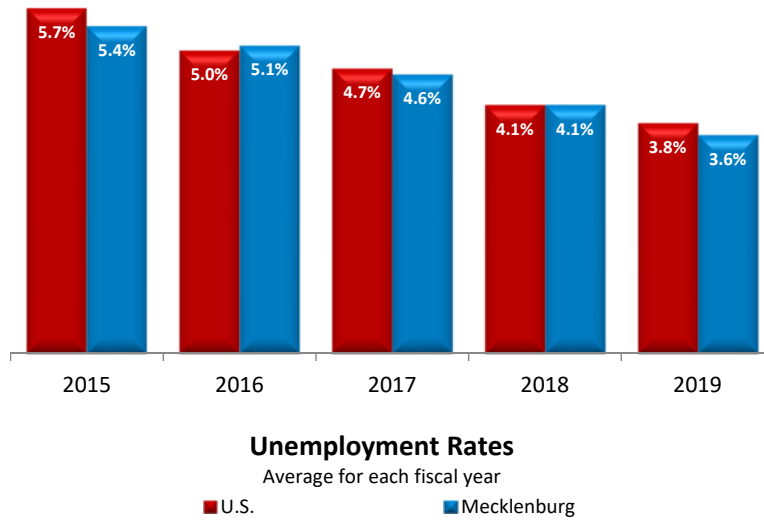
Industry	Average Employment
Accommodation and Food Services	63,206
Administrative and Waste Services	62,724
Agriculture, Forestry, Fishing & Hunting	1,163
Arts, Entertainment and Recreation	14,611
Construction	34,905
Education Services	36,425
Finance and Insurance	70,490
Health Care and Social Assistance	82,119
Information	19,879
Management of Companies and Enterprises	31,511
Manufacturing	33,859
Mining	173
Other Services, Ex, Public Admin	18,424
Professional and Technical Services	57,575
Public Administration	18,395
Real Estate, Rental and Leasing	13,832
Retail Trade	64,706
Transportation and Warehousing	40,748
Utilities	1,624
Wholesale Trade	36,697
<b>TOTAL</b>	<b>703,066</b>

Source: N.C. Department of Commerce, 1Q 2019

Six Fortune 500 companies are headquartered in the County – Bank of America, Duke Energy, Nucor, Sonic Automotive, Brighthouse Financial and Honeywell. Additionally, Lowe’s, another Fortune 500 company is located in nearby Iredell County.

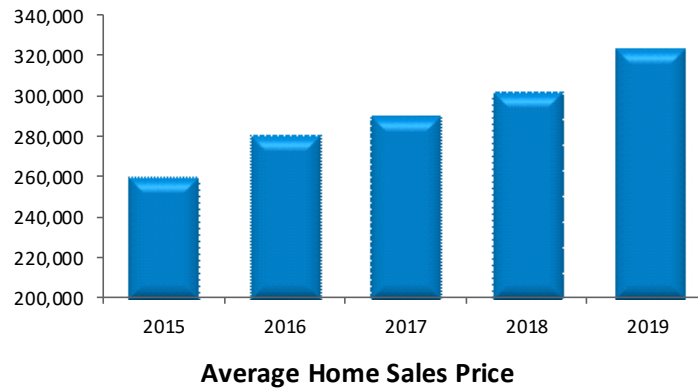
Exhibit 8 presents the average monthly unemployment rates for each of the past five fiscal years, per the U. S. Department of Labor Benchmarked data. Exhibit 8 shows that the average unemployment for Mecklenburg County has decreased from 5.4% for fiscal year 2015 to 3.6% for fiscal year 2019. The County’s unemployment rate is 0.2% below the National rate as of June 30, 2019.

Exhibit 8:



Charlotte has retained home values better than other parts of the Country. Exhibit 9 shows the average home prices as of June over the last five years. Average home prices had a slight increase from 2018 to 2019, with the average home price at \$323,316 at June 30, 2019.

Exhibit 9:



Source: NC Association of Realtors

The largest employers by employees have remained relatively consistent over the last couple of years and showcase Mecklenburg County's economic profile. Some of the largest employers are in the healthcare, banking, financial services and retail trade industry. Exhibit 10 presents the firms located in Mecklenburg County employing over 2,000 persons.



Exhibit 10:

**Employers of 2,000 or More Persons**

20,000 to 36,000 Employees	Atrium Health*
	<b>Wells Fargo Company</b>
10,000 to 19,999 Employees	American Airlines
	<b>Bank of America Corporation*</b>
	Charlotte - Mecklenburg Schools*
	<b>Novant Health</b>
	Wal-Mart Stores Inc.
5,000 to 9,999 Employees	<b>City of Charlotte*</b>
	Duke Energy Corporation*
	<b>Harris Teeter Supermakets, Inc.*</b>
	Mecklenburg County*
	<b>State of North Carolina</b>
	United States Government
2,000 to 4,999 Employees	<b>Adecco Staffing</b>
	AllState Insurance Co.
	<b>Belk*</b>
	Bi-Lo
	<b>Carowinds*</b>
	Central Piedmont Community College*
	<b>DMSI Inc.</b>
	Family Dollar Stores
	<b>Fedex Corp.</b>
	IBM Corp.
	<b>LPL Financial Services</b>
	Marriott International
	<b>McDonald's Corp.</b>
	Robert Half International, Inc.
	<b>Spectrum</b>
	Staffmark Inc.
	<b>Target Corporation</b>
	TIAA - CREF
	<b>University of North Carolina at Charlotte*</b>
	YMCA of Greater Charlotte*
	<b>YUM Brands Inc.</b>

\* Headquartered in the County

**Source:** Charlotte Regional Business Alliance**Education**

Public education in the County is provided by the Charlotte-Mecklenburg Schools, the 17<sup>th</sup> largest school system in the nation, based on student enrollment as cited by the National Center for Education Statistics. Exhibit 11 details the enrollment in the Charlotte-Mecklenburg Schools for the last five years.

A nine-member Board of Education is the policy-making authority. Board of Education members are elected to four-year staggered terms on a non-partisan basis. Administrative responsibility is vested in an appointed superintendent who serves as chief executive officer.

The Board of Education relies upon the County for local funds needed to support public school current expense and capital outlay needs. The total fiscal year 2018-2019 school budget was approximately \$1.5 billion: 59.3% provided by the State, 30.8% by the County, 8.7% by the federal government and 1.2% other revenue. Most local funds are used to supplement regular State salaries, to hire extra teachers not provided for by the State and for operation and maintenance of school buildings.

The fiscal year 2018-2019 adopted budget included a \$460 million allocation from the County for operational expenses of the public school system. In accordance with the N.C. General Statutes, the Board of Education must present its current expense and capital outlay budget requests to the County by May 30 each year. Appropriations to the Board of Education are discussed in the County's budget hearings and the approved amount for the schools is appropriated in the County's operating budget adopted by July 1.

For the 2018-2019 school year, the Board of Education operated 94 elementary schools, 46 middle schools, 32 high schools, and three alternative schools. Charlotte-Mecklenburg School System had student enrollment of 147,352 and employed 19,163.

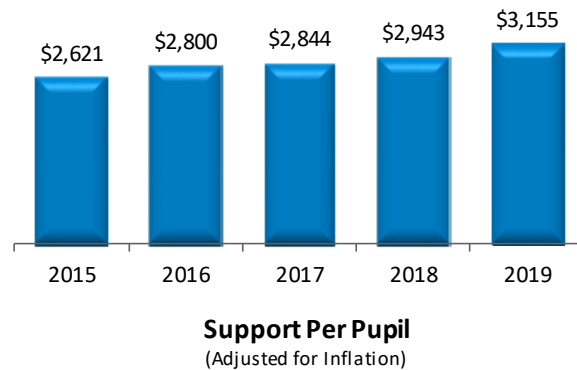
The County's support per student, exclusive of debt service and based on total enrollment, is shown in Exhibit 12. From fiscal year 2015 to fiscal year 2019 there was an increase in the support per pupil reflecting restoration of funding as the economy improved.

**EXHIBIT 11**  
**Charlotte-Mecklenburg School Enrollment**

Average Daily Memberships (ADM)						Number Enrolled	Percent ADM Enrolled	Number of Schools
Year	K-5	6-8	9-12	Special	Total			
2018 - 2019	68,483	33,036	43,058	1,603	146,180	147,352	99.2%	175
2017 - 2018	69,407	31,686	43,418	1,606	146,117	147,359	99.2%	176
2016 - 2017	70,599	31,468	42,393	1,502	145,962	147,157	99.2%	170
2015 - 2016	70,316	31,054	41,542	1,871	144,783	146,140	99.1%	169
2014 - 2015	69,960	32,003	40,336	1,646	143,945	145,363	98.9%	165

**Source:** Charlotte - Mecklenburg Board of Education

Exhibit 12:



Charter schools in North Carolina were created through legislation passed in 1997 by the North Carolina General Assembly. Charter schools are separate entities and are not a component of the local public school system. As part of the funding for charter schools, the legislation requires a portion of the local County funds designated for education to be redirected from the Board of Education to the charter school where the County student attends. For the 2018-2019 school year, the portion of local education funds budgeted to be redirected to the 47 charter schools where County students enrolled totaled \$54.0 million. Within the County, 33 Charter schools operate, 31 have campuses and two provide on-line instruction.

Colleges and universities located in the County offer a range of opportunities for higher education. The area offers the opportunity to attend exceptional, small private colleges, church affiliated institutions, a community college or a large state university. Exhibit 13 presents the most recent enrollment data available for colleges and universities within the County.

Exhibit 13:

	Fall Student Enrollment	
	2019	2018
University of North Carolina at Charlotte	29,615	29,710
Central Piedmont Community College	18,367	18,526
Queens University of Charlotte	2,463	2,536
Davidson College	1,837	1,843
Johnson & Wales University	1,523	1,681
Johnson C. Smith University	1,494	1,565

**Source:** Individual Institutions

The University of North Carolina at Charlotte (UNC Charlotte), part of the State university system of colleges, is a Doctoral and Research Intensive Institution, and has the largest research library in the Southern Piedmont region with more than one million volumes. UNC Charlotte's first emphasis is on teaching, followed by applied research and responsive public service. UNC Charlotte has 139 undergraduate majors with 75 programs leading to Bachelor's degrees, 65 programs leading to Master's degrees and 24 programs leading to Doctoral degrees.

Central Piedmont Community College (CPCC) is one of the largest community colleges in the Carolinas, offering nearly 300 degree, diploma and certification programs. Class instruction occurs at eight locations throughout the County, and the college also offers online classes. CPCC received \$36.8 million from the County in fiscal year 2019. County funding is used for operating expenses, salary supplements for professional and clerical employees and those items that are not funded by the

State. The County also issues debt for CPCC projects that are included in the Capital Improvements Program and pays the debt service on those financings.

There are other opportunities for secondary education in the Mecklenburg County area. Other major colleges and Universities with a presence in the County include Northeastern, Wake Forest, The University of South Carolina, Pfeiffer, Wingate and Gardner-Webb.

## **Medical**

The health care sector is significant to the Charlotte area's economy. Per the Charlotte Regional Business Alliance, the Health Care sector has a \$22.0 billion impact on the region and 10% of workers in the area are employed in health care or life sciences. The largest employer in the Mecklenburg County region is Atrium Health which has 35,700 employees. Novant Health employs approximately 11,700 in the area. Both Health Care systems have won numerous National and Regional awards.

## **Cultural and Recreational Activities**

Theater, art and music offerings abound throughout the County. Spirit Square and Discovery Place offer unique ways to discover and participate in the arts and sciences. The Mint Museum of Art, the Knight Theater, the Bechtler Museum of Modern Art and the Harvey B. Gantt Center form the new Arts Campus in uptown Charlotte offering an array of visual arts and bringing special exhibitions to the County. The North Carolina Blumenthal Center for the Performing Arts showcases the best in opera, chorus, symphony, ballet, dance and theater in its 2,100 seat performance hall and 440 seat theater. ImaginOn, the Joe & Joan Martin Center, includes a state of the art theater for children. The County also has its share of historical sites and museums. The McIntyre Historic Site was the scene of a Revolutionary War skirmish and later a gold mining site. Latta Plantation was built around 1800 and the restored river plantation house is now included in the park on the plantation site. The old County Courthouse on East Trade Street is the site of a monument to the signers of the Mecklenburg Declaration of Independence. Collections and exhibits emphasizing the history of Mecklenburg County are housed at the Charlotte Museum of History and Hezekiah Alexander Homesite. The Levine Museum of the New South traces the history of the area since the Civil War.

Concerts by nationally prominent groups and solo artists at the Spectrum Arena, Ovens Auditorium, Bojangles Coliseum, PNC Music Pavilion, Carowinds Palladium and North Carolina Music Factory draw thousands for musical entertainment. The Festival in the Park is an annual event featuring arts, crafts, food and music for the entire family. Carowinds, a 398-acre amusement park that straddles the North Carolina and South Carolina borders, is also a popular destination for tourists seeking family entertainment. The diverse assortment of recreational and cultural activities helps make the County the most popular tourist destination in the State.

The County offers practically any sport or recreational endeavor one would like to pursue. Recreational pleasures can be enjoyed at any of the County's parks or one of its five public golf courses. County park facilities include tennis courts, swimming pools, Ramsey Creek Beach, spray grounds, community centers, picnic areas, ball fields including Sportsplex at Matthews, fitness trails, dog parks, mountain biking, fishing, canoeing, soccer fields, disc golf courses, playground equipment, an equestrian center, Nature Centers, a skate park, a dirt bike track and an indoor water park, Ray's Splash Planet. The County also operates a fully-equipped Aquatics Center. Located 10 minutes from downtown Charlotte, the U.S. National Whitewater Center is located on the Catawba River and offers water and other outdoor activities.

The area also offers many opportunities for spectator sports. The Carolina Panthers, an NFL franchise, play at Bank of America Stadium, which seats 75,525. The Charlotte Hornets, an NBA team, plays at the 18,500 seat Spectrum Center. Charlotte Motor Speedway, known as "America's Home for Racing" is one of the most iconic motorsports venues in the nation. The speedway hosts three premier Monster Energy NASCAR Cup Series events each year: The Monster Energy NASCAR All-Star

Race, the Coca-Cola 600 and the Bank of America ROVAL 400. Thousands of fans descend on Mecklenburg County for each race week, adding to the county's ever-expanding tourism footprint. In 2018, Charlotte Motor Speedway continued its history of famous firsts by constructing a purpose-built, 2.28-mile ROVAL road course oval for the inaugural Bank of America ROVAL 400 – the first playoff road-course race in Cup Series history. The County is also home to the Charlotte Knights, a class AAA professional baseball team whose parent club is the Chicago White Sox, and the Charlotte Checkers, an American Hockey League team affiliated with the Carolina Hurricanes. The Wells Fargo Championship golf tournament is held at the Quail Hollow Club each May.

### **Summary**

Mecklenburg County is a vibrant growing area that continues to draw new people and businesses. The climate, diversity of industries, cultural opportunities and recreational activities create a desirable environment for the residents of the County.



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Mecklenburg County  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

## **Report of Independent Auditor**

The Honorable Members of the Board  
of County Commissioners  
Mecklenburg County, North Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Mecklenburg County, North Carolina (the "County"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Mecklenburg County ABC Board (the "ABC Board"). Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the ABC Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Mecklenburg Emergency Medical Services Agency and the ABC Board were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### **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, 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 and Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the County. The introductory section, combining and individual fund statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and on compliance and the results of that testing, and not to provide an opinion on 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.

Cheryl Bekaert LLP

Charlotte, North Carolina  
November 27, 2019

## Introduction

Management's Discussion and Analysis provides a narrative discussion of the County's financial activities for the year ended June 30, 2019 with comparisons to the prior year, where appropriate. The information complements the data presented in the basic financial statements. Its purpose, along with the material in the Transmittal Letter in the Introduction, is to enhance the reader's understanding of the County's financial performance.

## Highlights of the Year

On the Statement of Net Position, assets exceed liabilities reflecting the County's strong financial position as well as the County's legal responsibility to issue and pay for debt, primarily general obligation bonds, for the Charlotte-Mecklenburg Schools, Central Piedmont Community College, the Public Library of Charlotte and Mecklenburg County as well as for Mecklenburg County. The assets acquired with the debt are owned by each of these governmental units, and therefore, the assets are not included in the County's Statement of Net Position.

For the year ended June 30, 2019, the Statement of Activities reflects an increase in net position of \$112.5 million as compared to a decrease in net position (including the restatement) in the prior year of \$260.9 million, resulting from an 4.7% increase in operating expenses offset by a larger increase of 6.1% in revenues, both program and general.

The governmental funds total fund balances increased by \$93.5 million from the prior year total ending fund balance of \$1,073.5 million. The increase is the result of higher than expected revenues, especially taxes and investment income. In addition, the County issued bonds, so total other financing sources increased from the previous year. The bond transaction accounted for most of the net change in fund balance. Of the \$1,167.0 million of governmental fund balances, total fund balance of \$221.5 million is available for future years' spending as unassigned fund balance.

The unassigned fund balance of the General Fund at June 30, 2019 is \$258.9 million, which represents 18.0% of fiscal year 2020 budgeted General Fund expenditures or 65 days of operating expenses.

## Overview

The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Several schedules of required supplementary information, as well as combining and other individual fund schedules required by State statute, follow the notes to the financial statements.

## Reporting the County as a Whole

Government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. Both statements provide data about the County's financial activities as a whole and present a longer-term view of the County's finances. These statements use the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The Statement of Net Position presents assets and deferred outflows of resources less liabilities and deferred inflows of resources, thus presenting the County's financial condition at the end of the fiscal year, while the Statement of Activities presents information showing how the County's net position changed during the fiscal year.

The Statement of Net Position and the Statement of Activities divide the County's operations into three types of activities:

- **Governmental activities** – those activities supported primarily by taxes and intergovernmental revenues. The following eight core service areas comprise the County's governmental activities: Customer Satisfaction and

Management Services, Administrative Services, Financial Services, Land Use and Environmental Services, Community Services, Detention and Court Support Services, Health and Human Services, and Business Partners.

- **Business-type activities** – those activities that recover a significant portion of their costs through user fees and charges. The Solid Waste Enterprise Fund is the County’s only business-type activity.
- **Component Units** – these are separate organizations for which the County provides financial support and/or appoints their governing board. The Public Library of Charlotte and Mecklenburg County, the Mecklenburg County Alcoholic Beverage Control Board and the Mecklenburg Emergency Medical Services Agency are each component units of the County.

The government-wide statements follow Management’s Discussion and Analysis.

### Reporting the County’s Significant Funds

Funds are sets of self-balancing accounts that reflect the assets, liabilities, fund balance/retained earnings, revenues and expenditures/expenses of resources that are segregated for specific activities or for compliance with legal provisions. The funds used by the County can be divided into three categories:

- **Governmental funds:** Most of the County’s services are reported in governmental funds, which focus on the flows of money into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information may be useful in evaluating the resources available to finance County programs in the near future. The Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities allows the reader to compare the information presented for governmental funds with similar information presented for the governmental activities.

The County’s governmental funds are: the General Fund; the Debt Service Fund; eight Special Revenue Funds established under the provisions of the North Carolina General Statutes which account for revenues that are restricted for special purpose expenditures; and sixteen Capital Projects Funds, including the Certificates of Participation Fund, which account for the proceeds of bond issues and all other resources used for the purpose of constructing or purchasing all aspects of capital assets. The General Fund, Debt Service Fund, and Pay-As-You-Go Funding are presented individually on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances, because each meets the Governmental Accounting Standards Board (GASB) definition of a major fund for reporting purposes. The remaining governmental funds are combined into a single, aggregated presentation titled Nonmajor Funds. Individual fund data for each of the Nonmajor governmental funds is provided in the section, Combining and Individual Fund Financial Statements and Schedules.

The County adopts an annual appropriated budget for the General Fund. The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for the General Fund provides a budgetary comparison of the adopted budget, final budget and actual expenditures.

- **Proprietary funds:** The Solid Waste Enterprise Fund the County’s only proprietary fund is presented in the business-type activities column of the government-wide financial statements, because this fund operates similar to private business enterprises.
- **Fiduciary funds:** The County established the Post-Employment Healthcare Benefit Trust Fund to account for contributions and expenditures related to providing healthcare benefits to qualified retired County employees. Also, the County holds certain resources for the benefit of employees and parties outside the government, which are accounted for as agency funds. Since the resources of these funds are not available to finance County programs, the funds are not included in the government-wide financial statements.

## Notes to the Financial Statements

The information reported in the notes to the financial statements provides additional disclosures necessary to gain a complete understanding of the data presented in the government-wide and fund financial statements.

## Other Financial Information

In addition to the basic financial statements and accompanying notes, the report also presents certain required supplementary information concerning the Law Enforcement Special Separation Allowance, Post Employment Health Benefits, Local Governmental Employees' Retirement System, and Registers of Deeds' Supplemental Pension Fund. Required supplementary information follows the Notes to the Financial Statements.

Following the required supplementary information are the combining schedules for the Nonmajor governmental funds and the fiduciary funds. These include budget/actual schedules for the Special Revenue Funds, the Enterprise Funds, as well as the Landfill Construction, Final Development and Post-closure Reserve Fund.

## Government-wide Financial Analysis

The following summarizes Net Position at June 30, 2019 and 2018:

	Net Position (in thousands)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
<b>ASSETS</b>						
Current and other assets	\$ 1,396,057	\$ 1,296,587	\$ 33,458	\$ 33,587	\$ 1,429,515	\$ 1,330,174
Capital assets, net	1,227,313	1,174,024	78,455	74,729	1,305,768	1,248,753
Total Assets	2,623,370	2,470,611	111,913	108,316	2,735,283	2,578,927
Total deferred outflows of resources	115,232	91,599	1,100	644	116,332	92,243
<b>LIABILITIES</b>						
Current and other liabilities	220,368	206,777	2,443	1,070	222,811	207,847
Long-term liabilities:						
Due within one year	171,299	163,261	1,002	969	172,301	164,230
Due after one year	2,181,936	2,141,895	20,332	19,544	2,202,268	2,161,439
Total Liabilities	2,573,603	2,511,933	23,777	21,583	2,597,380	2,533,516
Total deferred inflows of resources	27,499	23,444	26	46	27,525	23,490
<b>NET POSITION</b>						
Net investment in capital assets	1,026,150	962,427	71,056	66,420	1,097,206	1,028,847
Restricted	423,360	374,409	212	206	423,572	374,615
Unrestricted (Deficit)	(1,312,010)	(1,310,003)	17,942	20,705	(1,294,068)	(1,289,298)
Total Net Position	\$ 137,500	\$ 26,833	\$ 89,210	\$ 87,331	\$ 226,710	\$ 114,164

While total net position is often considered a useful indicator of a government's financial condition, it does not adequately reflect the County's position. In accordance with the North Carolina General Statutes, the County is the issuer and payer of debt for capital purposes for the Charlotte-Mecklenburg Schools, Central Piedmont Community

College, and the Public Library of Charlotte and Mecklenburg County. This debt, which totals \$1,245.6 billion at June 30, 2019, is recorded in long-term liabilities with no offsetting capital assets recorded, as the assets are owned by the agencies. The agencies use the debt proceeds to acquire or construct capital assets. The effect of this accounting is to distort Net Position of the County. The County's Net Position increased from a net position of \$114.2 million to a Net Position of \$226.7 million, a change of 98.5%. Total assets increased 6.1% while total liabilities increased 2.5%. The contribution to net position from revenues and expenditures increased from a gain of \$84.8 million at June 30, 2018 to \$112.5 million at June 30, 2019. These changes mostly relate to growth in property and sales tax revenues, along with increases in investment income. The increase in current year revenue collections slightly outpaced the increase in expenditures during the fiscal year. Investments in capital assets, net of any related outstanding debt of those assets, relates only to County activities. This amount increased from \$1,028.8 million at June 30, 2018 to \$1,097.2 million at June 30, 2019 as new assets were acquired, and the associated debt declined. Capital assets include land, buildings, vehicles, equipment, computer equipment and other machinery used in providing services to residents. Also, restricted net position of \$374.6 million at June 30, 2018 and \$423.6 million at June 30, 2019 represent resources that are subject to external restrictions on how they may be used. Net position does not present the County's position regarding spending, which is presented in the governmental funds statements.

The County experienced an increase to net position this year, as indicated in the following table of changes in net position for the year ended June 30, 2019, with comparison to the prior year.

**Changes in Net Position**  
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
<b>REVENUES</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 132,536	\$ 123,303	\$ 26,704	\$ 24,348	\$ 159,240	\$ 147,651
Operating grants and contributions	139,156	147,074	121	131	139,277	147,205
Capital grants and contributions	11,048	82	239	-	11,287	82
<b>General Revenues:</b>						
Property taxes	1,094,332	1,058,361	-	-	1,094,332	1,058,361
Sales taxes	316,324	302,428	-	-	316,324	302,428
Other taxes	14,803	16,950	-	-	14,803	16,950
Investment income	41,773	9,625	679	467	42,452	10,092
Other	8,777	1,039	-	-	8,777	1,039
<b>Total Revenues</b>	<b>1,758,749</b>	<b>1,658,862</b>	<b>27,743</b>	<b>24,946</b>	<b>1,786,492</b>	<b>1,683,808</b>
<b>EXPENSES</b>						
<b>Program Expenses:</b>						
Customer Satisfaction and Management Services	23,225	24,688	-	-	23,225	24,688
Administrative Services	124,498	102,100	-	-	124,498	102,100
Financial Services	22,451	22,343	-	-	22,451	22,343
Land Use and Environmental Services	73,546	71,066	-	-	73,546	71,066
Community Services	93,819	108,211	-	-	93,819	108,211
Detention and Court Support Services	179,938	177,613	-	-	179,938	177,613
Health and Human Services	269,024	267,813	-	-	269,024	267,813
Business Partners	797,033	739,370	-	-	797,033	739,370
Interest Expense	65,243	65,149	-	-	65,243	65,149
Solid Waste	-	-	25,169	20,695	25,169	20,695
<b>Total Expenses</b>	<b>1,648,777</b>	<b>1,578,353</b>	<b>25,169</b>	<b>20,695</b>	<b>1,673,946</b>	<b>1,599,048</b>
<b>Increase in net position before transfers</b>	<b>109,972</b>	<b>80,509</b>	<b>2,574</b>	<b>4,251</b>	<b>112,546</b>	<b>84,760</b>
<b>Transfers</b>	<b>695</b>	<b>7</b>	<b>(695)</b>	<b>(7)</b>	<b>-</b>	<b>-</b>
<b>Increase in net position after transfers</b>	<b>110,667</b>	<b>80,516</b>	<b>1,879</b>	<b>4,244</b>	<b>112,546</b>	<b>84,760</b>
<b>Net position, Beginning</b>	<b>26,833</b>	<b>291,977</b>	<b>87,331</b>	<b>83,087</b>	<b>114,164</b>	<b>375,064</b>
<b>Cumulative change in accounting principle</b>	<b>-</b>	<b>(345,660)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(345,660)</b>
<b>Net position (Deficit), Beginning, restated</b>	<b>26,833</b>	<b>(53,683)</b>	<b>87,331</b>	<b>83,087</b>	<b>114,164</b>	<b>29,404</b>
<b>Net position, End of year</b>	<b>\$ 137,500</b>	<b>\$ 26,833</b>	<b>\$ 89,210</b>	<b>\$ 87,331</b>	<b>\$ 226,710</b>	<b>\$ 114,164</b>

### **Governmental-type Activities**

Program revenues covered 17.1% of County expenses at June 30, 2018 and 17.1% at June 30, 2019, with general revenues covering the balance of expenses. The change in net position for the year ended June 30, 2019 results from higher revenues - primarily property tax, sales tax and investment income. Property tax revenues increased \$36.0 million (3.4%) from the prior year. Sales tax revenue increased \$13.9 million (4.6%) from fiscal year 2018 due to economic growth. In addition, the County's growing tourism revenue provides strength and stability towards economic growth. Investment income increased \$32.1 million (334.0%) from the year ended June 30, 2018 due to increases in fair market value from the previous year. Charges to users of County services generated revenues that supported 8.0% of County governmental operations for fiscal year 2019 and 7.8% for fiscal year 2018. The County continued its strategy to secure a maximum amount of grant funds provided by state, federal and local agencies. Revenues from operating grants decreased \$7.9 million (5.4%) in fiscal year 2019, while capital grant revenue increased significantly to \$11.0 million. The County covered 9.1% of expenses with operating and capital grant revenues in fiscal year 2019 and 9.3% in fiscal year 2018.

### **Business-type Activities**

The Solid Waste Enterprise Fund operates recycling programs, at staffed and un-staffed drop-off facilities, a large yard waste compost operation, a metal and tire receiving facility and the Foxhole Landfill. The program also owns a Materials Recycling Facility (MRF) operated by a private vendor through a contractual arrangement. Revenues are generated from several sources: an annual residential solid waste availability disposal fee of \$27.50 per residential unit; a negotiated landfill tipping fee at a private sanitary landfill of approximately \$29 per ton for residential waste; a tipping fee of \$48 per ton for commercial construction debris at the County owned Foxhole Landfill; a tipping fee of \$25 per ton for Yard Waste delivered to the County yard waste facilities; sale of yard waste products and recycled materials from the MRF operations. Fees were adjusted at the recycling and compost centers in FY19 to reflect higher contract costs associated with external disposal costs, as well as fund needed capital infrastructure. Solid Waste activity contributed 1.6% to the primary government's total revenue for fiscal year 2019 as compared to 1.5% contributed for fiscal year 2018.

### **Financial Analysis of the County's Funds**

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

Governmental funds focus on the inflows and outflows of current financial resources and measure the change in net spendable resources during the year. Such information is useful in assessing the County's financing requirements. Committed, assigned, and unassigned fund balance may serve as a useful measure of net resources available for spending at the end of the year. The County's governmental fund types include the General Fund, Debt Service Fund, Special Revenue Funds and Capital Projects Funds.

### **General Fund**

The General Fund, which is a major fund and the County's primary operating fund, had a fund balance of \$506.0 million, of which \$127.1 million is restricted for Stabilization by State Statute, \$10.0 million is committed for Administrative Services, \$3.7 million is committed for Customer Satisfaction and Management, \$35.3 million is committed for Land Use and Environmental Services, \$38.5 million is committed for Capital Projects, \$4.7 million is committed for Detention and Court Support Services, \$11.8 is committed for Community Services, \$2.6 million is

committed for Health and Human Services, \$13.2 million is committed for Business Partners, \$0.3 million is committed for Financial Services and \$258.9 million is unassigned.

The General Fund total revenues were greater than budget by \$43.3 million, and expenditures were greater than revenue including transfers by \$4.6 million, as explained more fully below.

Revenues for the General Fund increased \$56.4 million, or 4.6% from fiscal 2018:

- Property tax revenues increased 3.5% from the prior year. For 2019, the collection rates were consistent with the prior year. Current year collections represented 99.5% of the current year levy for 2019 and in 2018.
- Sales tax revenues reported in the General Fund were \$198.8 million, an increase of \$8.5 million from fiscal year 2018 reflecting the County's increase in consumer spending
- Intergovernmental revenues totaled \$121.1 million as compared to \$128.9 million for fiscal year 2018. The change in revenue levels results from a decrease in grant funding. State and federal grant funds supported service programs of varying size and complexity to help accommodate service needs of County residents while minimizing local costs. Grant programs are summarized in Exhibit 1.
- Charges for services revenue increased 11.8% from the prior year. Licenses and permit fees increased 2.2% from the prior year due to the increase in construction permit revenue.
- Interest earned on investments increased \$18.4 million from the amount recorded in fiscal year 2018. The increase results from increases in fair market value from the previous year. The County follows sound investment practices and strives to maximize invested balances and interest earnings within the parameters of allowable investment vehicles.

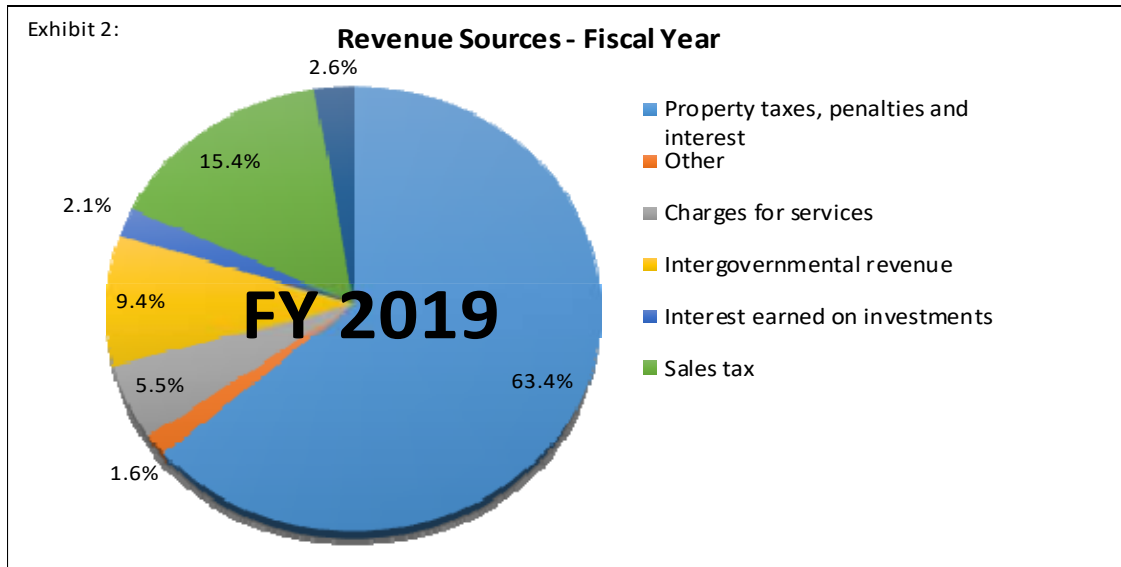
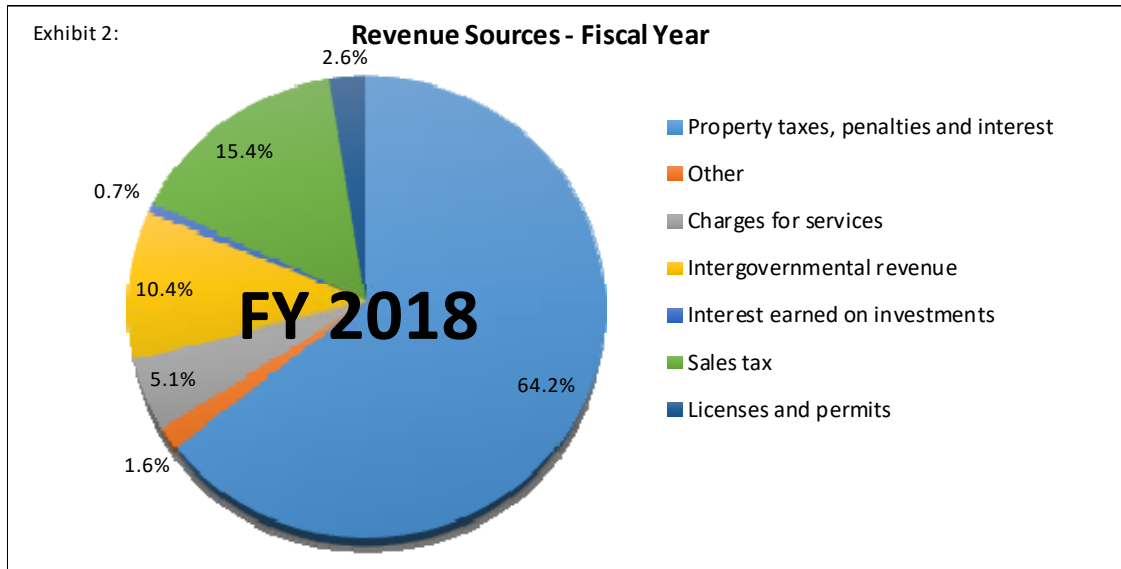
Exhibit 1:

**Grant Programs**

All Funds

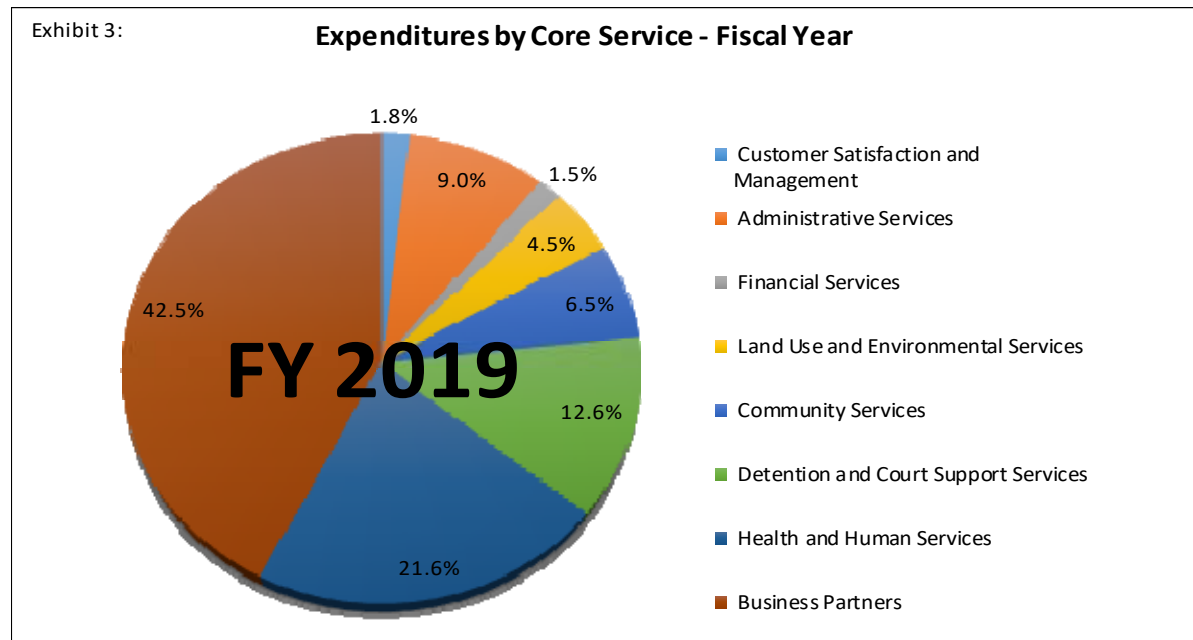
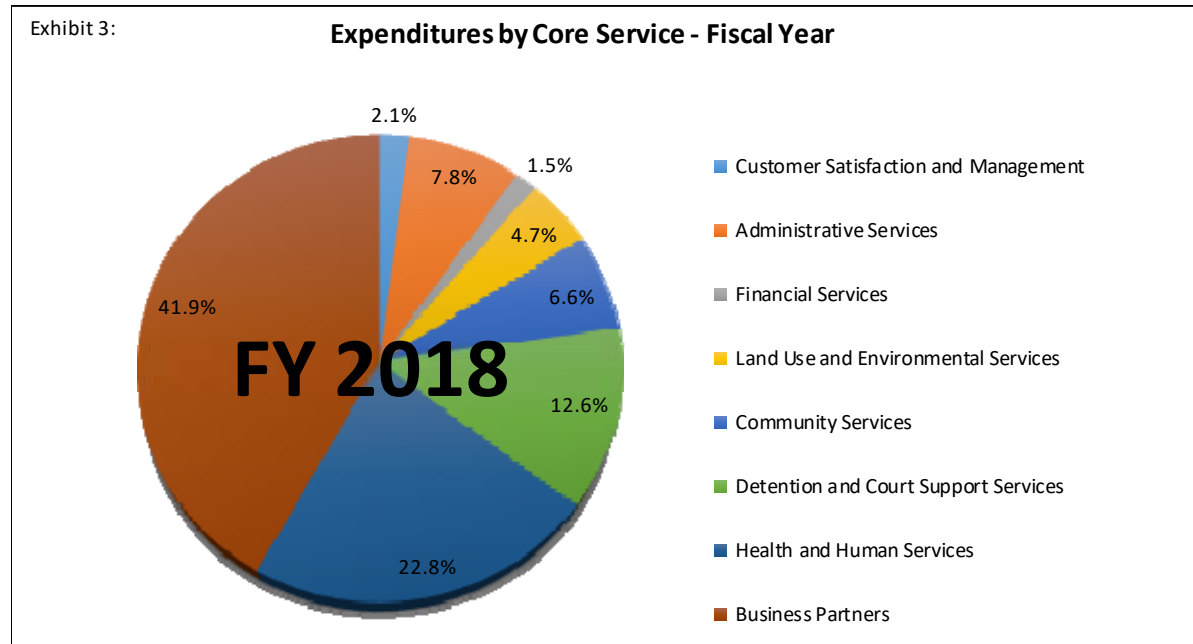
Program Category	Number	Revenue (millions)
Social Services	65	\$ 116.1
Health	46	21.6
Other	44	9.4
Total	<u>155</u>	<u>\$ 147.1</u>

The composition of the General Fund revenue dollar for fiscal years 2019 and 2018 are illustrated in Exhibit 2.





General Fund expenditures increased \$57.7 million (5.0%) over those of last year. Exhibit 3 graphically illustrates the County's expenditure dollar for the two years.



For some functional areas, such as Customer Satisfaction and Management and Health and Human Services expenditures decreased, 11.4% and 0.9% respectively, in comparison to the prior year. A portion of the expenditure decrease for these areas is attributed to salary savings due to vacancies. Administrative services, which includes Internal Audit, Human Resources, Information Services and Technology and Asset and Facility Management,

increased 21.4% from the prior year. This increase is a result of the County's continued investment in employees and information technology security. Increases for Financial Services, Land Use and Environmental Services, Community Services, and Detention and Court Support Services expenditures ranged from 0.4% to 5.6%. Land Use and Environmental Services increase is a result of continued construction growth in the community. Community Services increase is due to increased support for the Public Library and Park and Recreation. The increase for Detention and Courts is a result of providing support services to citizens and the Court's system. The County continues to focus on serving the needs of the residents' while being good stewards of taxpayer resources.

Current expenditures for education, both the Charlotte-Mecklenburg Schools and Central Piedmont Community College, as well as the County's contribution to the Mecklenburg Emergency Medical Services Agency and other outside agencies are included in Business Partners. Charlotte-Mecklenburg Schools and Central Piedmont Community College expenditures comprise 96.9% of Business Partners expenditures. Funds for the operations of the Charlotte-Mecklenburg Schools were \$464.8 million including capital outlay, \$31.1 million more than the amount allocated for fiscal year 2018. Funding to Central Piedmont Community College was \$36.8 million, an increase of 4.6%. These changes, plus adjustments to other outside agencies resulted in an overall increase in expenditures to Business Partners of \$32.2 million from fiscal year 2018.

#### **Debt Service Fund**

The Debt Service fund, which has two components, was established to account for payment of and accumulation of resources for the County's debt service. General debt service, which covers the capital needs of the County, primarily libraries, courts and parks and recreation, increased by 1.7%% from the prior year. The second component, debt service related to education, both for the Charlotte-Mecklenburg schools and Central Piedmont Community College, decreased by 10.1%, reflecting the continued debt to fund the capital needs of the schools and community college.

#### **Special Revenue Funds**

Total revenues for the eight Special Revenue Funds, increased in comparison to fiscal year 2018. Overall, total revenues increased \$3.6 million or 3.5% over the prior year. The majority of the change in revenue is primarily attributable to the following: \$2.5 million increase in the Transit One-Half Cent Sales Tax, \$0.4 million increase in Intergovernmental, and \$0.2 million increase in Charges for Services.

#### **Capital Projects Funds**

More than half of each year's expenditures are for construction, renovations and improvements to school facilities. This results from the County's focus on completing projects as well as adding new capital projects. Funding for capital projects is supplied by proceeds from new bonds, unexpended bond proceeds, and pay-as-you-go annual funding appropriated in the adopted budget.

Based on the above discussion of the government-wide and fund financial statements and considering the County's Triple A bond rating and debt capacity, which are discussed below and in the Notes to the Basic Financial Statements, the overall financial position of the County continues to be strong.

#### **General Fund Budget Highlights**

The County's annual balanced budget is prepared on the modified accrual basis of accounting in accordance with the Budget & Fiscal Control Act of the North Carolina General Statutes, and includes all appropriations required for debt service. The General Fund is the most significant fund budgeted.

Statutory provisions allow the budget to be amended during the year. The County Manager or her designee is authorized to transfer budget amounts within funds. All budget amendments that alter the total budget of a fund must be approved by the Board. The General Fund, as the primary fund supporting all major activities of the County, is monitored closely by the Director of Financial Services for possible revenue shortfalls or potential overspending.

Purchase orders and contracts are not considered valid until the Director of Finance has certified the funds are available to make payment upon satisfactory completion of the contract or delivery of the items ordered.

The County revised the General Fund budget on several occasions throughout the year. 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, primarily Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Amendments adopted during the year increased the overall general fund revenue budget by \$19.9 million to address the Board's priorities and provide for a well-managed government.

General Fund revenues were over final budget by \$43.3 million (3.5%). This increase is related to several factors. The County's property tax collections increase (\$5.7 million) is a result of a reduction in the number of SL362 refunds issued during the fiscal year, as compared to the prior fiscal year. Increased interest on delinquent taxes (\$0.9 million) is attributed to the County's aggressive tax collection approach. Sales tax increase (\$7.5 million) is a result of increased consumer spending. Licenses and permits increase (\$3.5 million) is a result of the rise in the number of inspection permits issued due to construction growth. The majority of the increase for charges for services (\$8.6 million) is attributed to Land Use and Environmental Services and Detention and Court Support Services.

General Fund expenditures were under budget \$81.1 million, a variance of 6.2% from the final budget. This results from departments and business partners reduced spending as well as encumbrances remaining outstanding at June 30, 2019, as these amounts are not included in the GAAP actual numbers. Some variances, such as Health and Human Services (\$40.1 million) and Land Use and Environmental Services (\$8.7 million), include varied grants where program spending did not reach expected levels.

### **Capital Assets**

The County's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities at June 30, 2019 totals \$1.3 billion. Capital assets include land, land improvements, buildings and improvements, vehicles and heavy equipment, furniture, machinery, and other equipment, antiques and artifacts, computer equipment and construction in progress. Capital assets are reported in the government-wide financial statements and in the enterprise funds financial statements. Governmental funds treat capital acquisitions as expenditures in the period in which they are purchased. The investment in capital assets, net of accumulated depreciation, increased 4.5% from last year for governmental activities and the business-type activities investment in capital assets, net of accumulated depreciation, increased 5.0%.

The change in governmental activities assets in the amount of \$53.3 million results primarily from: 1) a net increase to land totaling \$40.1 million as the County moves forward with expanding services; 2) a net decrease in construction in progress totaling \$32.1 million as a result of facilities being placed into operation; 3) a net decrease in land improvements totaling \$2.2 million; 4) and a net increase to buildings and improvements totaling \$41.1 million due to facilities placed in service, as well as the County's Bringing Mecklenburg County to You (BMC2U) initiative. The change in vehicles and heavy equipment and furniture, machinery and equipment results from the net change of adding and disposing of items.

The \$3.7 million increase in business-type activities (enterprise fund) is mainly because of an increase in furniture, machinery and equipment totaling \$3.9 million, resulting from the acquisition of additional assets. For the most part, the net changes in other business-type activities capital assets categories totaling \$0.2 million is the result of assets being placed into operation or disposal of assets during the fiscal year.

Note 5 to the Basic Financial Statements explains in detail the capital asset activities for the year ended June 30, 2019.

**Capital Assets, Net of Accumulated Depreciation**

(in thousands)

Description	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 687,473	\$ 647,415	\$ 40,408	\$ 40,408	\$ 727,881	\$ 687,823
Construction in progress	33,400	65,469	1,013	-	34,413	65,469
Land improvements	21,183	23,346	4,952	5,301	26,135	28,647
Buildings and improvements	454,784	413,654	17,996	18,808	472,780	432,462
Vehicles and heavy equipment	9,983	10,698	1,346	1,419	11,329	12,117
Furniture, machinery and equipment	18,939	11,311	12,740	8,793	31,679	20,104
Computer software	1,551	2,131	-	-	1,551	2,131
Total	<u>\$ 1,227,313</u>	<u>\$ 1,174,024</u>	<u>\$ 78,455</u>	<u>\$ 74,729</u>	<u>\$ 1,305,768</u>	<u>\$ 1,248,753</u>

**Debt Administration**

The County issues general obligation bonds to fund the acquisition and construction of major capital facilities for the County, schools, community college and library. General obligation bonds are direct obligations and pledge the full faith and credit of the County. The County also issues certificates of participation and limited obligation bonds to provide funding for school, library, community college, and County capital needs. At June 30, 2019 and 2018, general obligation bonds and certificates of participation consisted of:

**General Obligation Bonds and Installment Financings**

(in thousands)

Description	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Public Improvement Bonds	\$ 1,229,535	\$ 1,190,600	\$ -	\$ -	\$ 1,229,535	\$ 1,190,600
Installment Financings	242,628	267,800	-	-	242,628	267,800
Special Obligation Bonds	-	-	6,975	7,815	6,975	7,815

The County debt policy provides guidelines, parameters, and procedural requirements for the issuance and management of debt. Some of the guidelines used in managing debt issuance include debt per capita, debt as a percentage of assessed valuation and debt service as a percentage of the operational budget.

Exhibit 4 shows the County's net per capita outstanding bonded debt to be \$1,256, an increase of 0.2% from the prior year which results from an increase in bonds payable and spreading the outstanding debt over a 2.0% increase in County population.

Exhibit 4:

**Bonded Debt Outstanding Per Capita**



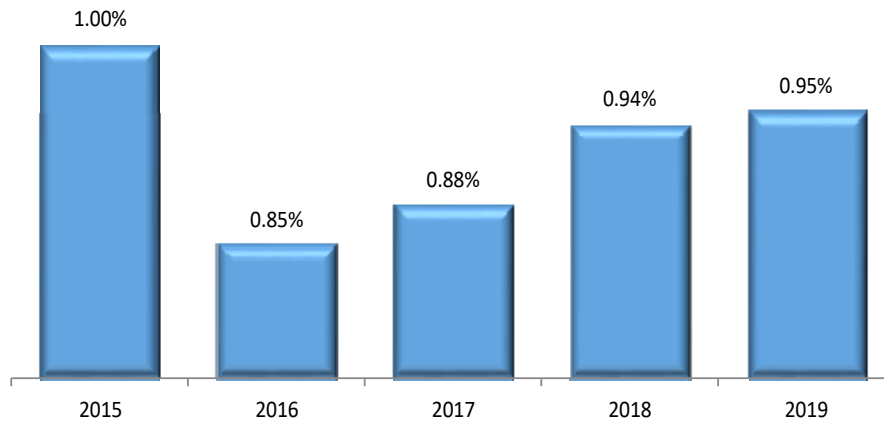
The County's net bonded debt is .95% of assessed valuation, well below the 8.0% of assessed valuation legal debt limit of \$10.4 billion, authorized by N.C. General Statute Chapter 159. See Exhibit 5.

The County's strong financial management continues to insure a strong financial position and enabled the County to maintain its AAA bond rating for its general obligation debt. This is the highest rating given by Standard & Poor's Corporation, Moody's Investors Service and Fitch Ratings. The City of Charlotte has also maintained AAA ratings from these agencies. This is a distinction for only a few communities in the nation. As a result of this rating, the County has obtained some of the lowest interest rates available to governmental agencies when issuing bonds, certificates of participation and limited obligation bonds.

Note 7 to the Basic Financial Statements explains in detail the debt activities for the year ended June 30, 2019.

Exhibit 5:

**Percent of Net Bonded Debt  
to Assessed Valuation**



### Outlook for the Next Year

The Board approved a \$1.9 billion annual budget for fiscal year 2020, an increase of \$159 million, or 9.2 percent over fiscal year 2019. Education remains a priority for the County. The 2019 tax rate is 61.69 cents per \$100 of assessed valuation, a decrease over FY19. The Fiscal Year 2020 Adopted Budget has three primary objectives:

- 1) Invest additional resources in critical programs and services;
- 2) Invest and fund the services and initiatives that align with the top priorities of the Board of County Commissioners; and
- 3) Invest and fund in the priorities of the community.

Major funding decisions for fiscal year 2020 are listed as follows:

- Reducing racial disparities is one of the top priorities of the Board of County Commissioners. The FY20 Adopted Budget includes \$6.1 million for literacy, workforce development, 2020 Census, health disparities, wage increases, and the County's Minority, Women, and Small Business Enterprise Program. Also included in this amount is \$3.3 million to establish a Small Business Micro Loan Fund to support start-up costs for small businesses.
- Early Childhood Education is our most important investment in economic opportunity—with a County vision to support early childhood education for all resident children from birth to age 5, with reliable funding mechanisms. In 2019, the County invested \$9 million for the Meck Pre-K program to add 33 new pre-K classes which served approximately 600 children. The FY20 Adopted Budget will continue to build on the initiatives of the program with new funding of \$21.1 million of which \$14 million is dedicated to clear the childcare subsidy waiting list for children under five years old. The remaining \$7 million will add an additional 36 classrooms which will increase the number of children served to 1,242.
- Affordable housing has been identified as one of the leading issues for residents in Mecklenburg County. There is a shortfall in housing units for those earning less than 30% of the Area Median Income. The FY20 Adopted Budget includes \$22.5 million to expand the County's role in addressing this shortfall. Of this amount, \$11.2 million is included to establish a new rental subsidy program and includes investments in support services, home repair, and shelters.
- Mental Health Support is another top priority of the Board of County Commissioners. The FY20 Adopted Budget includes an increase in funding for this priority totaling \$43.5 million includes funding for mental health screenings and referrals in Public Health clinic and the staff needed to provide these services. It also includes funding for costs associated with emergency and regular placements for children in therapeutic foster care. \$5.7 million will also be used to fund mental health support staff for CMS: 27 social workers, 10 psychologists, 10 counselors, and 8 coordinators.
- Parks and Greenways are another priority for the community. The County will continue its goal to increase recreation amenities. The FY20 Adopted Budget which totals \$54.2 million, an increase of \$16 million from FY19, will fund positions to staff new and existing facilities, cover costs for supplies, equipment, security enhancements and increased contractual costs for lawn services at our parks and recreation centers. It will also fund efforts to accelerate construction of the County's greenway system, a goal of approximately 30 miles completed by 2023.

- Education and literacy continue to be priority focus areas for this community. The County has consistently funded education more than 40% of the County budget—and while there is not enough revenue growth to satisfy the requests for both CPCC and CMS, funding for both will increase at a greater percentage than for County services in Fiscal year 2020. CMS will receive an overall increase of \$49.6 million, or 10.2% over fiscal year 2019. This increase will provide salary increases for teachers and certified staff. It will also provide one-time funding of \$4.6 million for security enhancements throughout the district. An additional \$4.6 million for security can be covered through the \$18 million provided to CMS for deferred maintenance. Funding for Central Piedmont Community College increased by \$1.1 million over fiscal year 2019. In addition, the Adopted Budget includes \$4 million under the deferred capital maintenance plan.

### **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 requests for additional information should contact the Director of Financial Services, Mecklenburg County, P.O. Box 34486, Charlotte, North Carolina 28234.

A - 1  
MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF NET POSITION (DEFICIT)  
JUNE 30, 2019

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Public Library of Charlotte and Mecklenburg County	Mecklenburg Emergency Medical Services Agency	Mecklenburg County Alcoholic Beverage Control Board
<b>ASSETS</b>						
Cash and investments	\$ 1,031,834,019	\$ 32,402,744	\$ 1,064,236,763	\$ 11,420,403	\$ 4,669,301	\$ 22,551,717
Receivables, net	159,117,608	766,513	159,884,121	695,867	11,967,438	-
Due from other governmental agencies	-	-	-	421,817	-	-
Advances to other governmental agencies	2,408,450	-	2,408,450	-	-	-
Prepaid expenses	-	-	-	146,455	-	525,394
Inventories	-	-	-	-	-	16,016,957
Restricted assets - cash and investments	201,422,102	288,606	201,710,708	10,527,789	-	-
Net pension asset - ROD	1,274,425	-	1,274,425	-	-	-
Capital assets						
Land	687,472,873	40,408,272	727,881,145	13,523,473	-	-
Construction in progress	33,399,984	1,012,803	34,412,787	11,722,967	-	-
Other capital assets, net of accumulated depreciation	506,440,354	37,034,156	543,474,510	69,155,676	7,361,477	41,401,165
<b>TOTAL ASSETS</b>	<b>2,623,369,815</b>	<b>111,913,094</b>	<b>2,735,282,909</b>	<b>117,614,447</b>	<b>23,998,216</b>	<b>80,495,233</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>115,231,772</b>	<b>1,100,445</b>	<b>116,332,217</b>	<b>6,640,959</b>	<b>11,523,313</b>	<b>1,889,800</b>
<b>LIABILITIES</b>						
Accounts payable and other accrued liabilities	205,245,835	2,292,060	207,537,895	3,828,643	7,791,953	19,071,672
Accrued interest payable	15,122,317	151,251	15,273,568	-	-	-
Unearned revenue	-	-	-	770,116	-	-
Long-term liabilities						
Due within one year	171,298,483	1,001,831	172,300,314	1,805,516	1,796,051	-
Due in more than one year	2,181,935,834	20,331,727	2,202,267,561	70,279,714	69,088,444	2,145,075
<b>TOTAL LIABILITIES</b>	<b>2,573,602,469</b>	<b>23,776,869</b>	<b>2,597,379,338</b>	<b>76,683,989</b>	<b>78,676,448</b>	<b>21,216,747</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>27,498,833</b>	<b>26,820</b>	<b>27,525,653</b>	<b>7,522,609</b>	<b>15,611,319</b>	<b>11,102</b>
<b>NET POSITION</b>						
Net investment in capital assets	1,026,149,947	71,055,513	1,097,205,460	94,381,454	7,361,477	41,401,165
Restricted						
Stabilization by State Statute	253,172,040	-	253,172,040	2,905,563	12,848,845	-
Land Use and Environmental Services	2,035,497	-	2,035,497	-	-	-
Detention and Court Support Services	5,753,045	-	5,753,045	-	-	-
Capital Projects	161,125,051	-	161,125,051	-	-	-
Debt Service	-	212,672	212,672	-	-	-
Grants	-	-	-	260,794	-	-
Programming	-	-	-	682,155	-	-
Register of Deeds' Pension Plan	1,274,425	-	1,274,425	-	-	-
Facility Enhancements	-	-	-	1,188,768	-	-
By Law for Specific Purposes	-	-	-	10,817,568	-	5,200,093
Unrestricted (deficit)	(1,312,009,720)	17,941,665	(1,294,068,055)	(70,187,494)	(78,976,560)	14,555,926
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ 137,500,285</b>	<b>\$ 89,209,850</b>	<b>\$ 226,710,135</b>	<b>\$ 40,048,808</b>	<b>\$ (58,766,238)</b>	<b>\$ 61,157,184</b>

The accompanying notes are an integral part of this statement



A - 2  
MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

		Program Revenues			Net (Expense) / Revenue and Changes in Net Position					
					Primary Government			Component Units		
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Public Library of Charlotte and Mecklenburg County	Mecklenburg Emergency Medical Services Agency	Mecklenburg County Alcoholic Beverage Control Board
PRIMARY GOVERNMENT										
Governmental Activities										
Customer Satisfaction and Management Services	\$ 23,224,749	\$ -	\$ 888,317	\$ -	\$ (22,336,432)	\$ -	\$ (22,336,432)	\$ -	\$ -	\$ -
Administrative Services	124,498,490	2,166,299	1,551,431	-	(120,780,760)	-	(120,780,760)	-	-	-
Financial Services	22,450,984	2,516,924	-	-	(19,934,060)	-	(19,934,060)	-	-	-
Land Use and Environmental Services	73,545,709	77,524,333	3,498,680	-	7,477,304	-	7,477,304	-	-	-
Community Services	93,819,317	7,605,362	5,562,282	11,047,891	(69,603,782)	-	(69,603,782)	-	-	-
Detention and Court Support Services	179,938,208	31,923,256	12,998,152	-	(135,016,800)	-	(135,016,800)	-	-	-
Health and Human Services	269,023,506	8,090,084	103,080,846	-	(157,852,576)	-	(157,852,576)	-	-	-
Business Partners	797,032,880	2,709,536	11,576,039	-	(782,747,305)	-	(782,747,305)	-	-	-
Interest on long-term debt										
General purpose	13,445,076	-	-	-	(13,445,076)	-	(13,445,076)	-	-	-
Public schools	51,797,676	-	-	-	(51,797,676)	-	(51,797,676)	-	-	-
Total Governmental Activities	1,648,776,595	132,535,794	139,155,747	11,047,891	(1,366,037,163)	-	(1,366,037,163)	-	-	-
Business-type Activities										
Solid Waste	25,169,687	26,704,046	120,873	238,710	-	1,893,942	1,893,942	-	-	-
Total Business-type Activities	25,169,687	26,704,046	120,873	238,710	-	1,893,942	1,893,942	-	-	-
TOTAL PRIMARY GOVERNMENT	\$ 1,673,946,282	\$ 159,239,840	\$ 139,276,620	\$ 11,286,601	(1,366,037,163)	1,893,942	(1,364,143,221)	-	-	-
COMPONENT UNITS										
Public Library of Charlotte and Mecklenburg County	\$ 47,945,864	\$ 2,419,450	\$ 1,032,096	\$ -	-	-	-	(44,494,318)	-	-
Mecklenburg Emergency Medical Services Agency	65,406,117	48,107,256	-	1,962,901	-	-	-	-	(15,335,960)	-
Mecklenburg County Alcoholic Beverage Control Board	128,793,202	135,387,024	-	-	-	-	-	-	-	6,593,822
TOTAL COMPONENT UNITS	\$ 242,145,183	\$ 185,913,730	\$ 1,032,096	\$ 1,962,901	-	-	-	(44,494,318)	(15,335,960)	6,593,822
General Revenues										
Property taxes, levied for general purposes					1,071,206,976	-	1,071,206,976	-	-	-
Property taxes, levied for Law Enforcement										
Service District					17,160,665	-	17,160,665	-	-	-
Property taxes, levied for Fire Service Districts					5,966,320	-	5,966,320	-	-	-
Sales taxes					316,323,662	-	316,323,662	-	-	-
Other taxes					14,803,002	-	14,803,002	-	-	-
Investment earnings					41,772,700	679,289	42,451,989	393,027	29,103	155,311
Gain (Loss) on sale of capital assets					8,776,517	-	8,776,517	-	-	104,455
Miscellaneous					-	-	-	5,125,886	1,718,751	296,903
Transfers					695,000	(695,000)	-	-	-	-
Payment from primary government										
Library					-	-	-	48,700,385	-	-
Emergency Medical Services					-	-	-	-	10,959,729	-
Total General Revenues and Payments										
From Primary Government					1,476,704,842	(15,711)	1,476,689,131	54,219,298	12,707,583	556,669
Change in Net Position					110,667,679	1,878,231	112,545,910	9,724,980	(2,628,377)	7,150,491
Net Position (Deficit), beginning of year					26,832,606	87,331,619	114,164,225	30,323,828	(56,137,861)	54,006,693
Net Position (Deficit), end of year					\$ 137,500,285	\$ 89,209,850	\$ 226,710,135	\$ 40,048,808	\$ (58,766,238)	\$ 61,157,184

The accompanying notes are an integral part of this statement.

A-3  
MECKLENBURG COUNTY, NORTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019

	General Fund	Debt Service Fund	Pay-As-You-Go Capital Funding	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 554,690,515	\$ 203,844,567	\$ 135,392,652	\$ 137,906,285	\$ 1,031,834,019
Interest receivable	2,951,175	1,587,396	-	123,647	4,662,218
Accounts receivable	92,474,504	16,134,531	-	23,919,211	132,528,246
Taxes receivable	28,179,069	-	-	544,565	28,723,634
Less allowance for uncollectible taxes	(6,694,000)	-	-	(102,490)	(6,796,490)
Advances to other governmental agencies	2,408,450	-	-	-	2,408,450
Due from other funds	88,615	-	8,876,777	-	8,965,392
Restricted cash and investments	-	4,073,394	91,346	197,257,362	201,422,102
<b>Total assets</b>	<b>\$ 674,098,328</b>	<b>\$ 225,639,888</b>	<b>\$ 144,360,775</b>	<b>\$ 359,648,580</b>	<b>\$ 1,403,747,571</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 142,427,457	\$ -	\$ 9,739,162	\$ 49,516,804	\$ 201,683,423
Unearned grant revenue	3,562,412	-	-	-	3,562,412
Due to other funds	-	-	-	8,965,392	8,965,392
<b>Total liabilities</b>	<b>145,989,869</b>	<b>-</b>	<b>9,739,162</b>	<b>58,482,196</b>	<b>214,211,227</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>22,092,079</b>	<b>-</b>	<b>-</b>	<b>442,075</b>	<b>22,534,154</b>
<b>Fund Balances</b>					
<b>Restricted:</b>					
Stabilization by State Statute	127,112,593	17,908,719	62,270,603	45,880,125	253,172,040
Land Use and Environmental Services	-	-	-	2,035,497	2,035,497
Detention and Court Support Services	-	-	-	5,753,045	5,753,045
Capital Projects	-	-	-	186,240,808	186,240,808
<b>Committed:</b>					
Administrative Services	10,020,632	-	-	-	10,020,632
Customer Satisfaction and Management	3,700,000	-	-	-	3,700,000
Land Use and Environmental Services	35,256,035	-	-	30,449,506	65,705,541
Public Safety	-	-	-	1,844,113	1,844,113
Fire Protection	-	-	-	2,654,012	2,654,012
Capital Projects	38,500,000	-	72,351,010	63,242,590	174,093,600
Detention and Court Support Services	4,736,966	-	-	-	4,736,966
Community Services	11,760,100	-	-	-	11,760,100
Health and Human Services	2,573,036	-	-	-	2,573,036
Business Partners	13,191,110	-	-	-	13,191,110
Debt Service	-	207,731,169	-	-	207,731,169
Financial Services	250,000	-	-	-	250,000
Unassigned:	258,915,908	-	-	(37,375,387)	221,540,521
<b>Total fund balances</b>	<b>506,016,380</b>	<b>225,639,888</b>	<b>134,621,613</b>	<b>300,724,309</b>	<b>1,167,002,190</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 674,098,328</b>	<b>\$ 225,639,888</b>	<b>\$ 144,360,775</b>	<b>\$ 359,648,580</b>	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds					1,227,313,211
Net pension asset					1,274,425
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position					24,220,772
Certain bond expenditures are capitalized for future amortization over the life of the bonds					28,951,716
Other long-term assets are not available for current year expenditures and therefore, are deferred in the funds					21,927,145
Pension related deferrals					57,005,869
OPEB related deferrals					(21,838,408)
Long-term liabilities including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds					(2,368,356,635)
<b>Net position of governmental activities</b>					<b>\$ 137,500,285</b>

The accompanying notes are an integral part of this statement.

A-4  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Debt Service Fund	Pay-As-You-Go Capital Funding	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 1,028,711,465	\$ 309,182,049	\$ -	\$ -	\$ 1,337,893,514
Law Enforcement Service District taxes	-	-	-	17,315,448	17,315,448
Transit one-half cent sales tax	-	-	-	58,381,116	58,381,116
Fire Service Districts taxes	-	-	-	5,964,595	5,964,595
Licenses and permits	33,421,008	-	-	-	33,421,008
Intergovernmental	121,108,575	12,964,967	-	5,978,846	140,052,388
Charges for services	70,816,021	-	-	20,630,899	91,446,920
Interest earned on investments	26,540,864	14,413,953	13,733	804,150	41,772,700
Administrative charges	2,535,883	-	-	-	2,535,883
Other	11,134,637	1,101,359	-	1,113,695	13,349,691
Total revenues	<u>1,294,268,453</u>	<u>337,662,328</u>	<u>13,733</u>	<u>110,188,749</u>	<u>1,742,133,263</u>
<b>EXPENDITURES</b>					
Customer satisfaction and management	21,824,545	-	-	-	21,824,545
Administrative services	109,708,008	-	-	-	109,708,008
Financial services	17,804,735	-	-	-	17,804,735
Land use and environmental services	55,227,380	-	-	13,063,855	68,291,235
Community services	79,426,320	-	-	-	79,426,320
Detention and court support services	153,594,492	-	-	462,257	154,056,749
Health and human services	262,577,479	-	-	-	262,577,479
Business partners	517,582,800	-	-	58,381,116	575,963,916
Public safety	-	-	-	21,321,949	21,321,949
Debt service	-	-	-	-	-
Principal payments	-	135,615,001	-	52,456	135,667,457
Interest and fiscal charges	-	64,916,120	-	-	64,916,120
Capital outlay	-	-	103,654,541	214,001,415	317,655,956
Total expenditures	<u>1,217,745,759</u>	<u>200,531,121</u>	<u>103,654,541</u>	<u>307,283,048</u>	<u>1,829,214,469</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>76,522,694</u>	<u>137,131,207</u>	<u>(103,640,808)</u>	<u>(197,094,299)</u>	<u>(87,081,206)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Premium on debt issuance	-	797,668	-	11,433,857	12,231,525
General obligation bonds issued	-	-	-	150,000,000	150,000,000
Sale of capital assets	89,008	-	-	9,102,245	9,191,253
Capital lease proceeds	-	-	8,484,602	-	8,484,602
Transfers in	147,269	-	147,759,793	65,574,250	213,481,312
Transfers out	(81,340,750)	(131,298,293)	-	(147,269)	(212,786,312)
Total other financing sources (uses)	<u>(81,104,473)</u>	<u>(130,500,625)</u>	<u>156,244,395</u>	<u>235,963,083</u>	<u>180,602,380</u>
NET CHANGE IN FUND BALANCE	(4,581,779)	6,630,582	52,603,587	38,868,784	93,521,174
FUND BALANCE - BEGINNING OF YEAR	510,598,159	219,009,306	82,018,026	261,855,525	1,073,481,016
FUND BALANCE - END OF YEAR	<u>\$ 506,016,380</u>	<u>\$ 225,639,888</u>	<u>\$ 134,621,613</u>	<u>\$ 300,724,309</u>	<u>\$ 1,167,002,190</u>

The accompanying notes are an integral part of this statement.

A - 5  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 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, 2019

Net change in fund balances - total governmental funds	\$ 93,521,174
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is not included as the assets have been capitalized.	89,186,212
Depreciation expense is reported in the Statement of Activities, but not in the fund statements.	(35,482,153)
Loss on disposal of assets and adjustment to accumulated depreciation is reported in the Statement of Activities, but not in the fund statements.	(414,736)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	24,220,772
Bond, Certificate of Participation and capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position, therefore, these proceeds do not appear in the Statement of Activities.	(158,484,602)
Accrued interest payable due and payable in the current period, does not require current resources to pay and is therefore not reported in the fund statements.	(326,632)
Bond premiums and deferred charges, respectively, for the governmental funds are deferred and amortized in the Statement of Activities.	6,103,403
Repayments of bond and capital lease principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position, so the expenses do not appear in the Statement of Activities.	139,908,317
Some revenues reported in the Statement of Activities do not represent the current financial resources and therefore are not reported as revenue in the governmental funds.	(1,120,391)
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.	(45,236,792)
Other long-term liabilities are reported in the Statement of Net Position, but not in the fund statements.	<u>(1,206,893)</u>
Change in net position of governmental activities	<u>\$ 110,667,679</u>

The accompanying notes are an integral part of this statement.

A-6  
MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance from Final Budget Positive/(Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes				
General property - current	\$ 807,247,843	\$ 807,247,843	\$ 815,406,958	\$ 8,159,115
General property - prior	6,000,000	6,000,000	3,555,409	(2,444,591)
Interest on delinquent taxes	2,300,000	2,300,000	3,212,192	912,192
Sales	191,250,000	191,250,000	198,760,247	7,510,247
Room occupancy	1,300,000	1,300,000	1,594,631	294,631
Vehicle rental	3,900,000	3,900,000	4,319,858	419,858
Other	1,530,000	1,530,000	1,862,170	332,170
Total taxes	1,013,527,843	1,013,527,843	1,028,711,465	15,183,622
Licenses and permits				
Business licenses	101,000	101,000	98,169	(2,831)
Inspection permits	29,168,415	29,661,100	33,165,361	3,504,261
Marriage licenses	168,789	168,789	157,478	(11,311)
Total licenses and permits	29,438,204	29,930,889	33,421,008	3,490,119
Intergovernmental				
Federal	78,354,940	93,785,642	92,203,727	(1,581,915)
State	18,817,223	19,358,974	20,815,106	1,456,132
Local	6,656,316	7,251,316	8,089,742	838,426
Total intergovernmental	103,828,479	120,395,932	121,108,575	712,643
Charges for services				
Administrative Services	-	21,375	118,009	96,634
Financial Services	1,856,103	1,856,103	2,221,665	365,562
Land Use and Environmental Services	23,516,656	23,516,656	26,581,337	3,064,681
Community Services	3,146,706	3,267,610	2,845,021	(422,589)
Detention and Court Support Services	24,934,343	24,955,195	31,254,941	6,299,746
Health and Human Services	6,137,189	6,344,511	6,380,311	35,800
Business Partners	2,300,000	2,300,000	1,414,737	(885,263)
Total charges for services	61,890,997	62,261,450	70,816,021	8,554,571
Interest earned on investments	9,790,000	9,790,000	26,540,864	16,750,864
Administrative charges	2,529,105	2,529,105	2,535,883	6,778
Other				
Rental	3,391,526	3,402,026	3,812,431	410,405
Sale of Properties	1,076,929	1,126,929	1,166,590	39,661
Miscellaneous	5,604,741	8,025,984	6,155,616	(1,870,368)
Total other	10,073,196	12,554,939	11,134,637	(1,420,302)
Total revenues	1,231,077,824	1,250,990,158	1,294,268,453	43,278,295

(Continued on next page)

A-6  
MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - (CONTINUED)  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance from Final Budget Positive/(Negative)
	Original	Final	Actual	
<b>EXPENDITURES</b>				
Customer satisfaction and management				
County Commissioners	\$ 616,866	\$ 657,316	\$ 656,092	\$ 1,224
Economic Development Office	11,183,727	15,999,499	9,930,303	6,069,196
Manager's Office	8,372,894	12,851,120	8,474,921	4,376,199
Public Service and Information	2,692,374	2,997,081	2,763,229	233,852
Total customer satisfaction and management	22,865,861	32,505,016	21,824,545	10,680,471
Administrative services				
Internal Audit	1,654,690	1,627,695	1,600,635	27,060
Attorney's Office	2,135,288	2,035,553	1,841,327	194,226
Human Resources	6,174,854	6,433,627	6,294,888	138,739
Information Services and Technology	26,522,948	27,383,356	25,993,832	1,389,524
Nondepartmental	59,280,435	45,049,236	41,962,634	3,086,602
Asset and Facility Management	30,822,716	32,629,206	32,014,692	614,514
Total administrative services	126,590,931	115,158,673	109,708,008	5,450,665
Financial services				
Finance	13,353,124	14,046,284	12,582,042	1,464,242
Tax Collection	5,756,200	6,077,468	5,222,693	854,775
Total financial services	19,109,324	20,123,752	17,804,735	2,319,017
Land use and environmental services				
County Assessor's Office	13,708,199	15,260,327	14,233,424	1,026,903
Geospatial Information	-	3,717	-	3,717
Code Administration	33,607,868	34,506,654	31,093,042	3,413,612
Property Assessment and Land Records	-	54,287	-	54,287
Air Quality	-	4,424,677	909,131	3,515,546
Water and Land Resources	6,303,434	6,808,208	6,198,864	609,344
Register of Deeds	2,836,862	2,881,421	2,792,919	88,502
Total land use and environmental services	56,456,363	63,939,291	55,227,380	8,711,911
Community services				
Public Libraries	36,105,228	34,250,216	34,235,318	14,898
Park and Recreation	40,858,587	41,981,459	39,906,464	2,074,995
Elections	5,094,830	5,355,821	5,284,538	71,283
Total community services	82,058,645	81,587,496	79,426,320	2,161,176
Detention and court support services				
Medical Examiner	2,472,805	2,516,390	2,450,618	65,772
Criminal Justice Services	12,062,344	17,740,725	13,406,475	4,334,250
Child Support Enforcement	10,894,787	10,730,031	9,817,850	912,181
Sheriff and Jail	123,882,156	133,322,820	127,919,549	5,403,271
Total detention and court support services	149,312,092	164,309,966	153,594,492	10,715,474

(Continued on next page)

A-6  
MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - (CONTINUED)  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance from Final Budget Positive/(Negative)
	Original	Final		
Health and human services				
Public Health	\$ 79,326,659	\$ 96,309,994	\$ 83,794,965	\$ 12,515,029
Mental Health	-	1,709,706	1,074	1,708,632
Social Services	156,505,632	175,447,643	156,445,749	19,001,894
Community Support Services	16,872,727	26,223,138	19,632,144	6,590,994
Community Resources	2,495,638	2,763,721	2,703,547	60,174
Behavioral Health	-	222,572	-	222,572
Total health and human services	<u>255,200,656</u>	<u>302,676,774</u>	<u>262,577,479</u>	<u>40,099,295</u>
Business partners				
Emergency Medical Services	10,959,729	10,959,729	10,959,729	-
City - County Joint Programs	2,026,403	2,250,636	2,026,403	224,233
Board of Education:				
Current	459,864,612	459,864,612	459,864,612	-
Capital Outlay	4,960,000	4,960,000	4,960,000	-
Central Piedmont Community College	36,765,175	36,765,175	36,765,175	-
Hospitals	1,000,000	2,021,295	1,526,485	494,810
Historic Landmark Commission	321,347	396,222	373,974	22,248
Community Service Grants	<u>1,097,500</u>	<u>1,345,922</u>	<u>1,106,422</u>	<u>239,500</u>
Total business partners	<u>516,994,766</u>	<u>518,563,591</u>	<u>517,582,800</u>	<u>980,791</u>
Total expenditures	<u>1,228,588,638</u>	<u>1,298,864,559</u>	<u>1,217,745,759</u>	<u>81,118,800</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,489,186</u>	<u>(47,874,401)</u>	<u>76,522,694</u>	<u>124,397,095</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	45,442	89,008	43,566
Transfers in	298,819	866,019	147,269	(718,750)
Transfers out	(60,724,290)	(81,340,750)	(81,340,750)	-
Appropriated Fund Balance	<u>57,936,285</u>	<u>128,303,690</u>	<u>-</u>	<u>(128,303,690)</u>
Total other financing sources (uses)	<u>(2,489,186)</u>	<u>47,874,401</u>	<u>(81,104,473)</u>	<u>(128,978,874)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(4,581,779)</u>	<u>\$ (4,581,779)</u>
FUND BALANCE - BEGINNING OF YEAR			<u>510,598,159</u>	
FUND BALANCE - END OF YEAR			<u>\$ 506,016,380</u>	

The accompanying notes are an integral part of this statement.

A-7  
MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2019

	Business Type Activities
	Solid Waste Enterprise Fund
ASSETS	
Current Assets	
Cash and investments	\$ 32,402,744
Interest receivable	106,652
Accounts receivable	659,861
Total current assets	<u>33,169,257</u>
Noncurrent Assets	
Restricted cash and investments	288,606
Capital assets	
Land	40,408,272
Construction in progress	1,012,803
Land improvements	10,514,617
Buildings	29,497,260
Vehicles and heavy equipment	4,860,549
Furniture, machinery and equipment	23,578,928
Total capital assets	109,872,429
Less accumulated depreciation	<u>(31,417,198)</u>
Total capital assets, net of accumulated depreciation	78,455,231
Total noncurrent assets	<u>78,743,837</u>
Total assets	<u>111,913,094</u>
DEFERRED OUTFLOW OF RESOURCES	
Pension deferrals	<u>1,100,445</u>
LIABILITIES	
Current Liabilities	
Accounts payable and accrued liabilities	2,443,311
Compensated absences	53,529
Bonds payable, net of unamortized premium	948,302
Total current liabilities	<u>3,445,142</u>
Long-term Liabilities	
Compensated absences	531,142
Net pension liability	1,403,319
Landfill development and postclosure care costs	11,869,916
Bonds payable, net of unamortized premium	6,527,350
Total long-term liabilities	<u>20,331,727</u>
Total liabilities	<u>23,776,869</u>
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	<u>26,820</u>
NET POSITION	
Net investment in capital assets	71,055,513
Restricted net position	
Restricted for debt service	212,672
Unrestricted	17,941,665
Total net position	<u>\$ 89,209,850</u>

The accompanying notes are an integral part of this statement.



A-8  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 PROPRIETARY FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

	Business Type Activities Solid Waste Enterprise Fund
OPERATING REVENUES	
Charges for services:	
Residential availability fees	\$ 12,424,565
Recycling sales and tip fees	13,512,299
Other	<u>767,182</u>
Total operating revenues	<u>26,704,046</u>
OPERATING EXPENSES	
Personnel services and employee benefits	6,942,974
Utilities	158,625
Supplies	1,183,482
Depreciation	3,083,184
Maintenance and repairs	2,617,124
Rental and occupancy charges	1,621,455
Contractual services	8,211,383
Final development and postclosure costs	<u>1,092,198</u>
Total operating expenses	<u>24,910,425</u>
OPERATING INCOME	1,793,621
NON-OPERATING REVENUES / (EXPENSES)	
Grant revenue	120,873
Interest income	679,289
Interest expense	(254,498)
Loss on disposal of capital assets	<u>(4,764)</u>
Total non-operating revenues / (expenses)	<u>540,900</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	2,334,521
CAPITAL CONTRIBUTIONS	238,710
TRANSFERS OUT	(695,000)
Change in net position	1,878,231
Net position - beginning of year	<u>87,331,619</u>
Net position - end of year	<u><u>\$ 89,209,850</u></u>

The accompanying notes are an integral part of this statement.

A - 9  
MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	Business Type Activities
	Solid Waste Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from users	\$ 26,674,895
Cash paid to suppliers	(12,437,232)
Cash paid to employees	(6,742,898)
Net cash provided by operating activities	<u>7,494,765</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Grant revenue	120,873
Transfers	(695,000)
Net cash provided by non-capital financing activities	<u>(574,127)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payments - bonds	(840,000)
Interest paid	(342,749)
Acquisition of capital assets	(6,813,949)
Capital contributions	238,710
Net cash used in capital and related financing activities	<u>(7,757,988)</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Interest received	<u>651,955</u>
CHANGE IN CASH AND INVESTMENTS	(185,395)
CASH AND INVESTMENTS - BEGINNING OF YEAR	<u>32,876,745</u>
CASH AND INVESTMENTS - END OF YEAR	<u>\$ 32,691,350</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$ 1,793,621
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	3,083,184
Change in accounts receivable	(29,151)
Change in payroll accrual	37,891
Change in accounts payable	1,354,837
Change in compensated absences	54,219
Change in deferred outflows of resources - pensions	(456,040)
Change in net pension liability	582,728
Change in deferred inflows of resources - pensions	(18,722)
Change in landfill reserve	1,092,198
Total adjustments	<u>5,701,144</u>
Net cash provided by operating activities	<u>\$ 7,494,765</u>

The accompanying notes are an integral part of this statement.

A - 10  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2019

	Post-Employment Healthcare Benefit Trust Fund	<a href="#">link to "D-Stmts"</a> Agency Funds
<b>ASSETS</b>		
Cash and investments	\$ -	\$ 102,521,951
Restricted for:		
State Other Postemployment Benefit Trust-		
Cash and Equivalents	730	-
Short-term OPEB Fund	31,616,686	-
Long-term OPEB Fund	12,955,627	-
OPEB Equity Funds	101,899,607	-
Accounts receivable	-	10,694,531
Due from other governmental agencies	-	5,439,968
Total assets	<u>\$ 146,472,650</u>	<u>\$ 118,656,450</u>
<b>LIABILITIES AND NET POSITION</b>		
Accounts payable and accrued liabilities	\$ -	\$ 94,128,004
Due to other governmental agencies	-	24,528,446
Total liabilities	<u>-</u>	<u>\$ 118,656,450</u>
Net position restricted for postemployment benefits other than pensions	<u>\$ 146,472,650</u>	

The accompanying notes are an integral part of this statement.

A - 11  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2019

	Post-Employment Healthcare Benefit Trust Fund
ADDITIONS	
Employer contributions	\$ 16,934,261
Investment income:	
Net appreciation in fair value of investments	5,847,290
Interest	1,524,377
Less investment expense	<u>(16,457)</u>
Net investment income	<u>7,355,210</u>
Total additions	<u>24,289,471</u>
DEDUCTIONS	
Administrative expense	707,606
Claims paid	<u>8,226,655</u>
Total deductions	<u>8,934,261</u>
Change in net position	15,355,210
Net position restricted for postemployment benefits other than pensions	
Beginning of year	<u>131,117,440</u>
End of year	<u>\$ 146,472,650</u>

The accompanying notes are an integral part of this statement.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

## **1. Summary of Significant Accounting Policies**

### **a. Reporting Entity**

Mecklenburg County, North Carolina (the County) was created from a portion of Anson County on December 11, 1762. The County has a county manager form of government with a nine-member, elected Board of Commissioners comprising the governing body. The County provides the following services which are segregated into core services in the financial statements: Customer Satisfaction and Management, Administrative Services, Financial Services, Land Use and Environmental Services, Community Services, Detention and Court Support Services, Health and Human Services, and Business Partners. Individual departments included in these core services are shown on the Organization Chart in the Introduction Section. As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present all the fund types and component units. Discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize they are legally separate from the County.

The Public Library of Charlotte and Mecklenburg County (Library) is a public library formed in 1902 by an act of the General Assembly of North Carolina. Ten of the eleven members of the Library Board of Trustees are appointed by the County and one is appointed by the Charlotte-Mecklenburg Board of Education. The County has budgetary approval over its annual allocation to the Library for current operating purposes. The Library is not empowered to issue long-term debt; therefore, capital assets of the Library are financed principally by general obligation bonds and certificates of participation issued at the option of the County. There is no obligation on the County to issue debt for the Library. The Library is presented as a governmental activity.

The Mecklenburg County Alcoholic Beverage Control Board (ABC Board) operates retail liquor stores and investigates violations of North Carolina Alcoholic Beverage Control laws. The ABC Board also provides financial support for various educational programs on the excessive use of alcoholic beverages and for rehabilitation of alcoholics. The ABC Board consists of five members appointed by the Board of County Commissioners and is required by State statute to distribute a portion of its surpluses to the General Fund of the County. The ABC Board is presented as a business-type activity.

The Mecklenburg Emergency Medical Services Agency (Medic Agency) was created by a joint agreement dated September 11, 1996, between Mecklenburg County and the Charlotte-Mecklenburg Hospital Authority dba Atrium Health, formerly Carolinas Healthcare System, pursuant to North Carolina General Statute 160A-462 as a separate unit of government for the purpose of providing emergency medical services in the County. The Medic Agency began operations on October 8, 1996. The Medic Agency is governed by a seven-member Board of Commissioners appointed by the County Board of Commissioners, three of whom are recommended by Atrium Health, three by Novant Healthcare, and one by the County. The County has budgetary approval over the annual allocation to the Medic Agency for current operating purposes. The Medic Agency is presented as a governmental activity.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

Complete financial statements for the individual component units may be obtained at the following addresses:

Public Library of Charlotte and Mecklenburg County  
310 N. Tryon Street  
Charlotte, North Carolina 28202

Mecklenburg County Alcoholic Beverage Control Board  
3333 N. Tryon Street  
Charlotte, North Carolina 28206

Mecklenburg Emergency Medical Services Agency  
4425 Wilkinson Boulevard  
Charlotte, North Carolina 28208

**b. Government-wide Financial Statements**

The Statement of Net Position (Deficit) and the Statement of Activities comprise the government-wide financial statements. These statements present information on all the non-fiduciary activities of the primary government and its discretely presented component units. For the most part, the effect of interfund activity has been eliminated from the statements. The primary government consists of governmental activities, which are generally supported by taxes and intergovernmental revenues and business-type activities which charge for the services provided. Component units, which are legally separate entities for which the primary government is financially accountable, are also categorized as governmental or business-type activities and are reported separately on the government-wide financial statements.

The Statement of Net Position (Deficit) presents the difference between assets and liabilities at the end of the fiscal year, June 30, 2019. The difference, net position (deficit), is subdivided into three categories: net amounts invested in capital assets; restricted net position; and unrestricted net position. Net position is reported as restricted when constraints on the use of the assets are imposed either externally by grantors, contributors, creditors, or laws or regulations of other governments, or by law through constitutional provisions or enabling legislation.

The Statement of Activities, which shows the change in net position, presents direct expenses offset by program revenues for each core service area. Program revenues include fees and charges to customers for specific services provided and grants and contributions restricted for use in specific operations of a core service area. Tax revenues, interest and other revenue items that benefit the entire primary government are considered general revenues.

**c. Financial Presentation, Measurement Focus and Basis of Accounting**

Separate financial statements are provided for governmental funds, the proprietary fund and the fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements because the funds are held by the County in a trust capacity only. The General Fund, Debt Service Fund, and Pay-As-You-Go Capital Funding Fund are the County's major governmental funds. The Solid Waste Fund is the County's major enterprise fund.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

The government-wide financial statements and the proprietary fund are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period earned; expenses are recognized when a liability is incurred. Property taxes are recognized as revenues in the year in which they are levied. Grants and intergovernmental revenues are recognized as revenue when the eligibility requirements imposed by the grantor or other government agency have been met. Fees and charges of the proprietary funds are recognized as revenue when the services are provided. Interfund services provided and used are not eliminated in the process of consolidation.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as the amounts become susceptible to accrual by becoming measurable and available to finance the County's operations. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered available if they are collected within 60 days; except for sales tax revenue which is considered available if collected within 90 days, of the end of the current fiscal year. When both restricted and unrestricted resources are available for use, it is the County's practice to use restricted resources first, then unrestricted resources as they are needed. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long-term debt and expenditures for compensated absences, which are recognized when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are typically two types of revenues. One type requires funds to be disbursed for a specific purpose or project before any amount will be reimbursed to the County; therefore, revenues are recognized as receivables based upon the expenditures recorded. The other type provides moneys that are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to meet prescribed compliance requirements. These resources are reflected at the time of receipt or earlier if the susceptible to accrual criteria are met. Other governmental revenues which are susceptible to accrual are sales taxes collected and held by the State at year-end on behalf of the County, and investment earnings. Licenses and permits, charges for services, and other revenues are recorded as revenues when received in cash, because they are generally not measurable until received.

The County reports the following major governmental funds:

**General Fund** – The General Fund is the primary operating fund of the County and accounts for all financial resources except those to be accounted for in another fund. The Sheriff's Special Revenue fund is a legally budgeted fund under North Carolina General Statutes; however, for financial statement presentation in accordance with GASB Statement Number 54 it is consolidated in the General Fund.

**Debt Service Fund** – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

**Pay-As-You-Go Capital Funding** – The Pay-As-You-Go Capital Funding Fund accounts for financial resources used for the acquisition, construction or renovation of major capital facilities and the purchase of land.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

The County reports the following major proprietary fund:

***Solid Waste Enterprise Fund*** – This fund accounts for activities related to recycling and landfill facilities and is self-supporting through the residential solid waste fee, recycling sales and tipping fees.

Additionally, the County reports the following funds:

i. Non-major governmental funds:

***Special Revenue Funds*** – Special Revenue Funds account for the proceeds of specific revenue sources (other than special assessments or capital projects) that are legally restricted to expenditures for specified purposes.

***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 the Proprietary Fund). The Capital Reserve fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement Number 54 it is included with the Capital Projects Funds.

ii. Fiduciary funds:

***Post-Employment Healthcare Benefit Trust Fund*** – This fund accounts for the contributions, claims and administrative costs of providing healthcare benefits to County retirees who have met the requirements to receive the benefit upon retirement.

***Agency fiduciary funds*** – These funds account for assets held by the County as agent for:

- Individuals – employee flex spending, social service and jail clients
- Private organizations - medical and dental claim funds
- Other governmental units - collections due to municipalities, food and beverage tax and other collections due to the State of North Carolina. The funds are custodial in nature and do not involve measurement or operating results.

d. **Budgetary Control**

As required by the North Carolina Budget and Fiscal Control Act (N. C. G. S. 159), the County adopts, on a basis consistent with accounting principles generally accepted in the United States of America, an annual balanced budget ordinance for all funds except those authorized by project ordinance and the agency fiduciary funds. The budget ordinance is balanced when the sum of estimated net revenues and appropriated fund balance is equal to appropriations. The appropriations in the various funds are budgeted at the line item level and most are controlled at the category level. The annual budget is prepared on the modified accrual basis of accounting as required by the statutes. Budget preparations begin with the Board of County Commissioners' annual strategic planning conference. Department budgets are prepared and combined into a county-wide budget between February and April. Public hearings are held in May and the budget is adopted by vote of the County Commissioners prior to July 1, to comply with the North Carolina General Statutes. The County Manager or designee is authorized to transfer budgeted amounts within any fund. However, any revisions that alter the total budget of any fund must be approved by the Board of County Commissioners. Except for certain continuing grants, any remaining annual appropriations lapse at each fiscal year-end.



MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual presents the adopted and final budget and actual amounts for the General Fund. Capital lease amounts are approved by the Board of County Commissioners as needed and the amount budgeted for capital leases annually is the related debt service for the year.

Additionally, the Board of County Commissioners approves annual budgets for all the Special Revenue and Debt Service Funds. During the year, the Board of County Commissioners also approved amendments for these funds as follows:

	Original Budget	Amendments	Final Budget June 30, 2019
Special Revenue Funds	\$ 97,414,313	\$ 10,967,511	\$ 108,381,824
Debt Service Fund	324,202,653	15,797,668	340,000,321
Total	<u>\$ 421,616,966</u>	<u>\$ 26,765,179</u>	<u>\$ 448,382,145</u>

Amendments result from appropriating revenues received and new grants awarded after the original budgets were adopted.

The Capital Projects Funds are budgeted by project ordinance and the appropriations do not lapse at year-end.

The Library's budgets are adopted on the modified accrual basis as required by state statutes. The Library's Board of Trustees approves their budget, and the Board of Trustees must also approve any changes in the budget. Expenditures may not legally exceed appropriations unless approved by the Board of Trustees.

The Medic Agency Board of Commissioners adopts an annual budget on the modified accrual basis of accounting as required by state statutes. Appropriations are budgeted at the category level and controlled by overall level. All budget amendments must be approved by the Medic Agency Board of Commissioners.

**e. Cash and Investments**

A cash and investments pool is maintained and used for all available funds except cash on hand of \$29,207 and funds held by others. A portion of the County's self-insurance funds in the amount of \$12,863,625 is held in one or more trusts administered by the City of Charlotte's Risk Management Office. Additionally, \$4,073,393 is held by the bank for the Debt Service Fund, \$212,672 is held by the bank for solid waste debt service on special obligation bonds, \$91,346 is held by a trustee for technology projects and \$53,252 is held by a trustee for solid waste capital projects. Cash of \$146,472,650 is held by the North Carolina State Treasurer in the Other Post-Employment Benefits Investment Trust, an irrevocable trust fund.

**DEPOSITS**

All County deposits are made in designated official depositories and are secured as required by North Carolina General Statute 159-31. The County may designate as an official depository, any bank, trust company, or savings and loan institution whose principal office is located in North Carolina. The County may also establish time deposits in the form of NOW accounts, SuperNOW accounts, money market accounts, and certificates of deposit. Primary banking services for the County are provided through a contract, currently with Bank of America. At year-end, the cash balance of County deposits was \$129,907,769 and the bank balance was \$109,150,307. Included in these balances is a money market account in the amount of \$105,697,009 and two certificates of deposit totaling \$107,742 with Branch Banking & Trust.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

All of the County's deposits are either insured or collateralized using the Pooling Method. 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 as permitted under North Carolina Administrative Code, Title 20, Chapter 7. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by their agents in the entities' names. Depositories holding public funds must establish an escrow account in the name of the State Treasurer to hold this pledged collateral and they must report to the State Treasurer on the adequacy of their collateral pools. The amount of pledged collateral required is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest bearing deposits. The Pooling Method shifts responsibility for the monitoring of collateral from the County to the State Treasurer. 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, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer enforces strict standards of financial stability for each depository that collateralizes public deposits under the pooling method. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of N.C.G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The total bank balance of \$109,150,307 was covered by collateral or insured at June 30, 2019.

North Carolina General Statute 159 also governs the deposits of the Library, ABC Board and the Medic Agency. The Library's and Medic Agency's deposits are insured or collateralized by using the pooling of collateral method. Deposits of the ABC Board are either insured or collateralized by using one of two methods. Under the dedicated method, all deposits over the federal depository insurance coverage are collateralized with securities held by the ABC Board's agent in their name or the pooling method.

At June 30, 2019, the Library's deposits had a carrying amount of \$11,120,338 and a bank balance of \$11,869,596. The Federal Deposit Insurance Corporation (FDIC) covers \$250,000 for substantially all depository accounts and for certain qualifying and participating non-interest-bearing transaction accounts. Of the bank balance, \$250,000 was covered by federal depository insurance and \$11,619,596 was covered by collateral held under the pooling method. At June 30, 2019, the Library's petty cash fund totaled \$10,286. The Library has no policy for managing interest rate risk or credit risk.

At June 30, 2019, the Medic Agency's deposits had a carrying value of \$2,792,050 and a bank balance of \$3,906,198 of which \$335,986 was covered by federal depository insurance and \$3,570,212 was covered by collateral under the pooling method. At June 30, 2019, the Medic Agency had cash on hand of \$1,220.

At June 30, 2019, the ABC Board's deposits had a carrying value of \$22,463,052 and a bank balance of \$24,006,108. Of the bank balance, \$500,000 was covered by federal depository insurance and \$23,506,108 was covered by collateral under the pooling method.

#### INVESTMENTS

North Carolina General Statute 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, bankers' acceptances, and the North Carolina Capital Management Trust.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

At June 30, 2019, the County had the following investments and maturities:

Investment Type	Valuation Measurement Method	Fair Value	Maturities		
			Less than 12 Months	1 - 3 Years	3 - 5 Years
U.S. Treasuries	Fair Value - Level 1	\$ 49,971,150	\$ 49,971,150	\$ -	\$ -
U.S. Government Agencies	Fair Value - Level 2	926,990,573	338,901,474	558,409,381	29,679,718
Commercial Paper	Fair Value - Level 2	29,967,000	29,967,000	-	-
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	165,332,936	165,332,936	-	-
NC Capital Management Trust - Term Portfolio*	Fair Value - Level 1	48,976,499	48,976,499	-	-
Total		<u>\$ 1,221,238,158</u>	<u>\$ 633,149,059</u>	<u>\$ 558,409,381</u>	<u>\$ 29,679,718</u>

*\*As of June 30, 2019, the NCCMT Term Portfolio has a duration of .11 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 12 months.*

All 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.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2: 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.

#### INTEREST RISK

As a means of limiting exposure to fair value losses resulting from rising interest rates, the County's investment policy limits investments to those with a maturity of no more than 60 months. In addition, the investment portfolio is structured so that maturities meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. At year end, the weighted average final maturity of the County's portfolio was 1 year.

#### CREDIT RISK

The County has no formal policy regarding credit risk but maintains internal management procedures that limit the County's investments to the provisions of North Carolina General Statute 159-30 that restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County invests in commercial paper bearing the highest credit rating, as determined by nationally recognized statistical rating organizations (NRSROs) and bankers' acceptances where the accepting bank or its holding company are incorporated in North Carolina. As of June 30, 2019, the County's investments in commercial paper were rated at least A-1 by Standard & Poor's, F-1 by Fitch Ratings, and P-1 by Moody's Investors Service. The County's investments in the N.C. Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2019. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The County's investments in U.S. Government Agencies (Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association) were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service at year-end.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

CUSTODIAL CREDIT RISK

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. To minimize this risk, the County's investments are held in the County's name in a segregated safekeeping account in Fifth Third Bank.

CONCENTRATION OF CREDIT RISK

The County's investment policy restricts the combined total investment in commercial paper and bankers' acceptances to no more than twenty-five percent of the total portfolio. Investments in commercial paper or bankers' acceptances of a single issuer are limited to no more than ten million dollars or ten percent of the total portfolio at the time of investment. At June 30, 2019, investments in commercial paper comprised 2.3% of the total portfolio. No single issuer exceeded ten million dollars or ten percent of the total portfolio. There were no bankers' acceptances at year end. The County does not place a limit on the level of investment in federal agency securities. At June 30, 2019, Federal Home Loan Bank securities comprised 30.9% of the portfolio, Federal Home Loan Mortgage Corp 25.9%, and Federal National Mortgage Association 10.5%.

The County's investments are stated at fair value in the financial statements, as determined by quoted market prices. The securities of the NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, are measured at fair value, which is the NCCMT's share price. The securities of the NCCMT Term Portfolio had a duration of .11 years at June 30, 2019, and are valued at fair value, which is the share price. In accordance with State law, the County invests in securities that are callable prior to maturity and securities that provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value.

As of June 30, 2019, the County had \$146,472,650 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Trust pursuant to N.C.G.S. 159-30.1. The State Treasurer's OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the State Treasurer's OPEB Trust was invested as follows: State Treasurer's Short-Term Investment Fund (STIF) 21.6%, which is reported as cash and cash equivalents; State Treasurer's Bond Index Fund (BIF) 8.8%; and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund 69.6% (the equities were split with 55.3% in domestic securities and 44.7% in international securities).

Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs—other than quoted prices—included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2019 of 1.3 years.

Ownership of the BIF is determined monthly at fair value using the same Level 2 inputs as the STIF and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. On June 30, 2019 the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 7.81 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, 2019 the fair value of the funds was

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

\$22.562358 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.

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.

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. The State Treasurer's Short-Term Investment Fund (STIF) is unrated and had a weighted average maturity of 1.3 years at June 30, 2019. The State Treasurer's Bond Index Fund (BIF) is unrated and had a weighted average maturity of 7.81 years at June 30, 2019.

At June 30, 2019, the Library's investments consist of \$10,817,568 in agency funds held at the Foundation for the Carolinas, \$289,779 of this amount is included in cash and cash equivalents. The Library has no policy for managing interest rate risk, custodial credit risk, or concentration of credit risk.

All Medic Agency investments, \$1,876,031, were invested in the NC Capital Management Trust Government Portfolio at June 30, 2019.

Medic Agency policies regarding risk are:

***Interest Rate Risk*** – As a means of limiting its exposure to fair value losses arising from rising interest rates, Medic Agency limits the investment portfolio to a maximum of three years.

***Credit Risk*** – The agency has no formal policy regarding credit risk but maintains internal management procedures that limit the Agency's investments to the provisions of North Carolina General Statute 159-30 that restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The Agency's investments in the N.C. Capital Management Trust Government Portfolio carry a credit rating of AAAm by Standard & Poor's.

***Custodial Credit Risk*** – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The NC Capital Management Trust Government Portfolio is a diversified investment portfolio and helps the Agency reduce custodial risk.

During 2019, no gains or losses from the sale of investments by the County were recognized. The calculation of realized gains is independent of the calculation of the net increase/decrease in the fair value of investments. The net change in the fair value of investments during 2019 was an increase of \$13,624,976. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized gain on investments held at year-end for the County was \$2,901,915.

Interest on investments is recorded when earned and is distributed to each fund based on the fund's proportionate equity in pooled cash and investments, except that interest on investments of the Capital Projects Funds is distributed to the Debt Service Fund for debt service.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

**f. Inventory and Prepaid Items**

Inventory is valued at cost on a first-in, first-out basis and consists of expendable supplies held for consumption. The cost of individual inventory items is expensed at the time of purchase. At the end of each fiscal year, inventory and applicable expense accounts are adjusted to reflect actual inventory on hand.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements and expensed over the period that the items are used.

**g. Capital Assets**

Capital assets, which include land, land improvements, buildings and improvements, intangible assets, vehicles and heavy equipment, and furniture, machinery and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined as assets with an estimated useful life of two years or more with an initial individual purchase price that meets the following capitalization thresholds:

Land improvements		\$25,000
Building and improvements	Greater of \$100,000 or 10% of cost of building	
Machinery, furniture and equipment		\$5,000
Computer software (internally generated)		\$1,000,000
Other intangible assets		\$250,000

Such assets are recorded at historical cost or estimated historical cost if the asset is purchased or constructed. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. The County owns only limited infrastructure assets, which are considered as park improvements, a part of land improvements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Depreciation, which is recorded as an expense against the operations of the governmental and business-type activities of the government-wide financial statements and for the proprietary fund financial statements, is calculated using the straight-line method over the following estimated useful lives:

Land improvements	20 - 40 years
Building and improvements	10 - 40 years
Machinery and equipment	5 - 10 years
Vehicles	3 - 7 years
Furniture	3 - 10 years
Computer software	2 - 10 years
Other Intangible assets	2 - 10 years

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

Library capital assets are reported in the government-wide financial statements and include land, buildings and improvements, furniture and equipment and intangible assets. Capital Assets are defined by the Library as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Purchased or constructed assets are recorded at cost or estimated historical costs. Donated capital assets are recorded at their estimated fair value at the date of donation. The Library capitalizes all library books with a useful life greater than one year. The Library has certain books that are considered historical treasures which are not capitalized and are recorded as expenditures in the year of acquisition. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Library capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Furniture and equipment	5 - 10 years
Books	3 years
Intangible Assets	5 years

For the ABC Board, buildings, equipment and motor vehicles are stated at cost and are being depreciated over their useful lives on a straight-line basis, and leasehold improvements are amortized over the term of the applicable lease. Upon disposal, the cost of an asset and the related accumulated depreciation are removed from the books. Any gain or loss on disposition is reflected in the change in net assets upon disposal. Maintenance and repairs are expensed as incurred.

Estimated useful lives for the ABC Board are as follows:

Buildings	40 years
Leasehold improvements	5 - 15 years
Furniture and equipment	3 - 10 years
Vehicles	4 years

Medic Agency's capital assets includes vehicles, furniture and other equipment, patient equipment, computer equipment and buildings and improvements. Capital assets are defined as assets with an initial, individual, purchase of \$5,000 or more and an estimated useful life of one year or more. Capital assets are recorded at historical cost or estimated historical cost if the asset is purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

Depreciation for Medic assets is provided over the following useful lives of each asset class using the straight-line method:

Vehicles	4 years
Furniture and other equipment	3 - 10 years
Patient equipment	3 - 10 years
Computer equipment	3 - 5 years
Buildings and improvements	10 years

**h. 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 section element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion – a charge on refunding, pension and OPEB related deferrals, and contributions made to the pension plan in the current fiscal year. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet the criterion for this category – prepaid taxes, tax reservations and other pension and OPEB related deferrals.

The Library, ABC Board and Medic Agency had deferred outflows of resources that result from pension related deferrals and contributions made to the pension plan in the current year. The Library, ABC Board and Medic Agency had deferred inflows of resources that result from pension related deferrals.

**i. Compensated Absences**

For the County, Library and Medic Agency, the maximum amount of vacation that can be transferred to the next calendar year is 240 hours. Accrued vacation beyond the maximum will be converted to sick leave as of the last pay period ending on or before December 31 each year. Vacation leave is earned based on years of service and is fully vested when earned. Upon termination, County, Library and Medic Agency employees will be paid all unused accumulated vacation up to 240 hours. The County, Library and Medic Agency sick leave policies allow regular employees to accumulate an unlimited amount of sick leave. One-fourth of the unused accumulated sick leave, which is fully vested when earned, is paid upon termination, with the balance in the case of retirement being used in the determination of length of service for retirement benefits.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for vacation/sick leave is reported in the governmental funds financial statements only if the benefit has matured, for example, as a result of employee resignations and retirements.

ABC Board employees may accumulate a maximum of 48 days earned vacation based on years of service and such leave is fully vested when earned. Employees can accumulate an unlimited amount of sick leave. Sick leave may be used in the determination of length of service for retirement benefit purposes or a portion may be taken as a distribution at retirement.



MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

**j. Long-Term Obligations**

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities or the proprietary fund Statement of Net Position. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable premium.

**k. Net Position / Governmental Fund Equity**

NET POSITION

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

FUND BALANCES

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

The governmental fund types classify fund balance as follows:

- **Restricted Fund Balance** – This classification includes revenue resources that are restricted to specific purposes externally imposed by creditors or imposed by law.

***Restricted for Stabilization by State Statute*** – portion of fund balance that is restricted by State Statute [N.C.G.S. 159-8(a)] which prohibits governmental units 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 were designed to improve and maintain the fiscal health of local government units. Restricted for Stabilization by State Statute (RSS) is calculated at the end of the fiscal year and the statute provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is RSS. Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation". RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances are included in RSS.

***Restricted for Land Use and Environmental Services*** – portion of fund balance that is restricted by revenue sources to pay for storm water construction bonds, storm water grants and Register of Deeds document preservation and technology improvements.

***Restricted for Detention and Court Support Services*** - portion of fund balance that is restricted by revenue sources to pay for jail and court operations.

***Restricted for Capital Projects*** – portion of fund balance that is restricted by revenue source and can only be used for capital outlay in the County.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

- **Committed Fund Balance** – Portion of fund balance that can only be used for specific purposes imposed by ordinance approved by majority vote of the Mecklenburg County Board of County Commissioners (highest level of decision-making authority). Once adopted, the limitation can be changed or removed with a similar action by the governing board. Any changes or removal of specific purposes requires majority action of the governing body.

***Committed for Administrative Services*** – portion of fund balance that has been budgeted by the Board of County Commissioners for support services to County Departments.

***Committed for Customer Satisfaction and Management*** – portion of fund balance that can only be used for general operating departments.

***Committed for Land Use and Environmental Services*** – portion of fund balance that can only be used for storm water operations and code enforcement and land resources.

***Committed for Public Safety*** – portion of fund balance committed by revenue source to pay for law enforcement services.

***Committed for Fire Protection*** – portion of fund balance committed by revenue source to pay for Fire Protection Services.

***Committed for Capital Projects*** – portion of fund balance that can only be used for capital outlay in the County.

***Committed for Detention & Court Support Services*** – portion of fund balance that can only be used for jail and court operations.

***Committed for Community Services*** - portion of fund balance that has been budgeted by the Board of County Commissioners for community services.

***Committed for Health & Human Services*** – portion of fund balance committed for Health, Mental Health and Social Services.

***Committed for Business Partners*** – portion of fund balance committed for Business Partners.

***Committed for Debt Service*** – portion of fund balance committed to pay debt service on outstanding debt.

***Committed for Financial Services*** – portion of fund balance committed to pay for Financial Services operations.

- **Unassigned Fund Balance** – portion of fund balance that has not been restricted, committed or assigned to specific purposes or other funds.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

The following table presents the restrictions, commitments and assignments of fund balance at June 30, 2019:

	General	Debt Service	Pay-As-You-Go	Non-major Funds	
	Fund	Fund	Capital Funding	Special Revenue Funds	Capital Project Funds
Fund Balance:					
<b>Restricted</b>					
Stabilization by State Statute	\$ 127,112,593	\$ 17,908,719	\$ 62,270,603	\$ 22,105,239	\$ 23,774,886
Land Use and Environmental Service	-	-	-	2,035,497	-
Detention and Court Support Service	-	-	-	5,753,045	-
Capital Projects	-	-	-	-	186,240,808
<b>Committed</b>					
Administrative Services	10,020,632	-	-	-	-
Customer Satisfaction and Manage	3,700,000	-	-	-	-
Land Use and Environmental Service	35,256,035	-	-	30,449,506	-
Public Safety	-	-	-	1,844,113	-
Fire Protection	-	-	-	2,654,012	-
Capital Projects	38,500,000	-	72,351,010	-	63,242,590
Detention and Court Support Service	4,736,966	-	-	-	-
Community Services	11,760,100	-	-	-	-
Health & Human Services	2,573,036	-	-	-	-
Business Partners	13,191,110	-	-	-	-
Debt Service	-	207,731,169	-	-	-
Financial Services	250,000	-	-	-	-
<b>Unassigned</b>	<u>258,915,908</u>	<u>-</u>	<u>-</u>	<u>(15,547,177)</u>	<u>(21,828,210)</u>
Total	<u>\$ 506,016,380</u>	<u>\$ 225,639,888</u>	<u>\$ 134,621,613</u>	<u>\$ 49,294,235</u>	<u>\$ 251,430,074</u>

The General Fund is the only fund that reports a positive unassigned fund balance amount. The Transit One-half Cent Sales Tax Fund had a negative unassigned fund balance of (\$15,436,555) resulting from the offset of the reserve by state statute for the receivable as all funds collected are remitted to the City of Charlotte and there is no total fund balance. The Fire Service District Funds had a negative unassigned fund balance of (\$9,182) resulting from the offset of the reserve by state statute. The Law Enforcement Service District Funds had a negative unassigned fund balance of (\$101,440) resulting from the offset of the reserve by state statute. The Capital Projects fund had a negative unassigned fund balance of \$(21,828,210) resulting from expenditures paid after adoption of the capital projects ordinance but prior to the bond sale planned for September 2019.

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

Outstanding encumbrances are as follows:

	General	Debt Service	Pay-As-You-Go	Non-Major
	Fund	Fund	Capital Funding	Funds
Encumbrances	\$ 29,189,849	\$ 186,792	\$ 53,393,826	\$ 21,395,193

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

Mecklenburg County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Director of Financial Services will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-city funds, and County funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Director of Financial Services has the authority to deviate from this policy if it is in the best interest of the County.

Mecklenburg County Board of County Commissioners has also adopted a fund balance policy for the General Fund which requires that total fund balance be maintained at 28% of actual revenue. The General Fund and Debt Service Fund will be combined in calculating the 28% revenue requirement. Fund balance in excess of 28% of actual revenue may be appropriated to fund the capital, technology and fleet reserves. The amount appropriated for the reserves will not exceed 2.25 cents on the property tax rate. If total fund balance falls below 28% of actual revenue a two-year payback period will commence. Unassigned fund balance will be maintained at 8% of the subsequent years' General Fund and Debt Service Fund budgets. Fund balance will not be appropriated for on-going operations of the County except in extreme emergencies and will be used to fund items non-recurring in nature.

**I. Restricted Assets**

The Debt Service Fund has restricted cash and cash equivalents pursuant to a bond order. The unexpended bond proceeds of special obligation bonds issued for solid waste facilities are classified as restricted assets for the Solid Waste Enterprise Fund because their use is restricted to that purpose. The unexpended bond proceeds of general obligation bonds issued for capital projects are classified as restricted assets for the Capital Project Funds because their use is restricted for that purpose.

**m. North Carolina State Lottery**

The North Carolina General Assembly adopted legislation allocating a portion of the net revenues from the North Carolina State Lottery Fund to be used to pay for school construction projects or to retire indebtedness for school construction. For the year ended June 30, 2019, the County received \$9,500,000 from the North Carolina Lottery Fund that was used to reduce outstanding school debt.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

**n. Deferred outflows/inflows of Resources**

The balances in deferred outflows/inflows at June 30, 2019 are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred refunding charges	\$ 28,951,716	\$ -
Prepaid taxes	-	607,010
Differences between expected and actual experience	20,317,366	11,625,950
Changes of assumptions	28,143,221	13,999,655
Net difference between projected and actual earnings on pension and OPEB plan investments	14,479,846	578,014
Changes in proportion and differences between County contributions and proportionate share of contributions	219,296	715,024
County contributions subsequent to the measurement date	24,220,772	-
Total	<u>\$ 116,332,217</u>	<u>\$ 27,525,653</u>

In addition, the governmental funds reported unavailable revenues from property tax receivables of \$21,927,144 at June 30, 2019.

**o. Statement of Cash Flows**

All cash and investments of the proprietary funds are held in a County-wide cash and investment pool. Funds are available on demand from the pool. Accordingly, all cash and investments are considered cash and cash equivalents in the Statement of Cash Flows.

**p. 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") and one other postemployment benefit plan (OPEB), the Plan. 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. For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and the additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

## 2. Accounts Receivable

The following reflects the components of accounts receivable as reported in the government-wide Statement of Net Position at June 30, 2019:

	Governmental Activities			Business-type Activities	Total Receivables
	General Fund	Debt Service Fund	Non-major Funds	Solid Waste Fund	
General	\$ 168,504	\$ 106,337	\$ 529,229	\$ 738,967	\$ 1,543,037
Less: Allowance for doubtful accounts	(2,500)	-	-	(79,106)	(81,606)
Federal, State and Local Government	92,308,500	16,028,194	23,389,982	-	131,726,676
Taxes	28,179,069	-	544,565	-	28,723,634
Less: Allowance for doubtful accounts	(6,694,000)	-	(102,490)	-	(6,796,490)
Interest	2,951,175	1,587,396	123,647	106,652	4,768,870
Total Accounts Receivable	<u>\$ 116,910,748</u>	<u>\$ 17,721,927</u>	<u>\$ 24,484,933</u>	<u>\$ 766,513</u>	<u>\$ 159,884,121</u>

## 3. Property Tax

The County's property tax levy effective for fiscal year 2019, was based on the assessed values listed as of January 1, 2018, for real property, boats, trailers and income-producing personal property and vehicles as described below in this Note. Such assessed values were based upon current estimated market values for personal property and, for real property, estimated market values as of January 1, 2018. The property tax rate for the 2019 fiscal year was \$.8232 per \$100 valuation. A revaluation of all real property is required to be performed at least every eight years. The County completed a revaluation in fiscal year 2019 which will be effective for fiscal year 2020. North Carolina General Statutes require that each County make annual appropriations to accumulate the moneys estimated to be required for such purpose.

In accordance with State law, the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due September 1, the lien date; however, penalties and interest do not accrue until the following January 6. The County considers all revenues available if they are collected within 60 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 are materially past due and are not considered to be an available resource to finance the operations of the current year.

As of September 1, 2013, State law altered the procedures for the assessment and collections of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable and are offset by deferred inflows of resources.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

#### 4. Taxes Collected for Municipalities

The County acts as agent for billing and collecting property tax levies for all municipalities in the County. Such amounts are accounted for in the Fiduciary Agency Funds. The County also collects room occupancy taxes, a portion of which is distributed to the City of Charlotte and Towns of Cornelius, Davidson, Huntersville, Matthews and Pineville, food and beverage taxes, which are distributed to the City of Charlotte, and vehicle rental taxes which are distributed to the City of Charlotte and Towns of Cornelius, Davidson, Matthews, Mint Hill and Pineville. These amounts are accounted for in the two Agency Funds, Municipalities' Taxes and Food and Beverage Tax, respectively.

#### 5. Capital Assets

The following presents the activity in capital assets for the year ended June 30, 2019:

**MECKLENBURG COUNTY**

	Primary Government				
	Balance July 1, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 647,415,266	\$ 19,962,022	\$ -	\$ 20,095,585	\$ 687,472,873
Construction in progress	65,468,491	54,088,754	-	(86,157,261)	33,399,984
Total capital assets not being depreciated	712,883,757	74,050,776	-	(66,061,676)	720,872,857
Capital assets being depreciated:					
Land improvements	62,701,512	-	-	-	62,701,512
Buildings and improvements	806,148,670	1,179,736	-	66,061,676	873,390,082
Vehicles and heavy equipment	32,635,835	2,804,515	(2,401,439)	-	33,038,911
Furniture, machinery and equipment	37,638,121	11,151,185	(1,282,729)	-	47,506,577
Intangibles-software and licenses	16,425,311	-	-	-	16,425,311
Total capital assets being depreciated	955,549,449	15,135,436	(3,684,168)	66,061,676	1,033,062,393
Less accumulated depreciation:					
Land improvements	(39,355,456)	(2,162,505)	-	-	(41,517,961)
Buildings and improvements	(392,494,966)	(26,110,653)	-	-	(418,605,619)
Vehicles and heavy equipment	(21,937,562)	(3,253,993)	2,135,961	-	(23,055,594)
Furniture, machinery and equipment	(26,327,436)	(3,374,094)	1,133,471	-	(28,568,059)
Intangibles-software and licenses	(14,293,898)	(580,908)	-	-	(14,874,806)
Total accumulated depreciation	(494,409,318)	(35,482,153)	3,269,432	-	(526,622,039)
Total capital assets being depreciated, net	461,140,131	(20,346,717)	(414,736)	66,061,676	506,440,354
Governmental activities capital assets, net	\$ 1,174,023,888	\$ 53,704,059	\$ (414,736)	\$ -	\$ 1,227,313,211

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

Primary Government continued

**BUSINESS-TYPE ACTIVITIES**

	<u>Primary Government</u>			
	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 40,408,272	\$ -	\$ -	\$ 40,408,272
Construction in progress	<u>-</u>	<u>1,012,803</u>	<u>-</u>	<u>1,012,803</u>
Total capital assets not being depreciated	40,408,272	1,012,803	-	41,421,075
Capital assets being depreciated:				
Land improvements	10,514,617	-	-	10,514,617
Buildings and improvements	29,497,260	-	-	29,497,260
Vehicles and heavy equipment	4,765,785	126,526	(31,762)	4,860,549
Furniture, machinery and equipment	<u>17,904,308</u>	<u>5,674,620</u>	<u>-</u>	<u>23,578,928</u>
Total capital assets being depreciated	<u>62,681,970</u>	<u>5,801,146</u>	<u>(31,762)</u>	<u>68,451,354</u>
Less accumulated depreciation:				
Land improvements	(5,213,701)	(349,303)	-	(5,563,004)
Buildings and improvements	(10,689,710)	(811,531)	-	(11,501,241)
Vehicles and heavy equipment	(3,346,629)	(194,594)	26,998	(3,514,225)
Furniture, machinery and equipment	<u>(9,110,972)</u>	<u>(1,727,756)</u>	<u>-</u>	<u>(10,838,728)</u>
Total accumulated depreciation	(28,361,012)	(3,083,184)	26,998	(31,417,198)
Total capital assets being depreciated, net	<u>34,320,958</u>	<u>2,717,962</u>	<u>(4,764)</u>	<u>37,034,156</u>
Business-type activities capital assets, net	<u>\$ 74,729,230</u>	<u>\$ 3,730,765</u>	<u>\$ (4,764)</u>	<u>\$ 78,455,231</u>

Depreciation expense was charged to the programs of the County as follows:

Governmental activities:	
Customer Satisfaction and Management Services	\$ 2,296
Administrative Services	8,099,215
Financial Services	407,705
Land Use and Environmental Services	1,246,592
Community Services	7,392,766
Detention and Court Support Services	16,127,640
Health and Human Services	2,035,763
Business Partners	<u>170,176</u>
Total Governmental activities	35,482,153
Business-type activities:	
Solid Waste Enterprise Fund	<u>3,083,184</u>
Total depreciation expense	<u>\$ 38,565,337</u>



MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

Amounts expended and estimated costs to complete the County's construction in progress are as follows:

	Estimated Project Authorization	Expended to June 30, 2019	Costs to Complete
Projects:			
Governmental Funds:			
Park and Recreational facilities	\$ 207,201,606	\$ 33,157,588	\$ 174,044,018
County facilities	<u>3,381,905</u>	<u>242,396</u>	<u>3,139,509</u>
Total Governmental Funds	210,583,511	33,399,984	177,183,527
Business-type activities:			
Solid Waste Enterprise Fund	<u>1,039,527</u>	<u>1,012,803</u>	<u>26,724</u>
Total	<u>\$ 211,623,038</u>	<u>\$ 34,412,787</u>	<u>\$ 177,210,251</u>

Activity in the Library's capital assets for the year ended June 30, 2019 is as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets not being depreciated:				
Land	\$ 13,523,473	\$ -	\$ -	\$ 13,523,473
Construction in progress	<u>1,908,998</u>	<u>10,638,489</u>	<u>(824,520)</u>	<u>11,722,967</u>
Total capital assets not being depreciated	<u>15,432,471</u>	<u>10,638,489</u>	<u>(824,520)</u>	<u>25,246,440</u>
Capital assets being depreciated:				
Buildings and improvements	101,456,142	157,867	(250,254)	101,363,755
Books	14,003,163	2,604,626	(3,702,259)	12,905,530
Furniture and equipment	7,540,332	980,060	(300,661)	8,219,731
Digital books	1,963,626	1,064,707	-	3,028,333
Website	<u>575,845</u>	<u>-</u>	<u>-</u>	<u>575,845</u>
Total capital assets being depreciated	<u>125,539,108</u>	<u>4,807,260</u>	<u>(4,253,174)</u>	<u>126,093,194</u>
Less accumulated depreciation:				
Buildings and improvements	(38,782,499)	(2,532,900)	-	(41,315,399)
Books	(9,633,909)	(2,058,545)	3,702,259	(7,990,195)
Furniture and equipment	(5,734,128)	(612,426)	338,154	(6,008,400)
Digital books	(798,652)	(464,020)	-	(1,262,672)
Websites and other projects	<u>(245,681)</u>	<u>(115,171)</u>	<u>-</u>	<u>(360,852)</u>
Total accumulated depreciation	<u>(55,194,869)</u>	<u>(5,783,062)</u>	<u>4,040,413</u>	<u>(56,937,518)</u>
Total capital assets being depreciated, net	<u>70,344,239</u>	<u>(975,802)</u>	<u>(212,761)</u>	<u>69,155,676</u>
Total Capital Assets, net	<u>\$ 85,776,710</u>	<u>\$ 9,662,687</u>	<u>\$ (1,037,281)</u>	<u>\$ 94,402,116</u>

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

Activity in the Medic Agency's capital assets for the year ended June 30, 2019 is as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets being depreciated:				
Vehicles	\$ 14,634,359	\$ 378,743	\$ -	\$ 15,013,102
Furniture and other equipment	4,092,541	1,973,901	(3,081,238)	2,985,204
Patient equipment	4,059,858	-	-	4,059,858
Computer equipment	6,739,481	177,580	-	6,917,061
Buildings and improvements	6,650,271	-	(6,650,271)	-
Total capital assets being depreciated	36,176,510	2,530,224	(9,731,509)	28,975,225
Less: accumulated depreciation:				
Vehicles	(9,615,140)	(2,011,630)	(97,793)	(11,724,563)
Furniture and other equipment	(3,738,767)	(57,876)	2,944,027	(852,616)
Patient equipment	(2,535,062)	(706,502)	-	(3,241,564)
Computer equipment	(5,331,259)	(463,746)	-	(5,795,005)
Buildings and improvements	(5,825,606)	-	5,825,606	-
Total accumulated depreciation	(27,045,834)	(3,239,754)	8,671,840	(21,613,748)
Total Capital assets, net	\$ 9,130,676	\$ (709,530)	\$ (1,059,669)	\$ 7,361,477

Activity in the ABC Board's capital assets for the year ended June 30, 2019 is as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets not being depreciated:				
Land	\$ 11,451,984	\$ 1,125,873	\$ (337,660)	\$ 12,240,197
Construction in progress	177,436	1,706,518	-	1,883,954
Total capital assets not being depreciated	11,629,420	2,832,391	(337,660)	14,124,151
Capital assets being depreciated:				
Buildings and improvements	37,607,054	2,241,358	-	39,848,412
Equipment	4,760,179	323,687	(28,452)	5,055,414
Motor vehicles	1,159,616	221,604	(152,257)	1,228,963
Total capital assets being depreciated	43,526,849	2,786,649	(180,709)	46,132,789
Less accumulated depreciation:				
Buildings and improvements	(13,240,096)	(1,303,710)	-	(14,543,806)
Equipment	(2,993,729)	(539,761)	28,452	(3,505,038)
Motor vehicles	(767,614)	(191,574)	152,257	(806,931)
Total accumulated depreciation	(17,001,439)	(2,035,045)	180,709	(18,855,775)
Total capital assets being depreciated, net	26,525,410	751,604	-	27,277,014
Total Capital assets, net	\$ 38,154,830	\$ 3,583,995	\$ (337,660)	\$ 41,401,165

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

## 6. Accounts Payable, Accrued Liabilities and Unearned Grant Revenue

The components of accounts payable, accrued liabilities and unearned grant revenue at June 30, 2019 for the governmental activities and the business-type activities as reported in the Statement of Net Position are as follows:

	Governmental Activities			Business-type Activities	
	General Fund	Pay-As-You-Go Capital Funding	Nonmajor Governmental Funds	Solid Waste Enterprise Fund	Total Accounts Payable and Accrued Liabilities
General payables	\$ 73,806,120	\$ 9,680,637	\$ 49,335,205	\$ 2,069,781	\$ 134,891,743
Salaries & benefits payable	52,157,399	58,525	181,599	222,279	52,619,802
Reserve for self insurance	6,284,810	-	-	-	6,284,810
Unearned grant revenue	3,562,412	-	-	-	3,562,412
Other accrued liabilities	10,179,128	-	-	-	10,179,128
Total	<u>\$ 145,989,869</u>	<u>\$ 9,739,162</u>	<u>\$ 49,516,804</u>	<u>\$ 2,292,060</u>	<u>\$ 207,537,895</u>

## 7. Long Term Debt

### General Obligation Bonds

The County issues general obligation bonds to provide for the acquisition and construction of major capital facilities for the County, Public Library of Charlotte and Mecklenburg County, Charlotte-Mecklenburg Schools and Central Piedmont Community College. General obligation bonds are direct obligations and pledge the full faith and credit of the County. The County consolidates all debt issues, including schools, into the Public Improvement category. Repayment of general obligation bonds is funded from general property tax revenues. In the event of a default, the County agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the County.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

General obligation bonds outstanding at June 30, 2019:

	Issue Date	Due Serially To	Average Interest Rate %	Original Issue	Balance June 30, 2019
Refunding Bonds 2009 – Series A	March 10, 2009	2021	2.2523	\$ 243,965,000	\$ 17,830,000
Refunding Bonds 2010 – Series A	March 16, 2010	2026	3.1098	114,940,000	84,265,000
Public Improvement 2011 – Series A	October 27, 2011	2020	4.9508	49,000,000	4,000,000
Qualified School Construction Bonds – Series B	October 27, 2011	2031	4.3490	51,000,000	51,000,000
Refunding Bonds 2011 – Series C	October 27, 2011	2026	2.9501	164,015,000	56,440,000
Refunding Bonds 2013 – Series A	January 29, 2013	2028	4.9525	209,815,000	168,595,000
Public Improvement 2013 – Series B	February 20, 2013	2033	3.5009	100,000,000	70,000,000
School Bonds 2015 – Series A	March 17, 2015	2035	3.8746	100,000,000	80,000,000
Refunding Bonds 2016 – Series A	October 12, 2016	2030	4.6234	148,565,000	132,405,000
Public Improvement 2016 – Series B	October 18, 2016	2036	3.4720	200,000,000	190,000,000
Public Improvement 2017 – Series A	September 12, 2017	2037	3.5666	225,000,000	225,000,000
Public Improvement 2018 – Series A	September 12, 2018	2039	3.9550	150,000,000	150,000,000
Total				<u>\$ 1,756,300,000</u>	<u>\$ 1,229,535,000</u>

General Obligation Bonds are due serially and mature during the fiscal years 2020 to 2039 and have interest rates at date of issuance ranging from 2.25% to 4.95% for the fixed rate bonds. The effective rate of interest paid on the average principal balance of outstanding bonds during the year was 4.6%.

The following schedule shows annual requirements to amortize all bonded debt outstanding as of June 30, 2019.

Fiscal Year	Governmental Activities	
	Principal	Interest
2020	\$ 119,940,000	\$ 50,547,678
2021	106,015,000	44,851,353
2022	97,385,000	39,575,603
2023	74,535,000	35,456,259
2024	75,985,000	32,037,090
2025-2029	331,180,000	107,421,181
2030-2034	295,995,000	45,663,166
2035-2039	128,500,000	8,398,125
Total	<u>\$ 1,229,535,000</u>	<u>\$ 363,950,455</u>

The County is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt (exclusive of funding and refunding bonds, bonds issued for water, gas, or electric power purposes, and bonds issued for certain other specified purposes) the County may have outstanding up to 8% of the appraised value of property subject to taxation. At June 30, 2019, such statutory limit for the County was \$10,403,376,469 providing a legal debt margin of \$8,016,128,719. As of June 30, 2019, \$915,085,000 of general obligation bonds was authorized but unissued.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

Special Obligation Bonds

In fiscal year 2012, the County issued \$12,220,000 of Special Obligation Bonds pursuant to the North Carolina Solid Waste Management Loan Program and Local Government Special Obligation Bond Act. The true interest cost of the bonds is 3.22% with an average life of 8.33 years. The final maturity date is January 1, 2026. The bonds are used to acquire and construct certain additions and improvements to the County's existing solid waste management facilities, acquire equipment and pay certain costs related to the issuance of the Special Obligation Bonds. The bonds are solely secured by and payable from obligated revenues consisting of the County's annual Residential Solid Waste Fee imposed on all residences and are non-general obligation financings. The bonds are not secured by the County's general funds and do not constitute a legal or equitable pledge, charge, lien or encumbrance on any of the County's property or any of its income, receipts or revenues, except the obligated revenues.

Special Obligation Bonds outstanding at June 30, 2019:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 880,000	\$ 300,400
2021	925,000	256,400
2022	965,000	219,400
2023	990,000	190,450
2024	1,020,000	160,750
2025-2026	2,195,000	166,000
Total	<u>\$ 6,975,000</u>	<u>\$ 1,293,400</u>

Installment Financings

Pursuant to the North Carolina Clean Water Revolving Loan & Grant Act of 1987 and the Federal Clean Water Act Amendments of 1987, the County utilized loan proceeds from the State of North Carolina Department of Environmental and Natural Resources Division of Water Quality, a direct borrowing, to restore approximately three miles of Torrence Creek. The loans are to be repaid are one-half of the total project costs reimbursed. Principal is forgiven for one-half of the total project costs reimbursed.

The County entered into the Guaranteed Energy Savings Contract, a direct borrowing, to provide financing for services, systems and facility designs to reduce energy consumption and costs. The equipment is pledged as collateral for the financing and in the event of default, will be removed from the facility. No deficiency judgement may be rendered against the County for amounts owed and the taxing power of the County may not be pledged directly or indirectly to collateralize amounts due pursuant to this contract.

Mecklenburg County Public Facilities Corporation (the Corporation) issued certificates of participation and limited obligation refunding bonds to provide financing for constructing, renovating and equipping of various County school facilities and improvements to certain County government facilities. These installment financings are non-general obligation financings and the facilities are pledged as collateral for the debt until the debt is retired. No deficiency judgement may be rendered against the County for amounts owed and the taxing power of the County may not be pledged directly or indirectly to collateralize amounts due pursuant to these contracts.

The 2013 Taxable Limited Obligation Bonds were issued pursuant to a deed of trust in which one of the County's jail facilities is pledged as collateral for this debt. If a default occurs, the mortgaged property can be foreclosed, and the proceeds used to pay off the debt. No assurance can be given that the proceeds will be sufficient to

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

pay the principal and interest due and no deficiency judgement can be rendered against the County if the proceeds are not sufficient to pay off the bonds.

The 2015 Limited Obligation Refunding was issued pursuant to a deed of trust in which school facilities, a parking deck and a County office building are pledged as collateral for this debt. The County has entered into lease agreements with the Charlotte Mecklenburg Board of Education for the school facilities that transfers the rights and responsibilities for maintenance and insurance of the property to the Board of Education. If a default occurs, the mortgaged property can be foreclosed, and the proceeds used to pay off the debt. No assurance can be given that the proceeds will be sufficient to pay the principal and interest due and no deficiency judgement can be rendered against the County if the proceeds are not sufficient to pay off the bonds.

The 2017 Limited Obligation Refunding was issued pursuant to a deed of trust in which school facilities are pledged as collateral for this debt. The County has entered into lease agreements with the Charlotte Mecklenburg Board of Education for the school facilities that transfers the rights and responsibilities for maintenance and insurance of the property to the Board of Education. If a default occurs, the mortgaged property can be foreclosed, and the proceeds used to pay off the debt. No assurance can be given that the proceeds will be sufficient to pay the principal and interest due and no deficiency judgement can be rendered against the County if the proceeds are not sufficient to pay off the bonds.

Installment Financings outstanding at June 30, 2019:

	Issue Date	Due Serially To	Average Interest Rate %	Original Issue	Balance June 30, 2019
NC Clean Water State Revolving Loan	April 11, 2011	2030		\$ 2,493,625	\$ 577,015
Guaranteed Energy Savings Contract	December 16, 2011	2025	3.100	6,291,281	3,370,735
2013 Taxable Limited Obligation Bonds	March 13, 2013	2028	2.779	18,115,000	11,815,000
2015 Limited Obligation Refunding	April 30, 2015	2028	4.659	120,025,000	120,025,000
2017 Limited Obligation Refunding	September 14, 2017	2028	4.522	119,135,000	106,840,000
Total				<u>\$ 266,059,906</u>	<u>\$ 242,627,750</u>

The installment financings are due serially and mature during the fiscal years 2020 to 2030 at average interest rates at date of issuance ranging from 2.78% to 4.66% for the fixed rate obligations. The effective rate of interest paid on the average principal balance outstanding during the year was 4.63%.

The following table shows the annual debt service requirements to maturity.

Fiscal Year	Direct Borrowing		Other		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 653,706	\$ 95,430	\$ 24,314,999	\$ 10,164,248	\$ 24,968,705	\$ 10,259,678
2021	686,619	77,625	33,005,000	9,115,857	33,691,619	9,193,482
2022	720,843	56,469	35,245,000	7,813,415	35,965,843	7,869,884
2023	669,819	35,797	39,560,000	6,545,723	40,229,819	6,581,520
2024	580,973	18,803	33,350,000	4,668,898	33,930,973	4,687,701
2025-2029	583,335	3,304	73,205,000	7,092,766	73,788,335	7,096,070
2030	52,456	-	-	-	52,456	-
Total	<u>\$ 3,947,751</u>	<u>\$ 287,428</u>	<u>\$ 238,679,999</u>	<u>\$ 45,400,907</u>	<u>\$ 242,627,750</u>	<u>\$ 45,688,335</u>

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

\$226,279,021 of governmental activities debt outstanding at June 30, 2019 relates to assets of the County. Unspent bond proceeds related to this debt were \$25,115,757 and unamortized refunding charges were \$6,008,864 at June 30, 2019.

Changes in Long-Term Liabilities

The following presents the changes in long-term liabilities for the year ended June 30, 2019:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019	Due within One Year
Governmental activities:					
General obligation bonds	\$ 1,190,600,000	\$ 150,000,000	\$ (111,065,000)	\$ 1,229,535,000	\$ 119,940,000
Bond premium	181,119,182	12,231,525	(22,137,683)	171,213,024	18,672,948
Total bonds payable	1,371,719,182	162,231,525	(133,202,683)	1,400,748,024	138,612,948
Capital leases	952,069	8,484,602	(3,671,258)	5,765,413	2,614,293
Compensated absences	30,258,611	28,996,859	(27,789,966)	31,465,504	5,102,537
Installment financings - direct borrowing	4,192,538	-	(244,787)	3,947,751	653,706
Installment financings - other	263,607,271	-	(24,927,272)	238,679,999	24,314,999
Net OPEB liability	550,585,550	2,212,845	-	552,798,395	-
Net pension liability (LGRS)	66,989,533	35,611,570	-	102,601,103	-
Total pension liability (LEOSSA)	16,851,252	376,876	-	17,228,128	-
Total Governmental Activities	2,305,156,006	237,914,277	(189,835,966)	2,353,234,317	171,298,483
Business-type activities:					
Special Obligation Bonds	7,815,000	-	(840,000)	6,975,000	880,000
Bond Premium	568,954	-	(68,302)	500,652	68,302
Total bonds payable	8,383,954	-	(908,302)	7,475,652	948,302
Compensated absences	530,452	462,460	(408,241)	584,671	53,529
Net pension liability (LGRS)	820,591	582,728	-	1,403,319	-
Landfill development and post-closure care costs	10,777,718	1,092,198	-	11,869,916	-
Total Business-type Activities	20,512,715	2,137,386	(1,316,543)	21,333,558	1,001,831
Total Government-wide	\$ 2,325,668,721	\$ 240,051,663	\$ (191,152,509)	\$ 2,374,567,875	\$ 172,300,314

For the governmental funds, the net pension liabilities, net OPEB liability and compensated absences are liquidated by the General fund.

The following presents the changes in long-term liabilities for the year ended June 30, 2019 for the Library:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due within One Year
Governmental activities:					
Capital leases	\$ 21,023	\$ -	\$ (361)	\$ 20,662	\$ 426
Unearned revenue	801,874	-	(31,758)	770,116	-
Compensated Absences	2,106,963	1,810,070	(1,848,531)	2,068,502	1,805,090
Net Pension Liability	4,084,215	2,124,918	-	6,209,133	-
Total OPEB Liability	62,913,816	873,117	-	63,786,933	-
Total Governmental activities	\$ 69,927,891	\$ 4,808,105	\$ (1,880,650)	\$ 72,855,346	\$ 1,805,516

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

The \$1,796,051 of long-term liabilities due within one year for the Medic Agency represents compensated absences at June 30, 2019. The \$69,088,444 of long-term liabilities due in more than one year represents the unfunded liability for future post-employment healthcare benefits and the net pension liability.

## 8. Leases

The County leases certain equipment, primarily computer and heavy equipment, under agreements classified as capital leases according to provisions of Financial Accounting Standards Board Statement No. 13 "Accounting for Leases". Obligations of these lease agreements are accounted for in the governmental activities of the government-wide statements and in the business-type activities Enterprise Fund. The net book value of capitalized leases recorded in the government activities, capital assets – furniture, machinery, and equipment, of the government-wide statements is \$6,552,931.

In addition, the County leases various types of office equipment under operating leases. Under terms of these leases, the County's obligation to continue payments is contingent upon continued annual funding by the Mecklenburg County Board of Commissioners. At June 30, 2019, future minimum lease payments due under capital leases and operating leases with initial or remaining non-cancelable lease terms in excess of one year are as follows:

Year Ending June 30,	Governmental Activities	
	Capital Leases	Operating Leases
2020	\$ 2,838,155	\$ 1,945,076
2021	2,838,155	1,664,571
2022	451,281	1,660,422
2023	-	650,828
2024	-	4,061
	6,127,591	5,924,958
Less: amount representing interest	(362,178)	-
Total	<u>\$ 5,765,413</u>	<u>\$ 5,924,958</u>

Total interest costs for the year ended June 30, 2019 were \$43,635 relating to the capital lease obligations.

For the year ended June 30, 2019, rent expense for operating leases for the County was \$2,009,685.

The Medic Agency entered into a lease agreement with the County for a Central Operations Center on January 12, 2018 for \$1 in the initial year of the lease. The lease agreement will automatically renew annually unless either party gives notice to the other party at least six months in advance of the expiration of the then-current lease period. The lease agreement was modified with the first annual renewal in January 2019 and the Medic Agency began paying monthly rent in the amount of the monthly maintenance costs of the facility.



MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

## 9. Transfers, Interfund Receivables and Payables

The following is a summary of interfund transfers at June 30, 2019:

Transfers Out:	Transfers In:				Total
	General	Pay-As-You-Go Capital Funding	Non-Major Capital Project Funds	Non-Major Special Revenue Funds	
General fund	\$ -	\$ 46,461,500	\$ 29,292,164	\$ 5,587,086	\$ 81,340,750
Debt Service Fund	-	101,298,293	30,000,000	-	131,298,293
Solid Waste Enterprise Fund	-	-	-	695,000	695,000
Non-Major Special Revenue Funds	147,269	-	-	-	147,269
<b>Total</b>	<b>\$ 147,269</b>	<b>\$ 147,759,793</b>	<b>\$ 59,292,164</b>	<b>\$ 6,282,086</b>	<b>\$ 213,481,312</b>

The transfers consist primarily of the following: (a) \$75,753,664 from the General Fund and \$131,298,293 from the Debt Service Fund to Pay-As-You-Go Capital Funding and Non-Major Capital Project Funds to fund capital projects and (b) \$5,587,086 from the General Fund and \$695,000 from the Solid Waste Enterprise fund to the Non-Major Special Revenue Funds to move restricted child support reinvestment funding to a separate fund and supplement Storm Water and Scrap Tire funding.

The following is a summary of interfund receivables and payables at June 30, 2019:

	Due from other funds	Due to other funds
General fund	\$ 88,615	\$ -
Pay-As-You-Go Capital Funding	8,876,777	-
Non-Major Special Revenue Funds	-	88,615
Non-Major Capital Projects Funds	-	8,876,777
<b>Total</b>	<b>\$ 8,965,392</b>	<b>\$ 8,965,392</b>

The balances represent lending/borrowing arrangements resulting from the timing of expenditures versus the receipt of revenues.

## 10. Pension Plan Obligations

### a. North Carolina 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 N.C.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

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2019, was 8.50% of compensation for law enforcement officers and 7.80% for general employees, 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. The County's contribution to LGERS for the year ended June 30, 2019 was \$23,475,277.

*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.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

The Library, Medic Agency and ABC Board also participate in the North Carolina Local Governmental Employees' Retirement System described above, which is the same plan in which the County participates. Contribution provisions are established by General Statute 128-3 and may be amended only by the North Carolina General Assembly. Library, Medic Agency and ABC Board employees are required to contribute 6% of the compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees.

The Library's contractually required contribution rate for the year ended June 30, 2019, was 7.80%. Contributions to the pension plan from the Library were \$1,372,103 for the year ended June 30, 2019. The Medic Agency's contractually required contribution rate for the year ended June 30, 2019 was 7.75%. Contributions to the pension plan were \$2,588,920 for the year ended June 30, 2019. The ABC Board's contractually required contribution rate for the year ended June 30, 2019, was 8.50% of compensation for law enforcement officers and 7.85% for general employees. Contributions to the pension plan from the ABC Board were \$557,684 for the year ended June 30, 2019. The contributions made by the Library, Medic Agency and ABC Board were actuarially determined as an amount that, when combined with employee contributions is expected to finance the costs of benefits earned during the year.

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

At June 30, 2019, the County reported a liability of \$104,004,422 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2018, the County's proportion was 4.384%, which was a decrease of 0.055% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$29,996,725. At June 30, 2019, 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	\$ 16,045,411	\$ 538,404
Changes of assumptions	27,598,759	-
Net difference between projected and actual earnings on pension plan investments	14,276,714	-
Changes in proportion and differences between County contributions and proportionate share of contribution	120,257	696,148
County contributions subsequent to the measurement date	23,475,277	-
Total	<u>\$ 81,516,418</u>	<u>\$ 1,234,552</u>

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

\$23,475,277 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, 2020. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2020	\$ 27,608,572
2021	17,857,495
2022	3,141,048
2023	8,199,474
	<u>\$ 56,806,589</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	3.50 percent
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan actuary currently uses mortality rates based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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 return 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

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

class as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0 %	1.4 %
Global Equity	42.0	5.3
Real Estate	8.0	4.3
Alternatives	8.0	8.9
Credit	7.0	6.0
Inflation Protection	6.0	4.0
Total	<u>100.0 %</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2017 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 249,827,632	\$ 104,004,422	\$ (17,847,733)

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

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

The Library, Medic Agency and ABC Board's pension information is summarized as follows:

	Library	Medic Agency	ABC Board
Pension expense	\$ 1,897,827	\$ 3,670,078	\$ 682,604
Deferred outflows of resources- contributions subsequent to the measurement date	1,372,103	2,588,920	557,684
Deferred outflows of resources - other	3,522,157	8,175,966	1,332,116
Deferred inflows of resources	41,021	998,165	11,104
Pension liability	6,209,133	14,681,001	2,145,075

**b. Law Enforcement Officers' Special Separation Allowance**

***Plan 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 sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer 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.

All full-time County law enforcement officers are covered by the Separation Allowance; however, benefit eligibility is based on qualified and creditable service for unreduced retirement benefits. At December 31, 2017, the Separation Allowance's membership consisted of:

	County
Retirees	54
Active plan members	285
Total	339

***Summary of Significant Accounting Policies:***

***Basis of Accounting.*** The County has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is maintained on a modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

**Actuarial Assumptions**

The entry age normal actuarial cost method was used in the December 31, 2017 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.50 to 7.35 %, including inflation and productivity factor
Discount rate	3.64%

The discount rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index.

Mortality Rates are based on the RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by gender.

The actuarial assumptions used in December 31, 2017 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2014.

**Contributions**

The County is required by Article 12D of N.C.G.S. 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. 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. The County paid \$1,247,449 as benefits came due for the reporting period.

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

At June 30, 2019, the County reported a total pension liability of \$17,228,128. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was rolled forward to December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of \$1,309,563.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,035,610	\$ -
Changes of assumptions and other inputs	484,523	543,526
Benefit payments and administrative expenses subsequent to the measurement date	681,908	-
Total	<u>\$ 2,202,041</u>	<u>\$ 543,526</u>

\$681,908 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

decrease of the total pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2020	\$ 290,836
2021	290,836
2022	310,768
2023	84,167
	<u>\$ 976,607</u>

*Sensitivity of the County's total pension liability to changes in the discount rate.* The following presents the County's total pension liability calculated using the discount rate of 3.64 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64 percent) or 1-percentage-point higher (4.64 percent) than the current rate:

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Total pension liability	\$ 18,331,315	\$ 17,228,128	\$ 16,199,743

**Schedule of Changes in Total Pension Liability  
Law Enforcement Officers' Special Separation Allowance**

	<u>2019</u>
Beginning Balance	\$ 16,851,252
Service Cost	503,264
Interest	513,769
Differences between expected and actual experience	1,065,382
Changes of assumptions or other inputs	(520,043)
Benefit payments	<u>(1,185,496)</u>
Net pension obligation end of year	<u>\$ 17,228,128</u>

*Changes of Assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 3.16% at June 30, 2018 to 3.64 at June 30, 2019.

*Changes in Benefit Terms.* Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

The plan currently uses mortality tables that vary by age, 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.



MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

December 31, 2017 is the actuarial valuation date upon which the Total Pension Liability (TPL) is based. The result was rolled forward using standard actuarial techniques to the Measurement Date. The roll forward calculation adds the annual normal cost (also called the service cost), subtracts the actual benefit payments for the plan year and then applies interest for the year. The procedure used to determine the TPL as of December 31, 2018 is shown in the following table:

TPL Roll Forward	(1)	(2)	(3)
	Development of TPL for Year Ending 2017	Development of TPL for Year Ending 2018 Prior to Assumption Change	Development of TPL for Year Ending 2018 After Assumption Change
(a) Interest rate	3.16%	3.16%	3.64%
(b) Valuation date for measurement	December 31, 2016	December 31, 2017	December 31, 2017
(c) TPL as of December 31, 2017	\$ 16,851,252	\$ 17,883,999	\$ 17,342,884
(d) Entry Age Normal Cost for the period January 1, 2018 - December 31, 2018 at the end of the year	503,264	503,264	461,035
(e) Actual benefit payments for the period January 1, 2018 - December 31, 2018	1,185,496	1,185,496	1,185,496
(f) TPL as of December 31, 2018 = [c * (1 + a)] + d - [e * (1 + a * .5)]	16,682,789	17,748,171	17,228,128
(g) Experience actuarial (gain)/loss	-	1,065,382	-
(h) Discount rate change (gain)/loss	-	-	(520,043)

**c. Supplemental Retirement Income Plan**

*Plan Description.* The County and ABC Board contribute to the Supplemental Retirement Income Plan (Plan), 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 ABC Board and to non-law enforcement full time employees of the ABC Board. Article 5 of N.C.G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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 N.C.G.S. Chapter 143 requires the County and ABC Board to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. In addition, the ABC Board voluntarily contributed 3% of each officer's salary with an additional 1% match for employee participation in 2019 and 2018. Also, law enforcement officers may make voluntary contributions to the Plan. For County officers, all contributions were provided by the County and the total amount for the year ended June 30, 2019 was \$1,043,611 compared to \$934,181 for the year ended June 30, 2018. Contributions for the ABC Board for the years ended June 30, 2019 and 2018, were \$152,707 and

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

\$142,615 respectively, which consisted of \$91,784 for 2019 and \$89,547 for 2018 from the ABC Board and \$60,923 for 2019 and \$53,068 for 2018 from the law enforcement officers' voluntary contributions.

For non-law enforcement full-time employees, the ABC Board voluntarily contributes each month an amount equal to 5% with a 1% match for employee participation in 2018 and 2017 of each employee's salary, respectively. Non-law enforcement employees, also, may make voluntary contributions to the plan. Total contributions for the years ended June 30, 2019 and 2018 were \$603,195 and \$544,194, respectively, which consisted of \$351,037 for 2019 and \$326,913 for 2018 from the ABC Board and \$252,158 for 2019 and \$217,281 for 2018 from the non-law enforcement employee's voluntary contributions.

**d. Register of Deeds' Supplemental Pension Fund**

*Plan Description.* The County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of N.C.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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$63,587 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported an asset of \$1,274,425 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2018, the County's proportion was 7.69%, which was a decrease of 0.53% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$325,585. At June 30, 2019, 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	\$ 11,234	\$ 58,170
Change of assumptions	59,939	-
Net difference between projected and actual earnings on pension plan investments	203,132	-
Changes in proportion and differences between County contributions and proportionate share of contributions	99,039	18,876
County contributions subsequent to the measurement date	63,587	-
Total	<u>\$ 436,931</u>	<u>\$ 77,046</u>

\$63,587 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, 2020. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2020	\$ 151,358
2021	53,531
2022	59,863
2023	31,546
	<u>\$ 296,298</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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 return and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2019 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (1,004,813)	\$ (1,274,425)	\$ (1,501,795)

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

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

## 11. Supplemental Retirement Plans

The County, Library and Medic Agency offer their employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and a 401(k) supplemental retirement income plan through the State of North Carolina that is also in compliance with the Internal Revenue Code. All regular, full-time and part-time employees are eligible to participate in one or both plans.

The deferred compensation plan permits participants to defer a portion of their salaries to future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The County, Library and Medic Agency have complied with changes in the laws which govern deferred compensation plans, requiring all assets of the plan to be held in trust for the exclusive benefit of the participants and their beneficiaries. The 401(k) supplemental retirement income plan allows eligible participants to contribute up to the maximum allowable under the law as a percentage of base salary.

In fiscal years 2019 and 2018 the County, Library, and Medic matched 100% of the first 5%, of each participant's total annual contribution. Total contributions to the plan by the County were \$10,679,793 and \$10,046,067, respectively, for years ended June 30, 2019 and 2018. The Library total contributions were \$554,199 and \$568,296, respectively, for years ended June 30, 2019 and 2018. Contributions by the Medic Agency for June 30, 2019 and 2018 were \$998,452 and \$944,763, respectively.

## 12. Postemployment Healthcare Benefit Plans

### Plan Description

*Plan Administration.* Under the terms of a County resolution, the County administers a single-employer defined benefit plan (Plan) that is used to provide postemployment healthcare benefits for all retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least ten years of creditable service. Employees must have been initially employed with the County on or before July 1, 2010 to be eligible for this benefit. The Plan is available to qualified retirees until the death of the retiree. Following the retiree's death, the retiree's spouse or domestic partner can continue the coverage until the age of 65 or until Medicare eligible, whichever is sooner. As of July 1, 2010, the Plan is closed to new entrants. The Plan has a June 30, 2019 year end and does not issue a stand-alone report.

*Plan Membership.* Membership in the Plan as of January 1, 2019, the date of the latest actuarial valuation was:

Inactive plan members or beneficiaries currently receiving benefit payments	1,708
Inactive plan members entitled to but not yet receiving benefit payments	649
Active plan members	<u>2,163</u>
Total	<u><u>4,520</u></u>

*Benefits Provided pre-65.* The Plan pays the full costs of medical insurance premiums for employees under the age of 65 retiring with twenty or more years of creditable service with the County. Employees under the age of 65 retiring with 10 through 19 years of creditable service with the County receive 50% of the costs of their medical insurance premium. Retirees can purchase medical insurance coverage for their dependents at the County's group rate.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

*Benefits Provided post-65.* Medicare eligible retirees and dependents may participate in the County's Medicare Supplemental Medical Plan. The plan pays the full cost of the premiums for retirees with twenty or more years of creditable service and 50% of the costs of premiums for those with 10-19 years of creditable service. Retirees are responsible for paying the full premium for eligible dependents. If the Medicare eligible retiree opts out of the County's Medicare supplemental medical plan, the Plan will reimburse the retiree up to the same amount the County would have contributed towards their individual premiums if they had been in the County's plan.

*Contributions.* Contributions to be paid by Plan members are established by the Board of County Commissioners, which also has the authority to amend the program. Rates are established based on an actuarially determined rate. For 2019, retiree annual contribution rates are:

	Pre-Medicare PPO	Pre-Medicare HSA	Medicare Eligible
20 or more years of service:			
Retiree	\$ -	\$ -	\$ -
Spouse	4,445	3,273	4,445 - 5,124
10 to 19 years of service:			
Retiree	5,011	4,924	3,807
Spouse	4,445	3,273	4,445 - 5,124

The County contributes to the Plan on a pay-as-you-go basis with an additional amount to prefund benefits as determined annually by the Board of Commissioners. The County contributed \$16,934,261 for fiscal year 2019. The Plan is accounted for as a trust fund.

### Investments

*Investment policy.* The Plan's policy regarding the allocation of invested assets can be established and may be amended by the Board of Commissioners by a majority vote of its members. As of June 30, 2019, the Board of Commissioners has not established an investment policy.

The County makes cash contributions to the Trust throughout the year. The Contributions are deposited with the State Treasurer for investment pursuant to General Statute 147-69.2. The Trustee is responsible for maintaining records and accounts for the assets of the Trust.

The target asset allocation for each major class, as provided by the Plan are summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return
Equity Index	65.0%	5.39%
Bond Index	10.0%	0.98%
Short Term Investment Fund	<u>25.0%</u>	0.20%
	<u>100.0%</u>	

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

*Rate of return.* For the year ended June 30, 2019, the annual money weighted rate of return on investments, net of investment expense, was 19.61%. The money-weight rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net OPEB Liability of the County**

The components of the net OPEB liability of the County as of June 30, 2019, were as follows:

Total OPEB Liability	\$ 699,271,045
Plan Fiduciary Net Position	<u>146,472,650</u>
Net OPEB Liability	\$ 552,798,395

Plan fiduciary net position as a percentage of the total OPEB liability	20.95%
--	--------

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of January 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.10%
Salary increases	3.50 to 7.75%, including inflation and productivity factor
Healthcare cost trend rates:	
Pre-Medicare	7.80% for 2019, decreasing to an ultimate rate of 4.81% in 2056
Medicare	9.20% for 2019, decreasing to an ultimate rate of 4.79% in 2056
Mortality rates:	
Employees & Healthy Annuitants	PUB-2010 Amounts-Weighted General Employees Healthy Annuitants Mortality Table with Improvements by Scale MP2018
Disabled Members	PUB-2010 Amounts-Weighted General Employees Disabled Retirement Mortality Table with Generational Improvements by Scale MP2018
Survivor Beneficiaries	PUB-2010 Amounts-Weighted General Employees Survivor Beneficiary Mortality Table with Generational Improvements by Scale MP2018

The total OPEB liability was rolled forward to June 30, 2019, utilizing update procedures incorporating the actuarial assumptions.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges 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. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30 are presented above.

*Discount rate.* The discount rate used to measure the total OPEB liability at June 30, 2019 was 4.31 % which was a change from the discount rate of 4.47% at June 30, 2018. However, because the OPEB plan's fiduciary net position was not projected to be sufficient to make all future benefit payments, the discount rate incorporates a municipal bond rate which was 3.50% as of June 30, 2019 per the Bond Buyer General Obligation 20 year-Bond Municipal Bond Index. As of June 30, 2018, the Bond Buyer General Obligation 20 year-Bond Municipal Bond Index was 3.87%.

*Sensitivity of the net OPEB liability to changes in the discount rate.* The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current discount rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Net OPEB liability	\$ 696,278,718	\$ 552,798,395	\$ 441,233,677

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were to calculate healthcare cost trend rates for employees that are pre-65 and post-65. This table presents the trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	Healthcare Cost		
	1% Decrease (6.80%/8.20% decreasing to 3.81%/3.79%)	Trend Rate (7.80%/9.20% decreasing to 4.81%/4.79%)	1% Increase (8.80%/10.20% decreasing to 5.81%/5.79%)
Net OPEB liability	\$ 427,704,824	\$ 552,798,395	\$ 715,657,039

*Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.* At June 30, 2019, the County reported a net OPEB liability of \$552,798,395. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2019, utilizing update procedures incorporating the actuarial assumptions.



MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

At June 30, 2019, the components of the net OPEB liability of the County, measured as of June 30, 2019, were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2018	\$ 681,702,990	\$ 131,117,440	\$ 550,585,550
Changes for the Fiscal Year:			
Service cost	15,371,759	-	15,371,759
Interest	30,940,484	-	30,940,484
Difference between expected and actual experience	(14,026,489)	-	(14,026,489)
Changes of assumptions	(4,821,705)	-	(4,821,705)
Benefit payments	(9,895,994)	(9,895,994)	-
Contributions	-	17,895,994	(17,895,994)
Net investment income	-	8,062,816	(8,062,816)
Administrative expense	-	(707,606)	707,606
Net changes	17,568,055	15,355,210	2,212,845
Balance at June 30, 2019	<u>\$ 699,271,045</u>	<u>\$ 146,472,650</u>	<u>\$ 552,798,395</u>

For the year ended June 30, 2019, the County recognized OPEB expense of \$31,991,572. At June 30, 2019, 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
Difference between expected and actual experience	\$ 3,225,111	\$ 11,029,376
Changes of assumptions	-	13,456,129
Net difference between projected and actual earnings on OPEB plan investments	-	578,014
Total	<u>\$ 3,225,111</u>	<u>\$ 25,063,519</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	
2020	\$ (6,272,372)
2021	(6,272,372)
2022	(6,272,372)
2023	(3,021,292)
	<u>\$ (21,838,408)</u>

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

The Library provides full cost of coverage for postemployment healthcare benefits paid to qualified retirees with 20 years of credited service and 50% of the cost to qualified retirees with 10-20 years of credited service. Funding for these costs is included in budgeted appropriations in the annual budget. The Library's total OPEB liability of \$63,786,933 was measured as of June 30, 2018 and was determined by an actuarial valuation as of January 1, 2018. Complete information regarding the Library's postemployment benefits appears in the separately issued June 30, 2019 Library financial statements.

Medic Agency provides the full cost of post-employment healthcare benefits to qualified retirees with 20 years of credited service and 50% of the cost of post-employment healthcare benefits to qualified retirees with 10 - 20 years of credited service. Effective June 1, 2010 the plan was closed to new entrants. Medic's total OPEB liability of \$54,407,443 was measured as of June 30, 2018 and was determined by an actuarial valuation as of January 1, 2018. Complete information regarding Medic Agency's post-employment healthcare benefits appears in Medic Agency's separately issued June 30, 2019 financial statements.

The ABC Board provides retiree health benefits under the ABC Board Retiree Benefit Plan. The Plan covers major medical benefits for covered members and provides an unlimited annual benefit per covered individual not eligible for Medicare and \$50,000 per covered individual who is Medicare eligible for those who have already elected to participate; however, this \$50,000 coverage plan is no longer open to those not already enrolled in it. Medicare eligible retirees retiring after November 18, 2009 do not have the option of remaining on the Board's retiree health plan, but instead are eligible to receive a reimbursement stipend for private coverage. As of June 30, 2019, the most recent valuation date, the plan was not funded. The net OPEB obligation of \$7,135,161 is recorded as a liability in the statements of net position and included in accrued salaries, wages and related costs. Complete information regarding the ABC Board's post-employment healthcare benefits appears in the ABC Board's separately issued June 30, 2019 financial statements.

### **13. Other Employment Benefits**

Under the Consolidated Omnibus Budget and Reconciliation Act of 1985 (COBRA), the County allows terminated employees to continue their enrollment in their health care insurance program for up to 18 months following termination. Continuation of coverage by the terminated employee is optional for the employee who has up to 60 days following termination to decide. There is no cost to the County and the terminated employee must pay the full premium amount plus a two percent administrative fee.

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 month's salary in a row during the 24 months prior to death, but the benefit may not exceed \$50,000 or be less than \$25,000. 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.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

#### 14. Risk Management

The County's Risk Management Program is a self-funded, risk-financing program administered by the City of Charlotte's Finance Department's Risk Management Division, as trustee for the County. As of June 30, 2019, the program covered the following areas of risk: Commercial Automobile Liability, Fidelity Bonds, Inland Marine, Commercial General Liability, Public Official Liability, Law Enforcement, Medical Professional Liability, Property, Workers' Compensation, Network Security and Drone Liability. The fidelity bonds are maintained at the system levels for all applicable employees. The County will finance its own loss exposures up to the first \$1,500,000 per occurrence per year with a separate reserve held in trust for the County and current appropriations in the County budget except for property exposures and Workers' Compensation exposures as described below. Amounts in this reserve are specifically designated by entity. The Risk Management Office accrues for claims incurred but not reported based on prior historical data. This accrual reduces the amount available in the separate trust. Property exposures over \$100,000 and Workers' Compensation exposures over \$900,000 are insured. Law Enforcement exposures over \$1,500,000 are insured up to \$6,500,000 and public official liability exposures over \$250,000 are insured up to \$4,750,000. The County has purchased excess insurance to cover automobile and general liability exposures in amounts up to \$21,500,000 above the trust coverage amount. The Cyber Liability policy covers up to \$10,000,000 per occurrence. The Finance Officer is bonded for \$250,000 and Tax Collector is bonded for \$100,000. There have been no significant reductions in insurance coverage from coverage levels in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

A summary of amounts relating to self-insurance in the General Fund is as follows:

	2019	2018
Accounts payable and accrued liabilities - beginning of fiscal year	\$ 30,703,906	\$ 26,412,117
Additions	7,813,659	12,007,036
Payments	(4,267,362)	(7,715,247)
Accounts payable and accrued liabilities - end of fiscal year	<u>\$ 34,250,203</u>	<u>\$ 30,703,906</u>

#### 15. Closure and Post-closure Care Costs – U. S. 521 Landfill

State and federal laws require the County to place a final cover on its U.S. 521 Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 25 years after closure. Although closure and post-closure care costs will only be paid near or after the date the landfill stops accepting waste, the County reports a portion of these costs as an operating expense each fiscal year based on the landfill capacity used as of the balance sheet date. The accrued landfill development and post-closure care liability of \$11,869,916 as of June 30, 2019 is based on the use of 74% of the total estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post-closure care of \$5.3 million as the remaining estimated capacity is filled. This amount is based on the current costs to perform closure and post-closure care in fiscal year 2019. The County expects to close the U.S. 521 landfill in 2030. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

The County has met the requirements of a local government financial test that is one option under state and federal laws and regulations which helps determine if a unit is financially able to meet closure and post-closure care requirements. However, the County has also elected to establish a reserve fund to accumulate resources

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

for the payment of future use development costs which has a balance as of June 30, 2019 of \$2,195,056. The County expects that future inflation costs will be paid from the interest earnings on these contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined, these costs may need to be covered by charges to future landfill users.

## **16. Commitments and Contingencies**

The County participates in a number of Federal and State of North Carolina grant programs, principally Social Services Administration, Temporary Assistance to Needy Families, Mental Health Area Matching Funds, and Medical Assistance programs. For the fiscal year ended June 30, 2019, these programs were audited in accordance with the OMB Uniform Guidance and the State Single Audit Act, N.C.G.S. 159-34, which this report is issued separately. Any expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be insignificant.

Unexpended funds at June 30, 2019 are committed for various projects in accordance with related Capital Projects Ordinances. These funds are included in Restricted Net Position and are included in committed fund balance of the appropriate capital projects funds as disclosed in Note 1.k. The County reviews its potential liability for arbitrage rebate payments. As of June 30, 2019, the County had no potential liability.

The County is involved in various legal actions in the normal course of its business. In addition, the County has charges pending with the Equal Employment Opportunity Commission. The charges initiated by individuals alleging discriminatory hiring, promotion or termination practices, are not in litigation and there have been no class action threats. Although the outcome of the above claims and the ultimate amount of compensation or penalties which might be awarded are not presently determinable, in the opinion of County management and the County Attorney, the results of the claims and resolution of legal actions will not have a materially adverse impact on the financial position of the County.

## **17. Jointly Governed Organization**

The County, in conjunction with seven other counties and 50 municipalities, established the Centralina Council of Governments (COG) (Region F). The participating governments established COG to coordinate funding received from various federal and state agencies. Each participating government appoints one member to COG's 58-member governing board. The County paid membership fees of \$252,851 to COG during fiscal year 2019.

## **18. Joint Ventures**

The County, along with the State of North Carolina, participates in a joint venture to operate Central Piedmont Community College (CPCC). The County, State of North Carolina and the Charlotte-Mecklenburg Board of Education make four appointments each to the 12-member board of trustees. CPCC is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of CPCC and provides some financial support for operations. In addition to providing annual appropriations for facilities, the County periodically issues general obligation bonds and certificates of participation to provide financing for new and restructured facilities. The County contributed \$36,765,175 for operations and \$78,531,270 for capital purposes during fiscal year 2019 and made debt service payments of \$11,051,142 in fiscal year 2019 on general obligation bonds and certificates of participation issued for CPCC. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest is reflected in the County's financial statements.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

Complete financial statements for CPCC may be obtained from the following address:

Central Piedmont Community College  
P.O. Box 35009  
Charlotte, NC 28235

The County, in conjunction with Catawba, Iredell and Lincoln Counties participates in a joint venture to operate the Lake Norman Marine Commission (the Commission). Each participating government appoints one board member, except Catawba County which appoints two members. The Commission was established to make joint regulations for the safe operation of vessels and for safe recreational use of the water. Each County is obligated to contribute an equal amount appropriate to support the activities of the Commission. The County provided \$31,000 to the Commission in fiscal year 2019. None of the participating governments has an equity interest in the Commission, so no equity interest has been reflected in the financial statements at June 30, 2019. Complete financial statements for the Commission may be obtained from the following address:

Lake Norman Marine Commission  
P.O. Box 35008  
Charlotte, NC 28235

In addition, the County, in conjunction with Gaston County and York County, South Carolina, participates in a joint venture to operate the Lake Wylie Marine Commission (the Commission). The County and York County each appoint two board members, and Gaston County appoints three members. The Commission was established to make joint regulations for preserving and protecting property and wildlife and promoting public safety. Each County is obligated to contribute an equal amount appropriate to support the activities of the Commission. The County provided \$25,000 to the Commission in fiscal year 2019. None of the participating governments has an equity interest in the Commission, so no equity interest has been reflected in the financial statements at June 30, 2019. Complete financial statements for the Commission may be obtained from the following address:

Lake Wylie Marine Commission  
P.O. Box 35008  
Charlotte, NC 28235

The Charlotte-Mecklenburg Historic Landmarks Commission (HLC) was established in 1973 by a resolution adopted by the City of Charlotte and the County. The fundamental purpose of the Commission is to recommend the designation of properties (real and personal) for historic landmark designation and to secure the preservation of same through exercising design review and through buying and selling endangered historic landmarks. The County appoints six of the 13 members of the HLC. The County provided \$27,125 to the HLC in fiscal year 2019 for operations for historic site preservation.

Charlotte-Mecklenburg Historic Landmarks Commission  
2100 Randolph Road  
Charlotte, NC 28207

## **19. Conduit Debt Obligation**

In December 2001, the County issued \$16,480,000 Multifamily Housing Revenue Bonds on behalf of Sycamore Green, LLC for the acquisition, construction and equipping of a low and moderate income multifamily rental

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

housing development. These bonds are secured by rents from the property and a letter of credit. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for the repayment of these bonds. Accordingly, the outstanding bonds in the amount of \$12,610,000 at June 30, 2019 are not reported as liabilities in the accompanying financial statements.

In May 2003, the County issued \$9,390,000 Multifamily Housing Revenue Bonds on behalf of LR Charlotte Limited Partnership for the acquisition, rehabilitation and equipping of a low and moderate income multifamily rental housing development. These bonds are secured by rents from the property and a letter of credit. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for the repayment of these bonds. Accordingly, the outstanding bonds in the amount of \$7,045,000 at June 30, 2019 are not reported as liabilities in the accompanying financial statements.

In September 2003, the County issued \$4,640,000 Multifamily Housing Revenue Bonds on behalf of BARRINGTON OAKS, LLC for the acquisition, rehabilitation and equipping of a low and moderate income multifamily rental housing development. These bonds are secured by rents from the property and a letter of credit. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for the repayment of these bonds. Accordingly, the outstanding bonds in the amount of \$3,395,000 at June 30, 2019 are not reported as liabilities in the accompanying financial statements.

## **20. Related Organization**

The Mecklenburg County Industrial Facilities and Pollution Control Financing Authority (the Authority) was created in 1976. The seven-member board is appointed by the Board of County Commissioners. The purpose of the Authority is to assist corporations in financing industrial and manufacturing facilities for the purpose of providing employment or increasing below-average manufacturing wages. Any financing that occurs is an obligation of the corporation, not an obligation of either the County or this Authority. Companies pay application fees which provide operating funds for the Authority.

## **21. Subsequent Event**

In September 2019, the County issued \$200,000,000 of General Obligation Public Improvement Bonds, Series 2019. The proceeds will be used to provide funds for schools and park and recreation facilities. The interest rates range from 2.25 to 5.00 percent with a maturity in 2040.

B - 1  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM  
 SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)  
 LAST SIX FISCAL YEARS

	2019	2018	2017	2016	2015	2014
County's proportion of the net pension asset (liability)	4.38%	4.44%	4.44%	4.41%	4.36%	(3.91%)
County's proportionate share of the net pension asset (liability)	\$ (104,004,422)	\$ (67,810,124)	\$ (94,129,590)	\$ (19,812,331)	\$ 25,698,614	\$ (47,122,077)
County's covered payroll	295,502,699	276,830,736	276,583,823	269,298,292	260,514,733	227,162,263
County's proportionate share of the net pension asset (liability) as a percentage of covered payroll	(35.20%)	(24.50%)	(34.03%)	(7.36%)	9.86%	(20.74%)
Plan fiduciary net position as a percentage of the total pension liability	92.00%	94.18%	91.47%	98.09%	102.47%	94.16%

**Notes:**

The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

B - 2  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM  
 SCHEDULE OF COUNTY CONTRIBUTIONS  
 LAST SIX FISCAL YEARS

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 23,475,277	\$ 21,678,528	\$ 19,702,009	\$ 18,127,297	\$ 18,316,876	\$ 17,873,069
Contributions in relation to the contractually required contribution	23,475,277	21,678,528	19,702,009	18,127,297	18,316,876	17,873,069
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 307,877,269	\$ 295,502,699	\$ 276,830,736	\$ 276,583,823	\$ 269,298,292	\$ 260,514,733
Contributions as a percentage of covered payroll	7.62%	7.34%	7.12%	6.55%	6.80%	6.86%

**Note:** This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available



B - 3  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
 SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND COVERED PAYROLL  
 LAST THREE FISCAL YEARS

	2019	2018	2017
Total pension liability			
Service cost, end of year	\$ 503,264	\$ 430,674	\$ 462,185
Interest	513,769	588,068	556,088
Differences between expected and actual experience	1,065,382	328,893	-
Changes of assumptions or other inputs	(520,043)	815,257	(303,040)
Benefit payments	<u>(1,185,496)</u>	<u>(1,093,108)</u>	<u>(1,020,940)</u>
Net change in total pension liability	376,876	1,069,784	(305,707)
Total pension liability, beginning	<u>16,851,252</u>	<u>15,781,468</u>	<u>16,087,175</u>
Total pension liability, ending	<u>\$ 17,228,128</u>	<u>\$ 16,851,252</u>	<u>\$ 15,781,468</u>
Covered payroll	\$ 19,021,791	\$ 18,408,846	\$ 18,886,807
Total pension liability as a percentage of covered payroll	90.57%	91.54%	83.56%

**Notes:**

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

Mecklenburg County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

B - 4  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 REGISTERS OF DEEDS' SUPPLEMENTAL PENSION FUND  
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)  
 LAST SIX FISCAL YEARS

	2019	2018	2017	2016	2015	2014
County's proportion of the net pension asset (liability)	7.69%	8.22%	7.98%	8.84%	8.99%	9.53%
County's proportionate share of the net pension asset (liability)	\$ 1,274,425	\$ 1,403,807	\$ 1,492,539	\$ 2,048,402	\$ 1,976,785	\$ 2,036,655
County's covered payroll	1,679,818	1,582,377	1,546,612	1,419,220	1,460,174	1,392,740
County's proportionate share of the net pension asset (liability) as a percentage of covered payroll	75.87%	88.72%	96.50%	144.33%	135.38%	146.23%
Plan fiduciary net position as a percentage of the total pension liability	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

**Notes:**

The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

B - 5  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 REGISTERS OF DEEDS' SUPPLEMENTAL PENSION FUND  
 SCHEDULE OF COUNTY CONTRIBUTIONS  
 LAST SIX FISCAL YEARS

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 63,587	\$ 72,460	\$ 64,845	\$ 65,218	\$ 70,729	\$ 71,206
Contributions in relation to the contractually required contribution	63,587	72,460	64,845	65,218	70,729	71,206
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 1,727,017	\$ 1,679,818	\$ 1,582,377	\$ 1,546,612	\$ 1,419,220	\$ 1,460,174
Contributions as a percentage of covered payroll	3.68%	4.31%	4.10%	4.22%	4.98%	4.88%

**Note:** This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

B - 6  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 POST EMPLOYMENT BENEFIT HEALTHCARE PLAN  
 SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
 LAST THREE FISCAL YEARS

	2019	2018	2017
Total OPEB Liability			
Service cost	\$ 15,371,759	\$ 16,224,734	\$ 18,951,671
Interest	30,940,484	28,140,256	29,961,191
Differences between expected and actual experience	(14,026,489)	5,234,527	656,173
Changes of assumptions	(4,821,705)	(15,686,325)	(79,679,340)
Benefit payments	(9,895,994)	(8,710,423)	(12,210,109)
Net change in total OPEB liability	17,568,055	25,202,769	(42,320,414)
Total OPEB liability, beginning	681,702,990	656,500,221	698,820,635
Total OPEB liability, ending	<u>\$ 699,271,045</u>	<u>\$ 681,702,990</u>	<u>\$ 656,500,221</u>
Plan fiduciary net position			
Contributions - employer	\$ 16,934,261	\$ 16,889,288	\$ 17,572,532
Net investment income	7,355,210	8,899,852	12,251,797
Benefit payments	(8,226,655)	(8,238,667)	(8,964,207)
Administrative expense	(707,606)	(650,621)	(608,325)
Net change in plan fiduciary net position	15,355,210	16,899,852	20,251,797
Plan fiduciary net position, beginning	131,117,440	114,217,588	93,965,791
Plan fiduciary net position, ending	<u>\$ 146,472,650</u>	<u>\$ 131,117,440</u>	<u>\$ 114,217,588</u>
County's net OPEB liability, ending	<u>\$ 552,798,395</u>	<u>\$ 550,585,550</u>	<u>\$ 542,282,633</u>
Plan fiduciary net position as a percentage of the total OPEB liability	20.95%	19.23%	17.40%
Covered payroll	\$ 306,064,456	\$ 293,645,845	\$ 262,111,497
County's net OPEB liability as a percentage of covered payroll	180.62%	187.50%	206.89%

Note: This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

B - 7  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 POST EMPLOYMENT BENEFIT HEALTHCARE PLAN  
 SCHEDULE OF INVESTMENT RETURNS  
 LAST THREE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of Investment expense	19.61%	23.18%	32.76%

**Notes:**

Valuation date: 1/1/2019

Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization period	25 years
Asset valuation method	Fair market value of assets
General Inflation	2.10%
Healthcare cost trend rate	Pre-65: 7.80% graded to 4.81% over 43 years Post-65: 9.20% graded to 4.79% over 43 years
Salary increases	Service based and range from 7.75% in the first year of hire to 3.50% at 25 years of service
Expected return on assets	6.50%
Retirement age	Active employees are assumed to retire based on assumed age and service based retirement decrements that best reflect anticipated experience.

Mortality rate - healthy & disabled  
 Employees & healthy annuitants

PUB-2010 Amounts-weighted general employees and healthy annuitants mortality table with generational improvements by scale MP2018.

Disabled members

PUB-2010 Amounts-weighted general employees disabled retirement mortality table with generational improvements by scale MP2018.

Survivor beneficiaries

PUB-2010 Amounts-weighted general employees survivor beneficiary mortality table with generational improvements by scale MP2018.

This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

B - 8  
MECKLENBURG COUNTY, NORTH CAROLINA  
POST EMPLOYMENT BENEFIT HEALTHCARE PLAN  
SCHEDULE OF COUNTY CONTRIBUTIONS  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2019	\$ 47,050,382	\$ 16,934,261	\$ 30,116,121	\$ 306,064,456	5.533 %
2018	48,329,416	16,889,288	31,440,128	293,645,845	5.752
2017	53,682,873	20,210,108	33,472,765	278,208,991	7.264
2016	54,253,805	19,487,425	34,766,380	262,111,497	7.435
2015	46,801,044	17,064,513	29,736,531	269,298,292	6.337
2014	39,000,835	16,593,244	22,407,591	260,514,733	6.369
2013	48,983,161	15,476,590	33,506,571	227,162,263	6.813
2012	39,173,259	15,663,056	23,510,203	210,482,384	7.442
2011	32,253,235	6,788,811	25,464,424	214,550,188	3.164
2010	16,715,993	16,002,628	713,365	214,800,000	7.450

C-1  
MECKLENBURG COUNTY, NORTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 48,620,931	\$ 89,285,354	\$ 137,906,285
Interest receivable	123,647	-	123,647
Accounts receivable	17,562,284	6,356,927	23,919,211
Taxes receivable	544,565	-	544,565
Less allowance for uncollectible taxes	(102,490)	-	(102,490)
Restricted cash and investments	-	197,257,362	197,257,362
Total assets	<u>\$ 66,748,937</u>	<u>\$ 292,899,643</u>	<u>\$ 359,648,580</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 16,924,012	\$ 32,592,792	\$ 49,516,804
Due to other funds	88,615	8,876,777	8,965,392
Total Liabilities	<u>17,012,627</u>	<u>41,469,569</u>	<u>58,482,196</u>
DEFERRED INFLOWS OF RESOURCES	<u>442,075</u>	-	<u>442,075</u>
<b>Fund Balances</b>			
<b>Restricted:</b>			
Stabilization by State Statute	22,105,239	23,774,886	45,880,125
Land Use and Environmental Services	2,035,497	-	2,035,497
Detention and Court Support Services	5,753,045	-	5,753,045
Capital Projects	-	186,240,808	186,240,808
<b>Committed:</b>			
Land Use and Environmental Services	30,449,506	-	30,449,506
Public Safety	1,844,113	-	1,844,113
Fire Protection	2,654,012	-	2,654,012
Capital Projects	-	63,242,590	63,242,590
Unassigned:	<u>(15,547,177)</u>	<u>(21,828,210)</u>	<u>(37,375,387)</u>
Total fund balances	<u>49,294,235</u>	<u>251,430,074</u>	<u>300,724,309</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 66,748,937</u>	<u>\$ 292,899,643</u>	<u>\$ 359,648,580</u>

C-2  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES			
Law Enforcement Service District taxes	\$ 17,315,448	\$ -	\$ 17,315,448
Transit one-half cent sales tax	58,381,116	-	58,381,116
Fire Service Districts taxes	5,964,595	-	5,964,595
Intergovernmental	2,839,069	3,139,777	5,978,846
Charges for services	19,639,960	990,939	20,630,899
Interest earned on investments	717,804	86,346	804,150
Other	11,700	1,101,995	1,113,695
Total revenues	<u>104,869,692</u>	<u>5,319,057</u>	<u>110,188,749</u>
EXPENDITURES			
Land Use and Environmental Services	13,063,855	-	13,063,855
Detention and Court Support Services	462,257	-	462,257
Public Safety	21,321,949	-	21,321,949
Business Partners	58,381,116	-	58,381,116
Debt Service:			
Principal	52,456	-	52,456
Capital outlay	<u>13,613,467</u>	<u>200,387,948</u>	<u>214,001,415</u>
Total expenditures	<u>106,895,100</u>	<u>200,387,948</u>	<u>307,283,048</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,025,408)</u>	<u>(195,068,891)</u>	<u>(197,094,299)</u>
OTHER FINANCING SOURCES (USES)			
General obligation bonds issued	-	150,000,000	150,000,000
Premium on debt issued	-	11,433,857	11,433,857
Sale of capital assets	5,310	9,096,935	9,102,245
Transfers in	6,282,086	59,292,164	65,574,250
Transfers out	<u>(147,269)</u>	<u>-</u>	<u>(147,269)</u>
Total other financing sources (uses)	<u>6,140,127</u>	<u>229,822,956</u>	<u>235,963,083</u>
NET CHANGE IN FUND BALANCE	4,114,719	34,754,065	38,868,784
FUND BALANCES - BEGINNING OF YEAR	<u>45,179,516</u>	<u>216,676,009</u>	<u>261,855,525</u>
FUND BALANCES - END OF YEAR	<u>\$ 49,294,235</u>	<u>\$ 251,430,074</u>	<u>\$ 300,724,309</u>



C-3  
MECKLENBURG COUNTY, NORTH CAROLINA  
COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
JUNE 30, 2019

	Storm Water Management	Law Enforcement Service District	Transit One-half Cent Sales Tax	Scrap Tire Disposal	Discarded White Goods	Register of Deeds	Fire Service Districts	Child Support Reinvestment	Total Special Revenue
<b>ASSETS</b>									
Cash and investments	\$ 34,490,709	\$ 2,201,425	\$ -	\$ 1,311,153	\$ 23,658	\$ 2,050,526	\$ 2,754,284	\$ 5,789,176	\$ 48,620,931
Interest receivable	114,869	4,523	-	4,255	-	-	-	-	123,647
Accounts receivable	1,575,710	116,898	15,436,555	390,123	-	-	42,998	-	17,562,284
Taxes receivable	-	442,063	-	-	-	-	102,502	-	544,565
Less allowance for uncollectible taxes	-	(91,800)	-	-	-	-	(10,690)	-	(102,490)
Total assets	<u>\$ 36,181,288</u>	<u>\$ 2,673,109</u>	<u>\$ 15,436,555</u>	<u>\$ 1,705,531</u>	<u>\$ 23,658</u>	<u>\$ 2,050,526</u>	<u>\$ 2,889,094</u>	<u>\$ 5,789,176</u>	<u>\$ 66,748,937</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities									
Accounts payable and accrued liabilities	\$ 782,261	\$ (1,426)	\$ 15,436,555	\$ 632,283	\$ 18,099	\$ 21,844	\$ (290)	\$ 34,686	\$ 16,924,012
Due to other Funds	-	88,615	-	-	-	-	-	-	88,615
Total Liabilities	<u>782,261</u>	<u>87,189</u>	<u>15,436,555</u>	<u>632,283</u>	<u>18,099</u>	<u>21,844</u>	<u>(290)</u>	<u>34,686</u>	<u>17,012,627</u>
DEFERRED INFLOWS OF RESOURCES	-	350,263	-	-	-	-	91,812	-	442,075
Fund Balances									
Restricted:									
Stabilization by State Statute	5,402,666	492,984	15,436,555	586,997	5,559	26,291	152,742	1,445	22,105,239
Land Use and Environmental Services	33,106	-	-	-	-	2,002,391	-	-	2,035,497
Detention and Court Support Services	-	-	-	-	-	-	-	5,753,045	5,753,045
Committed:									
Land Use and Environmental Services	29,963,255	-	-	486,251	-	-	-	-	30,449,506
Public Safety	-	1,844,113	-	-	-	-	-	-	1,844,113
Fire Protection	-	-	-	-	-	-	2,654,012	-	2,654,012
Unassigned:	-	(101,440)	(15,436,555)	-	-	-	(9,182)	-	(15,547,177)
Total Fund Balances	<u>35,399,027</u>	<u>2,235,657</u>	<u>-</u>	<u>1,073,248</u>	<u>5,559</u>	<u>2,028,682</u>	<u>2,797,572</u>	<u>5,754,490</u>	<u>49,294,235</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 36,181,288</u>	<u>\$ 2,673,109</u>	<u>\$ 15,436,555</u>	<u>\$ 1,705,531</u>	<u>\$ 23,658</u>	<u>\$ 2,050,526</u>	<u>\$ 2,889,094</u>	<u>\$ 5,789,176</u>	<u>\$ 66,748,937</u>

C-4  
MECKLENBURG COUNTY, NORTH CAROLINA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	Storm Water Management	Law Enforcement Service District	Transit One-half Cent Sales Tax	Scrap Tire Disposal	Discarded White Goods	Register of Deeds	Fire Service Districts	Child Support Reinvestment	Total Special Revenue
REVENUES									
Law Enforcement Service District taxes	\$ -	\$ 17,315,448	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,315,448
Transit one-half cent sales tax	-	-	58,381,116	-	-	-	-	-	58,381,116
Fire Service Districts taxes	-	-	-	-	-	-	5,964,595	-	5,964,595
Intergovernmental	432,289	-	-	1,495,072	228,471	-	-	683,237	2,839,069
Charges for services	19,066,056	-	-	-	-	573,904	-	-	19,639,960
Interest earned on investments	676,821	26,512	-	14,471	-	-	-	-	717,804
Other	11,700	-	-	-	-	-	-	-	11,700
Total revenues	<u>20,186,866</u>	<u>17,341,960</u>	<u>58,381,116</u>	<u>1,509,543</u>	<u>228,471</u>	<u>573,904</u>	<u>5,964,595</u>	<u>683,237</u>	<u>104,869,692</u>
EXPENDITURES									
Land Use and Environmental Services	9,767,334	-	-	2,290,759	366,172	639,590	-	-	13,063,855
Detention and Court Support Services	-	-	-	-	-	-	-	462,257	462,257
Public Safety	-	15,983,355	-	-	-	-	5,338,594	-	21,321,949
Business Partners	-	-	58,381,116	-	-	-	-	-	58,381,116
Debt Service:									
Principal	52,456	-	-	-	-	-	-	-	52,456
Capital outlay	<u>13,486,755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,732</u>	<u>-</u>	<u>-</u>	<u>9,980</u>	<u>13,613,467</u>
Total expenditures	<u>23,306,545</u>	<u>15,983,355</u>	<u>58,381,116</u>	<u>2,290,759</u>	<u>482,904</u>	<u>639,590</u>	<u>5,338,594</u>	<u>472,237</u>	<u>106,895,100</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(3,119,679)</u>	<u>1,358,605</u>	<u>-</u>	<u>(781,216)</u>	<u>(254,433)</u>	<u>(65,686)</u>	<u>626,001</u>	<u>211,000</u>	<u>(2,025,408)</u>
OTHER FINANCING SOURCES (USES)									
Sale of capital assets	5,310	-	-	-	-	-	-	-	5,310
Transfers in	43,596	-	-	695,000	-	-	-	5,543,490	6,282,086
Transfers out	<u>(147,269)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(147,269)</u>
Total other financing sources (uses)	<u>(98,363)</u>	<u>-</u>	<u>-</u>	<u>695,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,543,490</u>	<u>6,140,127</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>(3,218,042)</u>	<u>1,358,605</u>	<u>-</u>	<u>(86,216)</u>	<u>(254,433)</u>	<u>(65,686)</u>	<u>626,001</u>	<u>5,754,490</u>	<u>4,114,719</u>
FUND BALANCES - BEGINNING OF YEAR	<u>38,617,069</u>	<u>877,052</u>	<u>-</u>	<u>1,159,464</u>	<u>259,992</u>	<u>2,094,368</u>	<u>2,171,571</u>	<u>-</u>	<u>45,179,516</u>
FUND BALANCES - END OF YEAR	<u>\$ 35,399,027</u>	<u>\$ 2,235,657</u>	<u>\$ -</u>	<u>\$ 1,073,248</u>	<u>\$ 5,559</u>	<u>\$ 2,028,682</u>	<u>\$ 2,797,572</u>	<u>\$ 5,754,490</u>	<u>\$ 49,294,235</u>

C-5  
MECKLENBURG COUNTY, NORTH CAROLINA  
COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS  
JUNE 30, 2019

	Capital Projects	Certificates of Participation	Capital Reserve	Other Capital Funding	Total Capital Projects
<b>ASSETS</b>					
Cash and investments	\$ -	\$ -	\$ 87,621,600	\$ 1,663,754	\$ 89,285,354
Accounts receivable	-	50,322	1,286,891	5,019,714	6,356,927
Restricted cash and investments	196,992,031	265,331	-	-	197,257,362
Total assets	<u>\$ 196,992,031</u>	<u>\$ 315,653</u>	<u>\$ 88,908,491</u>	<u>\$ 6,683,468</u>	<u>\$ 292,899,643</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 23,938,561	\$ -	\$ 7,682,785	\$ 971,446	\$ 32,592,792
Due to other funds	8,876,777	-	-	-	8,876,777
Total liabilities	<u>32,815,338</u>	<u>-</u>	<u>7,682,785</u>	<u>971,446</u>	<u>41,469,569</u>
<b>Fund Balances</b>					
<b>Restricted:</b>					
Stabilization by State Statute	29,426	50,322	14,882,132	8,813,006	23,774,886
Capital Projects	185,975,477	265,331	-	-	186,240,808
<b>Committed:</b>					
Capital Projects	-	-	66,343,574	(3,100,984)	63,242,590
<b>Unassigned:</b>	<u>(21,828,210)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,828,210)</u>
Total fund balances	<u>164,176,693</u>	<u>315,653</u>	<u>81,225,706</u>	<u>5,712,022</u>	<u>251,430,074</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 196,992,031</u>	<u>\$ 315,653</u>	<u>\$ 88,908,491</u>	<u>\$ 6,683,468</u>	<u>\$ 292,899,643</u>

MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
CAPITAL IMPROVEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

	Capital Projects	Certificates of Participation	Capital Reserve	Other Capital Funding	Total Capital Projects
Project Authorization	\$ 736,791,159	\$ 681,951,412	\$ 309,206,757	\$ 346,749,388	\$ 2,074,698,716
Prior Year's Revenues	782,753,063	679,507,345	310,956,128	189,830,073	1,963,046,609
Prior Year's Expenditures	640,604,886	679,191,692	243,533,087	183,040,935	1,746,370,600
Fund Balances - Beginning of Year	142,148,177	315,653	67,423,041	6,789,138	216,676,009
<b>REVENUES</b>					
Intergovernmental					
Federal	-	-	2,684	1,890,090	1,892,774
State	-	-	721	1,246,282	1,247,003
Charges for services	-	-	990,939	-	990,939
Interest earned on investments	86,346	-	-	-	86,346
Other	-	-	92,660	1,009,335	1,101,995
Total revenues	86,346	-	1,087,004	4,145,707	5,319,057
<b>EXPENDITURES</b>					
Management Services					
County Buildings	-	-	15,810,211	-	15,810,211
Land Use and Environmental Services					
Community Development	-	-	-	593,646	593,646
Historic Preservation	-	-	-	843,241	843,241
Community Services					
Park and Recreation Facilities	141,542	-	7,523,657	3,785,936	11,451,135
Library Facilities	-	-	1,516,417	-	1,516,417
Detention and Court Support Services					
Court Facilities	-	-	2,286,910	-	2,286,910
Jail / Detention Facilities	-	-	3,172,228	-	3,172,228
Business Partners					
Community College Facilities	66,790,667	-	3,349,126	-	70,139,793
School Facilities	72,559,478	-	22,014,889	-	94,574,367
Total expenditures	139,491,687	-	55,673,438	5,222,823	200,387,948
REVENUES UNDER EXPENDITURES	(139,405,341)	-	(54,586,434)	(1,077,116)	(195,068,891)
<b>OTHER FINANCING SOURCES (USES)</b>					
General obligation bonds issued	150,000,000	-	-	-	150,000,000
Premium on debt issued	11,433,857	-	-	-	11,433,857
Sale of capital assets	-	-	9,096,935	-	9,096,935
Transfers in	-	-	59,292,164	-	59,292,164
Total other financing sources (uses)	161,433,857	-	68,389,099	-	229,822,956
NET CHANGE IN FUND BALANCE	22,028,516	-	13,802,665	(1,077,116)	34,754,065
FUND BALANCES - END OF YEAR	\$ 164,176,693	\$ 315,653	\$ 81,225,706	\$ 5,712,022	\$ 251,430,074

D-1  
MECKLENBURG COUNTY, NORTH CAROLINA  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FIDUCIARY FUNDS  
JUNE 30, 2019

	Municipalities' Taxes	Employees' Insurance	Fee Collection for State	Food and Beverage Tax	Other	Total
<b>ASSETS</b>						
Cash and investments	\$ 3,802,375	\$ 93,600,339	\$ 4,292,873	\$ 320,506	\$ 505,858	\$ 102,521,951
Accounts receivable	7,342,954	-	-	3,351,577	-	10,694,531
Due from other governmental agencies	5,400,146	21,807	18,015	-	-	5,439,968
TOTAL ASSETS	<u>\$ 16,545,475</u>	<u>\$ 93,622,146</u>	<u>\$ 4,310,888</u>	<u>\$ 3,672,083</u>	<u>\$ 505,858</u>	<u>\$ 118,656,450</u>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ -	\$ 93,622,146	\$ -	\$ -	\$ 505,858	\$ 94,128,004
Due to other governmental agencies	16,545,475	-	4,310,888	3,672,083	-	24,528,446
TOTAL LIABILITIES	<u>\$ 16,545,475</u>	<u>\$ 93,622,146</u>	<u>\$ 4,310,888</u>	<u>\$ 3,672,083</u>	<u>\$ 505,858</u>	<u>\$ 118,656,450</u>
	-	-	-	-	-	-

D - 2  
MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<b>Municipalities' Taxes</b>				
ASSETS				
Cash and investments	\$ 3,575,973	\$ 907,178,518	\$ (906,952,116)	\$ 3,802,375
Accounts receivable	6,686,865	7,342,954	(6,686,865)	7,342,954
Due from other governmental agencies	5,403,268	5,400,146	(5,403,268)	5,400,146
TOTAL ASSETS	<u>\$ 15,666,106</u>	<u>\$ 919,921,618</u>	<u>\$ (919,042,249)</u>	<u>\$ 16,545,475</u>
LIABILITIES				
Due to other governmental agencies	<u>\$ 15,666,106</u>	<u>\$ 918,488,674</u>	<u>\$ (917,609,305)</u>	<u>\$ 16,545,475</u>
<b>Employees' Insurance</b>				
ASSETS				
Cash and investments	\$ 75,653,031	\$ 152,466,950	\$ (134,519,642)	\$ 93,600,339
Due from other governmental agencies	33,910	67,214	(79,317)	21,807
TOTAL ASSETS	<u>\$ 75,686,941</u>	<u>\$ 152,534,164</u>	<u>\$ (134,598,959)</u>	<u>\$ 93,622,146</u>
LIABILITIES				
Accounts payable and accrued liabilities	<u>\$ 75,686,941</u>	<u>\$ 283,461,861</u>	<u>\$ (265,526,656)</u>	<u>\$ 93,622,146</u>
<b>Fee Collection for State</b>				
ASSETS				
Cash and investments	\$ 4,636,606	\$ 16,029,091	\$ (16,372,824)	\$ 4,292,873
Due from other governmental agencies	-	18,015	-	18,015
TOTAL ASSETS	<u>\$ 4,636,606</u>	<u>\$ 16,047,106</u>	<u>\$ (16,372,824)</u>	<u>\$ 4,310,888</u>
LIABILITIES				
Due to other governmental agencies	<u>\$ 4,636,606</u>	<u>\$ 47,106,090</u>	<u>\$ (47,431,808)</u>	<u>\$ 4,310,888</u>
<b>Food and Beverage Tax</b>				
ASSETS				
Cash and investments	\$ 185,950	\$ 38,131,369	\$ (37,996,813)	\$ 320,506
Accounts receivable	2,997,327	3,351,577	(2,997,327)	3,351,577
TOTAL ASSETS	<u>\$ 3,183,277</u>	<u>\$ 41,482,946</u>	<u>\$ (40,994,140)</u>	<u>\$ 3,672,083</u>
LIABILITIES				
Due to other governmental agencies	<u>\$ 3,183,277</u>	<u>\$ 38,649,637</u>	<u>\$ (38,160,831)</u>	<u>\$ 3,672,083</u>
<b>Other</b>				
ASSETS				
Cash and investments	<u>\$ 690,999</u>	<u>\$ 188,352</u>	<u>\$ (373,493)</u>	<u>\$ 505,858</u>
LIABILITIES				
Accounts payable and accrued liabilities	<u>\$ 690,999</u>	<u>\$ 674,884</u>	<u>\$ (860,025)</u>	<u>\$ 505,858</u>
<b>Totals - All Agency Funds</b>				
ASSETS				
Cash and investments	\$ 84,742,559	\$ 1,113,994,280	\$ (1,096,214,888)	\$ 102,521,951
Accounts receivable	9,684,192	10,694,531	(9,684,192)	10,694,531
Due from other governmental agencies	5,437,178	5,485,375	(5,482,585)	5,439,968
TOTAL ASSETS	<u>\$ 99,863,929</u>	<u>\$ 1,130,174,186</u>	<u>\$ (1,111,381,665)</u>	<u>\$ 118,656,450</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 76,377,940	\$ 284,136,745	\$ (266,386,681)	\$ 94,128,004
Due to other governmental agencies	23,485,989	1,004,244,401	(1,003,201,944)	24,528,446
TOTAL LIABILITIES	<u>\$ 99,863,929</u>	<u>\$ 1,288,381,146</u>	<u>\$ (1,269,588,625)</u>	<u>\$ 118,656,450</u>

E-1  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - DEBT SERVICE FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Positive/ (Negative)
REVENUES			
Property taxes	\$ 249,999,750	\$ 249,999,750	\$ -
Sales tax	55,950,000	59,182,299	3,232,299
Intergovernmental	12,748,000	12,964,967	216,967
Interest on investments	2,590,000	14,413,953	11,823,953
Other	2,914,903	1,101,359	(1,813,544)
Total revenues	<u>324,202,653</u>	<u>337,662,328</u>	<u>13,459,675</u>
EXPENDITURES			
Board of Education			
Debt service			
Principal payments	90,435,069	90,435,069	-
Interest	52,813,519	47,805,281	5,008,238
Central Piedmont Community College			
Debt service			
Principal payments	7,503,046	7,503,046	-
Interest	6,710,765	3,548,096	3,162,669
Debt Service			
Principal payments	37,676,886	37,676,886	-
Interest	13,562,743	13,562,743	-
Total expenditures	<u>208,702,028</u>	<u>200,531,121</u>	<u>8,170,907</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>115,500,625</u>	<u>137,131,207</u>	<u>21,630,582</u>
OTHER FINANCING SOURCES (USES)			
Premium on debt issued	797,668	797,668	-
Transfers to other funds	(131,298,293)	(131,298,293)	-
Appropriated Fund Balance	15,000,000	-	(15,000,000)
Total other financing sources (uses)	<u>(115,500,625)</u>	<u>(130,500,625)</u>	<u>(15,000,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>6,630,582</u>	<u>\$ 6,630,582</u>
FUND BALANCE - BEGINNING OF YEAR		<u>219,009,306</u>	
FUND BALANCE - END OF YEAR		<u>\$ 225,639,888</u>	

MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - STORM WATER MANAGEMENT SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual
REVENUES		
Intergovernmental	\$ 7,042,246	\$ 432,289
Charges for services	17,714,817	19,066,056
Interest earned on investments	-	676,821
Other	-	11,700
Total revenues	<u>24,757,063</u>	<u>20,186,866</u>
EXPENDITURES		
Land Use and Environmental Services:		
Stormwater	20,477,159	9,767,334
Debt:		
Principal	52,456	52,456
Capital outlay	<u>35,087,767</u>	<u>13,486,755</u>
Total expenditures	<u>55,617,382</u>	<u>23,306,545</u>
OTHER FINANCING SOURCES (USES)		
Sale of capital assets	5,310	5,310
Transfers in	31,153,828	43,596
Transfers out	<u>(298,819)</u>	<u>(147,269)</u>
Total other financing sources (uses)	<u>30,860,319</u>	<u>(98,363)</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	(3,218,042)
FUND BALANCE - BEGINNING OF YEAR		<u>38,617,069</u>
FUND BALANCE - END OF YEAR		<u>\$ 35,399,027</u>



MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - LAW ENFORCEMENT SERVICE DISTRICTS SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Law Enforcement Service District taxes	\$ 15,859,529	\$ 17,315,448
Interest earned on investments	<u>-</u>	<u>26,512</u>
Total revenues	<u>15,859,529</u>	<u>17,341,960</u>
EXPENDITURES		
Public Safety	<u>15,988,229</u>	<u>15,983,355</u>
REVENUES OVER / (UNDER) EXPENDITURES	(128,700)	1,358,605
OTHER FINANCING SOURCES (USES)		
Appropriated fund balance	<u>128,700</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	1,358,605
FUND BALANCE - BEGINNING OF YEAR		<u>877,052</u>
FUND BALANCE - END OF YEAR		<u><u>\$ 2,235,657</u></u>

MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - TRANSIT ONE-HALF CENT SALES TAX SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Transit one-half cent sales tax	<u>\$ 58,381,116</u>	<u>\$ 58,381,116</u>
EXPENDITURES		
Business Partners	<u>58,381,116</u>	<u>58,381,116</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	-
FUND BALANCE - BEGINNING OF YEAR		-
FUND BALANCE - END OF YEAR		<u><u>\$ -</u></u>

MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - SCRAP TIRE DISPOSAL SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Intergovernmental	\$ 1,683,718	\$ 1,495,072
Interest earned on investments	<u>-</u>	<u>14,471</u>
Total revenues	<u>1,683,718</u>	<u>1,509,543</u>
EXPENDITURES		
Land Use and Environmental Services	<u>2,481,630</u>	<u>2,290,759</u>
REVENUES OVER/ (UNDER) EXPENDITURES	(797,912)	(781,216)
OTHER FINANCING SOURCES (USES)		
Transfers in	<u>797,912</u>	<u>695,000</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	(86,216)
FUND BALANCE - BEGINNING OF YEAR		<u>1,159,464</u>
FUND BALANCE - END OF YEAR		<u><u>\$ 1,073,248</u></u>

MECKLENBURG COUNTY, NORTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - DISCARDED WHITE GOODS SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Intergovernmental	\$ 1,410,453	\$ 228,471
EXPENDITURES		
Land Use and Environmental Services	1,290,453	366,172
Capital outlay	<u>120,000</u>	<u>116,732</u>
Total expenditures	<u>1,410,453</u>	<u>482,904</u>
REVENUES OVER / (UNDER) EXPENDITURES	<u>\$ -</u>	(254,433)
FUND BALANCE - BEGINNING OF YEAR		<u>259,992</u>
FUND BALANCE - END OF YEAR		<u>\$ 5,559</u>

MECKLENBURG COUNTY, NORTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - REGISTER OF DEEDS SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Charges for services	\$ 2,593,000	\$ 573,904
EXPENDITURES		
Land Use and Environmental Services	2,262,579	639,590
Capital outlay	<u>330,421</u>	<u>-</u>
Total expenditures	<u>2,593,000</u>	<u>639,590</u>
REVENUES OVER/ (UNDER) EXPENDITURES	<u>\$ -</u>	(65,686)
FUND BALANCE - BEGINNING OF YEAR		<u>2,094,368</u>
FUND BALANCE - END OF YEAR		<u><u>\$ 2,028,682</u></u>

MECKLENBURG COUNTY, NORTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - FIRE SERVICE DISTRICTS SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Fire Services District taxes	<u>\$ 5,679,293</u>	<u>\$ 5,964,595</u>
EXPENDITURES		
Public Safety	<u>5,796,214</u>	<u>5,338,594</u>
REVENUES OVER / (UNDER) EXPENDITURES	(116,921)	626,001
OTHER FINANCING SOURCES (USES)		
Appropriated fund balance	<u>116,921</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	626,001
FUND BALANCE - BEGINNING OF YEAR		<u>2,171,571</u>
FUND BALANCE - END OF YEAR		<u>\$ 2,797,572</u>

MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - CHILD SUPPORT ENFORCEMENT SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Intergovernmental	\$ -	\$ 683,237
EXPENDITURES		
Detention and Court Support Services	915,879	462,257
Capital Outlay	-	9,980
Total expenditures	<u>915,879</u>	<u>472,237</u>
REVENUES OVER/ (UNDER) EXPENDITURES	(915,879)	211,000
OTHER FINANCING SOURCES		
Transfers In	<u>915,879</u>	<u>5,543,490</u>
REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>\$ -</u>	5,754,490
FUND BALANCE - BEGINNING OF YEAR		<u>-</u>
FUND BALANCE - END OF YEAR		<u>\$ 5,754,490</u>

G-1  
MECKLENBURG COUNTY, NORTH CAROLINA  
SCHEDULE OF REVENUES AND EXPENSES - BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL  
SOLID WASTE OPERATING FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGET	ACTUAL
REVENUES		
Residential availability fees	\$ 12,395,208	\$ 12,424,565
Recycling sales and tip fees	13,031,178	13,512,299
Other	1,947,160	767,182
Total revenues	<u>27,373,546</u>	<u>26,704,046</u>
EXPENDITURES		
Personnel services and employee benefits	7,037,006	6,835,008
Utilities	180,000	158,625
Supplies	3,202,520	3,194,847
Maintenance and repairs	3,316,160	2,784,645
Rental and occupancy charges	1,651,107	1,621,455
Contractual services	7,039,478	7,034,740
Postclosure reserve contribution	855,188	855,188
Total expenditures	<u>23,281,459</u>	<u>22,484,508</u>
EXCESS REVENUES OVER EXPENDITURES	<u>4,092,087</u>	<u>4,219,538</u>
OTHER FINANCING SOURCES (USES)		
Grant revenue	126,000	120,873
Interest income	120,325	461,239
Interest expense	(342,400)	(322,800)
Debt principal	(840,000)	(840,000)
Sale of fixed assets	-	(4,764)
Transfers to other funds	(4,571,012)	(4,473,000)
Appropriated fund balance	1,415,000	-
Total other financing sources (uses)	<u>(4,092,087)</u>	<u>(5,058,452)</u>
EXCESS REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	<u>(838,914)</u>
Reconciliation to full accrual basis:		
Current year excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures:		
Landfill Closure and Postclosure Reserve Fund		(1,815,070)
Special Obligation Bond Fund		1,112
Depreciation		(3,083,184)
Change in deferred outflows of resources - pensions		456,040
Change in net pension liability		(582,728)
Change in deferred inflows of resources - pensions		18,722
Bond principal		840,000
Amortization of premium		68,302
Capital outlay		6,813,951
Change in net position - full accrual basis		<u>\$ 1,878,231</u>



G-2  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 LANDFILL CLOSURE AND POSTCLOSURE RESERVE FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2019

	Project	Actual		
	Authorizations	Prior Year	Current Year	Total to Date
REVENUES				
Fees and charges	\$ 3,896,311	\$ 3,670,812	\$ -	\$ 3,670,812
Interest earned on investments	1,185,215	2,088,793	216,938	2,305,731
Other	9,372	9,372	-	9,372
Total revenues	<u>5,090,898</u>	<u>5,768,977</u>	<u>216,938</u>	<u>5,985,915</u>
EXPENDITURES				
Landfill construction	21,239,384	15,981,630	-	15,981,630
Land improvements	27,621,973	27,038,044	5,572,998	32,611,042
Final development and postclosure costs	9,087,495	6,322,495	-	6,322,495
Total expenditures	<u>57,948,852</u>	<u>49,342,169</u>	<u>5,572,998</u>	<u>54,915,167</u>
REVENUES OVER (UNDER) EXPENDITURES	(52,857,954)	(43,573,192)	(5,356,060)	(48,929,252)
OTHER FINANCING SOURCES (USES)				
Gain (loss) on sale of capital assets	-	758,751	-	758,751
Operating transfer from Solid Waste Enterprise Fund	52,337,539	43,586,198	3,540,990	47,127,188
Appropriated fund balance	520,415	-	-	-
Total other financing sources (uses)	<u>52,857,954</u>	<u>44,344,949</u>	<u>3,540,990</u>	<u>47,885,939</u>
EXCESS REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 771,757</u>	<u>\$ (1,815,070)</u>	<u>\$ (1,043,313)</u>

G-3  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 SPECIAL OBLIGATION BOND FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2019

	Project	Actual		
	Authorizations	Prior Year	Current Year	Total to Date
REVENUES				
Interest earned on investments	\$ 8,990	\$ 11,924	\$ 1,112	\$ 13,036
EXPENDITURES				
Landfill construction	9,773,108	9,701,219	-	9,701,219
Landfill equipment	3,255,132	3,255,131	-	3,255,131
Total expenditures	13,028,240	12,956,350	-	12,956,350
REVENUES OVER (UNDER) EXPENDITURES	(13,019,250)	(12,944,426)	1,112	(12,943,314)
OTHER FINANCING SOURCES (USES)				
Special obligation bonds issued	13,000,000	12,220,000	-	12,220,000
Premium on bonds issued	244,528	1,024,527	-	1,024,527
Bond discounts and fees	(225,278)	(225,278)	-	(225,278)
Total other financing sources (uses)	13,019,250	13,019,249	-	13,019,249
EXCESS REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	\$ -	\$ 74,823	\$ 1,112	\$ 75,935

TABLE 1

MECKLENBURG COUNTY, NORTH CAROLINA  
NET POSITION BY COMPONENT  
FISCAL YEAR ENDED JUNE 30, 2019  
(Accrual Basis of Accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 1,026,149,947	\$ 962,427,445	\$ 865,921,437	\$ 812,302,095	\$ 719,935,112	\$ 644,429,509	\$ 582,274,527	\$ 554,597,039	\$ 499,385,868	\$ 463,345,867
Restricted	423,360,058	374,408,540	359,084,430	337,817,155	203,973,702	227,558,990	242,215,059	231,258,801	139,415,700	97,770,660
Unrestricted	(1,312,009,720)	(1,310,003,379)	(933,029,099)	(961,530,958)	(898,763,450)	(880,212,786)	(994,261,044)	(1,090,020,888)	(1,205,993,814)	(1,317,370,389)
Total Governmental Activities	137,500,285	26,832,606	291,976,768	188,588,292	25,145,364	(8,224,287)	(169,771,458)	(304,165,048)	(567,192,246)	(756,253,862)
<b>Business-type Activities</b>										
Net investment in capital assets	71,055,513	66,420,098	64,133,923	53,784,031	49,138,974	51,059,088	50,935,215	50,534,165	49,670,011	49,923,326
Restricted	212,672	205,638	300,491	370,617	1,150,480	6,338,310	5,666,805	16,601,737	8,424,632	8,374,290
Unrestricted	17,941,665	20,705,883	18,652,626	25,512,273	26,881,043	26,375,932	21,620,837	9,086,602	13,832,478	9,497,989
Total Business-type Activities	89,209,850	87,331,619	83,087,040	79,666,921	77,170,497	83,773,330	78,222,857	76,222,504	71,927,121	67,795,605
<b>Primary Government</b>										
Net investment in capital assets	1,097,205,460	1,028,847,543	930,055,360	866,086,126	769,074,086	695,488,597	633,209,742	605,131,204	549,055,879	513,269,193
Restricted	423,572,730	374,614,178	359,384,921	338,187,772	205,124,182	233,897,300	247,881,864	247,860,538	147,840,332	106,144,950
Unrestricted	(1,294,068,055)	(1,289,297,496)	(914,376,473)	(936,018,685)	(871,882,407)	(853,836,854)	(972,640,207)	(1,080,934,286)	(1,192,161,336)	(1,307,872,400)
Total Primary Government	\$ 226,710,135	\$ 114,164,225	\$ 375,063,808	\$ 268,255,213	\$ 102,315,861	\$ 75,549,043	\$ (91,548,601)	\$ (227,942,544)	\$ (495,265,125)	\$ (688,458,257)

TABLE 2  
MECKLENBURG COUNTY, NORTH CAROLINA  
CHANGE IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2019  
(Accrual Basis of Accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses:										
Governmental Activities:										
Customer Satisfaction and Management Services	\$ 23,224,749	\$ 24,687,580	\$ 19,141,467	\$ 21,258,714	\$ 17,064,982	\$ 15,100,191	\$ 13,609,321	\$ 13,385,404	\$ 14,828,864	\$ 10,390,706
Administrative Services	124,498,490	102,099,819	110,141,456	106,467,505	110,753,603	86,252,305	85,575,766	68,640,008	66,877,549	43,718,532
Financial Services	22,450,984	22,342,708	23,057,376	21,607,870	30,607,463	20,249,758	7,458,198	13,481,365	14,865,465	16,659,248
Land Use and Environmental Services	73,545,709	71,066,297	65,918,377	58,072,227	48,084,996	58,463,502	56,500,219	50,382,764	50,518,072	50,748,375
Community Services	93,819,317	108,211,013	79,797,998	72,909,037	69,097,109	65,201,301	66,071,031	62,443,524	74,658,684	81,446,000
Detention and Court Support Services	179,938,208	177,612,992	159,438,983	144,127,556	150,145,826	151,527,626	147,860,118	139,861,092	127,614,457	128,870,916
Health and Human Services	269,023,506	267,812,560	288,719,886	275,613,106	261,478,205	238,682,886	254,559,254	261,719,406	290,064,943	305,754,444
Business Partners	797,032,880	739,369,736	702,298,916	681,284,676	649,587,004	596,592,681	549,689,692	473,884,009	441,256,690	559,630,830
Interest on long-term debt:										
General purpose	13,445,076	12,747,013	12,506,316	13,644,048	18,640,145	16,520,544	28,612,761	31,667,766	49,402,013	39,944,614
Public schools	51,797,676	52,402,114	46,601,307	43,937,133	42,241,855	48,518,124	67,659,709	62,480,382	33,562,244	46,320,997
Total Governmental Activities Expenses	1,648,776,595	1,578,351,832	1,507,622,082	1,438,921,872	1,397,701,188	1,297,108,918	1,277,596,069	1,177,945,720	1,163,648,981	1,283,484,662
Business-type Activities:										
Solid Waste	25,169,687	20,694,776	18,067,155	15,593,576	14,748,600	14,568,483	13,811,381	14,553,401	13,272,793	12,970,552
MeckLink	-	-	-	-	(3,316,258)	183,627,246	86,953,809	-	-	-
Total Primary Government Expenses	1,673,946,282	1,599,046,608	1,525,689,237	1,454,515,448	1,409,133,530	1,495,304,647	1,378,361,259	1,192,499,121	1,176,921,774	1,296,455,214
Program Revenues:										
Governmental Activities:										
Charges for services	-	-	-	510,638	3,216	-	-	5,149	-	1,250
Customer Satisfaction and Management Services	-	-	-	-	-	-	-	-	-	-
Administrative Services	2,166,299	1,985,291	2,206,412	1,799,868	2,698,449	2,217,360	2,280,690	4,704,868	4,602,230	2,012,917
Financial Services	2,516,924	-	736,936	181,274	193,675	296,922	9,013	8,620	822,100	481,537
Land Use and Environmental Services	77,524,333	74,796,131	71,257,383	65,251,442	60,995,957	55,889,883	53,034,595	46,602,695	40,356,281	38,966,978
Community Services	7,605,362	7,374,357	7,122,018	6,799,845	6,043,086	6,214,931	6,202,031	4,745,409	4,590,010	4,821,374
Detention and Court Support Services	31,923,256	26,448,345	20,336,477	22,391,278	21,971,954	30,519,696	31,619,904	25,140,485	23,184,791	23,841,485
Health and Human Services	8,090,084	7,833,284	7,220,048	6,865,413	6,960,433	4,930,460	8,814,650	11,090,714	13,320,478	18,656,783
Business Partners	2,709,536	4,865,560	4,838,775	7,004,526	3,762,413	5,474,599	5,372,084	4,970,124	3,255,246	3,989,324
Operating grants and contributions	139,155,747	147,073,689	181,004,830	177,652,260	170,925,841	163,398,011	166,068,948	182,135,099	204,811,753	197,617,627
Capital grants and contributions	11,047,891	82,496	1,032,311	3,371,608	3,769,889	1,137,501	2,745,772	2,363,939	2,576,257	1,755,883
Total Governmental Activities Program Revenues	282,739,432	270,459,153	295,755,190	291,828,152	277,324,913	270,079,343	276,147,687	281,767,102	297,519,146	292,145,158
Business-type Activities										
Charges for services	26,704,046	24,347,639	19,330,758	15,626,438	14,001,067	13,014,526	11,583,782	12,394,000	12,350,331	12,086,857
Operating grants and contributions	120,873	130,840	137,070	150,854	2,326,933	178,172,096	79,795,933	108,818	64,411	15,000
Capital grants and contributions	238,710	-	9,660	932,273	31,585	-	313,996	-	-	-
Total Business-type Activities Program Revenues	27,063,629	24,478,479	19,477,488	16,709,565	16,359,585	191,186,622	91,693,711	12,502,818	12,414,742	12,101,857
Total Primary Government Program Revenues	309,803,061	294,937,632	315,232,678	308,537,717	293,684,498	461,265,965	367,841,398	294,269,920	309,933,888	304,247,015
Net Expense										
Governmental activities	(1,366,037,163)	(1,307,892,679)	(1,211,866,892)	(1,147,093,720)	(1,120,376,275)	(1,027,029,575)	(1,001,448,382)	(896,178,618)	(866,129,835)	(991,339,504)
Business-type activities	1,893,942	3,783,703	1,410,333	1,115,989	4,927,243	(7,009,107)	(9,071,479)	(2,050,583)	(858,051)	(868,695)
Total Primary Government Net Expense	(1,364,143,221)	(1,304,108,976)	(1,210,456,559)	(1,145,977,731)	(1,115,449,032)	(1,034,038,682)	(1,010,519,861)	(898,229,201)	(866,987,886)	(992,208,199)
General Revenues										
Governmental Activities										
Property taxes, general purpose	1,071,206,976	1,035,549,232	1,009,151,475	996,675,822	881,138,633	950,558,851	927,867,539	930,006,268	850,300,416	840,297,024
Property taxes, Law Enforcement Service District	17,160,665	16,991,294	15,979,421	14,740,401	13,655,465	13,268,018	12,685,826	11,937,234	12,426,379	11,037,298
Property taxes, Fire Service Districts	5,966,320	5,820,116	4,948,140	4,126,264	4,027,318	3,969,915	3,255,447	-	-	-
Sales taxes	316,323,662	302,427,698	273,203,630	272,425,706	249,763,851	225,404,175	210,807,483	204,862,019	178,706,265	186,765,702
Other taxes	14,803,002	16,949,711	15,389,000	15,514,699	13,671,359	15,107,731	11,274,042	11,221,927	10,383,116	9,379,388
Investment earnings	41,772,700	9,625,390	4,957,512	6,921,771	5,327,929	10,919,329	(4,207,591)	2,878,368	3,051,914	4,067,591
Miscellaneous	8,776,517	1,038,539	1,632,933	131,985	-	-	-	-	323,361	555,887
Transfers	695,000	6,690	-	-	12,980,816	(10,543,650)	(8,826,133)	(1,700,000)	-	-
Total Governmental Activities General Revenues	1,476,704,842	1,388,408,670	1,325,262,111	1,310,536,648	1,180,565,371	1,208,684,369	1,152,856,613	1,159,205,816	1,055,191,451	1,052,102,890
Business-type Activities										
Investment earnings	679,289	467,566	192,375	223,689	197,320	178,343	155,445	242,917	237,505	305,027
Miscellaneous	-	-	1,817,411	1,156,746	1,649,897	1,837,587	2,305,470	4,403,049	4,752,062	2,072,319
Transfers	(695,000)	(6,690)	-	-	(12,980,816)	10,543,650	8,826,133	1,700,000	-	-
Total Business-type Activities General Revenues	(15,711)	460,876	2,009,786	1,380,435	(11,133,599)	12,559,580	11,287,048	6,345,966	4,989,567	2,377,346
Total Primary Government General Revenues	1,476,689,131	1,388,869,546	1,327,271,897	1,311,917,083	1,169,431,772	1,221,243,949	1,164,143,661	1,165,551,782	1,060,181,018	1,054,480,236
Change in Net Position										
Governmental Activities	110,667,679	80,515,991	113,395,219	163,442,928	60,189,096	181,654,794	151,408,231	263,027,198	189,061,616	60,763,386
Business-type Activities	1,878,231	4,244,579	3,420,119	2,496,424	(6,206,356)	5,550,473	2,215,569	4,295,383	4,131,516	1,508,651
Total Primary Government Change in Net Position	\$ 112,545,910	\$ 84,760,570	\$ 116,815,338	\$ 165,939,352	\$ 53,982,740	\$ 187,205,267	\$ 153,623,800	\$ 267,322,581	\$ 193,193,132	\$ 62,272,037

TABLE 3  
MECKLENBURG COUNTY, NORTH CAROLINA  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

June 30	General Fund						All Other Governmental Funds				All Governmental Funds Total
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total	Restricted	Committed	Unassigned	Total	
2019	\$ -	\$ 127,112,593	\$ 119,987,879	\$ -	\$ 258,915,908	\$ 506,016,380	\$ 320,088,797	\$ 378,272,400	\$ (37,375,387)	\$ 660,985,810	\$ 1,167,002,190
2018	-	128,902,500	37,019,547	-	344,676,112	510,598,159	248,274,077	329,662,803	(15,054,023)	562,882,857	1,073,481,016
2017	-	105,068,374	24,824,799	-	371,489,272	501,382,445	257,041,864	245,950,688	(42,052,990)	460,939,562	962,322,007
2016	-	110,500,260	24,867,389	-	366,169,614	501,537,263	238,996,471	166,695,218	(108,184,314)	297,507,375	799,044,638
2015	-	97,531,243	20,150,907	-	356,468,709	474,150,859	121,346,835	274,662,747	(24,182,979)	371,826,603	845,977,462
2014	-	100,046,250	15,222,605	519,946	402,847,214	518,636,015	141,494,034	216,998,136	(48,689,831)	309,802,339	828,438,354
2013	-	84,973,506	28,800,680	-	354,465,116	468,239,302	157,241,553	173,944,936	(12,937,225)	318,249,264	786,488,566
2012	4,960	95,633,765	32,972,171	5,955,395	324,191,167	458,757,458	135,625,036	91,716,872	(9,588,773)	217,753,135	676,510,593
2011	4,960	98,731,155	972,406	1,903,795	271,018,383	372,630,699	40,684,545	67,802,190	(16,869,661)	91,617,074	464,247,773
2010	4,960	110,211,354	1,404,961	117,284,010	102,036,224	330,941,509	53,744,422	43,803,780	(8,211,526)	89,336,676	420,278,185

TABLE 4  
MECKLENBURG COUNTY, NORTH CAROLINA  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>REVENUES</b>										
Taxes	\$ 1,337,893,514	\$ 1,291,686,043	\$ 1,239,229,655	\$ 1,229,531,171	\$ 1,115,100,515	\$ 1,136,661,966	\$ 1,100,151,006	\$ 1,102,414,039	\$ 1,001,727,777	\$ 996,823,542
Law Enforcement Service District taxes	17,315,448	17,131,106	16,056,961	14,845,203	13,374,744	13,487,083	13,115,502	12,188,234	12,800,239	11,399,232
Transit One-Half Cent sales tax	58,381,116	55,915,981	50,212,889	48,539,999	43,903,754	38,554,913	35,931,007	35,529,884	31,145,231	33,658,337
Fire Service Districts taxes	5,964,595	5,811,871	4,949,841	4,124,387	4,027,318	3,969,914	3,255,447	-	-	-
Licenses and permits	33,421,008	32,691,258	31,023,530	28,337,566	25,038,366	24,130,660	20,886,622	17,473,904	14,233,457	12,440,081
Intergovernmental	140,052,388	147,315,095	182,663,399	178,842,625	171,356,866	165,345,703	170,886,890	186,961,164	208,011,550	198,522,521
Charges for services	91,446,920	83,921,221	75,834,587	73,865,387	71,972,573	74,892,275	78,538,631	71,906,110	70,407,373	77,150,985
Interest earned on investments	41,772,700	9,625,390	4,957,512	6,921,771	5,327,929	10,919,330	(4,190,511)	2,878,368	3,051,914	4,067,591
Administrative charges	2,535,883	2,498,781	2,524,670	2,503,973	2,553,261	3,004,007	2,544,040	2,525,641	2,444,287	2,744,287
Other	13,349,691	15,705,466	13,266,674	16,122,086	16,463,799	14,660,176	12,150,675	12,055,616	11,182,632	10,678,845
Total Revenues	<u>1,742,133,263</u>	<u>1,662,302,212</u>	<u>1,620,719,718</u>	<u>1,603,634,168</u>	<u>1,469,119,125</u>	<u>1,485,626,027</u>	<u>1,433,269,309</u>	<u>1,443,932,960</u>	<u>1,355,004,460</u>	<u>1,347,485,421</u>
<b>EXPENDITURES</b>										
<b>Current</b>										
Customer Satisfaction and Management	21,824,545	24,626,613	18,974,485	21,370,080	17,273,000	15,061,885	13,587,103	13,373,798	14,790,104	10,436,098
Administrative Services	109,708,008	90,355,707	92,315,036	90,514,610	99,644,157	79,062,557	72,332,559	68,179,870	51,256,990	61,936,299
Financial Services	17,804,735	17,458,897	17,758,689	16,827,543	15,403,577	15,721,314	17,336,541	17,725,841	9,564,937	9,284,883
Land Use and Environmental Services	68,291,235	68,819,369	66,456,866	60,284,003	53,039,064	61,657,473	55,717,155	52,590,001	52,087,901	53,482,276
Community Services	79,426,320	76,945,546	72,839,631	69,180,304	65,704,856	60,500,448	61,255,426	56,220,129	63,729,362	77,281,017
Detention and Court Support Services	154,056,749	145,417,680	139,614,175	130,709,462	140,286,079	136,726,616	133,529,202	125,715,537	113,512,049	115,483,860
Health and Human Services	262,577,479	264,849,818	283,313,374	276,155,854	265,275,622	236,341,847	252,497,144	259,728,965	287,565,513	304,143,599
Business Partners	575,963,916	541,265,468	520,601,624	512,870,644	490,934,310	465,494,098	438,392,562	427,762,120	413,832,728	427,868,575
Public Safety	21,321,949	23,151,531	20,938,785	19,108,281	17,387,945	3,097,849	3,199,990	-	-	-
Debt Service										
Principal payments	135,667,457	152,914,954	157,572,456	171,022,456	157,847,456	149,392,456	160,214,871	165,281,714	174,300,586	172,516,990
Interest and fiscal charges	64,916,120	64,056,957	58,989,955	59,803,516	62,944,225	67,275,884	96,272,470	91,252,603	82,964,257	86,265,613
Capital outlay	317,655,956	329,341,198	236,475,476	223,435,762	191,778,251	148,693,477	138,813,366	76,770,706	47,660,085	165,138,075
Total Expenditures	<u>1,829,214,469</u>	<u>1,799,203,738</u>	<u>1,685,850,552</u>	<u>1,651,282,515</u>	<u>1,577,518,542</u>	<u>1,439,025,904</u>	<u>1,443,148,392</u>	<u>1,354,601,284</u>	<u>1,311,264,512</u>	<u>1,483,837,285</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(87,081,206)	(136,901,526)	(65,130,834)	(47,648,347)	(108,399,417)	46,600,123	(9,879,083)	89,331,676	43,739,948	(136,351,864)
<b>OTHER FINANCING SOURCES (USES)</b>										
Refunding bond proceeds	-	119,135,000	148,565,000	-	120,025,000	-	227,930,000	164,015,000	-	589,310,000
Premium on financing	12,231,525	38,887,473	51,686,343	-	34,292,149	-	68,725,994	30,994,281	-	58,708,355
Payment to refunding escrow agent	-	(136,306,674)	(174,045,041)	-	(141,959,892)	-	(268,657,051)	(179,813,043)	-	(638,141,957)
Sale of bonds	150,000,000	225,000,000	200,000,000	-	100,000,000	-	100,000,000	100,000,000	-	100,000,000
Gain on sale of fixed assets	9,191,253	1,338,046	2,201,901	715,523	600,452	893,315	184,246	-	-	-
Capital lease proceeds	8,484,602	-	-	-	-	-	-	-	-	-
Installment financing	-	-	-	-	-	5,000,000	500,000	9,434,906	-	-
Transfers in	213,481,312	133,297,448	173,077,440	122,274,497	116,219,440	53,781,398	61,620,800	46,741,107	36,784,079	62,382,485
Transfers out	(212,786,312)	(133,290,758)	(173,077,440)	(122,274,497)	(103,238,624)	(64,325,048)	(70,446,933)	(48,441,107)	(36,554,439)	(62,382,485)
Total Other Financing Sources (Uses)	<u>180,602,380</u>	<u>248,060,535</u>	<u>228,408,203</u>	<u>715,523</u>	<u>125,938,525</u>	<u>(4,650,335)</u>	<u>119,857,056</u>	<u>122,931,144</u>	<u>229,640</u>	<u>109,876,398</u>
NET CHANGE IN FUND BALANCES	93,521,174	111,159,009	163,277,369	(46,932,824)	17,539,108	41,949,788	109,977,973	212,262,820	43,969,588	(26,475,466)
FUND BALANCE - BEGINNING OF YEAR	1,073,481,016	962,322,007	799,044,638	845,977,462	828,438,354	786,488,566	676,510,593	464,247,773	420,278,185	446,753,651
FUND BALANCE - END OF YEAR	<u>\$ 1,167,002,190</u>	<u>\$ 1,073,481,016</u>	<u>\$ 962,322,007</u>	<u>\$ 799,044,638</u>	<u>\$ 845,977,462</u>	<u>\$ 828,438,354</u>	<u>\$ 786,488,566</u>	<u>\$ 676,510,593</u>	<u>\$ 464,247,773</u>	<u>\$ 420,278,185</u>
Debt service as a percentage of non-capital expenditures	11.53%	12.77%	13.46%	14.68%	14.49%	15.30%	18.14%	19.39%	19.96%	17.88%

TABLE 5

MECKLENBURG COUNTY, NORTH CAROLINA  
GOVERNMENTAL TAX REVENUE BY SOURCE  
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Tax Revenues										
General Property	\$ 1,072,174,309	\$ 1,037,927,575	\$ 1,009,380,162	\$ 999,279,833	\$ 903,206,824	\$ 944,647,226	\$ 920,532,965	\$ 928,391,353	\$ 848,994,485	\$ 840,331,467
Sales	257,942,546	246,511,717	222,990,741	223,885,707	205,860,097	186,849,262	174,876,476	169,332,135	147,561,034	153,107,365
Room Occupancy	1,594,631	1,493,613	1,344,666	1,269,452	1,136,217	1,021,167	1,000,939	1,122,799	1,841,340	902,852
Vehicle Rental	4,319,858	4,060,870	3,902,208	3,769,026	3,739,263	3,334,222	3,013,091	2,846,035	2,846,805	2,178,666
Other	1,862,170	1,692,268	1,611,878	1,327,153	1,158,114	810,089	727,535	721,717	484,113	303,192
Total Tax Revenues	\$ 1,337,893,514	\$ 1,291,686,043	\$ 1,239,229,655	\$ 1,229,531,171	\$ 1,115,100,515	\$ 1,136,661,966	\$ 1,100,151,006	\$ 1,102,414,039	\$ 1,001,727,777	\$ 996,823,542

TABLE 6

MECKLENBURG COUNTY, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY  
FOR THE YEAR ENDED JUNE 30, 2019

	Countywide			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	\$ 119,298,476,482	\$ 0.8232	\$ 982,065,058	\$ 982,065,058	\$ -
Motor vehicles	10,078,210,890	0.8232	82,963,832	-	82,963,832
Total	<u>129,376,687,372</u>		<u>1,065,028,890</u>	<u>982,065,058</u>	<u>82,963,832</u>
Discoveries:					
Prior year taxes	665,518,495	Various	4,120,291	4,119,665	626
Penalties	-		1,198,749	1,198,749	-
Total	<u>665,518,495</u>		<u>5,319,040</u>	<u>5,318,414</u>	<u>626</u>
Total property valuation	<u><u>\$ 130,042,205,867</u></u>				
Net levy			1,070,347,930	987,383,472	82,964,458
Uncollected taxes at June 30, 2019			(4,942,392)	(4,942,326)	(66)
Current year's taxes collected			<u>\$ 1,065,405,538</u>	<u>\$ 982,441,146</u>	<u>\$ 82,964,392</u>
Current net levy collection percentage			99.54%	99.50%	100.00%

NOTE: The tax levy is net of rebates



TABLE 7

MECKLENBURG COUNTY, NORTH CAROLINA  
SCHEDULE OF AD VALOREM TAXES RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2019

Fiscal year	Uncollected Beginning Balance	Additions	Collections and Credits	Uncollected Ending Balance
2018-2019	\$ -	\$ 1,070,347,930	\$ 1,065,405,538	\$ 4,942,392
2017-2018	4,658,594	-	2,212,198	2,446,396
2016-2017	3,809,003	-	713,475	3,095,528
2015-2016	1,858,618	-	468,058	1,390,560
2014-2015	1,648,290	-	285,242	1,363,048
2013-2014	2,570,705	-	282,565	2,288,140
2012-2013	2,771,843	-	256,765	2,515,078
2011-2012	2,531,076	-	210,115	2,320,961
2010-2011	5,396,003	-	215,198	5,180,805
2009-2010	2,788,422	-	152,261	2,636,161
2008-2009	2,586,780	-	2,586,780	-
	<u>\$ 30,619,334</u>	<u>\$ 1,070,347,930</u>	<u>\$ 1,072,788,195</u>	<u>\$ 28,179,069</u>

## Revenue reconciliation:

General property - current - General Fund	\$ 815,406,958
General property - prior - General Fund	3,555,409
General property - current - Debt Service Fund	249,999,750
Reconciling items:	
Property tax refunds	1,343,704
Taxes written off	<u>2,482,374</u>
	<u>\$ 1,072,788,195</u>

TABLE 8

MECKLENBURG COUNTY, NORTH CAROLINA  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)  
 LAST TEN FISCAL YEARS  
 (IN MILLIONS)

Fiscal Year Ended June 30,		Real Property	Personal Property	State Certifications	Total Assessed Valuation (2)	Direct Tax Rate
2019		\$ 104,746.4	\$ 21,016.4	\$ 4,279.4	\$ 130,042.2	0.8232
2018		102,261.0	20,131.6	4,613.0	127,005.6	0.8157
2017		100,015.2	19,282.8	4,623.5	123,921.5	0.8157
2016	(4)	97,328.5	18,741.0	4,982.3	121,051.8	0.8157
2015	(4)	95,216.5	17,979.0	3,928.8	117,124.3	0.8157
2014	(4)	93,527.2	17,873.5	3,569.4	114,970.1	0.8157
2013	(4)	92,571.8	14,570.7	3,430.4	110,572.9	0.7922
2012	(3) (4)	92,105.0	15,282.5	3,322.2	110,709.7	0.8166
2011		82,522.5	14,501.7	3,213.7	100,237.9	0.8387
2010		81,628.2	14,990.3	3,273.2	99,891.7	0.8387

- NOTES:
- (1) Assessed valuations are based on 100% of estimated market value for real property and 100% of actual value for all other property. A revaluation of real property is required by North Carolina General Statutes at least every eight years.
  - (2) Assessed valuation equals estimated actual value, which approximates market value with certain statutory adjustments or exclusions for historic properties, elderly and disabled property owners, and builder's inventory.
  - (3) Revaluation based on assessed value listed as of January 1, 2011.
  - (4) Restated based on effects of SL 362, 2012 one-time charge for prior audits in business personal property, shift of tag and tax to the state, and State Certified Properties adjustment.

TABLE 9

MECKLENBURG COUNTY, NORTH CAROLINA  
PROPERTY TAX RATES PER \$100 ASSESSED VALUATION  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,		Mecklenburg County	Charlotte	Cornelius	Davidson	Huntersville	Matthews	Mint Hill	Pineville
2019		0.8232	0.4887	0.2550	0.3500	0.3050	0.3550	0.2700	0.3800
2018		0.8157	0.4787	0.2550	0.3500	0.3050	0.3400	0.2700	0.3800
2017		0.8157	0.4787	0.2550	0.3500	0.3050	0.3400	0.2700	0.3500
2016		0.8157	0.4787	0.2400	0.3500	0.3050	0.3400	0.2700	0.3500
2015		0.8157	0.4687	0.2400	0.3500	0.3050	0.3175	0.2700	0.3200
2014		0.8157	0.4687	0.2400	0.3500	0.2825	0.3175	0.2700	0.3200
2013		0.7922	0.4370	0.2400	0.3500	0.2830	0.3025	0.2700	0.3200
2012	(1)	0.8166	0.4370	0.2500	0.3500	0.2825	0.3025	0.2700	0.3200
2011		0.8387	0.4586	0.2750	0.3650	0.2900	0.3325	0.2750	0.3200
2010		0.8387	0.4586	0.2750	0.3650	0.2900	0.3325	0.2750	0.3200

NOTES: (1) Revaluation  
Mecklenburg County has a flat Direct Tax Rate. Municipalities set their own Direct Rate.  
This rate, combined with the County Direct Rate is the Total Overlapping Tax Rate.

SOURCES: (Other than Mecklenburg County) North Carolina Tax Research Division

TABLE 10

MECKLENBURG COUNTY, NORTH CAROLINA  
 PRINCIPAL TAXPAYERS  
 CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Enterprise	2019			2010		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy	Utilities	\$ 2,598,946,008	1	2.00 %	\$ 1,790,643,469	1	1.71 %
Wells Fargo	Financial Services	1,442,624,556	2	1.11	1,317,523,738	3	1.31
Bank of America	Financial Services	1,298,310,311	3	1.00	1,658,024,093	2	1.65
American Airlines	Transportation	1,049,368,341	4	0.81	317,320,296	6	0.31
Spectrum	Utilities	423,992,131	5	0.33	301,212,035	7	0.30
Southpark Mall	Retail	328,115,187	6	0.25	215,024,851	9	0.21
Piedmont Natural Gas Co	Utilities	305,470,316	7	0.23	319,008,741	5	0.31
AT&T	Utilities	287,234,866	8	0.22	665,836,099	4	0.66
Teachers Insurance	Insurance	224,729,398	9	0.17	293,940,280	8	0.29
Parkway 214 N Tryon LLC	Real Estate	210,118,400	10	0.16	-	-	-
Panthers Stadium LLC/Carolina Stadium	Property Management	-	-	-	201,001,530	10	0.20
Total		<u>\$ 8,168,909,514</u>		<u>6.28 %</u>	<u>\$ 7,079,535,132</u>		<u>6.95 %</u>

TABLE 11

MECKLENBURG COUNTY, NORTH CAROLINA  
PROPERTY TAX LEVIES, TAX COLLECTIONS AND CREDITS  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Tax Year	Total Tax Levy (1)	Collected within Fiscal Year of Levy	Percent of Levy Collected	Collections and Credits in Subsequent Years	Total Tax Collections and Credits To Date	Percent of Total Tax Collections to Tax Levy
2019	2018	\$ 1,070,347,930	\$ 1,065,405,538	99.54 %	\$ -	\$ 1,065,405,538	99.54 %
2018	2017	1,034,427,285	1,029,768,691	99.55	2,212,198	1,031,980,889	99.76
2017	2016	1,010,179,492	1,003,590,537	99.35	3,493,427	1,007,083,964	99.69
2016	2015	1,000,717,967	995,444,925	99.47	3,882,482	999,327,407	99.86
2015	2014	952,893,579	947,069,990	99.39	4,460,541	951,530,531	99.86
2014	2013	930,300,839	913,606,153	98.21	14,406,546	928,012,699	99.75
2013	2012	921,589,480	902,816,840	97.96	16,257,562	919,074,402	99.73
2012	(2) 2011	947,064,890	927,878,581	97.97	16,865,348	944,743,929	99.75
2011	2010	849,850,762	830,922,286	97.77	13,747,671	844,669,957	99.39
2010	2009	838,891,650	820,748,317	97.84	15,507,172	836,255,489	99.69

NOTES: (1) Includes discoveries and excludes Law Enforcement Service Districts and Fire Districts.

(2) Revaluation

TABLE 12

MECKLENBURG COUNTY, NORTH CAROLINA  
SCHEDULE OF BONDS PAYABLE  
JUNE 30, 2019

Description	Issue Date	Due Serially To	Average Interest Rate	Original Issue	Balance July 1, 2018	Sold	Retired	Balance June 30, 2019	Interest Paid in Current Year
Refunding 2009A	March 10, 2009	2021	2.2523%	\$ 243,965,000	\$ 39,015,000	\$ -	\$ 21,185,000	\$ 17,830,000	\$ 1,339,275
Public Improvement 2009B	September 1, 2009	2019	3.5372	100,000,000	5,000,000	-	5,000,000	-	162,500
Refunding 2009C	September 1, 2009	2019	2.6227	130,390,000	7,100,000	-	7,100,000	-	355,000
Refunding 2010	March 16, 2010	2026	3.1098	114,940,000	104,065,000	-	19,800,000	84,265,000	4,540,525
Public Improvement 2011A	October 27, 2011	2020	4.9508	49,000,000	9,000,000	-	5,000,000	4,000,000	325,000
Qualified School Construction Bonds 2011B	October 27, 2011	2031	4.3490	51,000,000	51,000,000	-	-	51,000,000	2,217,990
Refunding 2011C	October 27, 2011	2026	2.9501	164,015,000	79,040,000	-	22,600,000	56,440,000	3,335,025
Refunding 2013A	January 29, 2013	2028	4.9525	209,815,000	179,295,000	-	10,700,000	168,595,000	8,697,250
Public Improvement 2013B	February 5, 2013	2033	3.5009	100,000,000	75,000,000	-	5,000,000	70,000,000	2,750,000
School Bonds 2015A	March 17, 2015	2035	3.8746	100,000,000	85,000,000	-	5,000,000	80,000,000	3,518,750
Refunding 2016A	October 12, 2016	2030	4.6234	148,565,000	137,085,000	-	4,680,000	132,405,000	6,435,738
Public Improvement 2016B	October 18, 2016	2036	3.4720	200,000,000	195,000,000	-	5,000,000	190,000,000	7,313,750
Public Improvement 2017A	September 12, 2017	2037	3.5666	225,000,000	225,000,000	-	-	225,000,000	8,656,250
Public Improvement 2018A	September 12, 2018	2039	3.9550	150,000,000	-	150,000,000	-	150,000,000	2,739,115
				<u>\$ 1,986,690,000</u>	<u>\$ 1,190,600,000</u>	<u>\$ 150,000,000</u>	<u>\$ 111,065,000</u>	<u>\$ 1,229,535,000</u>	<u>\$ 52,386,168</u>

TABLE 13

MECKLENBURG COUNTY, NORTH CAROLINA  
SCHEDULE OF INSTALLMENT FINANCINGS  
JUNE 30, 2019

Description	Issue Date	Due Serially To	Average Interest Rate	Original Issue	Balance July 1, 2018	Issued	Retired	Balance June 30, 2019	Interest Paid Current Year
2009A Certificates of Participation	February 1, 2009	2029	4.224%	\$ 90,765,000	\$ 4,545,000	\$ -	\$ 4,545,000	\$ -	\$ 217,250
2009A Limited Obligation Bonds	September 3, 2009	2027	3.742	223,980,000	13,050,000	-	13,050,000	-	644,250
NC Clean Water State Revolving Loan	April 11, 2011	2030	-	2,493,625	629,471	-	52,456	577,015	-
Guaranteed Energy Savings Contract	December 16, 2011	2025	3.100	6,291,281	3,940,338	-	569,603	3,370,735	113,417
2013 Taxable Limited Obligation Bonds	March 13, 2013	2028	2.779	18,115,000	12,975,000	-	1,160,000	11,815,000	367,186
2015 Limited Obligation Refunding	April 30, 2015	2028	4.659	120,025,000	120,025,000	-	-	120,025,000	5,665,750
2017 Limited Obligation Refunding	September 14, 2017	2028	4.522	119,135,000	112,635,000	-	5,795,000	106,840,000	4,806,600
				<u>\$ 580,804,906</u>	<u>\$ 267,799,809</u>	<u>\$ -</u>	<u>\$ 25,172,059</u>	<u>\$ 242,627,750</u>	<u>\$ 11,814,453</u>

TABLE 14

MECKLENBURG COUNTY, NORTH CAROLINA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita (1)
	General Obligation Bonds	Certificate of Participation	Capital Leases	General Obligation Bonds	Special Obligation Bonds	Capital Leases			
2019	\$ 1,400,748,024	\$ 242,627,750	\$ 5,765,413	\$ -	\$ 7,475,652	\$ -	\$ 1,656,616,839	N/A %	\$ 1,485
2018	1,371,719,182	267,799,809	952,069	-	8,383,955	-	1,648,855,015	N/A	1,507
2017	1,257,459,140	311,731,442	2,171,662	-	9,262,256	-	1,580,624,500	2,558.64	1,468
2016	1,180,839,920	339,678,830	2,746,720	-	10,105,558	-	1,533,371,028	2,622.53	1,450
2015	1,339,706,851	370,423,112	3,903,820	-	10,918,860	-	1,724,952,643	3,084.37	1,668
2014	1,348,240,253	404,983,458	5,037,819	-	11,707,162	-	1,769,968,692	3,405.05	1,750
2013	1,481,562,403	437,798,195	1,019,480	-	12,465,464	163,019	1,933,008,561	3,959.17	1,949
2012	1,472,765,033	462,605,488	650,000	28,016	13,198,766	480,320	1,949,727,623	3,577.35	2,014
2011	1,517,223,432	488,670,000	435,858	605,572	-	930,543	2,007,865,405	4,422.47	2,125
2010	1,668,152,284	522,085,000	1,861,985	1,186,115	-	1,462,569	2,194,747,953	5,145.32	2,377

NOTES: Details regarding the County's outstanding debt can be found in the Notes to the Basic Financial Statements

(1) Table 18 represents personal income and population data used to prepare the above ratios. Prior years restated to reflect change in data source



TABLE 15

MECKLENBURG COUNTY, NORTH CAROLINA  
 RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUATION  
 AND NET BONDED DEBT PER CAPITA  
 LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	General Bonded Debt	Payable from Enterprise Fund	Net General Bonded Debt	Percent of Assessed Value (1)	Per Capita (2)
2019	\$ 1,400,748,024	\$ -	\$ 1,400,748,024	1.08 %	\$ 1,256
2018	1,371,719,182	-	1,371,719,182	1.08	1,254
2017	1,257,459,140	-	1,257,459,140	1.01	1,168
2016	1,180,839,920	-	1,180,839,920	0.97	1,117
2015	1,339,706,851	-	1,339,706,851	1.13	1,295
2014	1,348,240,253	-	1,348,240,253	1.19	1,333
2013	1,481,562,403	-	1,481,562,403	1.28	1,494
2012	1,472,765,033	28,016	1,472,737,017	1.26	1,521
2011	1,517,223,432	605,572	1,516,617,860	1.51	1,605
2010	1,668,152,284	1,186,115	1,666,966,169	1.67	1,806

NOTES: (1) Assessed valuations used to prepare the above percentages appear in Table 17.  
 (2) Population data used to prepare the above data appears in Table 18. Prior years restated to reflect change in data source.

TABLE 16

MECKLENBURG COUNTY, NORTH CAROLINA  
COMPUTATION OF DIRECT AND OVERLAPPING  
GOVERNMENTAL ACTIVITIES DEBT  
FOR THE YEAR ENDED JUNE 30, 2019

Mecklenburg County:	Assessed Valuation (1)	Percent of Countywide Total	Pro Rata Share of Governmental Activities Debt	Municipalities' Debt (2)	Total Overlapping Debt
Charlotte	\$ 98,482,949,709	75.73 %	\$ 1,248,894,621	\$ 749,327,250	\$ 1,998,221,871
Cornelius	5,486,216,549	4.22	69,593,758	14,320,000	83,913,758
Davidson	1,932,907,763	1.49	24,572,204	-	24,572,204
Huntersville	7,123,988,015	5.48	90,372,937	22,206,000	112,578,937
Matthews	3,520,528,234	2.71	44,691,726	4,300,000	48,991,726
Mint Hill	2,655,485,929	2.04	33,642,480	250,000	33,892,480
Pineville	1,795,277,366	1.38	22,758,148	-	22,758,148
Unincorporated Areas	9,044,852,302	6.95	114,615,313	-	114,615,313
Countywide Totals	<u>\$ 130,042,205,867</u>	<u>100.00 %</u>	<u>\$ 1,649,141,187</u>	<u>\$ 790,403,250</u>	<u>\$ 2,439,544,437</u>

NOTES: (1) Provided by N.C. Department of Revenue, Tax Research Division.

(2) Provided by Department of State Treasurer.

TABLE 17

MECKLENBURG COUNTY, NORTH CAROLINA  
COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS  
AS OF JUNE 30

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Assessed Value	\$ 130,042,205,867	\$ 127,005,628,383	\$ 123,921,533,449	\$ 122,557,658,269	\$ 118,633,244,751	\$ 112,934,112,312	\$ 115,415,656,131	\$ 116,691,859,209	\$ 100,267,938,569	\$ 99,891,780,607
Debt Limit 8% of Assessed Value	x .08	x .08	x .08	x .08	x .08	x .08	x .08	x .08	x .08	x .08
Debt Limit	10,403,376,469	10,160,450,271	9,913,722,676	9,804,612,662	9,490,659,580	9,034,728,985	9,233,252,490	9,335,348,737	8,021,435,086	7,991,342,449
Amount of Debt Applicable to Debt Limit:										
Total Bonded Debt	1,229,535,000	1,190,600,000	1,092,285,000	1,042,405,000	1,183,165,000	1,210,405,000	1,327,400,000	1,385,045,000	1,428,490,000	1,568,530,000
Installment Financings	242,627,750	267,799,809	311,731,443	339,678,831	370,423,112	404,983,458	437,798,195	462,605,488	488,670,000	522,085,000
Bonds Authorized and Unissued	915,085,000	1,140,085,000	443,000,000	643,000,000	783,000,000	993,040,000	493,040,000	625,540,000	729,140,000	729,140,000
Total Amount of Debt Applicable to Debt Limit	2,387,247,750	2,598,484,809	1,847,016,443	2,025,083,831	2,336,588,112	2,608,428,458	2,258,238,195	2,473,190,488	2,646,300,000	2,819,755,000
Legal Debt Margin	\$ 8,016,128,719	\$ 7,561,965,462	\$ 8,066,706,233	\$ 7,779,528,831	\$ 7,154,071,468	\$ 6,426,300,527	\$ 6,975,014,295	\$ 6,862,158,249	\$ 5,375,135,086	\$ 5,171,587,449

TABLE 18

MECKLENBURG COUNTY, NORTH CAROLINA  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS

Year	Population (1)	Total Personal Income (2)	Per Capita Income (2)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2019	1,115,571	\$ N/A	\$ N/A	N/A	147,352	4.1 %
2018	1,093,901	N/A	N/A	N/A	147,359	4.0
2017	1,076,837	61,775,890	57,368	34.9	147,157	4.3
2016	1,057,237	58,469,183	55,304	34.7	146,140	4.9
2015	1,034,442	55,925,668	54,064	34.5	145,363	5.7
2014	1,011,315	51,980,697	51,399	34.3	142,612	6.2
2013	991,619	48,823,565	49,236	34.2	141,171	8.1
2012	968,204	54,501,955	56,292	34.0	138,012	9.2
2011	944,943	45,401,491	48,047	33.9	135,638	10.6
2010	923,202	42,655,221	46,204	33.8	133,664	10.7

(1) Population for 2010 -2018 based on U.S. Census Bureau. Prior years are restated to reflect change in data source.

Population for 2019 based on estimate from North Carolina Office of State Budget and Management.

(2) Personal income, Per Capita Income and Median Age based on U.S. Bureau of Economic Analysis. Prior years are restated to reflect change in data source.

(3) School enrollment provided by Charlotte-Mecklenburg Schools.

(4) Unemployment rates based on North Carolina Department of Commerce Local Area Unemployment Statistics. Prior years are restated to reflect change in data source.

Note: N/A = Data not available

TABLE 19

MECKLENBURG COUNTY, NORTH CAROLINA  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS AGO

Employer	2019 (1)			2010 (2)		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Atrium (formerly Carolinas HealthCare)	35,700	1	5.84 %	26,283	1	6.01 %
Wells Fargo	24,000	2	3.93	20,000	2	4.57
Charlotte-Mecklenburg Schools	18,495	3	3.02	19,485	3	4.46
Bank of America Corporation	15,000	4	2.45	13,960	4	3.19
Novant Health	11,698	5	1.91	9,000	6	2.06
American Airlines	11,000	6	1.80	5,955	10	1.36
Harris Teeter	8,239	7	1.35	-	-	-
Duke Energy	7,900	8	1.29	7,757	8	1.77
State of North Carolina	7,600	9	1.24	7,479	9	1.71
City of Charlotte	6,800	10	1.11	-	-	-
Wal-Mart Stores	-	-	-	13,192	5	3.02
Food Lion, Inc. (Delhaize America)	-	-	-	8,658	7	1.98

NOTES: (1) Data per Charlotte Chamber of Commerce

(2) Data per Charlotte Chamber of Commerce publication,  
 Charlotte's Largest Employers, dated 2010

TABLE 20

MECKLENBURG COUNTY, NORTH CAROLINA  
FULL-TIME EQUIVALENT COUNTY EMPLOYEES  
LAST TEN FISCAL YEARS

Function / Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Customer Satisfaction and Management Service	104	105	97	71	48	50	49	63	61	68
Administrative Services	263	244	241	231	265	306	307	218	216	228
Financial Services	163	163	165	170	243	158	157	160	89	91
Land Use and Environmental Services	647	630	628	610	416	601	564	537	519	526
Community Services	910	909	935	852	785	755	758	772	837	740
Detention and Court Support Services	1,283	1,284	1,294	1,300	1,399	1,388	1,380	1,379	1,300	1,330
Health and Human Services	2,212	2,231	2,202	2,175	2,208	1,910	1,646	1,391	1,466	1,484
	<u>5,582</u>	<u>5,566</u>	<u>5,562</u>	<u>5,409</u>	<u>5,364</u>	<u>5,168</u>	<u>4,861</u>	<u>4,520</u>	<u>4,488</u>	<u>4,467</u>

SOURCE: Human Resource Management System, PeopleSoft

TABLE 21

MECKLENBURG COUNTY, NORTH CAROLINA  
OPERATING INDICATORS BY FUNCTION / PROGRAM  
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Governmental Activities:</b>										
<b>Land Use and Environmental Services</b>										
Residential permits issued	62,584	63,397	61,348	56,559	56,192	51,325	45,287	40,086	40,097	38,889
Commercial permits issued	34,789	34,001	31,576	29,690	33,032	30,968	30,584	29,753	24,807	22,296
Inspections performed	305,954	297,211	302,693	270,100	265,429	242,371	212,546	181,087	164,153	181,664
Inspection response time	1.27 days	1.43 days	1.50 days	1.63 days	1.55 days	1.49 days	1.42 days	1.40 days	1.35 days	1.23 days
Deeds and real estate documents indexed	160,273	168,345	183,940	169,290	160,338	164,074	201,736	166,551	153,597	168,130
Volunteer firefighters	650	650	650	650	650	623	612	648	745	895
Fire marshal and assistants	10	9	8	8	7	7	7	6	6	6
<b>Community Services</b>										
Registered voters	714,405	725,728	698,107	666,160	638,628	668,430	652,424	637,219	606,122	599,651
Total library circulation	6,375,652	6,011,818	6,114,537	6,358,592	6,110,131	5,953,997	5,681,619	5,535,783	5,557,825	7,091,927
Active library card holders (Average)	381,930	384,450	408,313	386,959	261,756	255,835	255,256	251,036	232,342	258,896
Participants using park athletic facilities	2,861,960	n/a	1,700,000	1,548,920	1,515,807	1,572,618	1,896,837	4,942,647	2,519,490	5,526,320 (1)
Park recreation program participants	301,103	280,946	285,665	217,144	214,684	230,423	218,462	188,960	414,065	298,026
Users of park pools - indoor and outdoor	126,810	n/a	360,968	189,793	272,414	468,925	496,888	489,808	554,151	551,991
Park visitors	10,696,832	10,320,204	10,000,239	9,331,508	8,820,207	8,159,000	7,566,063	5,142,469	5,142,469	4,533,389
<b>Detention and Court Support Services</b>										
Arrestees Processed	31,911	n/a	34,895	35,823	36,194	38,038	38,641	40,282	44,385	44,143
Civil processes served	67,759	68,208	81,299	67,836	69,349	72,333	78,448	78,694	126,125	132,747
Hand gun permits processed	14,595	13,899	17,884	16,136	13,010	12,032	15,730	10,011	8,783	8,990
Average daily jail population	1,551	1,561	1,525	1,444	1,507	1,881	2,042	1,928	2,164	2,274
<b>Health and Human Services</b>										
<b>Social Services</b>										
Avg monthly # children receiving subsidized childcare	7,660	7,224	6,623	6,373	6,828	7,339	7,019	7,116	7,624	8,148
Number of transportation trips provided										
by Services for Adults Division	505,780	495,776	508,153	444,948	450,343	408,005	417,995	437,995	391,456	585,857
Senior Nutrition meals served	346,244	328,942	333,775	294,748	282,324	277,385	288,432	297,204	252,137	288,516
<b>Health Department</b>										
Patient visits	43,848	51,774	51,793	50,763	104,689	129,772	169,309	222,385	226,509	245,076 (2)
Food service inspections	10,326	10,213	10,310	10,155	8,506	8,126	9,434	9,600	10,121	10,478
<b>Business Partners</b>										
Public school full-time teachers	9,401	9,401	9,258	9,253	9,180	9,180	9,221	8,890	8,565	8,965
Students attending public school	147,352	147,359	147,157	146,140	145,363	142,612	141,171	138,012	135,638	133,664
Community college faculty	868	894	918	933	938	968	990	914	872	886
Community college students	18,367	18,526	18,913	19,143	19,064	19,802	20,413	19,470	20,110	20,176
<b>Business-type Activities</b>										
<b>Solid Waste Enterprise Fund</b>										
Tons of solid waste processed	1,435,055	1,395,253	1,370,054	1,157,119	1,079,595	942,568	988,227	1,089,624	1,046,569	1,200,636
Tons of yard waste processed	121,180	122,046	129,944	108,839	104,617	112,756	100,525	100,173	98,279	95,760
Tons of recyclables processed	73,593	74,314	76,404	75,839	75,226	76,716	73,947	72,268	74,203	61,724

NOTES: (1) Large tournaments excluded from prior years

(2) 2016-2019 does not include WIC

SOURCES: Mecklenburg County Code Enforcement, Mecklenburg County Register of Deeds, Mecklenburg County Fire Marshal's Office, Mecklenburg County Board of Elections, Charlotte Mecklenburg Library - Finance Director, Mecklenburg County Park and Recreation - Asset Manager, Mecklenburg County Sheriff's Office, Mecklenburg County DSS, Charlotte-Mecklenburg Schools, Central Piedmont Community College - Research Analyst and Mecklenburg County Solid Waste Management - Land Use and Environmental Services Agency.

TABLE 22

MECKLENBURG COUNTY, NORTH CAROLINA  
CAPITAL ASSETS STATISTICS BY FUNCTION / PROGRAM  
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities										
Land Use & Environmental Services										
Volunteer Fire Stations	22	20	18	18	18	19	19	19	19	17
Community Services										
Libraries	22	20	20	20	20	20	20	20	20	20
Voting Machines	2,223	2,223	2,223	2,223	2,223	2,223	2,223	2,223	2,223	2,223
Parks & Greenways	250	270	270	270	268	266	256	254	266	241
Golf Courses	5	5	5	5	5	5	5	5	5	5
Parks & Greenways Acreage	19,572	20,932	22,582	22,492	21,292	20,873	20,472	18,825	18,489	18,489
Detention & Court Support Services										
Jail Beds	2,625	2,625	2,625	2,625	2,715	2,715	2,715	2,715	2,715	3,095 (1)
Business Partners										
Public Schools	175	176	170	168	164	164	159	159	178	176
Historic Sites	n/a	n/a	21	21	21	21	8	8	5	5
Business-type Activities										
Solid Waste Enterprise Fund										
Landfills	1	1	1	1	1	1	1	1	1	1
Recycling & Yard Waste Processing Facilities	10	11	12	12	12	12	13	13	13	13 (2)
Material / Metal / Tire Recovery Facilities	5	5	5	5	5	2	2	2	1	1

NOTES: (1) Jail Annex closed in 2011.

(2) Recycling & Yard Waste Processing Facilities has been adjusted to only include County run Facilities.

SOURCES: Mecklenburg County Fire Marshal's Office, Charlotte Mecklenburg Library Finance Director, Mecklenburg County Board of Elections, Mecklenburg County Park and Recreation Asset Manager, Mecklenburg County Sheriff's Office, Charlotte-Mecklenburg Schools and Mecklenburg County Solid Waste Management - Land Use and Environmental Services Agency.