

Mecklenburg County
Patricia Gibson Interim Director of Financial Services
December 22, 2020

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, 2020.

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 Auditors. 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 1st 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 banking center in the United States and is the 41st 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, Truist Financial 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.

While new COVID-19 infections have steadily risen, economic activity has held up well in the County. The County continues to see a significant influx of new industry, capital investment and new residents. Charlotte recently landed one of the state's largest economic development deals ever, when Centene Corporation, a Fortune 500 Company, announced they would develop an East Coast headquarters in University Research Park. Construction of the firm's one-million square foot campus is expected to begin in August and employ 3,237 workers when it is fully staffed, with an average salary in excess of \$100,000. The announcement follows a string of other large expansions in the area, most of which chose Mecklenburg County because of its deep pool of tech workers and continuing stream of young, educated, tech savvy workers from other parts of the country.

Companies relocating to the County are likely to weigh cost of living, quality of life and state and local governments' ability to foster economic growth, North Carolina, Mecklenburg County, and the City of Charlotte have long boasted a AAA credit rating. Local governments here also have a long history of working together with businesses, labor and community groups to foster an inclusive business environment.

RCLCO Real Estate Consulting ranked Charlotte number 1 in the nation for STEM job growth. The County also is ranked 7th by Niche's 2020 Best Places, for "Best County for Young Professionals". With a cost of living only slightly higher than the national average, Mecklenburg continues to draw-in young professionals and new businesses because of its affordability when compared to other major US cities.

Charlotte was ranked 13th in the 2020 Top best Places to live recently released by Livability.com. Popular attractions such as Lake Norman, the U.S. National Whitewater Center and the city's parks system helped secure one of the top spots as well as business attributes such as the number of Fortune 500 companies that call Charlotte home and the Charlotte Douglas International Airport, which is considered the sixth-busiest international airport in the world.

Mecklenburg County's unemployment rate in June 2020 was 8.6%, an increase from 4.1% in 2019. The County's unemployment rate is slightly above the North Carolina rate of 7.9% and is lower than the national rate of 11.2%. Employment numbers decreased by 61,919 jobs to 549,771 from the prior year June amount of 611,690.

Home sales remained steady in 2020 compared to 2019; and the average closing price of homes experienced a .5% slight decrease in 2020 from the prior year June amount. The County's supply of homes for sale in June 2020 was 2,111, due to high demand, record low mortgage rates, and the overall attractiveness of the County, prices should continue to rise. The number of building permits increased by 950 to 13,721 from the prior year June amount of 12,771

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 \$1,830.0 million in 2020, an increase of 35.1% over the last ten years. Taxes and assessment revenues have increased 42.7% for the same period, and the contribution to total revenue has increased from 77.2% in fiscal year 2011 to 81.6% in fiscal year 2020 reflecting the growth in population, demand for services, and increases 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 6.3% in fiscal year 2011 to 7.1% in fiscal year 2020. Intergovernmental revenue contributed 15.4% to total revenues in fiscal year 2011 and has dropped to 8.9% in fiscal year 2020 as state revenues have declined relative to other sources of revenue, highlighted above.

General governmental expenditures were \$2,025.2 million in 2020 and have increased 54.5% in the last ten years. Governmental expenditures covered by tax revenues totaled \$1,492.4 million, decreasing from 79.8% in fiscal year 2011 to 73.7% in fiscal year 2020. Costs of services continue to increase along with the growth in populations served. This is particularly true for Community Services and Detention and Court Support Services where costs have increased 47.1% and 39.8%, respectively. Business Partners costs have increased 51.9% over the ten-year period reflecting the increased contributions for public education. Land Use and Environmental Services costs have increased 33.0% 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 \$1,019.3 billion of Charlotte-Mecklenburg School capital projects to be funded through general obligation school bonds and other debt financing. The 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.

Mecklenburg County's fiscal year 2021 Budget achieves three goals:

- 1) Funds the County's core, critical services and programs that provide support to our residents who need it the most,
- 2) Maintains a fund balance that will be available to mitigate the impact of the impending revenue shortfall as a result of the COVID-19 pandemic and,
- 3) Funds services and initiatives that align with the Board of County Commissioners top priorities

The FY2021 budget maintains the current tax rate of 61.69 cents. The budget includes a total of \$52 million in fund balance. Of this amount, \$33 million will address one-time expenses and \$19 million will be appropriated to offset the anticipated decline in revenue in FY2021. In addition, the budget includes repurposing \$17.2 million, or approximately one cent of the property tax rate, from the debt service fund to the general fund. This revision will still allow sufficient funding to service our current debt and provide funding for future debt.

The Budget priorities reflect the County's Strategic Business Plan, and Board Priorities including, reducing racial disparities, early childhood education, mental health, affordable housing, and parks & greenways.

Key focus areas are listed below:

- **Reducing Racial Disparities:** Mecklenburg County is committed to doing its part in helping to reduce racial disparities within the community, by providing support to programs and initiatives that help to close gaps where they exist, whether it is education, economic opportunity or health care. Investments include funding to address food insecurity in the County and grants for grassroots organizations and programs. In addition, the Budget includes funding for one full-time Project Compliance Coordinator for the Minority, Women, Small Business Enterprise Program.
- **Early Childhood Education:** Early childhood education remains a key priority as research show that education is the gateway for future success, but not everyone has been afforded that opportunity. The 2021 Budget provides a total investment of \$21.3 million and will allow the County to add 20 classrooms allowing for an additional 365 students to be served during the upcoming school year. The increase will allow for an enrollment capacity of 1,602.
- **Mental Health:** The Budget provides \$6.2 million in new investments in mental health support. The Budget provides funding for \$1.3 million for additional services in our Detention Centers to increase efficiencies and reduce wait times for those in need of help. Additional funding will provide an Assistant Nursing Director, Licensed Practical Nurse, a Mental Health Clinician, a Physician, a Psychiatrist, Psychiatric Registered Nurse and a Recreational Therapist. \$945,000 provides support for Charlotte-Mecklenburg Schools exceptional children staffing and special education support and \$3.4 million to expand school supportive services.
- **Affordable Housing:** In FY2020 the County embarked on a journey to create more affordable housing options within the community. The Budget continues to fund Habitat for Humanity's Critical Home Repair Projects program. The Budget also includes funding to expand the rental subsidy programs.
- **Parks & Greenways:** The County's Parks and Greenways continue to be an essential component in the livelihood of our residents, especially during the pandemic as many relied on these areas as an outlet for exercise. The Budget includes funding for 59 part-time and limited part-time positions to support operations at the new Eastway Regional Recreation Center expected to open later this year. The funding will also provide two 15 passenger wheelchair accessible buses and computers for the computer lab. There is also funding for positions at American Legion Stadium and funding to support additional programming and related expenses for Steven's Nature Creek and the McDowell Nature Center.
- **Education:** Charlotte-Mecklenburg Schools (CMS) is critical in helping students to succeed and is a top priority for the community. There is \$11 million budgeted and held in Restricted Contingency for CMS to provide \$15 per hour minimum wage for hourly employees. The County Budget also funds the health insurance and the retirement rate increases; funding to accommodate charter school and enrollment growth for 1,807 new students; maintenance and operating costs for one new school including student support staffing/social and emotional learning support and exceptional children staffing and special education support.

- **Higher Education:** Central Piedmont Community College (CPCC) is a crucial community partner responsible for helping students achieve academic success. CPCC provides workforce development and creates career paths for students of all ages, backgrounds and socio-economic status. For CPCC the County Budget will fund salaries for the maintenance staff. The Budget provides funding for the cost of maintenance and repairs of buildings and grounds. In addition, the Budget provides insurance fees for campus buildings, vehicles and workers compensation for institutional employees paid from local funds and other necessary insurance coverages.
- **Public Health:** If there was ever a defining event that reiterates the importance of the County's Public Health Department – it would be COVID-19. The pandemic has illustrated the department's primary goal – in real time for our residents to witness – and that is to promote and protect the public's health. During this crisis – the Public Health Department served as the nucleus for our emergency response to the pandemic. Public Health is also responsible for finding innovative ways to promote healthy habits within the community. Funding is provided to address Food Deserts in our community, to reduce disparities in healthcare, tuberculosis testing and interpreter services. The Budget also includes funding for the Children's Developmental Services Agency to maintain service levels following a 13% increase in enrollment. The agency provides early intervention and support for children from birth to age three who have developmental delays. Additionally, the budget funds one full-time school health nurse to stay within the policy of one public health nurse per school.
- **Department of Social Services:** Due to COVID-19, there are many more within the community who are faced with individual crises and struggles each day. To sustain the level of services the department provides, and respond to increases in demand, \$166.3 million is budgeted for FY2021. The Budget provided support to meet the increase funding for Foster Care placements, expand the Senior Nutrition Meal Services to support increases in both homebound and congregate meal programs and to add 70 Wards to private guardianship. The Budget also provides support for the Raise the Age Funding Grant Match, which provides therapeutic services to juveniles that have come in contact with the criminal justice system. In addition, as efforts continue to improve operational efficiencies, funding is provided for Youth and Family Services employee retention strategies, as well as for an efficiency analysis of the Economic Services Division.
- **Asset and Facility Management:** The Budget continues efforts to keep employees and customers safe when doing business with the County and funding is provided as part of the weapons initiative screening initiative at major facilities. The Budget also provides for enhanced security at park locations
- **Information Technology:** The County's Information Technology team was an integral component of developing the "virtual county government" in response to COVID-19. The Budget provides funding for additional hardware and software upgrades and enhancements.
- **Employee Investments:** Our most valuable asset is our County employees. The current public health crisis has impacted every aspect of our lives – including the way we work. Mecklenburg County, like many other service agencies, is still responsible for providing the best possible service to our residents. Our workforce continued to provide all the critical county services and made the transition to a virtual government a seamless one. The estimated revenue loss due to COVID-19, will require us to delay the 2nd step in right sizing our salaries, which is the implementation of the results from the review of our classification and compensation system. However, the Budget provides for a 3% across the board increase for all employees. The Budget also funds a 3% merit increase for MEDIC employees.
- The adopted budget continues funding for the County's 5-year (FY2017-FY2021), \$146.4 million deferred capital maintenance plan. The FY2021 funding includes \$13 million for Charlotte-Mecklenburg Schools, \$2.8 million for Central Piedmont Community College, \$4 million for Park and Recreation, and \$2 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 2020 highlight some of the activities County departments have pursued toward Mecklenburg Vision 2020:

Financial and Administrative:

- The Financial Services Department (Finance) set up a new revenues team to improve revenue forecasting and improve coordination with Budget. This approach helped align economist analysis, department programmatic knowledge, OMB expertise, and accounting actuals for strong revenue estimates, and enabled scenario analysis for COVID-19.
- Finance developed a standard communication plan template that is scalable and concise and will continue to work to incorporate this template into a more detailed communication plan with clear definitions, roles and objectives.
- The Attorneys' Office established for the first time an in-house legal department that typically had been provided by outside counsel. COVID-19 impacted the ability to fully complete objectives, however, the office made progress and assessed and reassessed as lessons were learned and new ideas brought forth.
- The Attorneys' Office implanted a new software to help process the increased volume of public records requests. It has features and functionality that greatly enhance the County's ability to respond and manage requests including duplicate request from different media outlets.
- The Office of the Tax Collector partnered with Medic staff and created a Medic Collection Strategy that will improve Medic collections and reduce the County subsidy. This program is implemented and is ready for collections to commence as soon as instruction is provided by the Board of County Commissioners.
- The Office of the Tax Collector collaborated with other organizations and other government agencies to use foreclosed property for affordable housing for clients that meet specific income and housing need criteria. The foreclosure strategy presents a unique opportunity and is a pilot program. The strategy's communication plan is ready for launch including website enhancements. The COVID-19 state of emergency placed the foreclosure and affordable housing strategy on hold for quarter four. The courts opened prior to the end of FY2020 and the department is proceeding with foreclosure referrals and affordable housing efforts.
- Human Resources (HRS) successfully transitioned the administration of health benefits to provide greater value to both the employee and County by finalizing new contract with BCBS/CVS. HRS partnered with PI to ensure the plan changes were communicated to the employees,
- Information Technology Services established first ever Security Operations Center (SOC) with staff dedicated to cyber security of the environment. The SOC staff monitor real time between 7 AM to 5PM and rotate an on-call schedule to answer security related tickets afterhours,
- Information Technology Services implemented KNOWBe4 for staff training and "Phish Alert" capabilities.
- Asset and Facility Management continued the Enterprise Security Strategy that encompassed the County/Library programs and facilities, including Park and Recreation. In response to continued violence in the workplace nationwide, implemented additional measures to train and protect employees at County Facilities.
- The Public Information Department launched the Coronavirus Update page on MeckNC.gov in March and engagement and views skyrocketed, doubling from one to two million views per month as the site became the single trusted source of official information regarding the County's response to the pandemic.
- The Office of Economic Development implemented a third-party small business revolving loan fund to provide loans of \$75,000 and less, including partnering in marketing the fund and preparing borrowers to access the funds. The Board of County Commissioners approved a \$2.75 million revolving loan facility including costs for a third party to manage the administration of the loan fund. The fund is in response to identified gaps in the capital markets for small businesses.

Land Use and Environmental Services (LUESA):

- The Code Enforcement Division provided support to the Republican National Convention for planning activities to ensure the "limited event" was safe, secure and successful.
- Air Quality lead Mecklenburg and surrounding counties in participation of EPA's Ozone Advance branded as Breathing Room. Our region's current ozone compliance barely meets the federal health-based standard for ozone set in 2015 and this program ensures commitment to continued improvement and the Breathing Room project will create a buffer for compliance.
- The Geographical Information System (GIS) Division participated in the Mecklenburg County Census Complete Count to assist with community outreach and mapping services. It was imperative to get a total count of the citizens, every person counted was worth approximately \$16,000 per decennial to the County. The final preparations for the 2020 Census included a count of all people in Group Quarters (i.e., correctional facilities, nursing homes and dormitories) and an update of all residential addresses completed between fall 2018 and April 1, 2020.

- Mecklenburg County Storm Water Services created a detailed time/expense tracking model for the nine different revenue streams and proposed fee changes as needed during the FY20 through FY22 budget processes. The system was populated with the 100% cost-recoverable hourly rates and land development fee models. For FY20, the revisions to the fees generated an additional \$200,000 in funding for the major stream.
- The County Assessor's Office completed and finalized the 2019 countywide reappraisal including using best practices in performance and communication, completed all informal reviews, mailing notices of value changes and working with Land Records to include new construction entries.
- The County Assessor's Office planned and prepared resolution of the 2023 countywide revaluation for adoption by the Mecklenburg Board of County Commissioners. The process contains quality control practices to ensure best practices and continued training that will ensure employees are proficient with all software and provide trainings for employees that is customer service focused.
- The Register of Deeds implemented a process for new parents to request a copy of the birth certificate for their newborns born in Mecklenburg County securely at the hospital. Once the birth is registered with the Register of Deeds, they can receive their newborn's birth certificate in the mail, alleviating a trip to the Register of deeds' Vital Records Office.

Health and Human Services:

- Health and Human Services (HHS) initiated an Integration Initiative to enhance collaboration across HHS departments and create a Single View of the customer technology platform to improve the customer experience when accessing services across HHS departments.
- Public Health collaborated with Atrium Health, Mecklenburg County's only Level 1 Trauma Center and other community partners to begin implementation of a plan to address community violence and community safety. The number of homicides and other violent acts in Mecklenburg County has increased significantly resulting in a more comprehensive approach to violence prevention and community safety. Violence is being considered a public health issue. A study of the trauma registry from 2009-2015 showed 25% of patients discharged from an initial violent injury returned with a second injury. Approaching violence as a public health issue means searching for the root causes and using evidence informed best practices to address those causes. Based on the approved strategic plan, the ReCAST Grant provided training in resiliency and trauma informed care approaches for 944 service providers and first responders, including faith-based leaders, law enforcement and other front facing stakeholders. The purpose of beginning ReCAST activities with training these groups was to develop a common language and agenda and to set a tone of change of how services are rendered to the community. Eight organizations committed to the year- long ReCast Learning Community which began February 2020 facilitated by the National Council for Behavioral Health. This activity, in partnership with the department's Community Mental Health and Wellness Group, supports organizations in achieving organizational change to become trauma-informed systems. A "healing hub" pilot to support faith communities was developed using a Navigator model to increase non-traditional entryways into behavioral health services.
- Public Health continued to partner with and engage community partners to implement the Community HIV Prevention Plan "Getting to Zero Mecklenburg". Testing took place in over 20 community testing venues; however, testing events were paused in March 2020 due to COVID-19. Up to the time services were paused, over 1,700 individuals were tested for HIV and 18 positives were identified.
- Public Health continued to assess and develop a gap analysis and strategic plan to address early childhood development with the possible implementation of "The First 1,000 Days", This is an evidence-based approach to improve nutrition during this critical 1,000 - day window to promote growth, development and overall lifetime health. Because of COVID-19 and the resulting unemployment crisis, the WIC program exceeded its caseload target for FY20. With an additional 4,000 cases, the program faced staffing challenges, immunization services were temporarily suspended at Public Health clinics and reopened at the Beatties Ford Road location only. Staff began working with community partners to promote childhood immunizations. It was determined that the gap analysis and first 1,000 Days Initiative would be incorporated into a broader Initiative.
- The Health Department responded to communicable disease outbreaks and exposures in the community by increasing capacity for responding to emerging and re-emerging communicable disease outbreaks. In addition, the COVID-19 pandemic required the department to increase capacity to appropriately manage growing case count, contact tracing efforts, prevention messaging efforts and engage directly with local, state and federal officials. Because so many direct

services were suspended, staff throughout the department shifted into new roles with new responsibilities. The Emergency Operations (EOC) and emergency response operations were activated in March 2020 to respond to COVID-19. The Health Director has been the Incident Commander since the EOC opened.

- The Department of Social Services and Child Support Enforcement (CSE) established program operations by cross training staff and working with consultants to established program operations that support compliance with North Carolina Department of Health and Human Services Memorandum of Understanding to avoid any risk of non-compliance.
- The Department of Social Services implemented Medicaid performance and accountability strategies to ensure compliance with the North Carolina Department of Health and Human Services Medicaid application timeliness measures. The department was released from the Medicaid Corrective Action Plan and has maintained compliance.
- The Department of Social Services continued the lead to support the designation of Mecklenburg County as an age friendly community. Previously there were gaps in service and unequal access to basic livability needs. A new Division Director was hired to oversee the completion of Age Friendly Mecklenburg. A survey of 600 seniors was completed in May that focused on 8 Domains of Livability. Staff used this data to analyze the results and finalized the age friendly Gap Analysis which identified the key resources most important to seniors living in Mecklenburg County. DSS distributed the final gap analysis to more than 100 key stakeholders countywide. DSS contracted with an age friendly consultant to help manage the age friendly plan, Due to the Coronavirus some of the planned activities could not take place and will be included in the FY21 final age friendly plan. However, the committee secured agreements with key stakeholders to develop the plan to enhance the following domains: housing, transportation, outdoor spaces and community and health services.
- The Department of Social Service developed and planned procedures in preparation for North Carolina's Raise the Age (RTA) legislation that went December 1, 2019, allowing juveniles aged 16 and 17 to have cases heard in juvenile court. DSS is responsible for ensuring residential placement for youth involved with both the juvenile justice and child welfare systems. The RTA initiative transfers jurisdiction of nonviolent juvenile offenders, up through age 17, to the Juvenile Court. DSS anticipated an uptick in older youth entering custody, however, to date a significant uptick has not come to fruition, but legislation is new, and the Department is prepared should more youth enter custody come in the coming months. Therapeutic residential programs were developed and DSS collaborated with Cardinal Innovations to ensure foster care placements would be both timely and adequate. DSS Youth and Family Services continues to work on development of an internal tracking system to monitor the influx of crossover youth.
- The Department of Social Service partnered in planning and implementation of Phase 1 of the Charlotte-Mecklenburg Family Justice Center. This is a multi-agency, multi-disciplinary co-located model of services for survivors of intimate partner violence, sexual assault, child abuse, elder abuse and human trafficking. Phase 1 activities were held in a temporary space to begin establishing partnerships and policies and procedures required for an expansive permanent Phase 2 Family Justice Center.
- Community Support Services led the Veterans Administration/ SAMHSA Mayor's/Community Challenge to Prevent Suicide Among Military Service Members, Veterans and their family. The Mayor's Challenge Team to Prevent Suicide among Service Members and their Families rebranded itself as "Mission CLT" (Mission – Changing Lives Together). The rebranding included the group's logo, monthly newsletter, Twitter, Facebook and Instagram. An action plan was developed around the priorities and strategies for suicide prevention.
- Community Support Services provided leadership to facilitate the transition of the management of the Continuum of Care (CoC) from the City to the County to oversee the work to end and prevent homelessness. The Department of Community Support Services worked in partnership with other agencies to end and prevent homelessness by providing leadership, high quality data and context, funding, and supportive services to support homeless households to obtain and sustain housing.
- Community Support Services launched Mecklenburg Keeping Families Together (MeckKFT) and employs an evidence-based program model to serve high-need homeless families involved with child welfare and the emergency shelter system. CSS allocated funding to the Supportive Housing Communities (SHC) to implement MeckKFT and completed a required Child Welfare training. Through a data match, 114 families were identified as having interactions with both child welfare and homeless systems over the same period. At the end of FY20, 16 families were referred to MeckKFT and nine families moved to permanent housing and one family exited to market rate housing while also increasing their family income. MeckKFT will serve 50 families through FY22.

Detention and Court Support Services:

- The Mecklenburg County Sheriff's Office partnered with the North Carolina Department of Public Safety Juvenile Justice Division and opened the Juvenile Detention facility on December 1, 2019, in response to the Raise the Age Legislation. The Juvenile Detention facility has a capacity to house 72 juveniles.
- The Mecklenburg County Sheriff's Office negotiated a 61% reduction in the local and intrastate phone rates residents and their families pay for phone calls. The at-home video visit rate was also reduced. In the first two months following the reduced rates, the number of minutes increased over 21%.
- The Mecklenburg County Sheriff's Office hosted the second career fair for residents. In the 2nd Empowerment through Employment Career Fair nine employers attended and 48 offers of employment were extended. In addition, the first-ever Haberdashery was opened to provide professional attire to residents during these career fairs.
- The Criminal Justice Services (CJS) Department continued to make progress towards its safety & Justice Challenge goals and had its' work highlighted at the October 2019 SJC All-Sites convening in Houston, Texas. In addition, CJS was awarded a \$1 million renewal grant from the McArthur Foundation in February 2020 to continue support of the bail policy implementation, racial and ethnic disparities efforts and community engagement strategies.
- The Medical Examiner's Office updated mass fatality plans as Charlotte-Mecklenburg is a major metropolitan area with an international airport, two nearby nuclear power stations and hosts major events on a regular basis that have inherent risks for possible mass disaster or fatalities. This is an ongoing project with continued learning and strategy development.

Community Services:

- The Park and Recreation Department worked to increase access to public recreation amenities by completing a neighborhood park that provides a multigenerational experience for residents and has a community garden; a phase 2B that features an elevated boardwalk and provides connectivity to UNC-Charlotte campus and other greenways; and a completely updated gym with a stage and catering kitchen.
- The Park and Recreation developed a comprehensive plan for the Eastway Regional Recreation Center and formed a partnership with Charlotte Area Transit System (CATS) to increase access. Construction is ongoing due to supply chain delays and labor force restrictions due to the COVID-19 pandemic.
- The Elections Department successfully provided research and information for the Mecklenburg County Board of Elections to make decisions on the purchase of new voting equipment. Met every deadline imposed by the NC State Board of Elections and followed all procedures as outlined by the NC State Board of Elections and all requirements of County Finance for the acquisition of the new voting equipment. All equipment was logic and accuracy tested as part of the Board acceptance plan.

Library:

- The Library shifted to all online and virtual programming during the COVID-19 closure (March 18 – May 31, 2020), reaching more than 206,000 customers, including 88,800 views and 34,700 engagements, from virtual and online programs. In addition, from March - June, more than 5,033,000 emails were distributed to customers with 1,153,000 opens (a 30% open rate) and recorded 153,150 click-throughs to the Library website. The Library's social media platforms recorded more than 77,400 engagements, with a weekly engagement average of 7,000.
- The Library conducted more active reading workshops to promote childhood literacy, bringing the number of family completions up over FY 2019 by 85% to 971 (an additional 57 workshops were cancelled from March – June due to COVID), while total adult reading mentors trained were 504.
- The Library, with Mecklenburg County Asset Facility Management (AFM), re-opened North County Regional Library and moved Scaleybark Library to South Boulevard Library, as well as advanced capital projects at South County Regional Library while planning continued for new Main Library and Support Services Center. In addition, the Library collaborated in the partnership with the Seventh & Tryon Re-development Committee and received approval on incorporating McGlohon Theater and the Duke Energy Black Box Theater into the new Main Library project.

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, 2019. This was the 44th 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 2020 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 2020 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.

The Public Health Department was awarded the American Heart Association Heart of Gold Award for the Public Health's Village HeartBeat program. Through partnerships with several faith-based organizations in the community, the Village HeartBeat program has helped reduce the risk of cardiovascular disease by improving the level of fitness and health education for hundreds of residents in Mecklenburg. The program uses a combination of physical exercise and education improve/maintain participants' biometrics such as weight, BMI, blood pressure, cholesterol and hemoglobin, A1c.

Mecklenburg County's Criminal Justice Services was one of five jurisdictions selected for additional funding based on the promise and progress of work to date from the MacArthur Foundation Safety and Justice Challenge to Advance Local Justice System Reform. This new round of funding will provide the County's Criminal Justice Services Department and partners with continued support and expert technical assistance to strengthen and expand strategies to address the main drivers of local jail incarceration and racial and ethnic disparities, with the goal of further reducing Mecklenburg County's average daily jail population by 17 percent in 2022.

During the National Association of Counties (NACo) 2020 conference, County employees received achievement awards for their contributions to several outstanding programs and initiatives which are listed below:

- Assessment Appeals at the Speed of Light (County Assessor's Office) – The department developed a plan for the 2019 countywide revaluation process that included proper planning, preparation, and disposition of both the informal and formal appeals process afforded to all customers. Transparency, communication and timeliness were their key driving components in planning the 2019 appeals processes. By creating and implementing a plan to put those components into action, they reduced the number for formal assessment appeals from 18,687 in 2011 to 9,952 in 2019.
- Code Enforcement Inspections (LUESA – Mecklenburg County Code Enforcement) – Code Enforcement conducted a comprehensive customer needs assessment and implemented a multi-phase overhaul to its inspections' delivery processes over the course of several years. The end- result was increased efficiency and strengthened relationships with the customer base.
- Code Academy (LUESA – Mecklenburg County Code Enforcement) – The department created Code Academy, a curriculum-driven program for county code enforcement officials in four trades that allows for a deeper understanding of emergent issues. Along with its customer-focused sister Code Connections, Code Academy is an innovation in employee training.
- Voice of the Community (LUESA - Support Services Division) – The Support Services Division completed research updating and rebranding the original Mecklenburg Livable Communities Plan for growth projections and impacts. The "Voice of the Community" research was designed to update the original plan and set a course for the next five years. From August 2018 to May 2019, this research reached the six Mecklenburg Towns, the City of Charlotte, nonprofits, private businesses, faith-based organizations, universities and neighborhoods. "Voice of the Community" was successful in gaining insight and priorities. Deliberate efforts for inclusion based on age, gender, geography, employment status and race were used. The project included five different types of engagement techniques and 50 in-person engagements were held across the County with over 4,200 people participating. The result was an updated quality of life plan with 8 guiding principles and 32 strategies.
- Public Information won a bronze Telly Award for production of the "Sheriff's Dogs of Mecklenburg County" video.

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,

Patricia Gibson
Interim 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.

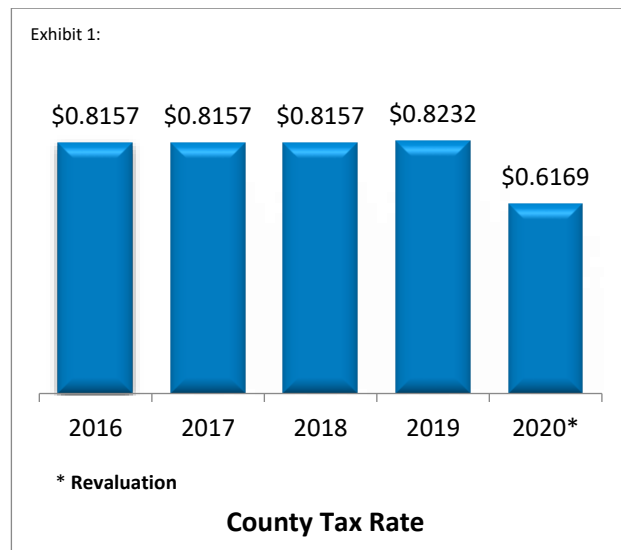
The County had 5,464 full-time equivalent employees at June 30, 2020 to provide the services mandated by State statutes and to meet the needs identified by the Board. Table 20 in the Statistical Section presents the distribution of employees between the core service areas for the current year and the 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 2016. 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 2016, 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. In fiscal year 2020, the Board of County Commissioners set the tax rate at 61.69 cents, a decrease of 20.63 cents below 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 2020, the County's exempted or reduced assessments totaled approximately \$24.5 billion in real and personal property valuation. Exhibit 2 shows the counties in the State with an assessed valuation exceeding \$10 billion as of January 1, 2020, their tax levies and rates.

Exhibit 2:

PROPERTY TAXES IN NORTH CAROLINA**With Assessed Valuations Over \$10 Billion**

County	Valuation	Revaluation	Tax Rate
Alamance	\$ 14,709,765,950	2017	\$ 0.6700
Brunswick	29,066,054,668	2019	0.4850
Buncombe	39,283,677,510	2017	0.5290
Cabarrus	24,206,828,473	2016	0.7400
Carteret	15,176,027,542	2015	0.3100
Catawba	18,444,591,523	2019	0.5750
Chatham	11,599,221,682	2017	0.6700
Cumberland	23,647,395,377	2017	0.7990
Dare	13,615,110,778	2013	0.4700
Davidson	14,747,609,444	2015	0.5400
Durham	44,041,675,119	2019	0.7122
Forsyth	37,428,186,829	2017	0.7535
Gaston	19,787,465,111	2019	0.8400
Guilford	52,513,421,991	2017	0.7305
Henderson	16,127,346,576	2019	0.5610
Iredell	25,954,217,811	2019	0.5275
Johnston	20,738,464,281	2019	0.7600
Lincoln	10,969,394,012	2019	0.5990
Mecklenburg	185,555,815,222	2019	0.6169
Moore	13,829,315,478	2019	0.5100
New Hanover	35,161,367,579	2017	0.5550
Onslow	14,429,251,227	2018	0.7050
Orange	18,855,538,803	2017	0.8679
Pitt	14,033,523,329	2016	0.7310
Randolph	11,797,705,036	2019	0.6327
Rowan	13,756,085,209	2019	0.6575
Union	26,981,400,445	2015	0.7309
Wake	153,525,122,082	2016	0.7207

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: For all Counties (other than Mecklenburg) - N.C. Department of Revenue, Tax Research.
Mecklenburg County - Mecklenburg County Assessor's Office

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. DSS 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 Clinical and Contractual Services. 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 Clinical and Contractual Services 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 is comprised of 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 Division 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 (DCR) strives to improve the health and well-being of Mecklenburg residents, especially those in most need. Emphasizing education, prevention and excellent customer service, DCR supports the core departments of Mecklenburg County Health and Human Services by combining service delivery at the state-of-the-art Community Resource Center on Freedom Drive in Charlotte, North Carolina.

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 civil processes.

The Sheriff has two main detention facilities. Detention Center 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. Detention Center North opened in 1994, and effective December 1, 2019 was designated the Mecklenburg County Juvenile Detention Center. This facility places an emphasis on resident programming. Juveniles are housed in the portion of the facility that opened in 2010, that was previously used to house the Youthful Offender population which were designated as 16 and 17 year old. The unit population is housed in smaller groups with an emphasis on education, structure and counseling. Both facilities are medium-security detention centers and hold residents awaiting trial or sentencing or both. Mecklenburg County accepts residents from surrounding towns, municipalities, US Marshal Service and the Charlotte-Mecklenburg 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 (CSE) 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 (GIS) 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 20 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 250 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 760,945 registered voters using 195 precincts in the County as of June 2020.

Other Service Areas

The four major service areas are supported by the 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 7.0% 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	
2020	1,131,342
2019	1,115,571
2018	1,093,901
2017	1,076,837
2016	1,057,237

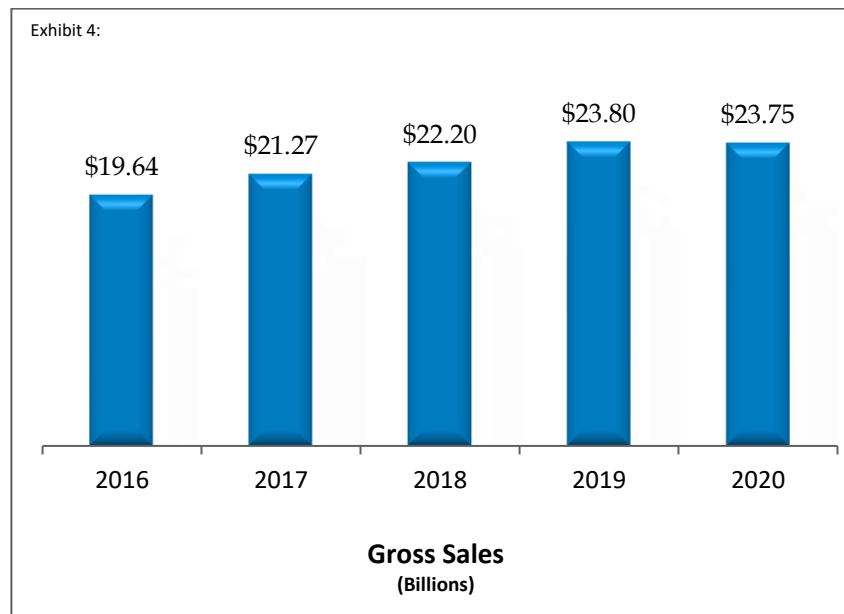
Source:

For years 2016 - 2019 based on U.S. Census Bureau. Prior years are restated to reflect change in data source.

Population estimate for 2020 based on estimate from North Carolina Office of State Budget and Management.

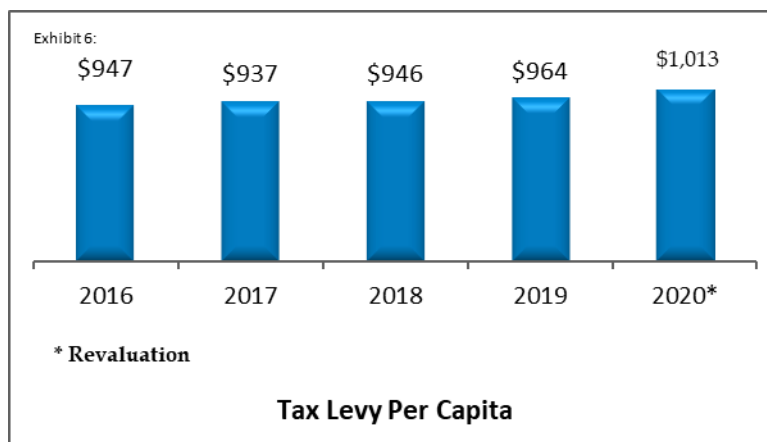
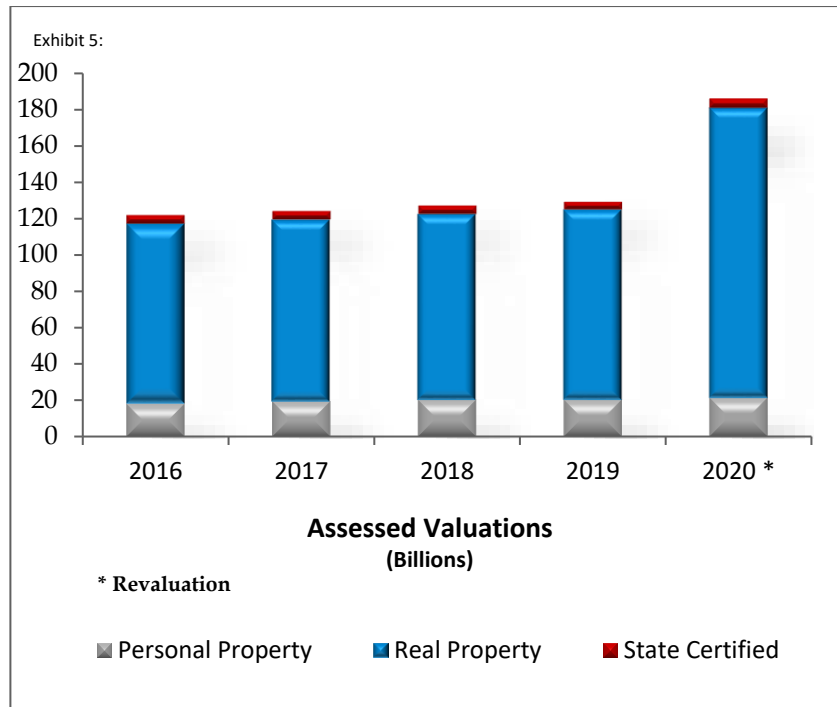
General Economic Indicators

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 2016 through fiscal year 2020 gross taxable sales increased by 20.9%.



Growth of the Tax Base

Exhibit 5 shows the increase in the tax base over the last five years. Assessments for fiscal year 2016 were \$121.1 billion increasing to \$186.0 billion in 2020, which is an 53.3% increase over 5 years. Between fiscal years 2016 and 2020, the general tax levy increased 14.6% from \$1.0 billion in 2016 to \$1.1 billion in 2020. The Tax Levy Per Capita for this period is presented in Exhibit 6. The tax levy per capita has slightly increased from fiscal year 2016 to fiscal year 2020.



The County's ten principal taxpayers, as presented in Table 10 of the Statistical Section, contribute 5.3% of total assessed valuation and represent a wide range of industrial categories. Eight of the ten principal taxpayers in fiscal year 2020 were listed as Principal Taxpayers in fiscal year 2011.

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 2020, CATS bus and light rail ridership totaled approximately 10,537,000 and 7,262,000, respectively. CATS maintains 304 buses, 58 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 2019, Charlotte-Douglas International Airport ranked 6th in aircraft movements, 11th in total passengers and 30th in total cargo. The Airport has 114 gates and is served by eight domestic and three foreign airline carriers traveling to 177 nonstop and 35 international destinations. An estimated total of 50.2 million passengers passed through the airport and over 183,900 tons of cargo were handled in calendar year 2019.

Employment and the Economy

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

Exhibit 7:

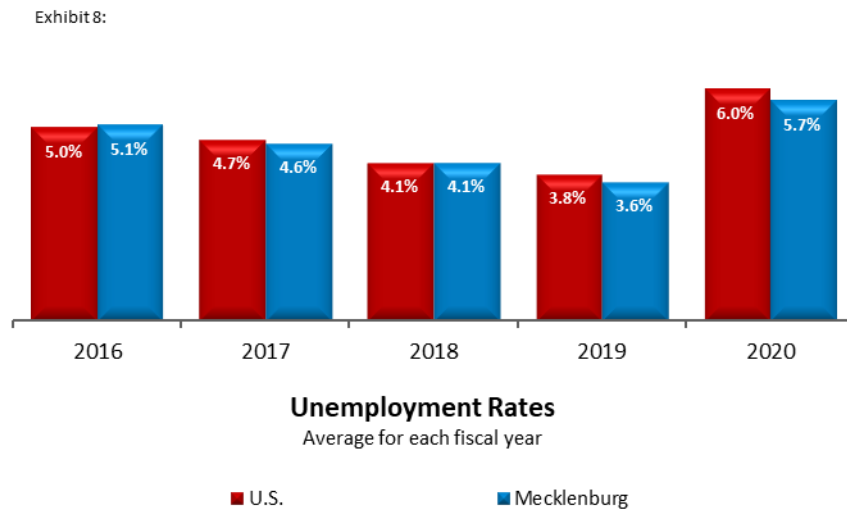
Industry Structure

Industry	Average Employment
Accommodation and Food Services	64,415
Administrative and Waste Services	63,748
Agriculture, Forestry, Fishing & Hunting	1,124
Arts, Entertainment and Recreation	14,647
Construction	35,902
Education Services	36,559
Finance and Insurance	76,555
Health Care and Social Assistance	83,363
Information	20,008
Management of Companies and Enterprises	30,663
Manufacturing	34,093
Mining	180
Other Services, Ex, Public Admin	19,288
Professional and Technical Services	61,437
Public Administration	19,026
Real Estate, Rental and Leasing	14,033
Retail Trade	63,910
Transportation and Warehousing	45,259
Utilities	1,734
Wholesale Trade	36,863
TOTAL	722,807

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

Seven Fortune 500 companies are headquartered in the County – Bank of America, Brighthouse Financial, Duke Energy, Honeywell, Nucor, Sonic Automotive and Truist Financial. Lowe’s Home Improvement, 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. Exhibit 8 shows that the average unemployment for Mecklenburg County has increased from 5.1% for fiscal year 2016 to 5.7% for fiscal year 2020. The County's unemployment rate is 0.3% below the National rate as of June 30, 2020.



Source: NC Department of Commerce

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 2019 to 2020, with the average home price of \$333,938 at June 30, 2020.



Source: NC Association of Realtors

The largest employers by number of employees have remained relatively consistent in recent 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*
	Wells Fargo Company
10,000 to 19,999 Employees	American Airlines
	Bank of America Corporation*
	Charlotte - Mecklenburg Schools*
	Novant Health
	Wal-Mart Stores Inc.
5,000 to 9,999 Employees	City of Charlotte*
	Duke Energy Corporation*
	Harris Teeter Supermakets, Inc.*
	Mecklenburg County*
	State of North Carolina
	United States Government
2,000 to 4,999 Employees	Adecco Staffing
	AllState Insurance Co.
	Belk*
	Carowinds*
	Central Piedmont Community College*
	DMSI Inc.
	Family Dollar Stores
	Fedex Corp.
	IBM Corp.
	LPL Financial Services
	Marriott International
	McDonald's Corp.
	Robert Half International, Inc.
	Spectrum
	Staffmark Inc.
	Target Corporation
	TIAA - CREF
	University of North Carolina at Charlotte*
	YMCA of Greater Charlotte*
	YUM Brands Inc.

* Headquartered in the County

Source: Charlotte Regional Business Alliance

Education

Public education in the County is provided by the Charlotte-Mecklenburg Schools, the 17th largest school system in the nation, based on student enrollment as cited by the National Center for Education Statistics. Exhibit 11 details 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 staggered four-year 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 2019-2020 school operating budget was approximately \$1.6 billion: 58.2% provided by the State, 32.3% by the County, 8.5% by the federal government and 1.0% 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 2019-2020 adopted budget included a \$509 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 2019-2020 school year, the Board of Education operated 95 elementary schools, 47 middle schools, 31 high schools, and three alternative schools. Charlotte-Mecklenburg School System had student enrollment of 146,688 and employed 19,063.

The County's support per student, exclusive of debt service and based on total enrollment, is shown in Exhibit 12. From fiscal year 2016 to fiscal year 2020 there was an increase in the support per pupil reflecting restoration of funding as the economy improved.

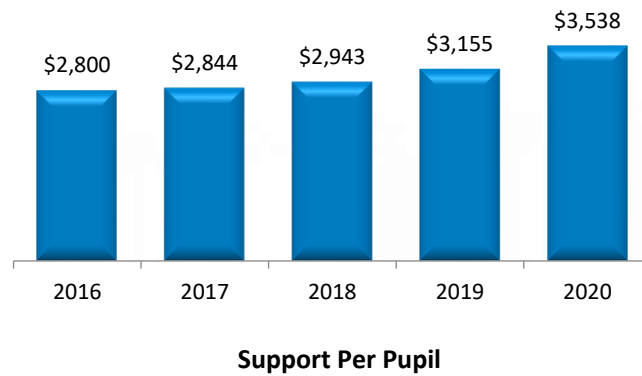
Exhibit 11

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			
2019 - 2020	67,223	33,780	43,135	1,695	145,833	146,688	99.4%	176
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

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 2019-2020 school year, the portion of local education funds budgeted to be redirected to the 54 charter schools where County students enrolled totaled \$60.2 million. Within the County, 54 Charter schools operate; 52 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	
	2020	2019
University of North Carolina at Charlotte	30,146	29,615
Central Piedmont Community College	16,269	18,367
Queens University of Charlotte	2,339	2,463
Davidson College	1,983	1,837
Johnson & Wales University	1,396	1,523
Johnson C. Smith University	1,306	1,494

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 171 undergraduate majors with 77 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 for-credit programs of study. Class instruction occurs at eight locations throughout the County, and the college also offers online classes. CPCC received \$37.9 million from the County in fiscal year 2020. 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 \$20.0 billion impact on the region and employs 163,000 in health care or life sciences. The largest employer in the Mecklenburg County region is Atrium Health which has approximately 36,000 employees. Novant Health employs approximately 12,000 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 NASCAR Cup Series events each year: The 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. 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 Florida Panthers. The Wells Fargo Championship golf tournament is held at the Quail Hollow Club each Spring.

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.



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**Mecklenburg County
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

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, 2020, 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 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 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, 2020, 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 December 22, 2020, 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 Behant LLP

Charlotte, North Carolina
December 22, 2020

Introduction

Management's Discussion and Analysis provides a narrative discussion of the County's financial activities for the year ended June 30, 2020 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, 2020, the Statement of Activities reflects an increase in net position of \$5.8 million as compared to an increase in net position in the prior year of \$112.5 million, resulting from an 11.0% increase in operating expenses offset by a smaller increase of 4.3% in revenues, both program and general. Expenses increased \$183.4 million from the previous year, with business partners having the largest increase of \$105.9 million, as the County continues to invest in our community. Overall, revenues increased \$76.7 million compared to the previous year, which includes a \$78.3 million increase for property tax. As indicated in table 11, the FY20 property tax levy increased and was based on a revaluation completed by the Assessor's Office. Investment income decreased \$14.2 million from the prior year due to low interest rates.

The governmental funds total fund balances increased by \$35.6 million from the prior year total for an ending fund balance of \$1,202.6 million. The increase is the result of higher than expected revenues, especially taxes and operating grant revenue. Property tax collections were strong, and the majority of tax collections occurred prior to the pandemic. Revenues from operating grants increased \$21.6 million or 15.5% in fiscal year 2020, as the County continued to focus on seeking other funding opportunities to support operations. Of the \$1,202.6 million of governmental fund balances, total fund balance of \$255.2 million is available for future years' spending as unassigned fund balance.

The unassigned fund balance of the General Fund at June 30, 2020 is \$268.6 million, which represents 18.6% of fiscal year 2021 budgeted General Fund expenditures or 67 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; nine 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 eighteen Capital Projects Funds, including Capital Projects and Certificates of Participation Funds, 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 Fund 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 Basic Financial Statements

The information reported in the notes to the basic 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 Basic 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, 2020 and 2019:

	Net Position (in thousands)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
ASSETS						
Current and other assets	\$ 1,472,260	\$ 1,396,057	\$ 37,184	\$ 33,458	\$ 1,509,444	\$ 1,429,515
Capital assets, net	1,281,226	1,227,313	79,167	78,455	1,360,393	1,305,768
Total Assets	2,753,486	2,623,370	116,351	111,913	2,869,837	2,735,283
LIABILITIES						
Current and other liabilities	255,022	220,368	1,629	2,443	256,651	222,811
Long-term liabilities:						
Due within one year	176,705	171,299	1,035	1,002	177,740	172,301
Due after one year	2,222,522	2,181,936	21,870	20,332	2,244,392	2,202,268
Total Liabilities	2,654,249	2,573,603	24,534	23,777	2,678,783	2,597,380
Total deferred outflows of resources	104,531	115,232	928	1,100	105,459	116,332
NET POSITION						
Net investment in capital assets	1,085,482	1,026,150	72,716	71,056	1,158,198	1,097,206
Restricted	465,501	423,360	220	212	465,721	423,572
Unrestricted (Deficit)	(1,411,130)	(1,312,010)	19,792	17,942	(1,391,338)	(1,294,068)
Total Net Position	\$ 139,853	\$ 137,500	\$ 92,728	\$ 89,210	\$ 232,581	\$ 226,710

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 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 \$1,319.3 billion at June 30, 2020, 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 \$226.7 million to a Net Position of \$232.6 million, a change of 2.6%. This is a result of increased cost to support the community, especially during the pandemic, offset by increased property tax revenue. Total assets increased 4.9% while total liabilities increased 3.1%. The sale of bonds provided additional cash, while also increasing the liabilities associated with the bond sale. The contribution to net position from revenues and expenditures decreased from a gain of \$112.5 million at June 30, 2019 to \$5.8 million at June 30, 2020. These changes mostly relate to increased operating and capital support provided to the schools, increases in health and human services and a decrease in investment earnings which were offset by growth in property tax revenue. received 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 \$1,097.2 million at June 30, 2019 to \$1,158.2 million at June 30, 2020 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 \$423.6 million at June 30, 2019 and \$465.7 million at June 30, 2020 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, 2020, with comparison to the prior year.

	Changes in Net Position (in thousands)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
REVENUES						
Program Revenues:						
Charges for services	\$ 138,219	\$ 132,536	\$ 33,414	\$ 26,704	\$ 171,633	\$ 159,240
Operating grants and contributions	160,786	139,156	57	121	160,843	139,277
Capital grants and contributions	866	11,048	-	239	866	11,287
General Revenues:						
Property taxes	1,172,599	1,094,332	-	-	1,172,599	1,094,332
Sales taxes	319,766	316,324	-	-	319,766	316,324
Other taxes	14,064	14,803	-	-	14,064	14,803
Investment income	27,547	41,773	611	679	28,158	42,452
Other	1,561	8,777	-	-	1,561	8,777
Total Revenues	1,835,408	1,758,749	34,082	27,743	1,869,490	1,786,492
EXPENSES						
Program Expenses:						
Customer Satisfaction and	24,596	23,225	-	-	24,596	23,225
Administrative Services	128,313	124,498	-	-	128,313	124,498
Financial Services	24,469	22,451	-	-	24,469	22,451
Land Use and Environmental Services	78,069	73,546	-	-	78,069	73,546
Community Services	120,880	93,819	-	-	120,880	93,819
Detention and Court Support Services	188,554	179,938	-	-	188,554	179,938
Health and Human Services	298,963	269,024	-	-	298,963	269,024
Business Partners	902,955	797,033	-	-	902,955	797,033
Interest Expense	66,256	65,243	-	-	66,256	65,243
Solid Waste	-	-	30,564	25,169	30,564	25,169
Total Expenses	1,833,055	1,648,777	30,564	25,169	1,863,619	1,673,946
Increase in net position before transfers	2,353	109,972	3,518	2,574	5,871	112,546
Transfers	-	695	-	(695)	-	-
Increase in net position after transfers	2,353	110,667	3,518	1,879	5,871	112,546
Net position, beginning of year	137,500	26,833	89,210	87,331	226,710	114,164
Net position, end of year	\$ 139,853	\$ 137,500	\$ 92,728	\$ 89,210	\$ 232,581	\$ 226,710

Governmental-type Activities

Program revenues covered 17.1% of County expenses at June 30, 2019 and 16.4% at June 30, 2020, with general revenues covering the balance of expenses. There are three program revenue categories, with operating grants and contributions providing the most coverage of expenses. The change in net position for the year ended June 30, 2020 results from higher revenues - primarily property tax and operating grants and contributions. Property tax revenues increased \$78.3 million (7.2%) from the prior year, as the County saw an increase in property tax levies due to growth within the County. Sales tax revenue remained stable and increased slightly, \$3.4 million (1.1%) from fiscal year 2019. Sales tax growth prior to pandemic related shutdowns offset decreases in the last quarter of the fiscal year. In addition, the County's tourism revenue provides strength and stability towards economic growth, but due to the pandemic, the County has not seen growth in this area. Investment income decreased \$14.2 million (34.1%) from the year ended June 30, 2019 due to the County's investments not maintaining similar increases in fair market value in the current year as a result of the pandemic. Charges to users of County services generated revenues that supported 7.6% of County governmental operations for fiscal year 2020 and 8.0% for fiscal year 2019, resulting in a small decrease of 0.4% to support operations. The County continued its strategy to secure a maximum amount of grant funds provided by state, federal and local agencies. Revenues from operating grants increased \$21.6 million (15.5%) in fiscal year 2020, while capital grant revenue decreased significantly by \$10.2 million as the County has

experienced a decline in the number of capital grants awarded to the organization. The County covered 8.8% of expenses with operating and capital grant revenues in fiscal year 2020 and 9.1% in fiscal year 2019 with no significant change in the percent covered from year to year.

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 \$33.50 per residential unit; a negotiated landfill tipping fee at a private sanitary landfill of approximately \$32.50 per ton for residential waste; a tipping fee of \$49.50 per ton for commercial construction debris at the County owned Foxhole Landfill; a tipping fee of \$27 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 FY20 to reflect higher contract costs associated with external disposal costs, as well as fund needed capital infrastructure. Solid Waste activity contributed 1.8% to the primary government's total revenue for fiscal year 2020 as compared to 1.6% contributed for fiscal year 2019, resulting in a small increase of 0.2% to total revenue.

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 \$496.2 million, of which \$132.3 million is restricted for Stabilization by State Statute, \$20.1 million is committed for Administrative Services as approved by the Board of County Commissioners, \$0.05 million is committed for Customer Satisfaction and Management and can only be used for general operating departments, \$41.6 million is committed for Land Use and Environmental Services, \$21.5 million is committed for Capital Projects in support of the County's Capital Improvement Plans, \$3.1 million is committed for Detention and Court Support Services, \$0.7 million is committed for Community Services, \$3.0 million is committed for Health and Human Services, \$4.1 million is committed for Business Partners, \$1.1 million is committed for Financial Services operations and \$268.6 million is unassigned.

General Fund total revenues were greater than budget by \$3.4 million with licenses and permits accounting for the majority of the increase, and expenditures and other financial uses were greater than revenue by \$9.8 million, as explained more fully below.

Revenues for the General Fund increased \$83.0 million, or 6.4% from fiscal year 2019:

- Property tax revenues increased 9.5% from the prior year. For 2020, the collection rates were consistent with the prior year. Current year collections represented 98.9% of the current year levy for 2020 and 99.5% for 2019. As mentioned earlier, the majority of property tax collections occurred prior to the pandemic.

- Sales tax revenues reported in the General Fund were \$200.9 million, an increase of \$2.2 million from fiscal year 2019. Growth in the first half of the year helped to mitigate the decrease in consumer spending amid the pandemic.
- Intergovernmental revenues totaled \$130.6 million as compared to \$121.1 million for fiscal year 2019 an increase of \$9.5 million (7.9%). The change in revenue levels results from an increase in general fund grant funding resulting from the County's approach of seeking alternate funding opportunities. 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 \$1.6 million (2.3%) from the prior year while many areas experienced revenue decreases, Land Use and Environmental Services, Detention and Court Support Services and Health and Human Services revenues slightly increased. Licenses and permit fees increased \$3.2 million (9.6%) from the prior year due to the increase in construction permit revenue.
- Interest earned on investments decreased \$8.1 million (30.5%) from the amount recorded in fiscal year 2019. The decrease results from the County's investments not maintaining similar increases in fair market value in the current year as a result of the pandemic. The County follows sound investment practices and strives to maximize invested balances and interest earnings within the parameters of allowable investment vehicles.

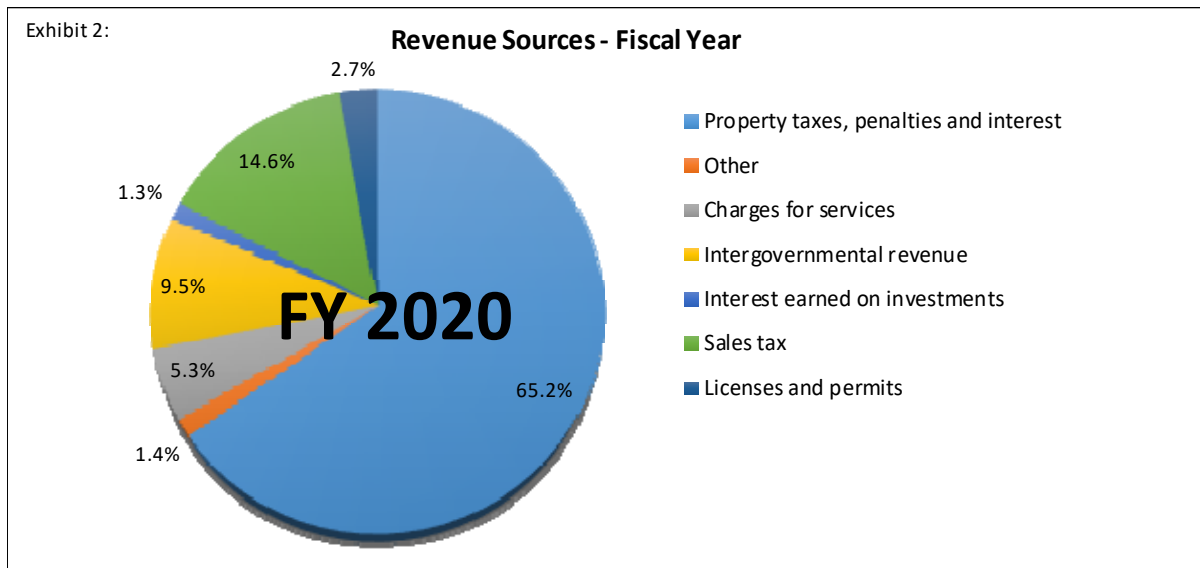
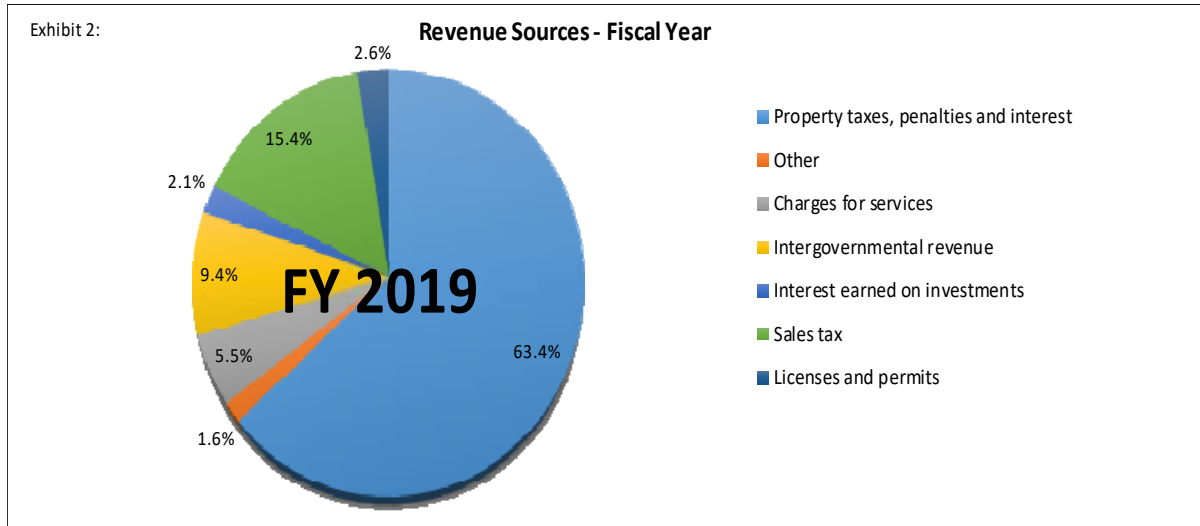
Exhibit 1:

Grant Programs

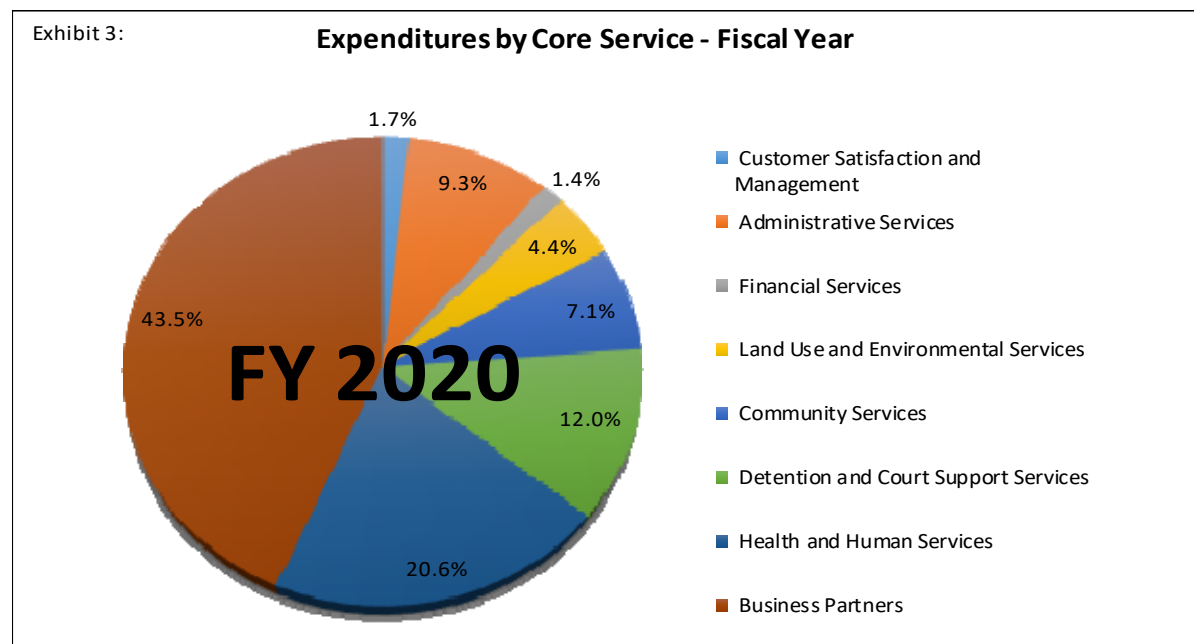
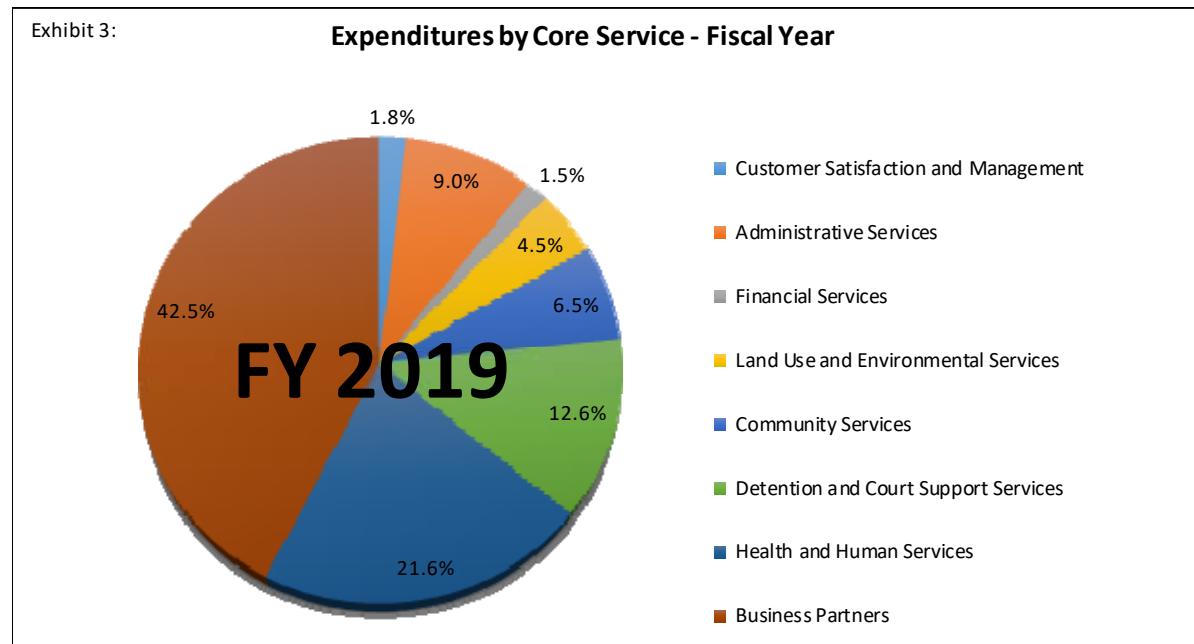
All Funds

Program Category	Number	Revenue (millions)
Social Services	63	\$ 125.2
Health	47	21.2
Other	49	10.8
Total	159	\$ 157.2

The composition of the General Fund revenue dollar for fiscal years 2020 and 2019 are illustrated in Exhibit 2.



General Fund expenditures increased \$93.8 million (7.7%) over those of last year. Exhibit 3 graphically illustrates the County's expenditure dollar for the two years.



Administrative services, which includes Internal Audit, Attorney's Office, Human Resources, Information Services and Technology, Nondepartmental and Asset and Facility Management, increased \$12.6 million (11.5%) 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, Detention and Court Support Services and Health and Human Services expenditures ranged from 1.0% to 18.0%. 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 increase for Health and Human Services is due to responding to the increasing needs of County residents and providing care for the most vulnerable in the community. 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, responsible for helping students to develop the skills necessary to excel at every level of their educational process and beyond, were \$514.4 million including capital outlay, \$49.6 million more than the amount allocated for fiscal year 2019. Funding to Central Piedmont Community College, a crucial community partner responsible for helping students achieve academic success, was \$37.9 million, an increase of 3.0%. These changes, plus adjustments to other outside agencies resulted in an overall increase in expenditures to Business Partners of \$52.4 million from fiscal year 2019.

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, decreased by \$11.1 million (21.8%) from the prior year as the County utilizes more of a pay-as-you-go approach for funding some of these activities. The second component, debt service related to education, both for the Charlotte-Mecklenburg schools and Central Piedmont Community College, increased by \$20.2 million (13.6%), reflecting the continued debt to fund the capital needs of the schools and community college.

Special Revenue Funds

Total revenues for the nine Special Revenue Funds, increased in comparison to fiscal year 2020. Overall, total revenues increased \$15.4 million or 14.7% over the prior year. The majority of the change in revenue is primarily attributable to the following: \$14.0 million increase in intergovernmental revenue due to Coronavirus Relief Funding received from the federal government, \$1.3 million increase in Law Enforcement Districts taxes, and a \$0.7 million increase in the Fire Service Districts taxes.

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 \$3.4 million (.25%). This increase is related to several factors. The County's property tax collections increased (\$9.1 million). A portion of this increase is attributed to the increase in property tax assessed values due to growth in the County, along with the collection rate. Sales tax decrease of (\$7.1 million) is a result of a slowdown in consumer spending due to the pandemic, which impacted meeting the budgeted amount. Licenses and permits increase of (\$4.9 million) is a result of the rise in the number of inspection permits issued due to construction growth. The decrease in charges for services (\$1.4 million) is attributed to Community Services and Health and Human Services.

General Fund expenditures were under budget by \$129.6 million, a variance of 9.0% from the final budget. This results from departments and business partners reduced spending as well as encumbrances remaining outstanding at June 30, 2020, as these amounts are not included in the GAAP actual numbers. The County was also strategic in its hiring practices, especially in the midst of the pandemic. Some variances, such as Health and Human Services (\$54.0 million) and Land Use and Environmental Services (\$13.2 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, 2020 totals \$1.4 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 4.4% from last year for governmental activities as the County purchased land, continued construction projects and make improvements. The business-type activities investment in capital assets, net of accumulated depreciation, increased 0.9% with no significant changes during the fiscal year.

The change in governmental activities assets in the amount of \$53.9 million results primarily from: 1) a net increase to land totaling \$15.9 million as the County moves forward with expanding services; 2) a net increase in construction in progress totaling \$25.3 million as a result of ongoing and starting new capital projects for the County; 3) a net decrease in land improvements totaling \$2.1 million; 4) and a net increase to buildings and improvements totaling \$16.0 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 \$0.7 million increase in business-type activities (enterprise fund) is mainly because of an increase in land totaling \$1.7 million, resulting from the acquisition of additional assets. For the most part, the net changes in other business-type activities capital assets categories totaling \$0.9 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, 2020.

Capital Assets, Net of Accumulated Depreciation

Description	(in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 703,342	\$ 687,473	\$ 42,092	\$ 40,408	\$ 745,434	\$ 727,881
Construction in progress	58,745	33,400	252	1,013	58,997	34,413
Land improvements	19,050	21,183	4,602	4,952	23,652	26,135
Buildings and improvements	470,745	454,784	18,156	17,996	488,901	472,780
Vehicles and heavy equipment	10,977	9,983	1,315	1,346	12,292	11,329
Furniture, machinery and equipment	17,381	18,939	12,750	12,740	30,131	31,679
Computer software	986	1,551	-	-	986	1,551
Total	<u>\$ 1,281,226</u>	<u>\$ 1,227,313</u>	<u>\$ 79,167</u>	<u>\$ 78,455</u>	<u>\$ 1,360,393</u>	<u>\$ 1,305,768</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, 2020 and 2019, general obligation bonds and certificates of participation consisted of:

General Obligation Bonds and Installment Financings

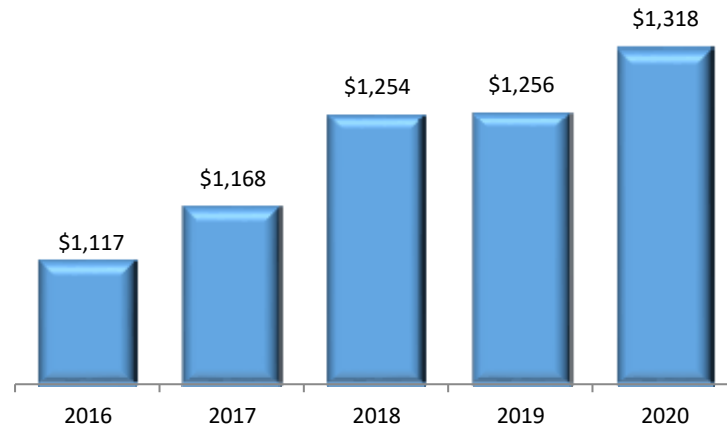
Description	(in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Public Improvement Bonds	\$ 1,309,595	\$ 1,229,535	\$ -	\$ -	\$ 1,309,595	\$ 1,229,535
Installment Financings	217,659	242,628	-	-	217,659	242,628
Special Obligation Bonds	-	-	6,095	6,975	6,095	6,975

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 \$1,318, an increase of 4.9% from the prior year which results from an increase in bonds payable and spreading the outstanding debt over a 1.4% increase in County population.

Exhibit 4:

Bonded Debt Outstanding Per Capita



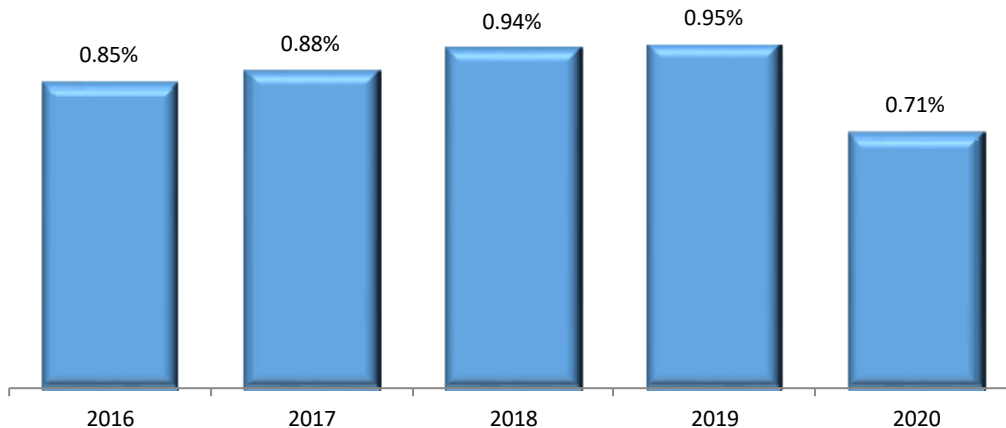
The County's net bonded debt is .71% of assessed valuation, well below the 8.0% of assessed valuation legal debt limit of \$14.8 billion, authorized by N.C. General Statute Chapter 159. See Exhibit 5.

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, 2020.

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 2021, an increase of \$2.4 million, or .13 percent over fiscal year 2020. The 2021 tax rate is 61.69 cents per \$100 of assessed valuation, no change from FY2020. The Fiscal Year 2021 Adopted Budget has three primary objectives:

- 1) It funds the County's core, critical services and programs that provide support to our residents who need it the most;
- 2) It maintains a fund balance that will be available to mitigate the impact of the impending revenue shortfall as a result of the COVID19 pandemic; and
- 3) It funds services and initiatives that align with the Board of County Commissioners top 5 priorities.

Major funding decisions for fiscal year 2021 are listed as follows:

- Reducing racial disparities is one of the top priorities of the Board of County Commissioners. The FY21 Adopted Budget includes \$8.6 million for grassroot nonprofits, food insecurity, community service grants, one full-time Project Compliance Coordinator for the Minority, Women, Small Business Enterprises Program, funding to reduce racial disparities in health care, additional park land acquisition funding in underserved communities, and interpreting services.
- 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 continued to build on the initiatives of the program with new funding of \$21.1 million of which \$14 million was dedicated to clear the childcare subsidy waiting list for children under five years old. The remaining \$7 million added an additional 36 classrooms which will increase the number of children served to 1,242. For FY21 funding includes a total investment of \$42 million, \$21 million for childcare subsidies and \$21 million for 89 MECK Pre-K classrooms, an increase of 20 classrooms, bringing the total number of children served to 1,602.
- 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 FY210 Adopted Budget includes a net investment of \$4.1 million. \$1 million to fund the second year of Habitat for Humanity's Critical Home Repair Program. Funding will support 31 home repair projects during the fiscal year. \$3 million is funded to expand the County's rental subsidy program. And \$82,000 for the first year of the Roof Above program with the Men's Shelter
- Mental Health Support is another top priority of the Board of County Commissioners. The FY21 Adopted Budget includes new investments of \$6.2 million. This funding will support additional services in the County's detention centers mental health screenings and referrals in Public Health clinic and the staff needed to provide these services. In additional funds are available to support the school system. .
- Parks and Greenways are another priority for the community. The County will continue its goal to increase recreation amenities. The FY21 includes new investments of \$5.2 million will fund positions to staff new and existing facilities, support summer youth employment programs and summer camps, and provide program and related expenses.
- 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 2021. CMS will receive an overall increase of \$19.4 million, or 4.6% over fiscal year 2020. This increase will provide salary increases for hourly employees. It will also provide one-time funding of 1.3 million for CMS' Enterprise Resource Planning Systems. Funding also supports health insurance and retirement rate increases, as well as maintenance staffing. In addition, CMS received \$13 million for deferred maintenance. Funding for Central Piedmont Community College increased by \$1.2 million over fiscal year 2020 to cover salaries, maintenance and repairs, insurance fees, and workers compensation. In addition, the Adopted Budget includes \$2.8 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.

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MECKLENBURG COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION (DEFICIT)
JUNE 30, 2020

	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
ASSETS						
Cash and investments	\$ 1,123,044,179	\$ 35,394,574	\$ 1,158,438,753	\$ 11,889,577	\$ 9,712,786	\$ 24,237,296
Receivables, net	158,823,272	1,492,778	160,316,050	4,963,999	6,840,989	-
Due from other governmental agencies	-	-	-	277,858	-	-
Advances to other governmental agencies	2,841,462	-	2,841,462	-	-	-
Prepaid expenses	-	-	-	96,596	25,452	590,433
Inventories	-	-	-	-	-	15,164,885
Restricted assets - cash and investments	186,230,793	296,722	186,527,515	15,135,006	-	-
Pledges receivable, noncurrent	-	-	-	10,734,497	-	-
Net pension asset - ROD	1,320,744	-	1,320,744	-	-	-
Capital assets						
Land	703,342,479	42,091,630	745,434,109	13,523,473	-	-
Construction in progress	58,745,489	251,615	58,997,104	14,350,447	-	-
Other capital assets, net of accumulated depreciation	519,138,520	36,823,981	555,962,501	74,209,555	8,905,526	44,499,803
TOTAL ASSETS	2,753,486,938	116,351,300	2,869,838,238	145,181,008	25,484,753	84,492,417
DEFERRED OUTFLOWS OF RESOURCES	104,530,932	927,954	105,458,886	6,859,994	11,476,307	1,786,251
LIABILITIES						
Accounts payable and other accrued liabilities	210,186,440	1,478,135	211,664,575	4,661,343	7,469,267	20,720,527
Accrued interest payable	16,014,090	151,251	16,165,341	-	-	-
Unearned revenue	28,821,512	-	28,821,512	738,358	1,033,048	-
Long-term liabilities						
Due within one year	176,705,480	1,034,667	177,740,147	1,805,471	2,301,936	-
Due in more than one year	2,222,521,876	21,869,572	2,244,391,448	74,945,143	75,785,695	2,565,976
TOTAL LIABILITIES	2,654,249,398	24,533,625	2,678,783,023	82,150,315	86,589,946	23,286,503
DEFERRED INFLOWS OF RESOURCES	63,915,228	16,988	63,932,216	5,364,391	13,345,127	-
NET POSITION						
Net investment in capital assets	1,085,482,253	72,716,508	1,158,198,761	102,063,239	8,905,526	44,499,803
Restricted						
Stabilization by State Statute	296,248,910	-	296,248,910	2,879,624	7,808,333	-
Land Use and Environmental Services	1,783,632	-	1,783,632	-	-	-
Detention and Court Support Services	5,298,439	-	5,298,439	-	-	-
Capital Projects	151,972,172	-	151,972,172	-	-	-
Debt Service	-	220,090	220,090	-	-	-
Grants	-	-	-	120,121	-	-
Programming	-	-	-	494,800	-	-
Register of Deeds' Pension Plan	1,320,744	-	1,320,744	-	-	-
Facility Enhancements	-	-	-	1,093,244	-	-
By Law for Specific Purposes	-	-	-	30,114,651	-	5,331,294
Unrestricted (deficit)	(1,402,252,906)	19,792,043	(1,382,460,863)	(72,239,383)	(79,687,872)	13,161,068
TOTAL NET POSITION (DEFICIT)	\$ 139,853,244	\$ 92,728,641	\$ 232,581,885	\$ 64,526,296	\$ (62,974,013)	\$ 62,992,165

The accompanying notes are an integral part of this statement

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MECKLENBURG COUNTY, NORTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

		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	\$ 24,596,539	\$ -	\$ -	\$ -	\$ (24,596,539)	\$ -	\$ (24,596,539)	\$ -	\$ -	\$ -	\$ -
Administrative Services	128,313,240	2,101,030	5,031,635	-	(121,180,575)	-	(121,180,575)	-	-	-	-
Financial Services	24,469,188	2,203,444	-	-	(22,265,744)	-	(22,265,744)	-	-	-	-
Land Use and Environmental Services	78,068,567	82,237,502	4,165,830	-	8,334,765	-	8,334,765	-	-	-	-
Community Services	120,880,107	5,877,599	12,208,088	866,417	(101,928,003)	-	(101,928,003)	-	-	-	-
Detention and Court Support Services	188,553,598	32,727,437	14,549,911	-	(141,276,250)	-	(141,276,250)	-	-	-	-
Health and Human Services	298,963,419	8,132,588	113,380,687	-	(177,450,144)	-	(177,450,144)	-	-	-	-
Business Partners	902,955,152	4,939,015	11,449,822	-	(886,566,315)	-	(886,566,315)	-	-	-	-
Interest on long-term debt											
General purpose	11,029,155	-	-	-	(11,029,155)	-	(11,029,155)	-	-	-	-
Public schools	55,226,503	-	-	-	(55,226,503)	-	(55,226,503)	-	-	-	-
Total Governmental Activities	1,833,055,468	138,218,615	160,785,973	866,417	(1,533,184,463)	-	(1,533,184,463)	-	-	-	-
Business-type Activities											
Solid Waste	30,563,615	33,413,958	57,814	-	-	2,908,157	2,908,157	-	-	-	-
Total Business-type Activities	30,563,615	33,413,958	57,814	-	-	2,908,157	2,908,157	-	-	-	-
TOTAL PRIMARY GOVERNMENT	\$ 1,863,619,083	\$ 171,632,573	\$ 160,843,787	\$ 866,417	(1,533,184,463)	2,908,157	(1,530,276,306)	-	-	-	-
COMPONENT UNITS											
Public Library of Charlotte and Mecklenburg County	\$ 51,611,446	\$ 2,075,964	\$ 902,481	\$ -	-	-	-	(48,633,001)	-	-	-
Mecklenburg Emergency Medical Services Agency	69,184,307	48,321,944	1,762,145	-	-	-	-	-	(19,100,218)	-	-
Mecklenburg County Alcoholic Beverage Control Board	137,263,653	138,860,505	-	-	-	-	-	-	-	-	1,596,852
TOTAL COMPONENT UNITS	\$ 258,059,406	\$ 189,258,413	\$ 2,664,626	\$ -	-	-	-	(48,633,001)	(19,100,218)	-	1,596,852
General Revenues											
Property taxes, levied for general purposes					1,147,192,629	-	1,147,192,629	-	-	-	-
Property taxes, levied for Law Enforcement											
Service District					18,675,689	-	18,675,689	-	-	-	-
Property taxes, levied for Fire Service Districts					6,730,989	-	6,730,989	-	-	-	-
Sales taxes					319,765,707	-	319,765,707	-	-	-	-
Other taxes					14,063,859	-	14,063,859	-	-	-	-
Investment earnings					27,547,110	610,634	28,157,744	(38,220)	20,342	-	167,535
Gain on sale of capital assets					1,561,439	-	1,561,439	-	-	-	(24,468)
Miscellaneous					-	-	-	22,509,743	1,703,511	-	95,062
Payment from primary government											
Library					-	-	-	50,638,966	-	-	-
Emergency Medical Services					-	-	-	-	13,168,590	-	-
Total General Revenues and Payments											
From Primary Government					1,535,537,422	610,634	1,536,148,056	73,110,489	14,892,443	-	238,129
Change in Net Position					2,352,959	3,518,791	5,871,750	24,477,488	(4,207,775)	-	1,834,981
Net Position (Deficit), beginning of year					137,500,285	89,209,850	226,710,135	40,048,808	(58,766,238)	-	61,157,184
Net Position (Deficit), end of year					\$ 139,853,244	\$ 92,728,641	\$ 232,581,885	\$ 64,526,296	\$ (62,974,013)	-	\$ 62,992,165

The accompanying notes are an integral part of this statement.

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MECKLENBURG COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Debt Service Fund	Pay-As-You-Go Capital Funding	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 550,993,721	\$ 219,113,490	\$ 173,771,557	\$ 179,165,411	\$ 1,123,044,179
Interest receivable	1,017,372	505,738	-	41,399	1,564,509
Accounts receivable	92,472,530	14,674,566	-	21,960,127	129,107,223
Taxes receivable	33,237,230	-	-	736,660	33,973,890
Less allowance for uncollectible taxes	(5,726,000)	-	-	(96,350)	(5,822,350)
Advances to other governmental agencies	2,841,462	-	-	-	2,841,462
Due from other funds	255,302	-	-	-	255,302
Restricted cash and investments	-	4,652,768	-	181,578,025	186,230,793
Total assets	<u>\$ 675,091,617</u>	<u>\$ 238,946,562</u>	<u>\$ 173,771,557</u>	<u>\$ 383,385,272</u>	<u>\$ 1,471,195,008</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued liabilities	\$ 147,294,341	\$ -	\$ 21,685,452	\$ 41,206,647	\$ 210,186,440
Unearned grant revenue	2,928,739	-	-	25,892,773	28,821,512
Due to other funds	-	-	-	255,302	255,302
Total liabilities	<u>150,223,080</u>	<u>-</u>	<u>21,685,452</u>	<u>67,354,722</u>	<u>239,263,254</u>
DEFERRED INFLOWS OF RESOURCES	<u>28,673,639</u>	<u>-</u>	<u>-</u>	<u>640,312</u>	<u>29,313,951</u>
Fund Balances					
Restricted:					
Stabilization by State Statute	132,265,223	15,475,097	91,009,913	57,498,677	296,248,910
Land Use and Environmental Services	-	-	-	1,783,632	1,783,632
Detention and Court Support Services	-	-	-	5,298,439	5,298,439
Capital Projects	-	-	-	162,567,910	162,567,910
Committed:					
Administrative Services	20,050,000	-	-	-	20,050,000
Customer Satisfaction and Management	50,000	-	-	-	50,000
Land Use and Environmental Services	41,639,047	-	-	20,314,593	61,953,640
Public Safety	-	-	-	3,071,088	3,071,088
Fire Protection	-	-	-	2,961,100	2,961,100
Capital Projects	21,500,000	-	61,076,192	75,477,266	158,053,458
Detention and Court Support Services	3,115,617	-	-	-	3,115,617
Community Services	721,056	-	-	-	721,056
Health and Human Services	3,000,000	-	-	-	3,000,000
Business Partners	4,117,182	-	-	-	4,117,182
Debt Service	-	223,471,465	-	-	223,471,465
Financial Services	1,125,000	-	-	-	1,125,000
Unassigned:	<u>268,611,773</u>	<u>-</u>	<u>-</u>	<u>(13,582,467)</u>	<u>255,029,306</u>
Total fund balances	<u>496,194,898</u>	<u>238,946,562</u>	<u>152,086,105</u>	<u>315,390,238</u>	<u>1,202,617,803</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 675,091,617</u>	<u>\$ 238,946,562</u>	<u>\$ 173,771,557</u>	<u>\$ 383,385,272</u>	
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				1,281,226,488	
Net pension asset				1,320,744	
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position				29,578,613	
Certain bond expenditures are capitalized for future amortization over the life of the bonds				24,197,462	
Other long-term assets are not available for current year expenditures and therefore, are deferred in the funds				28,151,540	
Pension related deferrals				44,071,546	
OPEB related deferrals				(56,069,506)	
Long-term liabilities including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds				(2,415,241,446)	
Net position of governmental activities					<u>\$ 139,853,244</u>

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, 2020

	General Fund	Debt Service Fund	Pay-As-You-Go Capital Funding	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 1,106,274,521	\$ 302,345,197	\$ -	\$ -	\$ 1,408,619,718
Law Enforcement Service District taxes	-	-	-	18,581,055	18,581,055
Transit one-half cent sales tax	-	-	-	58,570,087	58,570,087
Fire Service Districts taxes	-	-	-	6,670,470	6,670,470
Licenses and permits	36,634,396	-	-	-	36,634,396
Intergovernmental	130,649,047	13,002,246	-	19,636,573	163,287,866
Charges for services	72,439,466	-	-	19,981,321	92,420,787
Interest earned on investments	18,451,882	8,393,697	704	700,827	27,547,110
Administrative charges	3,598,429	-	-	-	3,598,429
Other	9,256,318	3,313,380	193,000	1,229,173	13,991,871
Total revenues	<u>1,377,304,059</u>	<u>327,054,520</u>	<u>193,704</u>	<u>125,369,506</u>	<u>1,829,921,789</u>
EXPENDITURES					
Customer satisfaction and management	22,599,650	-	-	-	22,599,650
Administrative services	122,305,651	-	-	3,143,911	125,449,562
Financial services	17,989,751	-	-	-	17,989,751
Land use and environmental services	57,828,452	-	-	11,459,186	69,287,638
Community services	93,735,981	-	-	-	93,735,981
Detention and court support services	157,533,646	-	-	1,158,014	158,691,660
Health and human services	269,592,944	-	-	10,162,660	279,755,604
Business partners	570,008,257	-	-	58,570,087	628,578,344
Public safety	-	-	-	23,586,015	23,586,015
Debt service					
Principal payments	-	144,255,000	-	52,456	144,307,456
Interest and fiscal charges	-	65,363,885	-	-	65,363,885
Capital outlay	-	-	87,403,869	308,492,771	395,896,640
Total expenditures	<u>1,311,594,332</u>	<u>209,618,885</u>	<u>87,403,869</u>	<u>416,625,100</u>	<u>2,025,242,186</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>65,709,727</u>	<u>117,435,635</u>	<u>(87,210,165)</u>	<u>(291,255,594)</u>	<u>(195,320,397)</u>
OTHER FINANCING SOURCES (USES)					
Premium on debt issuance	-	1,084,196	-	29,383,404	30,467,600
General obligation bonds issued	-	-	-	200,000,000	200,000,000
Sale of capital assets	91,493	-	-	376,917	468,410
Installment Financing	-	-	-	-	-
Transfers in	1,035,670	-	115,674,657	77,196,872	193,907,199
Transfers out	(76,658,372)	(105,213,157)	(11,000,000)	(1,035,670)	(193,907,199)
Total other financing sources (uses)	<u>(75,531,209)</u>	<u>(104,128,961)</u>	<u>104,674,657</u>	<u>305,921,523</u>	<u>230,936,010</u>
NET CHANGE IN FUND BALANCE	<u>(9,821,482)</u>	<u>13,306,674</u>	<u>17,464,492</u>	<u>14,665,929</u>	<u>35,615,613</u>
FUND BALANCE - BEGINNING 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>
FUND BALANCE - END OF YEAR	<u>\$ 496,194,898</u>	<u>\$ 238,946,562</u>	<u>\$ 152,086,105</u>	<u>\$ 315,390,238</u>	<u>\$ 1,202,617,803</u>

The accompanying notes are an integral part of this statement.

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 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, 2020

Net change in fund balances - total governmental funds	\$ 35,615,613
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.	95,738,600
Depreciation expense is reported in the Statement of Activities, but not in the fund statements.	(34,810,488)
Loss on disposal of assets and adjustment to accumulated depreciation is reported in the Statement of Activities, but not in the fund statements.	(7,014,835)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	29,578,613
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.	(200,000,000)
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.	(891,773)
Bond premiums and deferred charges, respectively, for the governmental funds are deferred and amortized in the Statement of Activities.	(15,098,068)
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.	147,522,998
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.	6,224,396
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.	(49,771,114)
Other long-term liabilities are reported in the Statement of Net Position, but not in the fund statements.	<u>(4,740,983)</u>
Change in net position of governmental activities	<u>\$ 2,352,959</u>

The accompanying notes are an integral part of this statement.

MECKLENBURG COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance from Final Budget Positive/(Negative)
	Original	Final	Actual	
REVENUES				
Taxes				
General property - current	\$ 880,603,836	\$ 880,603,836	\$ 892,499,063	\$ 11,895,227
General property - prior	6,825,000	6,825,000	4,010,925	(2,814,075)
Interest on delinquent taxes	2,400,000	2,400,000	2,530,020	130,020
Sales	208,000,000	208,000,000	200,933,801	(7,066,199)
Room occupancy	1,600,000	1,600,000	1,183,979	(416,021)
Vehicle rental	4,270,000	4,270,000	3,502,397	(767,603)
Other	1,980,000	1,980,000	1,614,336	(365,664)
Total taxes	1,105,678,836	1,105,678,836	1,106,274,521	595,685
Licenses and permits				
Business licenses	110,000	110,000	87,966	(22,034)
Inspection permits	30,942,009	31,466,209	36,426,055	4,959,846
Marriage licenses	164,790	164,790	120,375	(44,415)
Total licenses and permits	31,216,799	31,740,999	36,634,396	4,893,397
Intergovernmental				
Federal	82,591,070	97,575,638	95,956,270	(1,619,368)
State	18,771,044	20,820,419	19,339,082	(1,481,337)
Local	15,429,537	15,429,537	15,353,695	(75,842)
Total intergovernmental	116,791,651	133,825,594	130,649,047	(3,176,547)
Charges for services				
Administrative Services	-	-	60,381	60,381
Financial Services	2,321,103	2,321,103	1,904,885	(416,218)
Land Use and Environmental Services	26,500,843	26,539,242	29,019,580	2,480,338
Community Services	3,326,706	3,326,706	1,692,657	(1,634,049)
Detention and Court Support Services	30,886,966	31,235,766	31,909,452	673,686
Health and Human Services	8,062,038	8,107,038	6,447,716	(1,659,322)
Business Partners	2,300,000	2,300,000	1,404,795	(895,205)
Total charges for services	73,397,656	73,829,855	72,439,466	(1,390,389)
Interest earned on investments	12,558,000	12,558,000	18,451,882	5,893,882
Administrative charges	3,649,574	3,649,574	3,598,429	(51,145)
Other				
Rental	3,610,526	3,610,526	2,362,258	(1,248,268)
Sale of Properties	1,183,935	1,183,935	1,081,165	(102,770)
Miscellaneous	5,906,072	7,844,206	5,812,895	(2,031,311)
Total other	10,700,533	12,638,667	9,256,318	(3,382,349)
Total revenues	1,353,993,049	1,373,921,525	1,377,304,059	3,382,534

(Continued on next page)

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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, 2020

	Budgeted Amounts			Variance from Final Budget Positive/(Negative)
	Original	Final	Actual	
EXPENDITURES				
Customer satisfaction and management				
County Commissioners	\$ 639,078	\$ 645,578	\$ 586,266	\$ 59,312
Economic Development Office	11,681,638	15,106,690	10,719,237	4,387,453
Manager's Office	9,282,624	13,165,310	8,621,302	4,544,008
Public Service and Information	2,981,698	3,067,273	2,672,845	394,428
Total customer satisfaction and management	24,585,038	31,984,851	22,599,650	9,385,201
Administrative services				
Internal Audit	1,826,800	1,863,739	1,590,233	273,506
Attorney's Office	2,183,499	2,340,824	1,915,589	425,235
Human Resources	6,990,509	7,052,053	6,480,326	571,727
Information Services and Technology	33,357,380	35,061,907	32,792,597	2,269,310
Nondepartmental	73,916,838	62,766,102	49,795,336	12,970,766
Asset and Facility Management	32,738,229	31,463,155	29,731,570	1,731,585
Total administrative services	151,013,255	140,547,780	122,305,651	18,242,129
Financial services				
Finance	14,083,532	14,566,348	12,990,038	1,576,310
Tax Collection	6,058,931	6,428,690	4,999,713	1,428,977
Total financial services	20,142,463	20,995,038	17,989,751	3,005,287
Land use and environmental services				
County Assessor's Office	14,285,011	15,965,874	14,265,550	1,700,324
Code Administration	37,117,026	39,287,060	33,300,208	5,986,852
Air Quality	1,809,933	7,194,211	2,898,642	4,295,569
Water and Land Resources	4,945,984	5,498,547	4,673,606	824,941
Register of Deeds	3,047,274	3,083,599	2,690,446	393,153
Total land use and environmental services	61,205,228	71,029,291	57,828,452	13,200,839
Community services				
Public Libraries	37,150,702	37,529,302	36,713,624	815,678
Park and Recreation	47,245,964	47,979,105	38,962,779	9,016,326
Elections	21,928,777	18,133,457	18,059,578	73,879
Total community services	106,325,443	103,641,864	93,735,981	9,905,883
Detention and court support services				
Medical Examiner	2,713,426	2,744,547	2,533,203	211,344
Criminal Justice Services	12,716,094	19,344,325	14,246,906	5,097,419
Child Support Enforcement	10,765,367	11,447,281	9,853,584	1,593,697
Sheriff and Jail	132,521,522	140,658,884	130,899,953	9,758,931
Total detention and court support services	158,716,409	174,195,037	157,533,646	16,661,391

(Continued on next page)

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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, 2020

	Budgeted Amounts			Variance from Final Budget Positive/(Negative)
	Original	Final	Actual	
Health and human services				
Public Health	\$ 85,587,974	\$ 101,978,774	\$ 80,038,466	\$ 21,940,308
Social Services	162,852,117	190,555,514	166,290,429	24,265,085
Community Support Services	19,508,444	26,622,106	19,655,997	6,966,109
Community Resources	3,344,902	4,448,277	3,608,052	840,225
Total health and human services	271,293,437	323,604,671	269,592,944	54,011,727
Business partners				
Emergency Medical Services	13,168,590	13,168,590	13,168,590	-
City - County Joint Programs	1,788,395	1,988,945	1,795,207	193,738
Board of Education:				
Current	509,451,701	509,451,701	509,451,701	-
Capital Outlay	9,560,000	9,560,000	4,960,000	4,600,000
Central Piedmont Community College	37,884,035	37,884,035	37,884,035	-
Hospitals	1,000,000	1,220,296	1,210,698	9,598
Historic Landmark Commission	373,181	475,216	350,081	125,135
Community Service Grants	1,101,073	1,410,573	1,187,945	222,628
Total business partners	574,326,975	575,159,356	570,008,257	5,151,099
Total expenditures	1,367,608,248	1,441,157,888	1,311,594,332	129,563,556
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(13,615,199)	(67,236,363)	65,709,727	132,946,090
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	33,023	91,493	58,470
Transfers in	1,368,346	1,148,129	1,035,670	(112,459)
Transfers out	(69,497,025)	(76,697,025)	(76,658,372)	38,653
Appropriated Fund Balance	81,743,878	142,752,236	-	(142,752,236)
Total other financing sources (uses)	13,615,199	67,236,363	(75,531,209)	(142,767,572)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(9,821,482)	\$ (9,821,482)
FUND BALANCE - BEGINNING OF YEAR			506,016,380	
FUND BALANCE - END OF YEAR			\$ 496,194,898	

The accompanying notes are an integral part of this statement.

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MECKLENBURG COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2020

	Business Type Activities
	Solid Waste Enterprise Fund
ASSETS	
Current Assets	
Cash and investments	\$ 35,394,574
Interest receivable	39,873
Accounts receivable	1,452,905
Total current assets	<u>36,887,352</u>
Noncurrent Assets	
Restricted cash and investments	296,722
Capital assets	
Land	42,091,630
Construction in progress	251,615
Land improvements	10,514,617
Buildings	30,510,063
Vehicles and heavy equipment	4,988,248
Furniture, machinery and equipment	25,563,597
Total capital assets	113,919,770
Less accumulated depreciation	<u>(34,752,544)</u>
Total capital assets, net of accumulated depreciation	79,167,226
Total noncurrent assets	<u>79,463,948</u>
Total assets	<u>116,351,300</u>
DEFERRED OUTFLOW OF RESOURCES	
Pension deferrals	<u>927,954</u>
LIABILITIES	
Current Liabilities	
Accounts payable and accrued liabilities	1,629,386
Compensated absences	41,365
Bonds payable, net of unamortized premium	993,302
Total current liabilities	<u>2,664,053</u>
Long-term Liabilities	
Compensated absences	673,601
Net pension liability	1,655,824
Landfill development and postclosure care costs	14,006,099
Bonds payable, net of unamortized premium	5,534,048
Total long-term liabilities	<u>21,869,572</u>
Total liabilities	<u>24,533,625</u>
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	<u>16,988</u>
NET POSITION	
Net investment in capital assets	72,716,508
Restricted net position	
Restricted for debt service	220,090
Unrestricted	19,792,043
Total net position	<u>\$ 92,728,641</u>

The accompanying notes are an integral part of this statement.

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 MECKLENBURG COUNTY, NORTH CAROLINA
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUND
 FOR THE YEAR ENDED JUNE 30, 2020

	Business Type Activities Solid Waste Enterprise Fund
OPERATING REVENUES	
Charges for services:	
Residential availability fees	\$ 15,648,503
Recycling sales and tip fees	15,405,353
Other	<u>2,360,102</u>
Total operating revenues	<u>33,413,958</u>
OPERATING EXPENSES	
Personnel services and employee benefits	8,103,851
Utilities	350,283
Supplies	953,071
Depreciation	3,431,856
Maintenance and repairs	2,017,690
Rental and occupancy charges	1,599,093
Contractual services	11,740,012
Final development and postclosure costs	<u>2,136,183</u>
Total operating expenses	<u>30,332,039</u>
OPERATING INCOME	3,081,919
NON-OPERATING REVENUES / (EXPENSES)	
Grant revenue	57,814
Interest income	610,634
Interest expense	(210,098)
Loss on disposal of capital assets	<u>(21,478)</u>
Total non-operating revenues / (expenses)	<u>436,872</u>
Change in net position	3,518,791
Net position - beginning of year	<u>89,209,850</u>
Net position - end of year	<u>\$ 92,728,641</u>

The accompanying notes are an integral part of this statement.

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MECKLENBURG COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Business Type Activities Solid Waste Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from users	\$ 32,620,914
Cash paid to suppliers	(17,489,282)
Cash paid to employees	(7,520,133)
Net cash provided by operating activities	<u>7,611,499</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Grant revenue	57,814
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payments - bonds	(880,000)
Interest paid	(301,450)
Acquisition of capital assets	(4,174,859)
Proceeds from disposal of assets	9,529
Net cash used in capital and related financing activities	<u>(5,346,780)</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Interest received	<u>677,413</u>
CHANGE IN CASH AND INVESTMENTS	2,999,946
CASH AND INVESTMENTS - BEGINNING OF YEAR	<u>32,691,350</u>
CASH AND INVESTMENTS - END OF YEAR	<u><u>\$ 35,691,296</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$ 3,081,919
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	3,431,856
Change in accounts receivable	(793,044)
Change in payroll accrual	38,259
Change in accounts payable	(829,133)
Change in compensated absences	130,295
Change in deferred outflows of resources - pensions	172,491
Change in net pension liability	252,505
Change in deferred inflows of resources - pensions	(9,832)
Change in landfill reserve	2,136,183
Total adjustments	<u>4,529,580</u>
Net cash provided by operating activities	<u><u>\$ 7,611,499</u></u>

The accompanying notes are an integral part of this statement.

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 MECKLENBURG COUNTY, NORTH CAROLINA
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2020

	Post-Employment Healthcare Benefit Trust Fund	link to "D-Stmts" Agency Funds
ASSETS		
Cash and investments	\$ -	\$ 94,599,196
Restricted for:		
State Other Postemployment Benefit Trust-		
Cash and Equivalents	59	-
Short-term OPEB Fund	34,237,080	-
Long-term OPEB Fund	14,922,824	-
OPEB Equity Funds	109,678,587	-
Accounts receivable	-	9,503,915
Due from other governmental agencies	-	2,459,806
Total assets	<u>\$ 158,838,550</u>	<u>\$ 106,562,917</u>
LIABILITIES AND NET POSITION		
Accounts payable and accrued liabilities	\$ -	\$ 89,156,804
Due to other governmental agencies	-	17,406,113
Total liabilities	<u>-</u>	<u>\$ 106,562,917</u>
 Net position restricted for postemployment benefits other than pensions	 <u>\$ 158,838,550</u>	

The accompanying notes are an integral part of this statement.

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 MECKLENBURG COUNTY, NORTH CAROLINA
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Post-Employment Healthcare Benefit Trust Fund
ADDITIONS	
Employer contributions	\$ 18,072,431
Investment income:	
Net appreciation in fair value of investments	3,413,757
Interest	965,593
Less investment expense	<u>(13,450)</u>
Net investment income	<u>4,365,900</u>
Total additions	<u>22,438,331</u>
DEDUCTIONS	
Administrative expense	754,168
Claims paid	<u>9,318,263</u>
Total deductions	<u>10,072,431</u>
Change in net position	12,365,900
Net position restricted for postemployment benefits other than pensions	
Beginning of year	<u>146,472,650</u>
End of year	<u>\$ 158,838,550</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, 2020

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
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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, deferred outflows, liabilities and deferred inflows at the end of the fiscal year, June 30, 2020. The difference, net position (deficit), is subdivided into three categories: net investment 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, 2020

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
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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
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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, 2020
Special Revenue Funds	\$ 104,284,560	\$ 92,045,863	\$ 196,330,423
Debt Service Fund	327,980,084	1,084,196	329,064,280
Total	<u>\$ 432,264,644</u>	<u>\$ 93,130,059</u>	<u>\$ 525,394,703</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 \$28,407 and funds held by others. A portion of the County's self-insurance funds in the amount of \$10,826,902 is held in one or more trusts administered by the City of Charlotte's Risk Management Office. Additionally, \$4,652,768 is held by the bank for the Debt Service Fund, \$220,090 is held by the bank for solid waste debt service on special obligation bonds and \$53,950 is held by a trustee for solid waste capital projects. Cash of \$158,838,550 is held by the North Carolina State Treasurer in the Other Post-Employment Benefits Investment Trust, an irrevocable trust fund.

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 \$106,496,967 and the bank balance was \$115,177,286. Included in these balances is a money market account in the amount of \$105,523,132 and two certificates of deposit totaling \$107,742 with Branch Banking & Trust.

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 \$115,177,286 was covered by collateral or insured at June 30, 2020.

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, 2020, the Library's deposits had a carrying amount of \$11,562,526 and a bank balance of \$12,545,807. 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 \$12,295,807 was covered by collateral held under the pooling method. At June 30, 2020, the Library's petty cash fund totaled \$9,754. The Library has no policy for managing interest rate risk or credit risk.

MECKLENBURG COUNTY, NORTH CAROLINA
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At June 30, 2020, the Medic Agency's deposits had a carrying value of \$5,895,614 and a bank balance of \$7,569,537 of which \$250,000 was covered by federal depository insurance and \$7,319,537 was covered by collateral under the pooling method. At June 30, 2020, the Medic Agency had cash on hand of \$1,221.

At June 30, 2020, the ABC Board's deposits had a carrying value of \$24,145,491 and a bank balance of \$25,930,566. Of the bank balance, \$500,000 was covered by federal depository insurance and \$24,430,566 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 (NCCMT).

At June 30, 2020, 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	\$ 123,040,000	\$ 123,040,000	\$ -	\$ -
U.S. Government Agencies	Fair Value - Level 2	420,349,428	130,835,356	210,107,047	79,407,025
Commercial Paper	Fair Value - Level 2	39,966,000	39,966,000	-	-
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	684,224,505	-	-	-
NC Capital Management Trust - Term Portfolio*	Fair Value - Level 1	49,706,446	-	-	-
Total		<u>\$ 1,317,286,379</u>	<u>\$ 293,841,356</u>	<u>\$ 210,107,047</u>	<u>\$ 79,407,025</u>

**As of June 30, 2020, the NCCMT Term Portfolio has a duration of .15 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. The NCCMT Government Portfolio has an AAAM rating from S&P. The NCCMT Term Portfolio has no rating.*

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.

MECKLENBURG COUNTY, NORTH CAROLINA
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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, 2020, 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 NCCMT consists of two SEC registered funds. One of the funds, the Government Portfolio, is a 2a7 fund which invests in treasuries and government agencies and is rated AA+ by Standard & Poor's as of June 30, 2020. The second fund, the Term Portfolio, is a short-term bond fund investing in treasuries, government agencies, and money market instruments as permitted under North Carolina General Statutes 159-30. 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.

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, 2020, investments in commercial paper comprised 2.8% 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, 2020, Federal Home Loan Bank securities comprised 6.6% of the portfolio, Federal Home Loan Mortgage Corporation 16.4%, and Federal National Mortgage Association 2.1%.

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 .15 years at June 30, 2020, 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

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securities that provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value.

As of June 30, 2020, the County had \$158,838,550 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, 2020 of 1.3 years. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund.

The BIF is measured at fair value using Level 2 inputs 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, 2020 the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 7.97 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, 2020 the fair value of the funds was \$23.107392 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, 2020. The State Treasurer's Bond Index Fund (BIF) is unrated and had a weighted average maturity of 7.97 years at June 30, 2020.

At June 30, 2020, the Library's investments consist of \$15,452,302 in agency funds held at the Foundation for the Carolinas, \$317,296 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, \$3,815,951, were invested in the NC Capital Management Trust Government Portfolio at June 30, 2020.

MECKLENBURG COUNTY, NORTH CAROLINA
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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 NC 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 2020, 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 2020 was an increase of \$1,506,830. 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 \$4,408,745.

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.

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:

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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

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 materiality 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

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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.

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 pension contributions made subsequent to the measurement date. 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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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.

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.

MECKLENBURG COUNTY, NORTH CAROLINA
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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 non-spendable. 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.

- **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.

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Committed for Capital Projects – portion of fund balance that can only be used for capital outlay in the County.

Committed for Detention and 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 and 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.

The following table presents the restrictions, commitments and assignments of fund balance at June 30, 2020:

	General Fund	Debt Service Fund	Pay-As-You-Go Capital Funding	Non-major Funds	
				Special Revenue Funds	Capital Project Funds
Fund Balance:					
Restricted					
Stabilization by State Statute	\$ 132,265,223	\$ 15,475,097	\$ 91,009,913	\$ 30,957,411	\$ 26,541,266
Land Use and Environmental Services	-	-	-	1,783,632	-
Detention and Court Support Services	-	-	-	5,298,439	-
Capital Projects	-	-	-	-	162,567,910
Committed					
Administrative Services	20,050,000	-	-	-	-
Customer Satisfaction and Management	50,000	-	-	-	-
Land Use and Environmental Services	41,639,047	-	-	20,314,593	-
Public Safety	-	-	-	3,071,088	-
Fire Protection	-	-	-	2,961,100	-
Capital Projects	21,500,000	-	61,076,192	-	75,477,266
Detention and Court Support Services	3,115,617	-	-	-	-
Community Services	721,056	-	-	-	-
Health and Human Services	3,000,000	-	-	-	-
Business Partners	4,117,182	-	-	-	-
Debt Service	-	223,471,465	-	-	-
Financial Services	1,125,000	-	-	-	-
Unassigned	268,611,773	-	-	(13,582,467)	-
Total	<u>\$ 496,194,898</u>	<u>\$ 238,946,562</u>	<u>\$ 152,086,105</u>	<u>\$ 50,803,796</u>	<u>\$ 264,586,442</u>

MECKLENBURG COUNTY, NORTH CAROLINA
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FOR THE YEAR ENDED JUNE 30, 2020

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 (\$13,297,298) 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 (\$18,062) resulting from the offset of the reserve by state statute. The Law Enforcement Service District Funds had a negative unassigned fund balance of (\$267,107) resulting from the offset of the reserve by state statute.

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 Fund	Debt Service Fund	Pay-As-You-Go Capital Funding	Non-Major Funds
Encumbrances	\$ 35,678,555	\$ 294,792	\$ 91,009,913	\$ 34,873,381

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.

MECKLENBURG COUNTY, NORTH CAROLINA
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FOR THE YEAR ENDED JUNE 30, 2020

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, 2020, the County received \$9,500,000 from the North Carolina Lottery Fund that was used to reduce outstanding school debt.

n. Deferred outflows/inflows of Resources

The balances in deferred outflows/inflows at June 30, 2020 are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred refunding charges	\$ 24,197,462	\$ -
Prepaid taxes	-	1,162,411
Pension contributions subsequent to the measurement date	30,089,432	-
Pension deferrals	45,585,149	1,113,456
OPEB deferrals	5,586,843	61,656,349
Total	<u>\$ 105,458,886</u>	<u>\$ 63,932,216</u>

In addition, the governmental funds reported unavailable revenues from property tax receivables of \$28,151,540 at June 30, 2020.

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), a single-employer 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,

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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.

2. Accounts Receivable

The following reflects the components of accounts receivable as reported in the Government-wide Statement of Net Position at June 30, 2020:

	Governmental Activities			Business-type Activities	
	General Fund	Debt Service Fund	Non-major Funds	Solid Waste Fund	Total Receivables
General	\$ 2,700,440	\$ -	\$ 52,451	\$ 1,541,272	\$ 4,294,163
Less: Allowance for doubtful accounts	(2,300)	-	-	(88,367)	(90,667)
Federal, State and Local Government	89,774,390	14,674,566	21,907,676	-	126,356,632
Taxes	33,237,230	-	736,660	-	33,973,890
Less: Allowance for doubtful accounts	(5,726,000)	-	(96,350)	-	(5,822,350)
Interest	1,017,372	505,738	41,399	39,873	1,604,382
Total Accounts Receivable	\$ 121,001,132	\$ 15,180,304	\$ 22,641,836	\$ 1,492,778	\$ 160,316,050

3. Property Tax

The County's property tax levy effective for fiscal year 2020, was based on the assessed values listed as of January 1, 2019, 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, 2019. The property tax rate for the 2020 fiscal year was \$.6169 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 was 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

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

September 1, 2013 and for limited registration plates are shown as a receivable and are offset by deferred inflows of resources.

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, 2020:

MECKLENBURG COUNTY					
	Primary Government				
	Balance July 1, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 687,472,873	\$ 14,549,414	\$ -	\$ 1,320,192	\$ 703,342,479
Construction in progress	33,399,984	64,053,179	-	(38,707,674)	58,745,489
Total capital assets not being depreciated	720,872,857	78,602,593	-	(37,387,482)	762,087,968
Capital assets being depreciated:					
Land improvements	62,701,512	29,013	-	-	62,730,525
Buildings and improvements	873,390,082	4,720,580	-	37,387,482	915,498,144
Vehicles and heavy equipment	33,038,911	4,280,123	(2,917,390)	-	34,401,644
Furniture, machinery and equipment	47,506,577	8,106,291	(10,859,971)	-	44,752,897
Intangibles-software and licenses	16,425,311	-	-	-	16,425,311
Total capital assets being depreciated	1,033,062,393	17,136,007	(13,777,361)	37,387,482	1,073,808,521
Less accumulated depreciation:					
Land improvements	(41,517,961)	(2,162,821)	-	-	(43,680,782)
Buildings and improvements	(418,605,619)	(26,147,155)	-	-	(444,752,774)
Vehicles and heavy equipment	(23,055,594)	(2,989,055)	2,619,542	-	(23,425,107)
Furniture, machinery and equipment	(28,568,059)	(2,946,922)	4,142,984	-	(27,371,997)
Intangibles-software and licenses	(14,874,806)	(564,535)	-	-	(15,439,341)
Total accumulated depreciation	(526,622,039)	(34,810,488)	6,762,526	-	(554,670,001)
Total capital assets being depreciated, net	506,440,354	(17,674,481)	(7,014,835)	37,387,482	519,138,520
Governmental activities capital assets, net	\$ 1,227,313,211	\$ 60,928,112	\$ (7,014,835)	\$ -	\$ 1,281,226,488

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Primary Government continued

BUSINESS-TYPE ACTIVITIES

	Primary Government				
	Balance	Additions	Deletions	Transfers	Balance
	June 30, 2019				June 30, 2020
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 40,408,272	\$ 1,683,358	\$ -	\$ -	\$ 42,091,630
Construction in progress	1,012,803	251,615	-	(1,012,803)	251,615
Total capital assets not being depreciated	41,421,075	1,934,973	-	(1,012,803)	42,343,245
Capital assets being depreciated:					
Land improvements	10,514,617	-	-	-	10,514,617
Buildings and improvements	29,497,260	-	-	1,012,803	30,510,063
Vehicles and heavy equipment	4,860,549	175,000	(47,301)	-	4,988,248
Furniture, machinery and equipment	23,578,928	2,064,886	(80,217)	-	25,563,597
Total capital assets being depreciated	68,451,354	2,239,886	(127,518)	1,012,803	71,576,525
Less accumulated depreciation:					
Land improvements	(5,563,004)	(349,784)	-	-	(5,912,788)
Buildings and improvements	(11,501,241)	(853,106)	-	-	(12,354,347)
Vehicles and heavy equipment	(3,514,225)	(199,552)	40,278	-	(3,673,499)
Furniture, machinery and equipment	(10,838,728)	(2,029,414)	56,232	-	(12,811,910)
Total accumulated depreciation	(31,417,198)	(3,431,856)	96,510	-	(34,752,544)
Total capital assets being depreciated, net	37,034,156	(1,191,970)	(31,008)	1,012,803	36,823,981
Business-type activities capital assets, net	\$ 78,455,231	\$ 743,003	\$ (31,008)	\$ -	\$ 79,167,226

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

Governmental activities:	
Customer Satisfaction and Management Services	\$ 3,613
Administrative Services	7,244,739
Financial Services	432,005
Land Use and Environmental Services	1,100,967
Community Services	7,841,993
Detention and Court Support Services	16,072,232
Health and Human Services	1,944,528
Business Partners	170,411
Total Governmental activities	34,810,488
Business-type activities:	
Solid Waste Enterprise Fund	3,431,856
Total depreciation expense	\$ 38,242,344

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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

	Estimated Project Authorization	Expended to June 30, 2020	Costs to Complete
Projects:			
Governmental Funds:			
Park and Recreational facilities	\$ 229,848,917	\$ 56,085,593	\$ 173,763,324
Law Enforcement/Court facilities	32,900,671	128,471	32,772,200
County facilities	<u>104,484,463</u>	<u>2,531,425</u>	<u>101,953,038</u>
Total Governmental Funds	367,234,051	58,745,489	308,488,562
Business-type activities:			
Solid Waste Enterprise Fund	<u>397,990</u>	<u>251,615</u>	<u>146,375</u>
Total	<u>\$ 367,632,041</u>	<u>\$ 58,997,104</u>	<u>\$ 308,634,937</u>

Activity in the Library's capital assets for the year ended June 30, 2020 is as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 13,523,473	\$ -	\$ -	\$ 13,523,473
Construction in progress	<u>11,722,967</u>	<u>10,806,208</u>	<u>(8,178,728)</u>	<u>14,350,447</u>
Total capital assets not being depreciated	<u>25,246,440</u>	<u>10,806,208</u>	<u>(8,178,728)</u>	<u>27,873,920</u>
Capital assets being depreciated:				
Buildings and improvements	101,363,755	6,621,026	-	107,984,781
Books	12,905,530	1,794,563	(3,725,673)	10,974,420
Furniture and equipment	8,219,731	566,994	(445,828)	8,340,897
Digital books	3,028,333	1,315,582	-	4,343,915
Website	575,845	-	-	575,845
Leasehold improvements	<u>-</u>	<u>1,194,985</u>	<u>-</u>	<u>1,194,985</u>
Total capital assets being depreciated	<u>126,093,194</u>	<u>11,493,150</u>	<u>(4,171,501)</u>	<u>133,414,843</u>
Less accumulated depreciation:				
Buildings and improvements	(41,315,399)	(2,633,831)	-	(43,949,230)
Books	(7,990,195)	(2,123,357)	3,725,673	(6,387,879)
Furniture and equipment	(6,008,400)	(780,690)	358,361	(6,430,729)
Digital books	(1,262,672)	(658,922)	-	(1,921,594)
Websites and other projects	(360,852)	(115,171)	-	(476,023)
Leasehold improvements	<u>-</u>	<u>(39,833)</u>	<u>-</u>	<u>(39,833)</u>
Total accumulated depreciation	<u>(56,937,518)</u>	<u>(6,351,804)</u>	<u>4,084,034</u>	<u>(59,205,288)</u>
Total capital assets being depreciated, net	<u>69,155,676</u>	<u>5,141,346</u>	<u>(87,467)</u>	<u>74,209,555</u>
Total Capital Assets, net	<u>\$ 94,402,116</u>	<u>\$ 15,947,554</u>	<u>\$ (8,266,195)</u>	<u>\$ 102,083,475</u>

MECKLENBURG COUNTY, NORTH CAROLINA
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FOR THE YEAR ENDED JUNE 30, 2020

Activity in the Medic Agency's capital assets for the year ended June 30, 2020 is as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets being depreciated:				
Vehicles	\$ 15,013,102	\$ 3,565,383	\$ (1,005,456)	\$ 17,573,029
Furniture and other equipment	2,985,204	-	-	2,985,204
Patient equipment	4,059,858	59,578	-	4,119,436
Computer equipment	6,917,061	189,915	-	7,106,976
Buildings and improvements	-	300,258	-	300,258
Total capital assets being depreciated	<u>28,975,225</u>	<u>4,115,134</u>	<u>(1,005,456)</u>	<u>32,084,903</u>
Less: accumulated depreciation:				
Vehicles	(11,724,563)	(1,123,175)	1,005,456	(11,842,282)
Furniture and other equipment	(852,616)	(445,472)	-	(1,298,088)
Patient equipment	(3,241,564)	(586,472)	-	(3,828,036)
Computer equipment	(5,795,005)	(402,650)	-	(6,197,655)
Buildings and improvements	-	(13,316)	-	(13,316)
Total accumulated depreciation	<u>(21,613,748)</u>	<u>(2,571,085)</u>	<u>1,005,456</u>	<u>(23,179,377)</u>
Total Capital assets, net	<u>\$ 7,361,477</u>	<u>\$ 1,544,049</u>	<u>\$ -</u>	<u>\$ 8,905,526</u>

Activity in the ABC Board's capital assets for the year ended June 30, 2020 is as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 12,240,197	\$ -	\$ -	\$ 12,240,197
Total capital assets not being depreciated	<u>12,240,197</u>	<u>-</u>	<u>-</u>	<u>12,240,197</u>
Capital assets being depreciated:				
Buildings and improvements	39,848,412	951,010	(328,269)	40,471,153
Construction in progress	1,883,954	4,004,737	-	5,888,691
Equipment	5,055,414	330,672	(140,062)	5,246,024
Motor vehicles	1,228,963	114,914	(46,660)	1,297,217
Total capital assets being depreciated	<u>48,016,743</u>	<u>5,401,333</u>	<u>(514,991)</u>	<u>52,903,085</u>
Less accumulated depreciation:				
Buildings and improvements	(14,543,806)	(1,429,404)	254,530	(15,718,680)
Construction in progress	-	(200)	-	(200)
Equipment	(3,505,038)	(569,034)	100,215	(3,973,857)
Motor vehicles	(806,931)	(190,471)	46,660	(950,742)
Total accumulated depreciation	<u>(18,855,775)</u>	<u>(2,189,109)</u>	<u>401,405</u>	<u>(20,643,479)</u>
Total capital assets being depreciated, net	<u>29,160,968</u>	<u>3,212,224</u>	<u>(113,586)</u>	<u>32,259,606</u>
Total Capital assets, net	<u>\$ 41,401,165</u>	<u>\$ 3,212,224</u>	<u>\$ (113,586)</u>	<u>\$ 44,499,803</u>

MECKLENBURG COUNTY, NORTH CAROLINA
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6. Accounts Payable, Accrued Liabilities and Unearned Grant Revenue

The components of accounts payable, accrued liabilities and unearned grant revenue at June 30, 2020 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	Total Accounts Payable and Accrued Liabilities
	General Fund	Pay-As-You-Go Capital Fund	Nonmajor Funds	Solid Waste Enterprise Fund	
General payables	\$ 76,999,643	\$ 21,626,163	\$ 66,880,026	\$ 1,349,935	\$ 166,855,767
Salaries & benefits payable	56,140,922	59,289	219,394	128,200	56,547,805
Reserve for self insurance	3,448,832	-	-	-	3,448,832
Unearned grant revenue	2,928,739	-	-	-	2,928,739
Other accrued liabilities	26,719,034	-	-	151,251	26,870,285
Total	<u>\$ 166,237,170</u>	<u>\$ 21,685,452</u>	<u>\$ 67,099,420</u>	<u>\$ 1,629,386</u>	<u>\$ 256,651,428</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.

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General obligation bonds outstanding at June 30, 2020:

	Issue Date	Due Serially To	Average Interest Rate %	Original Issue	Balance June 30, 2020
Refunding Bonds 2009 – Series A	March 10, 2009	2021	2.2523	\$ 243,965,000	\$ 1,745,000
Refunding Bonds 2010 – Series A	March 16, 2010	2026	3.1098	114,940,000	64,455,000
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	33,700,000
Refunding Bonds 2013 – Series A	January 29, 2013	2028	4.9525	209,815,000	157,850,000
Public Improvement 2013 – Series B	February 20, 2013	2033	3.5009	100,000,000	65,000,000
School Bonds 2015 – Series A	March 17, 2015	2035	3.8746	100,000,000	75,000,000
Refunding Bonds 2016 – Series A	October 12, 2016	2030	4.6234	148,565,000	114,345,000
Public Improvement 2016 – Series B	October 18, 2016	2036	3.4720	200,000,000	185,000,000
Public Improvement 2017 – Series A	September 12, 2017	2037	3.5666	225,000,000	219,000,000
Public Improvement 2018 – Series A	September 12, 2018	2039	3.9550	150,000,000	142,500,000
Public Improvement 2019	September 26, 2019	2040	3.6660	200,000,000	200,000,000
Total				\$ 1,907,300,000	\$ 1,309,595,000

General Obligation Bonds are due serially and mature during the fiscal years 2020 to 2040 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 4.26%.

The following schedule shows annual requirements to amortize all bonded debt outstanding as of June 30, 2020:

Fiscal Year	Governmental Activities	
	Principal	Interest
2021	\$ 116,015,000	\$ 53,138,853
2022	107,385,000	47,363,103
2023	84,535,000	42,743,759
2024	85,985,000	38,824,590
2025	91,370,000	34,530,734
2026-2030	349,805,000	116,782,119
2031-2035	345,500,000	47,967,745
2036-2040	129,000,000	8,626,875
Total	\$ 1,309,595,000	\$ 389,977,778

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, 2020, such statutory limit for the County was

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\$14,844,465,218 providing a legal debt margin of \$12,602,126,173. As of June 30, 2020, \$715,085,500 of general obligation bonds was authorized but unissued.

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, 2020:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 925,000	\$ 256,400
2022	965,000	219,400
2023	990,000	190,450
2024	1,020,000	160,750
2025	1,070,000	109,750
2026	1,125,000	56,250
Total	<u>\$ 6,095,000</u>	<u>\$ 993,000</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 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

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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 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, 2020:

	Issue Date	Due Serially To	Average Interest Rate %	Original Issue	Balance June 30, 2020
NC Clean Water State Revolving Loan	April 11, 2011	2030	-	\$ 2,493,625	\$ 524,560
Guaranteed Energy Savings Contract	December 16, 2011	2025	3.100	6,291,281	2,769,485
2013 Taxable Limited Obligation Bonds	March 13, 2013	2028	2.779	18,115,000	10,635,000
2015 Limited Obligation Refunding	April 30, 2015	2028	4.659	120,025,000	102,730,000
2017 Limited Obligation Refunding	September 14, 2017	2028	4.522	119,135,000	101,000,000
Total				<u>\$ 266,059,906</u>	<u>\$ 217,659,045</u>

The installment financings are due serially and mature during the fiscal years 2021 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 4.46%.

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

Fiscal Year	Direct Borrowing		Other		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 686,619	\$ 77,625	\$ 33,005,000	\$ 9,115,858	\$ 33,691,619	\$ 9,193,483
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	373,511	3,305	22,490,000	3,030,650	22,863,511	3,033,955
2026-2030	262,280	-	50,715,000	4,062,115	50,977,280	4,062,115
Total	<u>\$ 3,294,045</u>	<u>\$ 191,999</u>	<u>\$ 214,365,000</u>	<u>\$ 35,236,659</u>	<u>\$ 217,659,045</u>	<u>\$ 35,428,658</u>

\$206,339,973 of governmental activities debt outstanding at June 30, 2020 relates to assets of the County. Unspent bond proceeds related to this debt were \$10,595,738 and unamortized refunding charges were \$4,754,254 at June 30, 2020.

Changes in Long-Term Liabilities

The following presents the changes in long-term liabilities for the year ended June 30, 2020:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Due within One Year
Governmental activities:					
General obligation bonds	\$ 1,229,535,000	\$ 200,000,000	\$ (119,940,000)	\$ 1,309,595,000	\$ 116,015,000
Bond premium	171,213,024	30,467,600	(20,123,786)	181,556,838	19,418,295
Total bonds payable	1,400,748,024	230,467,600	(140,063,786)	1,491,151,838	135,433,295
Capital leases	5,765,413	-	(2,614,293)	3,151,120	2,715,622
Compensated absences	31,465,504	30,814,989	(26,074,006)	36,206,487	4,864,944
Installment financings - direct borrowing	3,947,751	-	(653,706)	3,294,045	686,619
Installment financings - other	238,679,999	-	(24,314,999)	214,365,000	33,005,000
Net OPEB liability	552,798,395	-	(37,915,286)	514,883,109	-
Net pension liability (LGERS)	102,601,103	14,176,333	-	116,777,436	-
Total pension liability (LEOSSA)	17,228,128	2,170,193	-	19,398,321	-
Total Governmental Activities	<u>2,353,234,317</u>	<u>277,629,115</u>	<u>(231,636,076)</u>	<u>2,399,227,356</u>	<u>176,705,480</u>
Business-type activities:					
Special Obligation Bonds	6,975,000	-	(880,000)	6,095,000	925,000
Bond Premium	500,652	-	(68,302)	432,350	68,302
Total bonds payable	7,475,652	-	(948,302)	6,527,350	993,302
Compensated absences	584,671	521,208	(390,913)	714,966	41,365
Net pension liability (LGERS)	1,403,319	252,505	-	1,655,824	-
Landfill development and post-closure care costs	11,869,916	2,136,183	-	14,006,099	-
Total Business-type Activities	<u>21,333,558</u>	<u>2,909,896</u>	<u>(1,339,215)</u>	<u>22,904,239</u>	<u>1,034,667</u>
Total Government-wide	<u>\$ 2,374,567,875</u>	<u>\$ 280,539,011</u>	<u>\$ (232,975,291)</u>	<u>\$ 2,422,131,595</u>	<u>\$ 177,740,147</u>

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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, 2020 for the Library:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Due within One Year
Governmental activities:					
Capital leases	\$ 20,662	\$ -	\$ (426)	\$ 20,236	\$ 381
Unearned revenue	770,116	-	(31,758)	738,358	-
Compensated Absences	2,068,502	1,849,591	(1,541,595)	2,376,498	1,805,090
Net Pension Liability	6,209,133	472,616	-	6,681,749	-
Total OPEB Liability	63,786,933	3,885,198	-	67,672,131	-
Total Governmental activities	<u>\$ 72,855,346</u>	<u>\$ 6,207,405</u>	<u>\$ (1,573,779)</u>	<u>\$ 77,488,972</u>	<u>\$ 1,805,471</u>

\$2,301,936 of long-term liabilities due within one year for the Medic Agency represents compensated absences at June 30, 2020. The \$75,785,695 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 \$1,170,143.

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, 2020, 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
2021	\$ 2,838,155	\$ 2,188,681
2022	451,281	1,759,067
2023	-	757,519
2024	-	8,412
	<u>3,289,436</u>	<u>4,713,679</u>
Less: amount representing interest	(138,316)	-
Total	<u>\$ 3,151,120</u>	<u>\$ 4,713,679</u>

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Total interest costs for the year ended June 30, 2020 were \$223,862 relating to the capital lease obligations.

For the year ended June 30, 2020, rent expense for operating leases for the County was \$2,094,598.

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.

9. Transfers, Interfund Receivables and Payables

The following is a summary of interfund transfers at June 30, 2020:

Transfers Out:	Transfers In:				
	General	Pay-As-You-Go	Non-Major	Non-Major	Total
		Capital	Capital	Special Revenue	
	Funding	Project Funds	Funds		
General fund	\$ -	\$ 40,461,500	\$ 35,950,000	\$ 246,872	\$ 76,658,372
Debt Service Fund	-	75,213,157	30,000,000	-	105,213,157
Pay-As-You-Go Capital Funding	-	-	11,000,000	-	11,000,000
Non-Major Special Revenue Funds	1,035,670	-	-	-	1,035,670
Total	\$ 1,035,670	\$ 115,674,657	\$ 76,950,000	\$ 246,872	\$ 193,907,199

The transfers consist primarily of the following: (a) \$76,411,500 from the General Fund and \$105,213,157 from the Debt Service Fund to Pay-As-You-Go Capital Funding and Non-Major Capital Project Funds to fund capital projects, (b) \$11,000,000 from Pay-As-You-Go Capital Funding to Non-Major Capital Project Funds to fund capital projects and (c) \$246,872 from the General Fund to the Non-Major Special Revenue Funds to supplement Storm Water funding.

The following is a summary of interfund receivables and payables at June 30, 2020:

	Due from other funds	Due to other funds
General fund	\$ 255,302	\$ -
Non-Major Special Revenue Funds	-	255,302
Total	\$ 255,302	\$ 255,302

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

10. Pension Plan Obligations

The County participates in the North Carolina Local Governmental Employees' Retirement System (LGERS), the Law Enforcement Officers' Special Separation Allowance (LEOSSA), a Supplemental Retirement Income Plan and the Register of Deeds' Supplemental Pension Fund (RODSPF). Deferred inflows of resources and deferred outflows of resources are consolidated and presented in the Statement of Net Position as follows:

	LGERS	LEOSSA	RODSPF	Total
Deferred outflows - County contributions subsequent to the measurement date	\$ 29,189,631	\$ 823,767	\$ 76,034	\$ 30,089,432
Deferred outflows - pension deferrals	42,470,182	2,917,307	197,660	45,585,149
Deferred inflows - pension deferrals	672,724	377,043	63,689	1,113,456

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 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.

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

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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, 2020, was 9.70% of compensation for law enforcement officers and 8.95% 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, 2020 was \$29,189,631.

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.

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 128-30 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, 2020, was 8.95%. Contributions to the pension plan from the Library were \$1,683,444 for the year ended June 30, 2020. The Medic Agency's contractually required contribution rate for the year ended June 30, 2020 was 8.95%. Contributions to the pension plan were \$2,926,858 for the year ended June 30, 2020. The ABC Board's contractually required contribution rate for the year ended June 30, 2020, was 9.70% of compensation for law enforcement officers and 8.95% for general employees. Contributions to the pension plan from the ABC Board were \$714,698 for the year ended June 30, 2020. 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.

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

At June 30, 2020, the County reported a liability of \$118,433,260 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2020, the County's proportion was 4.337% (measured as of June 30, 2019), which was a decrease of 0.047% from its proportion measured as of June 30, 2019 (measured as of June 30, 2018).

For the year ended June 30, 2020, the County recognized pension expense of \$52,595,744. At June 30, 2020, 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	\$ 20,278,773	\$ -
Changes of assumptions	19,302,657	-
Net difference between projected and actual earnings on pension plan investments	2,888,752	-
Changes in proportion and differences between County contributions and proportionate share of contribution	-	672,724
County contributions subsequent to the measurement date	29,189,631	-
Total	<u>\$ 71,659,813</u>	<u>\$ 672,724</u>

\$29,189,631 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, 2021. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2021	\$ 20,892,387
2022	6,335,363
2023	11,339,949
2024	3,229,759
	<u>\$ 41,797,458</u>

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Actuarial Assumptions. The total pension liability in the December 31, 2018 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 to 8.10 percent, including inflation and productivity factor
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, 2018 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 class as of June 30, 2019 are summarized in the following table:

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

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The information above is based on 30-year expectations developed with the consulting actuary for the 2018 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

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

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following presents the County's proportionate share of the net pension liability 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)	\$ 270,858,522	\$ 118,433,260	\$ (8,279,636)

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.

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

	Library	Medic Agency	ABC Board
Pension expense	\$ 3,015,226	\$ 7,145,061	\$ 1,228,046
Deferred outflows of resources - contributions subsequent to the measurement date	1,683,444	2,926,858	714,698
Deferred outflows of resources - other	2,413,469	6,046,352	1,071,554
Deferred inflows of resources	102,840	1,244,707	-
Pension liability	6,681,749	16,860,986	2,565,976

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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 the December 31, 2018 valuation date, the Separation Allowance's membership consisted of:

	<u>County</u>
Retirees	57
Active plan members	<u>283</u>
Total	<u><u>340</u></u>

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.

Actuarial Assumptions

The entry age normal actuarial cost method was used in the December 31, 2018 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	3.26%

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.

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The actuarial assumptions used in December 31, 2018 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 \$1,448,464 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, 2020, the County reported a total pension liability of \$19,398,321. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was rolled forward to December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$1,914,939.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,249,623	\$ -
Changes of assumptions and other inputs	667,684	377,043
Benefit payments and administrative expenses subsequent to the measurement date	823,767	-
Total	<u>\$ 3,741,074</u>	<u>\$ 377,043</u>

\$823,767 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 decrease of the total pension liability in the year ended June 30, 2021. 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>	
2021	\$ 805,972
2022	825,904
2023	599,303
2024	309,085
	<u>\$ 2,540,264</u>

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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 3.26 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 (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	\$ 20,627,500	\$ 19,398,321	\$ 18,251,527

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

	2020
Beginning Balance	\$ 17,228,128
Service Cost	503,847
Interest	603,324
Differences between expected and actual experience	1,924,288
Changes of assumptions or other inputs	445,341
Benefit payments	(1,306,607)
Net pension obligation end of year	<u>\$ 19,398,321</u>

Changes of Assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.64% at June 30, 2019 to 3.26% at June 30, 2020.

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.

December 31, 2018 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, 2019 is shown in the following table:

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	(1)	(2)	(3)
	Development of TPL for Year Ending	Development of TPL for Year Ending 2019 Prior to Assumption Change	Development of TPL for Year Ending 2019 After Assumption Change
TPL Roll Forward	2018		
(a) Interest rate	3.64%	3.64%	3.26%
(b) Valuation date for measurement	December 31, 2017	December 31, 2018	December 31, 2018
(c) TPL as of December 31, 2017	\$ 17,228,128	\$ 19,084,832	\$ 19,548,374
(d) Entry Age Normal Cost for the period January 1, 2018 - December 31, 2018 at the end of the year	503,847	503,847	540,575
(e) Actual benefit payments for the period January 1, 2018 - December 31, 2018	1,306,607	1,306,607	1,306,607
(f) TPL as of December 31, 2018 = [c * (1 + a)] + d - [e * (1 + a * .5)]	17,028,692	18,952,980	19,398,321
(g) Experience actuarial (gain)/loss	-	1,924,288	-
(h) Discount rate change (gain)/loss	-	-	445,341

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 2020 and 2019. 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, 2020 was \$1,129,293 compared to \$1,043,611 for the year ended June 30, 2019. Contributions for the ABC Board for the years ended June 30, 2020 and 2019, were \$210,187 and \$152,707 respectively, which consisted of \$109,689 for 2020 and \$91,784 for 2019 from the ABC Board and \$100,498 for 2020 and \$60,923 for 2019 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 2020 and 2019 of each employee's salary, respectively. Non-law enforcement employees, also, may make voluntary contributions to the plan.

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Total contributions for the years ended June 30, 2020 and 2019 were \$707,635 and \$603,195, respectively, which consisted of \$384,892 for 2020 and \$351,037 for 2019 from the ABC Board and \$322,743 for 2020 and \$252,158 for 2019 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.

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 \$76,034 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of \$1,320,744 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2020 (measured as of June 30, 2019), the County's proportion was 6.69%, which was a decrease of 1.00% from its proportion at June 30, 2019 (measured as of June 30, 2018).

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For the year ended June 30, 2020, the County recognized pension expense of \$179,564. At June 30, 2020, 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	\$ -	\$ 63,689
Change of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	13,514	-
Changes in proportion and differences between County contributions and proportionate share of contributions	184,146	-
County contributions subsequent to the measurement date	76,034	-
Total	<u>\$ 273,694</u>	<u>\$ 63,689</u>

\$76,034 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2021	\$ 61,173
2022	61,688
2023	37,201
2024	(26,091)
	<u>\$ 133,971</u>

Actuarial Assumptions. The total pension liability in the December 31, 2018 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. The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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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, 2020 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 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)	\$ (1,091,744)	\$ (1,320,744)	\$ (1,514,353)

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.

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

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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 2020 and 2019 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 \$11,801,987 and \$10,679,793, respectively, for years ended June 30, 2020 and 2019. The Library total contributions were \$588,905 and \$554,199, respectively, for years ended June 30, 2020 and 2019. Contributions by the Medic Agency for June 30, 2020 and 2019 were \$1,083,360 and \$998,452, 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, 2020 year-end and does not issue a stand-alone report.

Plan Membership. At January 1, 2019 and January 1, 2020, membership consisted of the following:

	2019	2020
Inactive plan members or beneficiaries currently receiving benefit payments	1,708	1,770
Inactive plan members entitled to but not yet receiving benefit payments	649	708
Active plan members	2,163	2,007
Total	4,520	4,485

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.

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

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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 2020, retiree annual contribution rates are:

	Pre-Medicare PPO	Pre-Medicare HSA	Medicare Eligible
20 or more years of service:			
Retiree	\$ -	\$ -	\$ -
Spouse	4,045	2,873	4,445 - 5,124
10 to 19 years of service:			
Retiree	5,011	4,924	3,807
Spouse	4,057	2,873	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 \$19,482,677 for fiscal year 2020. 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, 2020, 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 is summarized in the following table:

Asset Class	Target Allocation		Expected Real Rate of Return	
	2020	2019	2020	2019
Equity Index	65.0%	65.0%	5.29%	5.39%
Bond Index	10.0%	10.0%	0.00%	0.98%
Short Term Investment Fund	25.0%	25.0%	-0.98%	0.20%
	<u>100.0%</u>	<u>100.0%</u>		

Rate of return. For the year ended June 30, 2020, the annual money weighted rate of return on investments, net of investment expense, was 15.00%. The money-weight rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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Net OPEB Liability of the County

The components of the net OPEB liability of the County as of June 30, 2020, were as follows:

Total OPEB Liability	\$ 673,721,659
Plan Fiduciary Net Position	<u>158,838,550</u>
Net OPEB Liability	\$ 514,883,109

Plan fiduciary net position as a percentage of the total OPEB liability	23.58%
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Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of January 1, 2020, 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	7.30% for 2020, decreasing to a rate of 4.50% in 2027 and beyond
Medicare	8.60% for 2020, decreasing to a rate of 4.50% in 2027 and beyond
Mortality rates:	
Employees & Healthy Annuitants	PUB-2010 Amounts-Weighted General Employees Healthy Annuitants Mortality Table with Improvements by Scale MP2019
Disabled Members	PUB-2010 Amounts-Weighted General Employees Disabled Retirement Mortality Table with Generation Improvements by Scale MP2019
Survivor Beneficiaries	PUB-2010 Amounts-Weighted General Employees Survivor Beneficiary Mortality Table with Generational Improvements by Scale MP2019

The total OPEB liability was rolled forward to June 30, 2020, utilizing update procedures incorporating the actuarial assumptions.

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.

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Discount rate. The discount rate used to measure the total OPEB liability at June 30, 2020 was 3.91 % which was a change from the discount rate of 4.31% at June 30, 2019. 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 2.21% as of June 30, 2020 per the Bond Buyer General Obligation 20 year-Bond Municipal Bond Index. As of June 30, 2019, the Bond Buyer General Obligation 20 year-Bond Municipal Bond Index was 3.50%.

Sensitivity of the net OPEB liability to changes in the discount rate. As of June 30, 2020 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 (2.91 percent) or 1-percentage-point higher (4.91 percent) than the current discount rate:

	1% Decrease (2.91%)	Discount Rate (3.91%)	1% Increase (4.91%)
Net OPEB liability	\$ 648,243,883	\$ 514,883,109	\$ 410,744,996

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the County at June 30, 2020, 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 (6.30%/7.60% decreasing to 3.50%/3.50%)	Trend Rate (7.30%/8.60% decreasing to 4.50%/4.50%)	1% Increase (8.30%/9.60% decreasing to 5.50%/5.50%)
Net OPEB liability	\$ 397,297,579	\$ 514,883,109	\$ 667,232,316

Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2020, the County reported a net OPEB liability of \$514,883,109. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2020, utilizing update procedures incorporating the actuarial assumptions.

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

At June 30, 2020, the components of the net OPEB liability of the County, measured as of June 30, 2020 were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2019	\$ 699,271,045	\$ 146,472,650	\$ 552,798,395
Changes for the Fiscal Year:			
Service cost	14,949,838	-	14,949,838
Interest	30,544,997	-	30,544,997
Difference between expected and actual experience	(2,847,633)	-	(2,847,633)
Changes of assumptions	(57,038,382)	-	(57,038,382)
Benefit payments	(11,158,206)	(11,158,206)	-
Contributions	-	19,157,755	(19,157,755)
Net investment income	-	5,120,519	(5,120,519)
Administrative expense	-	(754,168)	754,168
Net changes	(25,549,386)	12,365,900	(37,915,286)
Balance at June 30, 2020	<u>\$ 673,721,659</u>	<u>\$ 158,838,550</u>	<u>\$ 514,883,109</u>

For the year ended June 30, 2020, the County recognized OPEB expense of \$15,473,567. At June 30, 2020, 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	\$ 2,220,403	\$ 10,134,442
Changes of assumptions	-	51,521,907
Net difference between projected and actual earnings on OPEB plan investments	3,366,440	-
Total	<u>\$ 5,586,843</u>	<u>\$ 61,656,349</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,	
2021	\$ (21,022,946)
2022	(21,022,946)
2023	(14,950,009)
2024	926,394
2025	<u>1</u>
	<u>\$ (56,069,506)</u>

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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 \$67,672,131 was measured as of June 30, 2019 and was determined by an actuarial valuation as of January 1, 2019. Complete information regarding the Library's postemployment benefits appears in the separately issued June 30, 2020 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 \$58,924,709 was measured as of June 30, 2019 and was determined by an actuarial valuation as of January 1, 2019. Complete information regarding Medic Agency's post-employment healthcare benefits appears in Medic Agency's separately issued June 30, 2020 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, 2020, the most recent valuation date, the plan was not funded. The net OPEB obligation of \$8,208,752 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, 2020 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, 2020

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, 2020, 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:

	2020	2019
Accounts payable and accrued liabilities - beginning of fiscal year	\$ 34,250,203	\$ 30,703,906
Additions	9,291,136	7,813,659
Payments	<u>(4,612,876)</u>	<u>(4,267,362)</u>
Accounts payable and accrued liabilities - end of fiscal year	<u>\$ 38,928,463</u>	<u>\$ 34,250,203</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 \$14,006,099 as of June 30, 2020 is based on the use of 69% of the total estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post-closure care of \$6.3 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 2020. 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.

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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 for the payment of future use development costs which has a balance as of June 30, 2020 of \$1,071,366. 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, 2020, 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, 2020 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, 2020, 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.

During 2020, an outbreak of a novel strain on coronavirus ("COVID-19") emerged globally. As a result of the spread of COVID-19, economic uncertainties have arisen that could negatively impact the County's revenue and operations for an indeterminable time period. Other financial impacts could occur that are unknown at this time.

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 \$281,903 to COG during fiscal year 2020.

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

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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 \$37,884,035 for operations and \$80,481,597 for capital purposes during fiscal year 2020 and made debt service payments of \$23,311,962 in fiscal year 2020 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. 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 2020. 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, 2020. 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 2020. 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, 2020. 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 HLC 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 12 members of the HLC.

Charlotte-Mecklenburg Historic Landmarks Commission
2100 Randolph Road

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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 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 \$12,100,000 at June 30, 2020 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 \$6,805,000 at June 30, 2020 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 \$3,265,000 at June 30, 2020 are not reported as liabilities in the accompanying financial statements.

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

	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension asset (liability)	4.34%	4.38%	4.44%	4.44%	4.41%	4.36%	(3.91%)
County's proportionate share of the net pension asset (liability)	\$ (118,433,260)	\$ (104,004,422)	\$ (67,810,124)	\$ (94,129,590)	\$ (19,812,331)	\$ 25,698,614	\$ (47,122,077)
County's covered payroll	307,877,269	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	(38.47%)	(35.20%)	(24.50%)	(34.03%)	(7.36%)	9.86%	(20.74%)
Plan fiduciary net position as a percentage of the total pension liability	90.86%	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 SEVEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 29,189,631	\$ 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	29,189,631	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>	<u>\$ -</u>
County's covered payroll	\$ 335,148,440	\$ 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	8.71%	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 FOUR FISCAL YEARS

	2020	2019	2018	2017
Total pension liability				
Service cost, end of year	\$ 503,847	\$ 503,264	\$ 430,674	\$ 462,185
Interest	603,324	513,769	588,068	556,088
Differences between expected and actual experience	1,924,288	1,065,382	328,893	-
Changes of assumptions or other inputs	445,341	(520,043)	815,257	(303,040)
Benefit payments	<u>(1,306,607)</u>	<u>(1,185,496)</u>	<u>(1,093,108)</u>	<u>(1,020,940)</u>
Net change in total pension liability	2,170,193	376,876	1,069,784	(305,707)
Total pension liability, beginning	<u>17,228,128</u>	<u>16,851,252</u>	<u>15,781,468</u>	<u>16,087,175</u>
Total pension liability, ending	<u>\$ 19,398,321</u>	<u>\$ 17,228,128</u>	<u>\$ 16,851,252</u>	<u>\$ 15,781,468</u>
Covered payroll	\$ 20,572,067	\$ 19,021,791	\$ 18,408,846	\$ 18,886,807
Total pension liability as a percentage of covered payroll	94.29%	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 SEVEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension asset (liability)	6.69%	7.69%	8.22%	7.98%	8.84%	8.99%	9.53%
County's proportionate share of the net pension asset (liability)	\$ 1,320,744	\$ 1,274,425	\$ 1,403,807	\$ 1,492,539	\$ 2,048,402	\$ 1,976,785	\$ 2,036,655
County's covered payroll	1,727,017	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	76.48%	75.87%	88.72%	96.50%	144.33%	135.38%	146.23%
Plan fiduciary net position as a percentage of the total pension liability	164.11%	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 SEVEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 76,034	\$ 63,587	\$ 72,460	\$ 64,845	\$ 65,218	\$ 70,729	\$ 71,206
Contributions in relation to the							
contractually required contribution	76,034	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>	<u>\$ -</u>
County's covered payroll	\$ 1,861,007	\$ 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	4.09%	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 FOUR FISCAL YEARS

	2020	2019	2018	2017
Total OPEB Liability				
Service cost	\$ 14,949,838	\$ 15,371,759	\$ 16,224,734	\$ 18,951,671
Interest	30,544,997	30,940,484	28,140,256	29,961,191
Differences between expected and actual experience	(2,847,633)	(14,026,489)	5,234,527	656,173
Changes of assumptions	(57,038,382)	(4,821,705)	(15,686,325)	(79,679,340)
Benefit payments	<u>(11,158,206)</u>	<u>(9,895,994)</u>	<u>(8,710,423)</u>	<u>(12,210,109)</u>
Net change in total OPEB liability	(25,549,386)	17,568,055	25,202,769	(42,320,414)
Total OPEB liability, beginning	<u>699,271,045</u>	<u>681,702,990</u>	<u>656,500,221</u>	<u>698,820,635</u>
Total OPEB liability, ending	<u>\$ 673,721,659</u>	<u>\$ 699,271,045</u>	<u>\$ 681,702,990</u>	<u>\$ 656,500,221</u>
Plan fiduciary net position				
Contributions - employer	\$ 19,157,755	\$ 16,934,261	\$ 16,889,288	\$ 17,572,532
Net investment income	5,120,519	7,355,210	8,899,852	12,251,797
Benefit payments	(11,158,206)	(8,226,655)	(8,238,667)	(8,964,207)
Administrative expense	<u>(754,168)</u>	<u>(707,606)</u>	<u>(650,621)</u>	<u>(608,325)</u>
Net change in plan fiduciary net position	12,365,900	15,355,210	16,899,852	20,251,797
Plan fiduciary net position, beginning	<u>146,472,650</u>	<u>131,117,440</u>	<u>114,217,588</u>	<u>93,965,791</u>
Plan fiduciary net position, ending	<u>\$ 158,838,550</u>	<u>\$ 146,472,650</u>	<u>\$ 131,117,440</u>	<u>\$ 114,217,588</u>
County's net OPEB liability, ending	<u>\$ 514,883,109</u>	<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	23.58%	20.95%	19.23%	17.40%
Covered payroll	\$ 331,778,220	\$ 306,064,456	\$ 293,645,845	\$ 262,111,497
County's net OPEB liability as a percentage of covered payroll	155.19%	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 FOUR FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of Investment expense	15.00%	19.61%	23.18%	32.76%

Notes:

Valuation date: 1/1/2020

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	20 years
Asset valuation method	Fair value of assets
General Inflation	2.10%
Healthcare cost trend rate	Pre-65: 7.30% for 2020 decreasing to a rate of 4.50% in 2027 and beyond Post-65: 8.60% for 2020 decreasing to a rate of 4.50% in 2027 and beyond
Salary increases	3.50% to 7.75%, including inflation and productivity factor 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 MP2019.
Disabled members	PUB-2010 Amounts-weighted general employees disabled retirement mortality table with generational improvements by scale MP2019.
Survivor beneficiaries	PUB-2010 Amounts-weighted general employees survivor beneficiary mortality table with generational improvements by scale MP2019.

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

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 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
2020	\$ 43,301,737	\$ 18,072,431	\$ 25,229,306	\$ 331,778,220	5.447 %
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

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MECKLENBURG COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 74,092,793	\$ 105,072,618	\$ 179,165,411
Interest receivable	41,399	-	41,399
Accounts receivable	17,521,815	4,438,312	21,960,127
Taxes receivable	736,660	-	736,660
Less allowance for uncollectible taxes	(96,350)	-	(96,350)
Restricted cash and investments	-	181,578,025	181,578,025
Total assets	<u>\$ 92,296,317</u>	<u>\$ 291,088,955</u>	<u>\$ 383,385,272</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	\$ 14,704,134	\$ 26,502,513	\$ 41,206,647
Unearned grant revenue	25,892,773	-	25,892,773
Due to other funds	255,302	-	255,302
Total Liabilities	<u>40,852,209</u>	<u>26,502,513</u>	<u>67,354,722</u>
DEFERRED INFLOWS OF RESOURCES	<u>640,312</u>	<u>-</u>	<u>640,312</u>
Fund Balances			
Restricted:			
Stabilization by State Statute	30,957,411	26,541,266	57,498,677
Land Use and Environmental Services	1,783,632	-	1,783,632
Detention and Court Support Services	5,298,439	-	5,298,439
Capital Projects	-	162,567,910	162,567,910
Committed:			
Land Use and Environmental Services	20,314,593	-	20,314,593
Public Safety	3,071,088	-	3,071,088
Fire Protection	2,961,100	-	2,961,100
Capital Projects	-	75,477,266	75,477,266
Unassigned:	<u>(13,582,467)</u>	<u>-</u>	<u>(13,582,467)</u>
Total fund balances	<u>50,803,796</u>	<u>264,586,442</u>	<u>315,390,238</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 92,296,317</u>	<u>\$ 291,088,955</u>	<u>\$ 383,385,272</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, 2020

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES			
Law Enforcement Service District taxes	\$ 18,581,055	\$ -	\$ 18,581,055
Transit one-half cent sales tax	58,570,087	-	58,570,087
Fire Service Districts taxes	6,670,470	-	6,670,470
Intergovernmental	16,833,551	2,803,022	19,636,573
Charges for services	18,932,081	1,049,240	19,981,321
Interest earned on investments	645,386	55,441	700,827
Other	650	1,228,523	1,229,173
Total revenues	<u>120,233,280</u>	<u>5,136,226</u>	<u>125,369,506</u>
EXPENDITURES			
Land Use and Environmental Services	11,459,186	-	11,459,186
Detention and Court Support Services	1,158,014	-	1,158,014
Public Safety	23,586,015	-	23,586,015
Business Partners	58,570,087	-	58,570,087
Administrative Services	3,143,911		3,143,911
Health and Human Services	10,162,660		10,162,660
Debt Service:			
Principal	52,456	-	52,456
Capital outlay	9,813,453	298,679,318	308,492,771
Total expenditures	<u>117,945,782</u>	<u>298,679,318</u>	<u>416,625,100</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,287,498</u>	<u>(293,543,092)</u>	<u>(291,255,594)</u>
OTHER FINANCING SOURCES (USES)			
General obligation bonds issued	-	200,000,000	200,000,000
Premium on debt issued	-	29,383,404	29,383,404
Sale of capital assets	10,861	366,056	376,917
Transfers in	246,872	76,950,000	77,196,872
Transfers out	(1,035,670)	-	(1,035,670)
Total other financing sources (uses)	<u>(777,937)</u>	<u>306,699,460</u>	<u>305,921,523</u>
NET CHANGE IN FUND BALANCE	1,509,561	13,156,368	14,665,929
FUND BALANCES - BEGINNING OF YEAR	<u>49,294,235</u>	<u>251,430,074</u>	<u>300,724,309</u>
FUND BALANCES - END OF YEAR	<u>\$ 50,803,796</u>	<u>\$ 264,586,442</u>	<u>\$ 315,390,238</u>

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MECKLENBURG COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2020

	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	Coronavirus Relief Fund	Total Special Revenue
ASSETS										
Cash and investments	\$ 32,888,791	\$ 3,553,193	\$ -	\$ 811,330	\$ 132,742	\$ 1,880,216	\$ 3,356,489	\$ 5,577,259	\$ 25,892,773	\$ 74,092,793
Interest receivable	38,702	1,789	-	908	-	-	-	-	-	41,399
Accounts receivable	3,239,953	92,628	13,297,298	330,692	126,467	-	34,937	399,840	-	17,521,815
Taxes receivable	-	570,119	-	-	-	-	166,541	-	-	736,660
Less allowance for uncollectible taxes	-	(82,140)	-	-	-	-	(14,210)	-	-	(96,350)
Total assets	<u>\$ 36,167,446</u>	<u>\$ 4,135,589</u>	<u>\$ 13,297,298</u>	<u>\$ 1,142,930</u>	<u>\$ 259,209</u>	<u>\$ 1,880,216</u>	<u>\$ 3,543,757</u>	<u>\$ 5,977,099</u>	<u>\$ 25,892,773</u>	<u>\$ 92,296,317</u>
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable and accrued liabilities	\$ 917,638	\$ 1,170	\$ 13,297,298	\$ 270,052	\$ 193	\$ 47,145	\$ 57,321	\$ 113,317	\$ -	\$ 14,704,134
Unearned grant revenue	-	-	-	-	-	-	-	-	25,892,773	25,892,773
Due to other funds	-	238,761	-	-	-	-	16,541	-	-	255,302
Total liabilities	<u>917,638</u>	<u>239,931</u>	<u>13,297,298</u>	<u>270,052</u>	<u>193</u>	<u>47,145</u>	<u>73,862</u>	<u>113,317</u>	<u>25,892,773</u>	<u>40,852,209</u>
DEFERRED INFLOWS OF RESOURCES	-	487,981	-	-	-	-	152,331	-	-	640,312
Fund Balances										
Restricted:										
Stabilization by State Statute	15,595,387	603,696	13,297,298	340,255	131,467	49,439	374,526	565,343	-	30,957,411
Land Use and Environmental Services	-	-	-	-	-	1,783,632	-	-	-	1,783,632
Detention and Court Support Services	-	-	-	-	-	-	-	5,298,439	-	5,298,439
Committed:										
Land Use and Environmental Services	19,654,421	-	-	532,623	127,549	-	-	-	-	20,314,593
Public Safety	-	3,071,088	-	-	-	-	-	-	-	3,071,088
Fire Protection	-	-	-	-	-	-	2,961,100	-	-	2,961,100
Unassigned:	-	(267,107)	(13,297,298)	-	-	-	(18,062)	-	-	(13,582,467)
Total fund balances	<u>35,249,808</u>	<u>3,407,677</u>	<u>-</u>	<u>872,878</u>	<u>259,016</u>	<u>1,833,071</u>	<u>3,317,564</u>	<u>5,863,782</u>	<u>-</u>	<u>50,803,796</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 36,167,446</u>	<u>\$ 4,135,589</u>	<u>\$ 13,297,298</u>	<u>\$ 1,142,930</u>	<u>\$ 259,209</u>	<u>\$ 1,880,216</u>	<u>\$ 3,543,757</u>	<u>\$ 5,977,099</u>	<u>\$ 25,892,773</u>	<u>\$ 92,296,317</u>

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MECKLENBURG COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	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	Coronavirus Relief Fund	Total Special Revenue
REVENUES										
Law Enforcement Service District taxes	\$ -	\$ 18,581,055	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,581,055
Transit one-half cent sales tax	-	-	58,570,087	-	-	-	-	-	-	58,570,087
Fire Service Districts taxes	-	-	-	-	-	-	6,670,470	-	-	6,670,470
Intergovernmental	522,733	-	-	1,480,011	256,930	-	-	1,267,306	13,306,571	16,833,551
Charges for services	18,264,359	-	-	-	-	667,722	-	-	-	18,932,081
Interest earned on investments	607,920	26,502	-	10,964	-	-	-	-	-	645,386
Other	650	-	-	-	-	-	-	-	-	650
Total revenues	<u>19,395,662</u>	<u>18,607,557</u>	<u>58,570,087</u>	<u>1,490,975</u>	<u>256,930</u>	<u>667,722</u>	<u>6,670,470</u>	<u>1,267,306</u>	<u>13,306,571</u>	<u>120,233,280</u>
EXPENDITURES										
Land Use and Environmental Services	8,901,035	-	-	1,691,345	3,473	863,333	-	-	-	11,459,186
Detention and Court Support Services	-	-	-	-	-	-	-	1,158,014	-	1,158,014
Public Safety	-	17,435,537	-	-	-	-	6,150,478	-	-	23,586,015
Business Partners	-	-	58,570,087	-	-	-	-	-	-	58,570,087
Administrative Services	-	-	-	-	-	-	-	-	3,143,911	3,143,911
Health and Human Services	-	-	-	-	-	-	-	-	10,162,660	10,162,660
Principal	52,456	-	-	-	-	-	-	-	-	52,456
Capital outlay	9,813,453	-	-	-	-	-	-	-	-	9,813,453
Total expenditures	<u>18,766,944</u>	<u>17,435,537</u>	<u>58,570,087</u>	<u>1,691,345</u>	<u>3,473</u>	<u>863,333</u>	<u>6,150,478</u>	<u>1,158,014</u>	<u>13,306,571</u>	<u>117,945,782</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>628,718</u>	<u>1,172,020</u>	<u>-</u>	<u>(200,370)</u>	<u>253,457</u>	<u>(195,611)</u>	<u>519,992</u>	<u>109,292</u>	<u>-</u>	<u>2,287,498</u>
OTHER FINANCING SOURCES (USES)										
Sale of capital assets	10,861	-	-	-	-	-	-	-	-	10,861
Transfers in	246,872	-	-	-	-	-	-	-	-	246,872
Transfers out	(1,035,670)	-	-	-	-	-	-	-	-	(1,035,670)
Total other financing sources (uses)	<u>(777,937)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(777,937)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>(149,219)</u>	<u>1,172,020</u>	<u>-</u>	<u>(200,370)</u>	<u>253,457</u>	<u>(195,611)</u>	<u>519,992</u>	<u>109,292</u>	<u>-</u>	<u>1,509,561</u>
FUND BALANCES - BEGINNING OF YEAR	35,399,027	2,235,657	-	1,073,248	5,559	2,028,682	2,797,572	5,754,490	-	49,294,235
FUND BALANCES - END OF YEAR	<u>\$ 35,249,808</u>	<u>\$ 3,407,677</u>	<u>\$ -</u>	<u>\$ 872,878</u>	<u>\$ 259,016</u>	<u>\$ 1,833,071</u>	<u>\$ 3,317,564</u>	<u>\$ 5,863,782</u>	<u>\$ -</u>	<u>\$ 50,803,796</u>

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MECKLENBURG COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2020

	Bond Funds	2019A School Bonds	Certificates of Participation	Capital Reserve	Other Capital Funding	Total Capital Projects
ASSETS						
Cash and investments	\$ -	\$ -	\$ -	\$ 87,087,988	\$ 17,984,630	\$ 105,072,618
Accounts receivable	-	-	50,322	1,218,146	3,169,844	4,438,312
Restricted cash and investments	<u>98,825,123</u>	<u>82,487,571</u>	<u>265,331</u>	<u>-</u>	<u>-</u>	<u>181,578,025</u>
Total assets	<u>\$ 98,825,123</u>	<u>\$ 82,487,571</u>	<u>\$ 315,653</u>	<u>\$ 88,306,134</u>	<u>\$ 21,154,474</u>	<u>\$ 291,088,955</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued liabilities	\$ 6,109,110	\$ 12,830,916	\$ -	\$ 6,402,260	\$ 1,160,227	\$ 26,502,513
Fund Balances						
Restricted:						
Stabilization by State Statute	70,089	-	50,322	10,026,363	16,394,492	26,541,266
Capital Projects	92,645,924	69,656,655	265,331	-	-	162,567,910
Committed:						
Capital Projects	-	-	-	71,877,511	3,599,755	75,477,266
Unassigned:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>92,716,013</u>	<u>69,656,655</u>	<u>315,653</u>	<u>81,903,874</u>	<u>19,994,247</u>	<u>264,586,442</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 98,825,123</u>	<u>\$ 82,487,571</u>	<u>\$ 315,653</u>	<u>\$ 88,306,134</u>	<u>\$ 21,154,474</u>	<u>\$ 291,088,955</u>

MECKLENBURG COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CAPITAL IMPROVEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

	Bond Funds	2019A School Bonds	Certificates of Participation	Capital Reserve	Other Capital Funding	Total Capital Projects
Project Authorization	\$ 886,875,037	\$ -	\$ 681,951,412	\$ 378,682,860	\$ 346,749,388	\$ 2,294,258,697
Prior Year's Revenues	944,273,266	-	679,507,345	380,432,231	193,975,780	2,198,188,622
Prior Year's Expenditures	758,268,363	21,828,210	679,191,692	299,206,525	188,263,758	1,946,758,548
Fund Balances - Beginning of Year	186,004,903	(21,828,210)	315,653	81,225,706	5,712,022	251,430,074
REVENUES						
Intergovernmental						
Federal	-	-	-	-	2,624,856	2,624,856
State	-	-	-	-	178,166	178,166
Charges for services	-	-	-	1,049,240	-	1,049,240
Interest earned on investments	51,769	3,672	-	-	-	55,441
Other	-	-	-	24,600	1,203,923	1,228,523
Total revenues	51,769	3,672	-	1,073,840	4,006,945	5,136,226
EXPENDITURES						
Management Services						
County Buildings	-	-	-	19,440,289	-	19,440,289
Small Business Loan Programs	-	-	-	-	5,775,000	5,775,000
Housing Stability Support Services	-	-	-	-	412,265	412,265
Land Use and Environmental Services						
Community Development	-	-	-	-	1,034,138	1,034,138
Historic Preservation	-	-	-	-	528,516	528,516
Community Services						
Park and Recreation Facilities	25,002,817	-	-	8,889,773	2,224,801	36,117,391
Library Facilities	-	-	-	1,017,067	-	1,017,067
Detention and Court Support Services						
Court Facilities	-	-	-	1,790,338	-	1,790,338
Jail / Detention Facilities	-	-	-	2,997,610	-	2,997,610
Business Partners						
Community College Facilities	-	42,980,485	-	4,181,173	-	47,161,658
School Facilities	68,337,842	94,921,726	-	19,145,478	-	182,405,046
Total expenditures	93,340,659	137,902,211	-	57,461,728	9,974,720	298,679,318
REVENUES UNDER EXPENDITURES	(93,288,890)	(137,898,539)	-	(56,387,888)	(5,967,775)	(293,543,092)
OTHER FINANCING SOURCES (USES)						
General obligation bonds issued	-	200,000,000	-	-	-	200,000,000
Premium on debt issued	-	29,383,404	-	-	-	29,383,404
Sale of capital assets	-	-	-	366,056	-	366,056
Transfers in	-	-	-	56,700,000	20,250,000	76,950,000
Total other financing sources (uses)	-	229,383,404	-	57,066,056	20,250,000	306,699,460
NET CHANGE IN FUND BALANCE	(93,288,890)	91,484,865	-	678,168	14,282,225	13,156,368
FUND BALANCES - END OF YEAR	\$ 92,716,013	\$ 69,656,655	\$ 315,653	\$ 81,903,874	\$ 19,994,247	\$ 264,586,442

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MECKLENBURG COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FIDUCIARY FUNDS
JUNE 30, 2020

	Municipalities'	Employees'	Fee Collection	Food and		
	Taxes	Insurance	for State	Beverage	Other	Total
				Tax		
ASSETS						
Cash and investments	\$ 3,738,785	\$ 86,177,104	\$ 4,013,092	\$ 93,246	\$ 576,969	\$ 94,599,196
Accounts receivable	7,263,123	-	-	2,240,792	-	9,503,915
Due from other governmental agencies	-	2,402,731	57,075	-	-	2,459,806
TOTAL ASSETS	<u>\$ 11,001,908</u>	<u>\$ 88,579,835</u>	<u>\$ 4,070,167</u>	<u>\$ 2,334,038</u>	<u>\$ 576,969</u>	<u>\$ 106,562,917</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ -	\$ 88,579,835	\$ -	\$ -	\$ 576,969	\$ 89,156,804
Due to other governmental agencies	11,001,908	-	4,070,167	2,334,038	-	17,406,113
TOTAL LIABILITIES	<u>\$ 11,001,908</u>	<u>\$ 88,579,835</u>	<u>\$ 4,070,167</u>	<u>\$ 2,334,038</u>	<u>\$ 576,969</u>	<u>\$ 106,562,917</u>

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MECKLENBURG COUNTY, NORTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Municipalities' Taxes				
ASSETS				
Cash and investments	\$ 3,802,375	\$ 927,261,200	\$ (927,324,790)	\$ 3,738,785
Accounts receivable	7,342,954	7,263,123	(7,342,954)	7,263,123
Due from other governmental agencies	5,400,146	-	(5,400,146)	-
TOTAL ASSETS	<u>\$ 16,545,475</u>	<u>\$ 934,524,323</u>	<u>\$ (940,067,890)</u>	<u>\$ 11,001,908</u>
LIABILITIES				
Due to other governmental agencies	<u>\$ 16,545,475</u>	<u>\$ 944,474,451</u>	<u>\$ (950,018,018)</u>	<u>\$ 11,001,908</u>
Employees' Insurance				
ASSETS				
Cash and investments	\$ 93,600,339	\$ 122,401,073	\$ (129,824,308)	\$ 86,177,104
Due from other governmental agencies	21,807	2,461,196	(80,272)	2,402,731
TOTAL ASSETS	<u>\$ 93,622,146</u>	<u>\$ 124,862,269</u>	<u>\$ (129,904,580)</u>	<u>\$ 88,579,835</u>
LIABILITIES				
Accounts payable and accrued liabilities	<u>\$ 93,622,146</u>	<u>\$ 276,097,076</u>	<u>\$ (281,139,387)</u>	<u>\$ 88,579,835</u>
Fee Collection for State				
ASSETS				
Cash and investments	\$ 4,292,873	\$ 17,800,513	\$ (18,080,294)	\$ 4,013,092
Due from other governmental agencies	18,015	57,075	(18,015)	57,075
TOTAL ASSETS	<u>\$ 4,310,888</u>	<u>\$ 17,857,588</u>	<u>\$ (18,098,309)</u>	<u>\$ 4,070,167</u>
LIABILITIES				
Due to other governmental agencies	<u>\$ 4,310,888</u>	<u>\$ 52,534,679</u>	<u>\$ (52,775,400)</u>	<u>\$ 4,070,167</u>
Food and Beverage Tax				
ASSETS				
Cash and investments	\$ 320,506	\$ 32,534,509	\$ (32,761,769)	\$ 93,246
Accounts receivable	3,351,577	2,240,792	(3,351,577)	2,240,792
TOTAL ASSETS	<u>\$ 3,672,083</u>	<u>\$ 34,775,301</u>	<u>\$ (36,113,346)</u>	<u>\$ 2,334,038</u>
LIABILITIES				
Due to other governmental agencies	<u>\$ 3,672,083</u>	<u>\$ 34,775,301</u>	<u>\$ (36,113,346)</u>	<u>\$ 2,334,038</u>
Other				
ASSETS				
Cash and investments	<u>\$ 505,858</u>	<u>\$ 175,315</u>	<u>\$ (104,204)</u>	<u>\$ 576,969</u>
LIABILITIES				
Accounts payable and accrued liabilities	<u>\$ 505,858</u>	<u>\$ 233,477</u>	<u>\$ (162,366)</u>	<u>\$ 576,969</u>
Totals - All Agency Funds				
ASSETS				
Cash and investments	\$ 102,521,951	\$ 1,100,172,610	\$ (1,108,095,365)	\$ 94,599,196
Accounts receivable	10,694,531	9,503,915	(10,694,531)	9,503,915
Due from other governmental agencies	5,439,968	2,518,271	(5,498,433)	2,459,806
TOTAL ASSETS	<u>\$ 118,656,450</u>	<u>\$ 1,112,194,796</u>	<u>\$ (1,124,288,329)</u>	<u>\$ 106,562,917</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 94,128,004	\$ 276,330,553	\$ (281,301,753)	\$ 89,156,804
Due to other governmental agencies	24,528,446	1,031,784,431	(1,038,906,764)	17,406,113
TOTAL LIABILITIES	<u>\$ 118,656,450</u>	<u>\$ 1,308,114,984</u>	<u>\$ (1,320,208,517)</u>	<u>\$ 106,562,917</u>

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, 2020

	Budget	Actual	Variance Positive/ (Negative)
REVENUES			
Property taxes	\$ 242,083,378	\$ 242,083,378	\$ -
Sales tax	60,640,000	60,261,819	(378,181)
Intergovernmental	13,139,089	13,002,246	(136,843)
Interest on investments	9,600,000	8,393,697	(1,206,303)
Other	2,517,617	3,313,380	795,763
Total revenues	<u>327,980,084</u>	<u>327,054,520</u>	<u>(925,564)</u>
EXPENDITURES			
Board of Education			
Debt service			
Principal payments	103,107,785	97,651,574	5,456,211
Interest	51,505,234	48,565,093	2,940,141
Central Piedmont Community College			
Debt service			
Principal payments	18,048,590	18,048,590	-
Interest	5,263,372	5,263,372	-
Debt Service			
Principal payments	34,390,722	28,554,836	5,835,886
Interest	11,535,420	11,535,420	-
Total expenditures	<u>223,851,123</u>	<u>209,618,885</u>	<u>14,232,238</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>104,128,961</u>	<u>117,435,635</u>	<u>13,306,674</u>
OTHER FINANCING SOURCES (USES)			
Premium on debt issued	1,084,196	1,084,196	-
Transfers to other funds	(105,213,157)	(105,213,157)	-
Total other financing sources (uses)	<u>(104,128,961)</u>	<u>(104,128,961)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>13,306,674</u>	<u>\$ 13,306,674</u>
FUND BALANCE - BEGINNING OF YEAR		<u>225,639,888</u>	
FUND BALANCE - END OF YEAR		<u>\$ 238,946,562</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, 2020

	Budget	Actual
REVENUES		
Intergovernmental	\$ 7,877,246	\$ 522,733
Charges for services	18,739,238	18,264,359
Interest earned on investments	-	607,920
Other	-	650
Total revenues	<u>26,616,484</u>	<u>19,395,662</u>
EXPENDITURES		
Land Use and Environmental Services:		
Stormwater	25,752,378	8,901,035
Debt:		
Principal	52,555	52,456
Capital outlay	<u>60,381,794</u>	<u>9,813,453</u>
Total expenditures	<u>86,186,727</u>	<u>18,766,944</u>
OTHER FINANCING SOURCES (USES)		
Sale of capital assets	10,861	10,861
Transfers in	41,163,578	246,872
Transfers out	(1,329,693)	(1,035,670)
Appropriated fund balance	<u>19,725,497</u>	<u>-</u>
Total other financing sources (uses)	<u>59,570,243</u>	<u>(777,937)</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	(149,219)
FUND BALANCE - BEGINNING OF YEAR		<u>35,399,027</u>
FUND BALANCE - END OF YEAR		<u>\$ 35,249,808</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, 2020

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Law Enforcement Service District taxes	\$ 17,777,260	\$ 18,581,055
Interest earned on investments	<u>-</u>	<u>26,502</u>
Total revenues	<u>17,777,260</u>	<u>18,607,557</u>
EXPENDITURES		
Public Safety	<u>17,777,277</u>	<u>17,435,537</u>
REVENUES OVER / (UNDER) EXPENDITURES	(17)	1,172,020
OTHER FINANCING SOURCES (USES)		
Appropriated fund balance	<u>17</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	1,172,020
FUND BALANCE - BEGINNING OF YEAR		<u>2,235,657</u>
FUND BALANCE - END OF YEAR		<u><u>\$ 3,407,677</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, 2020

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Transit one-half cent sales tax	<u>\$ 60,229,094</u>	<u>\$ 58,570,087</u>
Total revenues	<u>60,229,094</u>	<u>58,570,087</u>
EXPENDITURES		
Business Partners	<u>60,229,094</u>	<u>58,570,087</u>
Total expenditures	<u>60,229,094</u>	<u>58,570,087</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	-
FUND BALANCE - BEGINNING OF YEAR		<u>-</u>
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, 2020

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Intergovernmental	\$ 1,636,761	\$ 1,480,011
Interest earned on investments	<u>-</u>	<u>10,964</u>
Total revenues	<u>1,636,761</u>	<u>1,490,975</u>
EXPENDITURES		
Land Use and Environmental Services	<u>1,816,931</u>	<u>1,691,345</u>
REVENUES OVER/ (UNDER) EXPENDITURES	(180,170)	(200,370)
OTHER FINANCING SOURCES (USES)		
Transfers in	<u>180,170</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	(200,370)
FUND BALANCE - BEGINNING OF YEAR		<u>1,073,248</u>
FUND BALANCE - END OF YEAR		<u><u>\$ 872,878</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, 2020

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Intergovernmental	\$ 493,220	\$ 256,930
EXPENDITURES		
Land Use and Environmental Services	493,220	3,473
Capital outlay	<u>-</u>	<u>-</u>
Total expenditures	<u>493,220</u>	<u>3,473</u>
REVENUES OVER / (UNDER) EXPENDITURES	<u>\$ -</u>	253,457
FUND BALANCE - BEGINNING OF YEAR		<u>5,559</u>
FUND BALANCE - END OF YEAR		<u><u>\$ 259,016</u></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, 2020

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Charges for services	\$ 3,393,000	\$ 667,722
EXPENDITURES		
Land Use and Environmental Services	3,062,579	863,333
Capital outlay	<u>330,421</u>	<u>-</u>
Total expenditures	<u>3,393,000</u>	<u>863,333</u>
REVENUES OVER/ (UNDER) EXPENDITURES	<u>\$ -</u>	(195,611)
FUND BALANCE - BEGINNING OF YEAR		<u>2,028,682</u>
FUND BALANCE - END OF YEAR		<u>\$ 1,833,071</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, 2020

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Fire Services District taxes	<u>\$ 6,347,123</u>	<u>\$ 6,670,470</u>
EXPENDITURES		
Public Safety	<u>6,450,460</u>	<u>6,150,478</u>
REVENUES OVER / (UNDER) EXPENDITURES	(103,337)	519,992
OTHER FINANCING SOURCES (USES)		
Appropriated fund balance	<u>103,337</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	519,992
FUND BALANCE - BEGINNING OF YEAR		<u>2,797,572</u>
FUND BALANCE - END OF YEAR		<u>\$ 3,317,564</u>

MECKLENBURG COUNTY, NORTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CHILD SUPPORT REINVESTMENT SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Intergovernmental	\$ -	\$ 1,267,306
EXPENDITURES		
Detention and Court Support Services	1,462,000	1,158,014
Capital Outlay	<u>10,000</u>	<u>-</u>
Total expenditures	<u>1,472,000</u>	<u>1,158,014</u>
REVENUES OVER/ (UNDER) EXPENDITURES	(1,472,000)	109,292
OTHER FINANCING SOURCES		
Transfers In	<u>1,472,000</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>\$ -</u>	109,292
FUND BALANCE - BEGINNING OF YEAR		<u>5,754,490</u>
FUND BALANCE - END OF YEAR		<u>\$ 5,863,782</u>

MECKLENBURG COUNTY, NORTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CORONAVIRUS RELIEF SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Intergovernmental	\$ 39,199,344	\$ 13,306,571
EXPENDITURES		
Administrative services	11,994,379	3,143,911
Community services	3,038,939	-
Health and human services	<u>24,166,026</u>	<u>10,162,660</u>
Total expenditures	<u>39,199,344</u>	<u>13,306,571</u>
REVENUES AND OTHER FINANCING SOURCES		
OVER EXPENDITURES	<u><u>\$ -</u></u>	-
FUND BALANCE - BEGINNING OF YEAR		<u>-</u>
FUND BALANCE - END OF YEAR		<u><u>\$ -</u></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, 2020

	BUDGET	ACTUAL
REVENUES		
Residential availability fees	\$ 15,584,270	\$ 15,648,503
Recycling sales and tip fees	16,288,186	15,405,353
Other	829,426	2,360,102
Total revenues	<u>32,701,882</u>	<u>33,413,958</u>
EXPENDITURES		
Personnel services and employee benefits	7,689,239	7,688,687
Utilities	375,000	350,283
Supplies	1,023,610	953,071
Maintenance and repairs	2,041,781	2,040,659
Rental and occupancy charges	1,653,101	1,599,093
Contractual services	10,485,951	10,442,565
Postclosure reserve contribution	850,000	850,000
Total expenditures	<u>24,118,682</u>	<u>23,924,358</u>
EXCESS REVENUES OVER EXPENDITURES	<u>8,583,200</u>	<u>9,489,600</u>
OTHER FINANCING SOURCES (USES)		
Grant revenue	26,529	57,814
Interest income	120,325	362,781
Interest expense	(300,400)	(278,400)
Debt principal	(880,000)	(880,000)
Sale of fixed assets	-	(31,007)
Transfers to other funds	(7,549,654)	(7,277,284)
Total other financing sources (uses)	<u>(8,583,200)</u>	<u>(8,046,096)</u>
EXCESS REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	1,443,504
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		798,448
Special Obligation Bond Fund		698
Depreciation		(3,431,856)
Change in deferred outflows of resources - pensions		(172,491)
Change in net pension liability		(252,505)
Change in deferred inflows of resources - pensions		9,832
Bond principal		880,000
Amortization of premium		68,302
Capital outlay		<u>4,174,859</u>
Change in net position - full accrual basis		<u>\$ 3,518,791</u>

G-2
 MECKLENBURG COUNTY, NORTH CAROLINA
 LANDFILL CLOSURE AND POSTCLOSURE RESERVE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	Project	Actual		
	Authorizations	Prior Years	Current Year	Total to Date
REVENUES				
Fees and charges	\$ 3,896,311	\$ 3,670,812	\$ -	\$ 3,670,812
Interest earned on investments	2,552,887	2,305,731	247,155	2,552,886
Other	12,546	9,372	-	9,372
Total revenues	<u>6,461,744</u>	<u>5,985,915</u>	<u>247,155</u>	<u>6,233,070</u>
EXPENDITURES				
Landfill construction	21,754,638	15,981,630	-	15,981,630
Land improvements	32,742,003	32,611,042	5,449,337	38,060,379
Final development and postclosure costs	<u>10,458,341</u>	<u>6,322,495</u>	<u>1,370,845</u>	<u>7,693,340</u>
Total expenditures	<u>64,954,982</u>	<u>54,915,167</u>	<u>6,820,182</u>	<u>61,735,349</u>
REVENUES OVER (UNDER) EXPENDITURES	(58,493,238)	(48,929,252)	(6,573,027)	(55,502,279)
OTHER FINANCING SOURCES (USES)				
Grant revenue	8,000	-	-	-
Gain (loss) on sale of capital assets	-	758,751	9,529	768,280
Operating transfer from Solid Waste Enterprise Fund	57,964,823	47,127,188	7,361,946	54,489,134
Appropriated fund balance	<u>520,415</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>58,493,238</u>	<u>47,885,939</u>	<u>7,371,475</u>	<u>55,257,414</u>
EXCESS REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	<u>\$ (1,043,313)</u>	<u>\$ 798,448</u>	<u>\$ (244,865)</u>

G-3
 MECKLENBURG COUNTY, NORTH CAROLINA
 SPECIAL OBLIGATION BOND FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	Project Authorizations	Prior Years	Actual Current Year	Total to Date
REVENUES				
Interest earned on investments	\$ 8,990	\$ 13,036	\$ 698	\$ 13,734
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)	(12,943,314)	698	(12,942,616)
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	\$ -	\$ 75,935	\$ 698	\$ 76,633

TABLE 1

MECKLENBURG COUNTY, NORTH CAROLINA
NET POSITION BY COMPONENT
FISCAL YEAR ENDED JUNE 30, 2020
(Accrual Basis of Accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities										
Net investment in capital assets	\$ 1,085,482,253	\$ 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
Restricted	456,623,897	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
Unrestricted	(1,402,252,906)	(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)
Total Governmental Activities	139,853,244	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)
Business-type Activities										
Net investment in capital assets	72,716,508	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
Restricted	220,090	212,672	205,638	300,491	370,617	1,150,480	6,338,310	5,666,805	16,601,737	8,424,632
Unrestricted	19,792,043	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
Total Business-type Activities	92,728,641	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
Primary Government										
Net investment in capital assets	1,158,198,761	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
Restricted	456,843,987	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
Unrestricted	(1,382,460,863)	(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)
Total Primary Government	\$ 232,581,885	\$ 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)

TABLE 2
MECKLENBURG COUNTY, NORTH CAROLINA
CHANGE IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020
(Accrual Basis of Accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:										
Governmental Activities:										
Customer Satisfaction and Management Services	\$ 24,596,539	\$ 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
Administrative Services	128,313,240	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
Financial Services	24,469,188	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
Land Use and Environmental Services	78,068,567	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
Community Services	120,880,107	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
Detention and Court Support Services	188,553,598	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
Health and Human Services	298,963,419	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
Business Partners	902,955,152	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
Interest on long-term debt:										
General purpose	11,029,155	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
Public schools	55,226,503	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
Total Governmental Activities Expenses	<u>1,833,055,468</u>	<u>1,648,776,595</u>	<u>1,578,351,832</u>	<u>1,507,622,082</u>	<u>1,438,921,872</u>	<u>1,397,701,188</u>	<u>1,297,108,918</u>	<u>1,277,596,069</u>	<u>1,177,945,720</u>	<u>1,163,648,981</u>
Business-type Activities:										
Solid Waste	30,563,615	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
MeckLink	-	-	-	-	-	(3,316,258)	183,627,246	86,953,809	-	-
Total Primary Government Expenses	<u>1,863,619,083</u>	<u>1,673,946,282</u>	<u>1,599,046,608</u>	<u>1,525,689,237</u>	<u>1,454,515,448</u>	<u>1,409,133,530</u>	<u>1,495,304,647</u>	<u>1,378,361,259</u>	<u>1,192,499,121</u>	<u>1,176,921,774</u>
Program Revenues:										
Governmental Activities:										
Charges for services										
Customer Satisfaction and Management Services	-	-	-	-	510,638	3,216	-	-	5,149	-
Administrative Services	2,101,030	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
Financial Services	2,203,444	2,516,924	-	736,936	181,274	193,675	296,922	9,013	8,620	822,100
Land Use and Environmental Services	82,237,502	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
Community Services	5,877,599	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
Detention and Court Support Services	32,727,437	31,923,256	26,448,345	20,336,477	22,391,278	21,971,954	30,519,676	31,619,904	25,140,485	23,184,791
Health and Human Services	8,132,588	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
Business Partners	4,939,015	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
Operating grants and contributions	160,785,973	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
Capital grants and contributions	866,417	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
Total Governmental Activities Program Revenues	<u>299,871,005</u>	<u>282,739,432</u>	<u>270,459,153</u>	<u>295,755,190</u>	<u>291,828,152</u>	<u>277,324,913</u>	<u>270,079,343</u>	<u>276,147,687</u>	<u>281,767,102</u>	<u>297,519,146</u>
Business-type Activities										
Charges for services	33,413,958	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
Operating grants and contributions	57,814	120,873	130,840	137,070	150,854	2,326,933	178,172,096	79,795,933	108,818	64,411
Capital grants and contributions	-	238,710	-	9,660	932,273	31,585	-	313,996	-	-
Total Business-type Activities Program Revenues	<u>33,471,772</u>	<u>27,063,629</u>	<u>24,478,479</u>	<u>19,477,488</u>	<u>16,709,565</u>	<u>16,359,585</u>	<u>191,186,622</u>	<u>91,693,711</u>	<u>12,502,818</u>	<u>12,414,742</u>
Total Primary Government Program Revenues	<u>333,342,777</u>	<u>309,803,061</u>	<u>294,937,632</u>	<u>315,232,678</u>	<u>308,537,717</u>	<u>293,684,498</u>	<u>461,265,965</u>	<u>367,841,398</u>	<u>294,269,920</u>	<u>309,933,888</u>
Net Expense										
Governmental activities	(1,533,184,463)	(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)
Business-type activities	2,908,157	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)
Total Primary Government Net Expense	<u>(1,530,276,306)</u>	<u>(1,364,143,221)</u>	<u>(1,304,108,976)</u>	<u>(1,210,456,559)</u>	<u>(1,145,977,731)</u>	<u>(1,115,449,032)</u>	<u>(1,034,038,682)</u>	<u>(1,010,519,861)</u>	<u>(898,229,201)</u>	<u>(866,987,886)</u>
General Revenues										
Governmental Activities										
Property taxes, general purpose	1,147,192,629	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
Property taxes, Law Enforcement Service District	18,675,689	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
Property taxes, Fire Service Districts	6,730,989	5,966,320	5,820,116	4,948,140	4,126,264	4,027,318	3,969,915	3,255,447	-	-
Sales taxes	319,765,707	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
Other taxes	14,063,859	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
Investment earnings	27,547,109	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
Miscellaneous	1,561,439	8,776,517	1,038,539	1,632,933	131,985	-	-	-	-	323,361
Transfers	-	695,000	6,690	-	-	12,980,816	(10,543,650)	(8,826,133)	(1,700,000)	-
Total Governmental Activities General Revenues	<u>1,535,537,421</u>	<u>1,476,704,842</u>	<u>1,388,408,670</u>	<u>1,325,262,111</u>	<u>1,310,536,648</u>	<u>1,180,565,371</u>	<u>1,208,684,369</u>	<u>1,152,856,613</u>	<u>1,159,205,816</u>	<u>1,055,191,451</u>
Business-type Activities										
Investment earnings	610,634	679,289	467,566	192,375	223,689	197,320	178,343	155,445	242,917	237,505
Miscellaneous	-	-	-	1,817,411	1,156,746	1,649,897	1,837,587	2,305,470	4,403,049	4,752,062
Transfers	-	(695,000)	(6,690)	-	-	(12,980,816)	10,543,650	8,826,133	1,700,000	-
Total Business-type Activities General Revenues	<u>610,634</u>	<u>(15,711)</u>	<u>460,876</u>	<u>2,009,786</u>	<u>1,380,435</u>	<u>(11,133,599)</u>	<u>12,559,580</u>	<u>11,287,048</u>	<u>6,345,966</u>	<u>4,989,567</u>
Total Primary Government General Revenues	<u>1,536,148,055</u>	<u>1,476,689,131</u>	<u>1,388,869,546</u>	<u>1,327,271,897</u>	<u>1,311,917,083</u>	<u>1,169,431,772</u>	<u>1,221,243,949</u>	<u>1,164,143,661</u>	<u>1,165,551,782</u>	<u>1,060,181,018</u>
Change in Net Position										
Governmental Activities	2,352,958	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
Business-type Activities	3,518,791	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
Total Primary Government Change in Net Position	<u>\$ 5,871,749</u>	<u>\$ 112,545,910</u>	<u>\$ 84,760,570</u>	<u>\$ 116,815,338</u>	<u>\$ 165,939,352</u>	<u>\$ 53,982,740</u>	<u>\$ 187,205,267</u>	<u>\$ 153,623,800</u>	<u>\$ 267,322,581</u>	<u>\$ 193,193,132</u>

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	
2020	\$ -	\$ 132,265,223	\$ 95,317,902	\$ -	\$ 268,611,773	\$ 496,194,898	\$ 333,633,668	\$ 386,371,704	\$ (13,582,467)	\$ 706,422,905	\$ 1,202,617,803
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

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
REVENUES										
Taxes	\$ 1,408,619,718	\$ 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
Law Enforcement Service District taxes	18,581,055	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
Transit One-Half Cent sales tax	58,570,087	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
Fire Service Districts taxes	6,670,470	5,964,595	5,811,871	4,949,841	4,124,387	4,027,318	3,969,914	3,255,447	-	-
Licenses and permits	36,634,396	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
Intergovernmental	163,287,866	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
Charges for services	92,420,787	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
Interest earned on investments	27,547,110	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
Administrative charges	3,598,429	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
Other	13,991,871	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
Total Revenues	<u>1,829,921,789</u>	<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>
EXPENDITURES										
Current										
Customer Satisfaction and Management	22,599,650	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
Administrative Services	125,449,562	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
Financial Services	17,989,751	17,804,735	17,458,897	17,758,689	16,827,543	15,403,577	15,721,314	17,336,544	17,725,841	9,564,937
Land Use and Environmental Services	69,287,638	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
Community Services	93,735,981	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
Detention and Court Support Services	158,691,660	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
Health and Human Services	279,755,604	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
Business Partners	628,578,344	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
Public Safety	23,586,015	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	144,307,456	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
Interest and fiscal charges	65,363,885	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
Capital outlay	<u>395,896,640</u>	<u>317,655,956</u>	<u>329,341,198</u>	<u>236,475,476</u>	<u>223,435,762</u>	<u>191,778,251</u>	<u>148,693,477</u>	<u>138,813,366</u>	<u>76,770,706</u>	<u>47,660,085</u>
Total Expenditures	<u>2,025,242,186</u>	<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>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(195,320,397)	(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
OTHER FINANCING SOURCES (USES)										
Refunding bond proceeds	-	-	119,135,000	148,565,000	-	120,025,000	-	227,930,000	164,015,000	-
Premium on financing	30,467,600	12,231,525	38,887,473	51,686,343	-	34,292,149	-	68,725,994	30,994,281	-
Payment to refunding escrow agent	-	-	(136,306,674)	(174,045,041)	-	(141,959,892)	-	(268,657,051)	(179,813,043)	-
Sale of bonds	200,000,000	150,000,000	225,000,000	200,000,000	-	100,000,000	-	100,000,000	100,000,000	-
Gain on sale of fixed assets	468,410	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	193,907,199	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
Transfers out	<u>(193,907,199)</u>	<u>(212,786,312)</u>	<u>(133,290,758)</u>	<u>(173,077,440)</u>	<u>(122,274,497)</u>	<u>(103,238,624)</u>	<u>(64,325,048)</u>	<u>(70,446,933)</u>	<u>(48,441,107)</u>	<u>(36,554,439)</u>
Total Other Financing Sources (Uses)	<u>230,936,010</u>	<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>
NET CHANGE IN FUND BALANCES	35,615,613	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
FUND BALANCE - BEGINNING OF YEAR	<u>1,131,603,163</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>
FUND BALANCE - END OF YEAR	<u>\$ 1,167,218,776</u>	<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>
Debt service as a percentage of non-capital expenditures	10.87%	11.53%	12.77%	13.46%	14.68%	14.49%	15.30%	18.14%	19.39%	19.96%

TABLE 5

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Tax Revenues										
General Property	\$ 1,141,123,386	\$ 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
Sales	261,195,620	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
Room Occupancy	1,183,979	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
Vehicle Rental	3,502,397	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
Other	1,614,336	1,862,170	1,692,268	1,611,878	1,327,153	1,158,114	810,089	727,535	721,717	484,113
Total Tax Revenues	\$ 1,408,619,718	\$ 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

TABLE 6

MECKLENBURG COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
FOR THE YEAR ENDED JUNE 30, 2020

	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	\$ 173,709,772,046	\$ 0.6169	\$ 1,071,615,584	\$ 1,071,615,584	\$ -
Motor vehicles	11,087,992,897	0.6169	68,401,828	-	68,401,828
Total	<u>184,797,764,943</u>		<u>1,140,017,412</u>	<u>1,071,615,584</u>	<u>68,401,828</u>
Discoveries:					
Prior year taxes	758,050,279	Various	4,744,759	4,744,395	363
Penalties	-		1,638,415	1,638,415	-
Total	<u>758,050,279</u>		<u>6,383,174</u>	<u>6,382,810</u>	<u>363</u>
Total property valuation	<u>\$ 185,555,815,222</u>				
Net levy			1,146,400,586	1,077,998,394	68,402,191
Uncollected taxes at June 30, 2020			(11,805,781)	(11,805,781)	-
Current year's taxes collected			<u>\$ 1,134,594,805</u>	<u>\$ 1,066,192,613</u>	<u>\$ 68,402,191</u>
Current net levy collection percentage			98.97%	98.90%	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, 2020

Fiscal year	Uncollected Beginning Balance	Additions	Collections and Credits	Uncollected Ending Balance
2019-2020	\$ -	\$ 1,146,400,586	\$ 1,134,594,805	\$ 11,805,781
2018-2019	4,942,392	-	2,214,634	2,727,758
2017-2018	2,446,396	-	549,393	1,897,003
2016-2017	3,095,528	-	420,928	2,674,600
2015-2016	1,390,560	-	215,731	1,174,829
2014-2015	1,363,048	-	167,527	1,195,521
2013-2014	2,288,140	-	156,485	2,131,655
2012-2013	2,515,078	-	154,003	2,361,075
2011-2012	2,320,961	-	119,671	2,201,290
2010-2011	5,180,805	-	113,088	5,067,717
2009-2010	2,636,161	-	2,636,161	-
	<u>\$ 28,179,069</u>	<u>\$ 1,146,400,586</u>	<u>\$ 1,141,342,426</u>	<u>\$ 33,237,229</u>

Revenue reconciliation:

General property - current - General Fund	\$ 892,499,063
General property - prior - General Fund	4,010,925
General property - current - Debt Service Fund	242,083,378
Reconciling items:	
Property tax refunds	177,660
Taxes written off	<u>2,571,400</u>
	<u>\$ 1,141,342,426</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
2020	(3)	\$ 157,685.0	\$ 22,640.1	\$ 5,230.7	\$ 185,555.8	0.6169
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	(4) (5)	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

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, 2019.
- (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.
- (5) Revaluation based on assessed value listed as of January 1, 2011.

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
2020	(1)	0.6169	0.3481	0.2220	0.2900	0.2400	0.2800	0.2550	0.3300
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

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	2020			2011		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy	Utilities	\$ 3,326,358,651	1	1.79 %	\$ 1,775,226,631	1	1.77 %
Wells Fargo	Financial Services	1,818,474,147	2	0.98	1,207,742,863	3	1.20
Bank of America	Financial Services	1,557,879,986	3	0.84	1,500,401,373	2	1.50
American Airlines	Transportation	855,391,396	4	0.46	435,627,159	5	0.43
Spectrum	Utilities	492,103,363	5	0.27	214,301,897	8	0.21
Piedmont Natural Gas Co	Utilities	430,096,821	6	0.23	337,207,861	6	0.34
Southpark Mall	Retail	392,870,363	7	0.21	230,995,079	7	0.23
Parkway 214 N Tryon LLC	Real Estate	362,514,500	8	0.20	-	-	-
AT&T	Utilities	331,736,495	9	0.18	557,404,308	4	0.56
301 College Street LLC	Property Management	288,609,637	10	0.16	-	-	-
Teachers Insurance	Insurance	-	-	-	207,935,400	9	0.21
Panthers Stadium LLC/Carolina Stadium	Property Management	-	-	-	199,310,201	10	0.20
Total		<u>\$ 9,856,035,359</u>		<u>5.32 %</u>	<u>\$ 6,666,152,772</u>		<u>6.65 %</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
2020	(2)	2019	\$ 1,146,400,586	\$ 1,134,594,805	98.97 %	\$ -	\$ 1,134,594,805	98.97 %	
2019		2018	1,070,347,930	1,065,405,538	99.54	2,214,634	1,067,620,172	99.75	
2018		2017	1,034,427,285	1,029,768,691	99.55	2,761,591	1,032,530,282	99.82	
2017		2016	1,010,179,492	1,003,590,537	99.35	3,914,355	1,007,504,892	99.74	
2016		2015	1,000,717,967	995,444,925	99.47	4,098,213	999,543,138	99.88	
2015		2014	952,893,579	947,069,990	99.39	4,628,068	951,698,058	99.87	
2014		2013	930,300,839	913,606,153	98.21	14,563,031	928,169,184	99.77	
2013		2012	921,589,480	902,816,840	97.96	16,411,565	919,228,405	99.74	
2012	(2)	2011	947,064,890	927,878,581	97.97	16,985,019	944,863,600	99.77	
2011		2010	849,850,762	830,922,286	97.77	13,860,759	844,783,045	99.40	

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, 2020

Description	Issue Date	Due Serially To	Average Interest Rate	Original Issue	Balance July 1, 2019	Sold	Retired	Balance June 30, 2020	Interest Paid in Current Year
Refunding 2009A	March 10, 2009	2021	2.2523%	\$ 243,965,000	\$ 17,830,000	\$ -	\$ 16,085,000	\$ 1,745,000	\$ 469,375
Refunding 2010	March 16, 2010	2026	3.1098	114,940,000	84,265,000	-	19,810,000	64,455,000	3,550,525
Public Improvement 2011A	October 27, 2011	2020	4.9508	49,000,000	4,000,000	-	4,000,000	-	100,000
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	56,440,000	-	22,740,000	33,700,000	2,266,150
Refunding 2013A	January 29, 2013	2028	4.9525	209,815,000	168,595,000	-	10,745,000	157,850,000	8,161,125
Public Improvement 2013B	February 5, 2013	2033	3.5009	100,000,000	70,000,000	-	5,000,000	65,000,000	2,500,000
School Bonds 2015A	March 17, 2015	2035	3.8746	100,000,000	80,000,000	-	5,000,000	75,000,000	3,268,750
Refunding 2016A	October 12, 2016	2030	4.6234	148,565,000	132,405,000	-	18,060,000	114,345,000	5,890,638
Public Improvement 2016B	October 18, 2016	2036	3.4720	200,000,000	190,000,000	-	5,000,000	185,000,000	7,063,750
Public Improvement 2017A	September 12, 2017	2037	3.5666	225,000,000	225,000,000	-	6,000,000	219,000,000	8,656,250
Public Improvement 2018A	September 12, 2018	2039	3.9550	150,000,000	150,000,000	-	7,500,000	142,500,000	6,403,125
Public Improvement 2019	September 26, 2019	2040	3.6660	200,000,000	-	200,000,000	-	200,000,000	3,568,229
				<u>\$ 1,956,300,000</u>	<u>\$ 1,229,535,000</u>	<u>\$ 200,000,000</u>	<u>\$ 119,940,000</u>	<u>\$ 1,309,595,000</u>	<u>\$ 54,115,907</u>

TABLE 13

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF INSTALLMENT FINANCINGS
JUNE 30, 2020

Description	Issue Date	Due Serially To	Average Interest Rate	Original Issue	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020	Interest Paid Current Year
NC Clean Water State Revolving Loan	April 11, 2011	2030	- %	\$ 2,493,625	\$ 577,015	\$ -	\$ 52,455	\$ 524,560	\$ -
Guaranteed Energy Savings Contract	December 16, 2011	2025	3.100	6,291,281	3,370,735	-	601,250	2,769,485	95,430
2013 Taxable Limited Obligation Bonds	March 13, 2013	2028	2.779	18,115,000	11,815,000	-	1,180,000	10,635,000	346,074
2015 Limited Obligation Refunding	April 30, 2015	2028	4.659	120,025,000	120,025,000	-	17,295,000	102,730,000	5,243,375
2017 Limited Obligation Refunding	September 14, 2017	2028	4.522	119,135,000	106,840,000	-	5,840,000	101,000,000	4,574,800
				<u>\$ 266,059,906</u>	<u>\$ 242,627,750</u>	<u>\$ -</u>	<u>\$ 24,968,705</u>	<u>\$ 217,659,045</u>	<u>\$ 10,259,679</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	Installment Financings	Capital Leases	General Obligation Bonds	Special Obligation Bonds	Capital Leases			
2020	\$ 1,491,151,838	\$ 217,659,045	\$ 3,151,120	\$ -	\$ 6,527,350	\$ -	\$ 1,718,489,353	N/A %	\$ 1,519
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

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)
2020	\$ 1,491,151,838	\$ -	\$ 1,491,151,838	0.80 %	\$ 1,318
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

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, 2020

Mecklenburg County:	Assessed Valuation (1)	Percent of Countywide Total	Pro Rata Share of Governmental Activities Debt	Municipalities' Debt (2)	Total Overlapping Debt
Charlotte	\$ 144,327,223,808	77.78 %	\$ 1,331,564,046	\$ 774,023,197	\$ 2,105,587,243
Cornelius	7,310,298,909	3.94	67,451,303	13,385,000	80,836,303
Davidson	2,554,612,806	1.38	23,625,076	-	23,625,076
Huntersville	9,569,892,403	5.16	88,337,239	35,242,000	123,579,239
Matthews	4,994,015,672	2.69	46,051,778	4,000,000	50,051,778
Mint Hill	3,552,195,196	1.91	32,698,474	-	32,698,474
Pineville	2,769,685,559	1.49	25,508,234	-	25,508,234
Unincorporated Areas	10,477,890,869	5.65	96,725,853	-	96,725,853
Countywide Totals	<u>\$ 185,555,815,222</u>	<u>100.00 %</u>	<u>\$ 1,711,962,003</u>	<u>\$ 826,650,197</u>	<u>\$ 2,538,612,200</u>

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

(2) Provided by Department of State Treasurer.

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Assessed Value	\$ 185,555,815,222	\$ 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
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	14,844,465,218	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
Amount of Debt Applicable to Debt Limit:										
Total Bonded Debt	1,309,595,000	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
Installment Financings	217,659,045	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
Bonds Authorized and Unissued	715,085,000	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
Total Amount of Debt Applicable to Debt Limit	2,242,339,045	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
Legal Debt Margin	\$ 12,602,126,173	\$ 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

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)
2020	1,131,342	\$ N/A	\$ N/A	N/A	146,688	8.5 %
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

(1) Population for 2011 -2019 based on U.S. Census Bureau. Prior years are restated to reflect change in data source.

Population for 2020 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.

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

(4) Unemployment rates based on North Carolina Department of Commerce Local Area Unemployment Statistics.

Note: N/A = Data not available

TABLE 19

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

Employer	2020 (1)			2011 (2)		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Atrium (formerly Carolinas HealthCare)	35,700	1	6.48 %	27,432	1	6.67 %
Wells Fargo	23,500	2	4.27	20,500	2	4.98
Charlotte-Mecklenburg Schools	18,495	3	3.36	18,858	3	4.58
Bank of America Corporation	15,000	4	2.72	15,000	4	3.65
Novant Health	11,698	5	2.12	9,000	6	2.19
American Airlines	11,000	6	2.00	6,637	10	1.61
Harris Teeter	8,239	7	1.50	-	-	-
Duke Energy	7,800	8	1.42	7,300	9	1.77
State of North Carolina	7,600	9	1.38	-	-	-
City of Charlotte	6,800	10	1.23	-	-	-
Wal-Mart Stores	-	-	-	14,000	5	3.40
Food Lion, Inc. (Delhaize America)	-	-	-	8,700	7	2.11
Lowe's Companies, Inc.	-	-	-	7,800	8	1.90

NOTES: (1) Data per Charlotte Chamber of Commerce

(2) Data per Charlotte Chamber of Commerce publication,
 Charlotte's Largest Employers, dated 2011

TABLE 20

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

Function / Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Customer Satisfaction and Management Service	97	104	105	97	71	48	50	49	63	61
Administrative Services	272	263	244	241	231	265	306	307	218	216
Financial Services	167	163	163	165	170	243	158	157	160	89
Land Use and Environmental Services	649	647	630	628	610	416	601	564	537	519
Community Services	757	910	909	935	852	785	755	758	772	837
Detention and Court Support Services	1,355	1,283	1,284	1,294	1,300	1,399	1,388	1,380	1,379	1,300
Health and Human Services	2,167	2,212	2,231	2,202	2,175	2,208	1,910	1,646	1,391	1,466
	<u>5,464</u>	<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>

SOURCE: Human Resource Management System, PeopleSoft

TABLE 21

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities:										
Land Use and Environmental Services										
Residential permits issued	64,076	62,584	63,397	61,348	56,559	56,192	51,325	45,287	40,086	40,097
Commercial permits issued	36,021	34,789	34,001	31,576	29,690	33,032	30,968	30,584	29,753	24,807
Inspections performed	322,337	305,954	297,211	302,693	270,100	265,429	242,371	212,546	181,087	164,153
Inspection response time	1.33 days	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
Deeds and real estate documents indexed	231,536	160,273	168,345	183,940	169,290	160,338	164,074	201,736	166,551	153,597
Volunteer firefighters	n/a	650	650	650	650	650	623	612	648	745
Fire marshal and assistants	10	10	9	8	8	7	7	7	6	6
Community Services										
Registered voters	760,945	714,405	725,728	698,107	666,160	638,628	668,430	652,424	637,219	606,122
Total library circulation	5,689,259	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
Active library card holders (Average)	358,878	381,930	384,450	408,313	386,959	261,756	255,835	255,256	251,036	232,342
Participants using park athletic facilities	2,515,957	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
Park recreation program participants	643,101	301,103	280,946	285,665	217,144	214,684	230,423	218,462	188,960	414,065
Users of park pools - indoor and outdoor	153,266	126,810	n/a	360,968	189,793	272,414	468,925	496,888	489,808	554,151
Park visitors	10,115,361	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
Detention and Court Support Services										
Arrestees Processed	27,905	31,911	n/a	34,895	35,823	36,194	38,038	38,641	40,282	44,385
Civil processes served	58,220	67,759	68,208	81,299	67,836	69,349	72,333	78,448	78,694	126,125
Hand gun permits processed	30,837	14,595	13,899	17,884	16,136	13,010	12,032	15,730	10,011	8,783
Average daily jail population	1,494	1,551	1,561	1,525	1,444	1,507	1,881	2,042	1,928	2,164
Health and Human Services										
Social Services										
Avg monthly # children receiving subsidized childcare	6,304	7,660	7,224	6,623	6,373	6,828	7,339	7,019	7,116	7,624
Number of transportation trips provided										
by Services for Adults Division	363,912	505,780	495,776	508,153	444,948	450,343	408,005	417,995	437,995	391,456
Senior Nutrition meals served	39,708	346,244	328,942	333,775	294,748	282,324	277,385	288,432	297,204	252,137
Health Department										
Patient visits	28,571	43,848	51,774	51,793	50,763	104,689	129,772	169,309	222,385	226,509
Food service inspections	8,549	10,326	10,213	10,310	10,155	8,506	8,126	9,434	9,600	10,121
Business Partners										
Public school full-time teachers	9,315	9,401	9,401	9,258	9,253	9,180	9,180	9,221	8,890	8,565
Students attending public school	146,688	147,352	147,359	147,157	146,140	145,363	142,612	141,171	138,012	135,638
Community college faculty	812	868	894	918	933	938	968	990	914	872
Community college students	16,269	18,367	18,526	18,913	19,143	19,064	19,802	20,413	19,470	20,110
Business-type Activities										
Solid Waste Enterprise Fund										
Tons of solid waste processed	1,587,152	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
Tons of yard waste processed	131,086	121,180	122,046	129,944	108,839	104,617	112,756	100,525	100,173	98,279
Tons of recyclables processed	90,904	73,593	74,314	76,404	75,839	75,226	76,716	73,947	72,268	74,203

NOTES: (1) Large tournaments excluded from prior years

(2) 2016-2020 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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities										
Land Use & Environmental Services										
Volunteer Fire Stations	20	22	20	18	18	18	19	19	19	19
Community Services										
Libraries	20	22	20	20	20	20	20	20	20	20
Voting Machines	2,400	2,223	2,223	2,223	2,223	2,223	2,223	2,223	2,223	2,223
Parks & Greenways	250	250	270	270	270	268	266	256	254	266
Golf Courses	5	5	5	5	5	5	5	5	5	5
Parks & Greenways Acreage	20,953	19,572	20,932	22,582	22,492	21,292	20,873	20,472	18,825	18,489
Detention & Court Support Services										
Jail Beds	2,625	2,625	2,625	2,625	2,625	2,715	2,715	2,715	2,715	2,715
Business Partners										
Public Schools	176	175	176	170	168	164	164	159	159	178
Historic Sites	n/a	n/a	n/a	21	21	21	21	8	8	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	10	11	12	12	12	12	13	13	13 (1)
Material / Metal / Tire Recovery Facilities	5	5	5	5	5	5	2	2	2	1

NOTES: (1) 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.