



REVIEWED
By SLGFD at 3:48 pm, Feb 23, 2022



2021 ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2021



Mecklenburg County
David Boyd Director of Financial Services
January 27, 2022

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 Annual Comprehensive Financial Report (ACFR) of Mecklenburg County for the fiscal year ended June 30, 2021.

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 the Independent Auditor. This Letter of Transmittal complements the MD&A, and the two should be read together.

Profile of the Government

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

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

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

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

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

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

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

State Statutes require the adoption of an annual balanced budget for all funds, except 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.

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 15 in the nation for STEM job growth. The County also is ranked 6th by Niche's 2021 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.

Mecklenburg County's unemployment rate in June 2021 was 4.9%, a decrease from 8.5% in 2020. The County's unemployment rate is below the North Carolina rate of 9.5% and is lower than the national rate of 6.1%. Employment numbers increased by 45,848 jobs to 595,619 from the prior year June amount of 549,771.

The lower-than-average unemployment rate within the County has been largely driven by job growth as businesses relocate to the County. Some notable announcements include InterContinental Capital Group announcement that it is expanding its presence in Mecklenburg, adding 500 new employees and investing \$5.8 million, and Retirement Clearinghouse LLC announcement that it is expanding its presence in the County, adding 300 new employees and investing more than \$4 million to expand their headquarters and corporate office. The County has also made strides in attracting manufacturers such as SAERTEX multiCom LP which announced the expansion of its plans to invest more than \$20 million in a new manufacturing and warehouse facility near its current location in Huntersville, North Carolina.

The County's housing market experienced large increases in home prices with the average price up 25.3% in June of 2021 when compared to June of 2020. The price increases have largely been due to a shortage of homes on the market. In June of 2020 the inventory of homes available for sale totaled 2,721 and in June of 2021 that total decreased 49.9% to 1,364, or 0.7 months' supply of inventory. As of June, homes are selling 2.4% above asking price with an average of 13 days on the market till sale.

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 \$1,945.2 million in 2021, an increase of 34.7% over the last ten years. Taxes and assessment revenues have increased 37.1% for the same period, and the contribution to total revenue has increased from 79.7% in fiscal year 2012 to 81.1% in fiscal year 2021 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 6.2% in fiscal year 2012 to 8.4% in fiscal year 2021. Intergovernmental revenue contributed 13.0% to total revenues in fiscal year 2012 and has dropped to 9.5% in fiscal year 2021.

General governmental expenditures were \$2,149.4 million in 2021 and have increased 58.7% in the last ten years. Governmental expenditures covered by tax revenues totaled \$1,577.0 million, decreasing from 84.9% in fiscal year 2012 to 73.4% in fiscal year 2021. 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 69.2% and 16.0%, respectively. Business Partners costs have increased 53.2% over the ten-year period reflecting the increased contributions for public education. Land Use and Environmental Services costs have increased 77.3% 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 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 2022 Budget achieves two broad goals:

- 1) It funds programs and initiatives that align with the Board of County Commissioners top 5 priorities
- 2) It funds the County's core, critical services, and programs

The FY2022 budget maintains the current tax rate of 61.69 cents. The Budget priorities reflect the County's Strategic Business Plan, and Board Priorities including, expanding affordable housing, advancing environmental leadership, expanding Meck Pre-K, improving workforce development, and reducing education attainment gaps. In addition, the Board was intentional in stating unequivocally that racial equity be a cross cutting factor across all priority areas.

Key focus areas are listed below:

- **Reducing Racial Disparities:** In Fiscal Year 2020, the Board adopted the priority Reducing Racial Disparities focusing on creating programs, strategies and initiatives designed to address racial equity. Since then, the County has invested more than \$14.9 million in programs, services and partnerships that align to this priority. In January, the Board broadened the scope of this priority. The priority, in its new form, will be a cross-cutting factor that will intersect with all other Board priorities to ensure that every initiative, program and partnership is viewed with an equity lens. There is an investment of \$11.4 million for Fiscal Year 2022 to support equity investments in parks, expansion of the Unite Charlotte Program through the United Way of Central Carolinas, 10 new positions in multiple departments and new funding for Arts and Science Council. Funding is also provided for the Fine Free Initiative at the Charlotte-Mecklenburg Library, Arts+, restoration of the Siloam School, a new position in the Office of Equity and Inclusion, My Brother's Keeper and Race Matters for Juvenile Justice.
- **Affordable Housing:** Under the priority of Affordable Housing, the County is tasked with evaluating new housing opportunities that are affordable to all residents and adds capacity in untraditional ways. For Fiscal Year 2022, a total of \$12,623,000 is invested to support annual rental subsidy funding, continue funding for Habitat for Humanity Critical Home Repair Program, to match City funding to support the purchase of a Shelter/Hotel by the Salvation Army and funding for the Salvation Army Family Shelter. In addition, funding is provided to support expansion of The Relatives new On-Ramp Center, the County's HOMES financial assistance program, supportive services for those experiencing chronic homelessness and a new Real Estate coordinator position to support the Elder Response and Habitat for Humanity Critical Home Repair programs.
- **Environmental Leadership:** This priority is targeted at the implementation of the Environmental Leadership Action Plan. The work involved with improving the quality of life of County residents often extends beyond the walls of our government buildings. For Fiscal Year 2022, a total of \$30.1 million is invested for strategies in the Environmental Leadership Action Plan. The funding will cover facility upgrades, the purchase of electric vehicles and related infrastructure, parkland and nature preserve acquisition, invasive species control, an additional Real Estate Manager, stream restoration and an environment justice study.
- **Meck Pre-K:** Under the Board Priority, Meck Pre-K, the County is leading the continued implementation of voluntary, universal public pre-k for all eligible 4-year-old children. Despite the impacts of the pandemic, the Meck Pre-K program opened an additional 20 classrooms in Fiscal Year 2021, increasing the overall total to 89. The 2022 budget includes an increase of \$2 million to fund the continued expansion of the program. The funding will allow for the addition of 16 classrooms, bringing the total number of classrooms to 105, with the capacity to serve up to 1,890 students.
- **Workforce Development:** The Board is focused on identifying strategies that will connect jobseekers and employers in high growth industries. Workforce development is about partnerships and opportunities that not only allows a person to land a job they desire but puts them on the path of a satisfying career with family sustaining wages. The Adopted Budget includes \$1.7 million to support Road to Hire for 330 low-income high school seniors, marketing efforts to promote the Workforce Development strategy, funding to provide Meck Success clients with monthly housing stipends, an additional position to manage the Workforce Development strategy, and a Business Retention/Attraction position. There is also ongoing funding for the Center for Employment Opportunities and Youth Conservation Corps. In addition, support is provided to the Center for Community Transitions, a new position was added at the Charlotte-Mecklenburg Library to work on the digital divide and workforce development, funding provided for the Small Business Consortium, increased support for ASPIRE Community Capital and Prospera North Carolina.

- **Education Attainment Gaps:** This priority links budget allocations to strategies and targets to improve college and career readiness outcomes for all students, and also improves transparency and accountability in how County funds are used to improve student outcomes.
- **Public Health:** Mecklenburg County continues to evolve as we move through this pandemic. The availability of the COVID-19 vaccine is a game changer in what will become a return to normalcy. The County's Public Health Department has remained at the forefront throughout the course of this pandemic, spending insurmountable number of hours managing every aspect of our response. Fiscal Year 2022 investments include equity adjustments for school health nurses and environmental health inspectors, two new school health nurses, ongoing food security programs, and funding for the Prep Community Initiative designed to increase access to pre-exposure prophylaxis (PrEP) for the uninsured. Funding is also provided for the Department's TB clinic, the Children's Developmental Services Agency to expand community disability support service and leased space for the WIC program.
- **Department of Social Services:** The Department of Social Services not only provides services directly, it also serves as a catalyst for connecting residents to a variety of resources. The pandemic magnified disparities that already existed in our community. Access to healthy food, jobs with family sustaining wages, affordable housing, and behavioral health issues became evident and service gaps became apparent. The Fiscal Year 2022 budget includes a \$2 million investment to support the creation of a Behavioral Health Urgent Care in Mecklenburg County. This initiative will be in partnership with the Steve Smith Family Foundation. In addition, funding is provided to support child welfare prevention as required by the new Families First Prevention Services Act. The County is also contributing to the Family Justice Center to support positions located at the facility and providing funding for Mecklenburg Transportation System (MTS) associated with the implementation of Medicaid transformation.
- **Sheriff's Office:** The Sheriff's Office continues to provide critical services to protect the residents of this community. The Adopted Budget includes an additional \$2.1 million to support the Sheriff's Office operations. This amount includes an increase to the overtime budget, as well as the addition of onsite employee assistance & counseling to provide an array of services to our public safety personnel who deal with stress and trauma associated with working in law enforcement and detention environments.
- **Parks and Recreation:** Mecklenburg County's Park and Recreation Department provides opportunities for our residents to engage in healthy activities by providing outdoor and indoor spaces to enjoy. Funding is provided for positions at the new North Regional Recreation Center, park maintenance equipment and supplies, additional mowing services, maintenance and operations, two new positions at Ramblewood athletic fields and McDowell Campground and to support Therapeutic Recreation programming in partnership with the Arts and Science Council.
- **Community Service Grants:** Each year, non-profit agencies in Mecklenburg County request financial support for their organizations. For Fiscal Year 2022 there is a total of \$1.8 million, an increase of 40% over Fiscal Year 2021. First time grant recipients include the Youth Advocate Program, the Ada Jenkins Center, the Charlotte Rescue Mission, Hope Haven and the Jewish Family Services of Greater Charlotte.
- **MEDIC:** Our partners at MEDIC have provided exceptional service to our community for many years. As our Business Partner, the County is a primary funder for those needs that cannot be covered by insurance. The Fiscal Year 2022 the Adopted Budget includes \$6.9 million in non-recurring funding to replace ambulances and cardiac patient monitors. Total recurring funding for MEDIC of \$14.9 million will support the implementation of MEDIC's revised classification and compensation system to ensure that they have resources to attract and retain the talent they need.
- **Education:** For Fiscal Year 2022, CMS is projecting a total enrollment of 169,000 students for CMS and Charter combined, less than the forecast for Fiscal Year 2021. Based on this, there is a modest increase for Charlotte-Mecklenburg Schools of \$6.1 million, to cover the cost of maintenance for two new schools opening in the fall and to continue the Board's commitment to serve the behavioral health needs of student. Behavioral health funding is targeted for 29 social workers, 10 psychologists, a social work coordinator and pilot project for behavioral support centers for students involved in school suspension.
- **Higher Education:** For Fiscal Year 2022, Central Piedmont Community College requested an increase of \$1.5 million. The funding will support capital reserve projects, facility maintenance, support costs and wage and benefit allocations. The Adopted Budget fully funded their request.
- **Employee Investments:** Our employees are our greatest asset. The pandemic has precipitated many changes in our lives, including how we work. Mecklenburg County employees, like most employees have had to adapt to those changes while managing their daily workload. At the onset of the pandemic, none of us knew what to expect, but our County employees

remained nimble and dedicated during a time when our residents needed them the most. For Fiscal Year 2022, employee investments include \$25 million to implement revisions to the classification and compensation system. Implementation would guarantee a minimum 3% increase for all employees. In addition, \$779,000 is invested to bring all part-time positions in the County to a \$15 per hour minimum wage, matching full-time employees. Funding of \$155,000 for an additional HR recruiter and purchase of an applicant tracking system. There is also the addition of the Juneteenth Holiday, a holiday that commemorates the day enslaved African Americans in Galveston, Texas learned of their emancipation.

Major County Initiatives

Strategic planning and performance measurement continue to be a major initiative of the County. The County has adopted a 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 2021 highlight some of the activities County departments have pursued:

Financial and Administrative:

- The Financial Services Department (Finance) Procurement Division partnered with ITS on a Procurement Projects Dashboard to enable real time reporting on project status through the various project milestones, and to aid in effective business decision making. Procurement began using the dashboard in December to report on current project status. Through June, 612 projects have been uploaded.
- Office of the County Attorney (OCA) is intricately involved in the Equity and Inclusion training initiative. One attorney is part of the training group. OCA has offered information and training to the minority segment of the local bar on County HR policy and procedures and OCA structure for those in the community who might have an interest in working for the Office.
- The Office of the Tax Collector (OTC) collaborated with County Assessor's Office, Finance, OCA, Information Technology Services, and the Executive Team to develop and implement an assistance program to help low to moderate income taxpayers retain their homes by reducing the financial burden to do so. The Board of County Commissioner's granted \$250,000 in funds to support this effort. Working with the Public Information Department, a communication plan was established and executed, including a webpage with an online application.
- Human Resources (HRS) successfully transitioned to a new background screening vendor (Sterling). The department also reviewed existing background screening processes and modified existing executive recruitment policies and processes to align with best practices.
- Information Technology Services designed an evaluation system that aligns all security investments with the desired security level.
- Asset and Facility Management (AFM) continued to be very involved in numerous actions for response to COVID-19. Installation of protective measures (screens, glass toppers on cubicles, signage, etc.) continued into the fall. The AFM Director stayed active on the County's COVID Core Team. In addition, AFM Real Estate Management continued to provide processing on numerous lease extensions to COVID hotels.
- The Public Information Department meeting broadcasts and improvements to digital signal continued momentum in FY21. Broadcast moved to a more stable streaming platform, the ability to watch rebroadcasts in dozens of languages continued, signers continued making the meetings accessible to the hearing impaired, as well as the live, Spanish simulcast. In addition, there have been improvements to the broadcast facility.
- The Office of Economic Development (OED) administered and supported the COVID-19 Small Business Emergency Stabilization Loan Program and the MeckCounty CARES Small Business Relief Grant (MeckCares) Program. OED also provided support to client businesses through virtual webinars and other remote meetings throughout the fiscal year.

Land Use and Environmental Services (LUESA):

- Land Use and Environmental Services explored new method for engaging Partners and residents on quality-of-life issues, due to COVID-19 health restrictions. LUESA hosted 2 engagement cafés via Facebook Live! Livable Meck staff and some panelists were in person.

- Land Use and Environmental Services divisions worked collaboratively with all partners (IT, Towns, City, Customers, etc.) to ensure technology needs and service requests were handled during and all through the change in service delivery model during the pandemic.
- The County Assessor's Office completed testing and installation of a Kiosk system which placed four kiosks into production on December 7, 2020. The Kiosk system was implemented to improve customer experience.
- The Register of Deeds implemented Property Alert software featuring an alert for Mecklenburg County property owners. The software allows residents the option to subscribe to receive an alert if a document recorded in the Register of Deeds office references either their name or their property.

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. During FY2021, each HHS department created plans that operationalized the changes and improvements to their department's service delivery brought about by HHS integration and defined data access for all department staff who will use Single View of the customer.
- Public Health Communicated the implications of Medicaid Transformation to internal and external community partners. A MeckNC.gov page has been created for Medicaid Transformation which contains information on NC Medicaid Managed Care. The department also signed and executed contracts with all five Prepaid Health Plans (PHPs). It established these new Medicaid insurers as payers in its electronic health records system and added these payers to its claims clearinghouses.
- Public Health began offering COVID vaccine to clinic patients (and walk-ins) in May 2021.
- The Health Department continued to focus on quality improvement for all clinic functions, with a specific prioritization on providing innovative ways to expand delivery of services during COVID-19.
- The Department of Social Services (DSS) contracted with Crisis Assistance Ministry (CAM) to administer the Crisis Intervention Program (CIP). CAM met the compliance standard for one day applications (97%) and two-day application (98%).
- The Department of Social Services continued services during the pandemic. Social workers still conducted home visits and MTS vehicles never stopped transporting clients. The department's Senior Citizen Nutrition Program ensured that participants had hot meals at grab and go sites, or a hot or frozen meal delivered to their home.
- The Department of Social Service partnered with public health regarding outreach to our vulnerable populations to assist with vaccinations.
- Community Support Services (CSS) led efforts in clearing a homeless encampment which included setting up two emergency shelter hotels in under 48 hours. CSS arranged for location, meal and laundry services and staffing. CSS continues to manage operations, respond to crisis and convene stakeholders on exiting planning.
- Community Support Services has advanced Phase 1 and Phase 2 of the Family Justice Center. Phase 1 (Survivor Resource Center) opened in February 2021. CSS has a domestic violence clinician and a substance use counselor available in the Survivor Resource Center for a combined total of 40 hours per week. These staff are providing brief crisis intervention, mental health/substance use screening, clinical assessment, case planning, and linkage to longer term clinical services. CSS has participated in site visits to scout potential locations for the Phase 2 Family Justice Center – the Umbrella Center.

Detention and Court Support Services:

- The Mecklenburg County Sheriff's Office opened a female Behavioral Health housing unit in August 2020. The department partners with medical provider, Wellpath to provide the mental health services for these patients.
- The Mecklenburg County Sheriff's Office introduced the Medication Assisted Treatment (MAT) Program. In collaboration with Wellpath, Mecklenburg County Detention Center residents may participate in the MAT Program if they report past opiate use or have an active prescription for methadone or suboxone. The care of those in the department's custody extends beyond their immediate medical need. It includes an understanding of pre-existing health challenges that plagued our residents prior to incarceration and extends to their future successes while they navigate re-entry into our community.
- The Mecklenburg County Sheriff's Office announced a partnership between GTL and the Brian Hamilton Foundation. Through this partnership, GTL has made available the Brian Hamilton Foundation's online entrepreneurship course,

Stater U. Because of this new partnership between the Brian Hamilton Foundation, a national philanthropy that teaches entrepreneurship to help break down socioeconomic barriers, and GTL, the industry-leading provider of technology to correctional facilities, incarcerated people across the county now have the opportunity to take free courses on how to start their own businesses.

- The Criminal Justice Services (CJS) Department launched the CJS Forensic Evaluation and Pretrial Services Units' Domestic Violence Education (DVE) pilot program for Pretrial clients with domestic violence charges. The first of its kind, Pretrial's DVE program connects domestic violence defendants to Mecklenburg County's Community Support Services for entrance into a 10-week domestic violence education curriculum.
- The Medical Examiner's Office full time investigators who have been with the office for more than 2 years are now American Board of Medicolegal Death Investigators (ABMDI) certified.
- The Park and Recreation Department opened Eastway Regional Recreation Center. Mecklenburg County's first regional recreation center provides aquatic activities, classrooms, a teaching kitchen, computer lab, indoor gym, nature center, athletic programming, disk golf and an outdoor synthetic playing field in one centralized location.
- The Park and Recreation social media accounts (Facebook, Twitter and Instagram) generated more than 5 million impressions and 175,000 engagements with content. This represents an 84.5% growth in impressions and 70.1% growth in engagements over FY20.
- The Elections Department was able to conduct the November General election with over 567,000 people voting safely during the pandemic. The department was able to pivot between voting early, by mail and by in-person to conduct the largest ever election in Mecklenburg County safely and accurately.

Library:

- The Library transitioned to virtual Active Reading programs in FY21. 44 2-part Active Reading Family Workshops were facilitated in FY21 with 1,095 participants and 44 Active Reading Training sessions were facilitated with 180 participants. Active Reading Storytimes were also added to the Library catalog of Active Reading programs in February 2021. 1,930 parents and children participated in these Storytimes in FY21, with an additional 8,031 views of Facebook Live Active Reading Storytimes. Active Reading was also utilized in virtual reading buddy sessions provided to the community by Library staff. 2,238 sessions were offered in FY21 with 2,666 participants.
- Funded by CARES grants, the Merancas Foundation and private donations, the Library distributed over 2,500 free laptops through MeckTech to Mecklenburg County adults without a home computer. Each kit included a refurbished computer with preloaded applications to help bridge the digital divide. This program earned a 2020 Top Innovator award from the Urban Libraries Council.
- The Library's Summer Break program engages participants with learning and literacy during the summer, when children are most at risk of losing academic gains made throughout the school year. In FY21, the community read a collective 7.5 million minutes, a 27% increase from FY20's 5.9 million.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded its Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report of Mecklenburg County for the year ended June 30, 2020. This was the 45th 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 ACFR 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 2021 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 2021 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.

Public Information was honored with two Telly Awards: a gold Telly for its "Mask On" animation and music campaign and a bronze Telly for the "Mecklenburg Minute" video series in the Local TV Campaign category. The Telly Awards was founded in

1979 to honor excellence in local, regional and cable television commercials with non-broadcast video and television programming added soon after. The department also earned another Emmy Award nomination from the National Association of Television Arts and Sciences (NATAS) Midsouth Chapter.

During the National Association of Counties (NACo) 2021 conference, County employees received achievement awards for their contributions to several outstanding programs and initiatives which are listed below:

- **Connecting Data to Decision-making: Housing & Homelessness Dashboard (Community Support Services) -** The Charlotte-Mecklenburg Housing & Homelessness Dashboard ("Dashboard") serves as the online hub for housing-related data in Mecklenburg County. The Dashboard was conceived when a local advisory board voiced the need for housing data to inform community efforts around the work to address homelessness. The success of the Dashboard can be summed up in two ways: the extent to which information has been used to inform-decision making; and the process by which the Dashboard was initially developed, and which continues to guide its evolution today. Since its release in 2017, the Dashboard has been visited by over 26,700 unique users from around the world with over 105,800 page views and 41,735 sessions. Local agencies use the Dashboard to complete grant applications. Media outlets use it as a resource for articles. Funders use system-level progress to inform grant allocations. Data is cited in reference materials, including market studies and community plans in the public and private sectors. More than 750 individuals read and share the weekly briefing covering housing issues. In many ways, this Dashboard is much more than just a Dashboard. It has become an essential community tool to advance the work to end and prevent homelessness in Mecklenburg County.
- **COVID-Safe Waste Reduction and Recycling Outreach (LUESA – Solid Waste) -** Public educational outreach is key to reducing recycling contamination and solid waste generation. For years Mecklenburg County Solid Waste (MCSW) has invested in robust marketing efforts. Public tours were offered at county facilities including the Material Recovery Facility (MRF), compost collection site and landfills. In March of 2020, all in-person gatherings were halted to prevent the spread of Covid-19. To overcome this barrier, the department quickly responded by converting presentations into safe and accessible virtual programs. To date, four unique webinars have been designed and delivered: Recycle Right, Reciclemos Bien, The 7 R's of Waste Reduction and KidsCan Recycle. The new information delivery method has been well-received based on post-event client satisfaction surveys. Diverse groups of adults and children as young as four years old have enthusiastically participated. Presentations have been requested by schools, large private corporations, homeowners' associations, faith-based communities, trade organizations and civic groups. Over a twelve-month period, 36 presentations were delivered to 1,600 virtual participants. In addition, recordings of the presentations were featured on eight online events. It is estimated that recordings have been shared with over 25,000 additional residents, based on reported post-event electronic distribution. Demand remains steady with registrations ranging from 40-200 participants per webinar.
- **Tax, Finance, and Office of Management and Budget Interdepartmental Sales Revenue and Tax Collections Dashboard (Tax, Finance and OMB) -** Mecklenburg County financial services, budget, and tax collections departments collaborated to innovate tracking and reporting of sales revenues and collections. The three departments, Financial Services Department (FIN), Office of the Tax Collector (TAX), and the Office of Management and Budget (OMB), created a single-site solution and reporting dashboard of real time data with an aim to increase cross functional knowledge and enhance synergy between the departments. This effort was a sub-project of the Finance Department Data Mart and Dashboard Analytics Project as a value add to the County. The inter-departmental sales revenue and collections dashboard incorporates data from ad valorem tax collection, sales revenue, and motor vehicle collections.
- **Breathing Room: A Proactive Approach to Addressing Air Pollution (LUESA – Air Quality) -** Breathing Room is a program designed by Mecklenburg County Air Quality (MCAQ) to continue to improve air quality in the region beyond compliance with federal air quality standards. MCAQ and the North Carolina Division of Air Quality partnered with the U.S. Environmental Protection Agency's Advance Program to take proactive steps to reduce ozone-forming air pollution and maintain healthy air quality in the Charlotte region. MCAQ brought together local stakeholders, government agencies, and the public to prioritize strategies to reduce ozone-forming air pollution. From this collaborative approach in 2019, MCAQ created the Path Forward including policy priorities and available funding sources. Transit Expansion Advocacy, School Bus Electrification, Greenway Expansion Advocacy, Airport Shuttle Electrification, and Ground-Support Equipment Electrification are all underway. Results of Breathing Room include a commitment from Charlotte-Douglas International Airport staff to convert their fleet of 70 transit buses to fully electric models within the next 8 years and invitations for Air

Quality Staff to participate in critical Greenway and Transit planning efforts. The Breathing Room program is a flexible program that grows and adapts. MCAQ continues to update the strategies and work towards the program goals.

- Idle Reduction Project (MEDIC) - To reduce environmental impact, engine wear and fuel waste caused by unnecessary engine idling, Mecklenburg EMS Agency (Medic) formed a project team to research and recommend idle reduction technology for implementation in the Agency's fleet of 72 ambulances. The team identified the ZeroRPM idle-reduction technology as a proven, viable option to reduce the amount of idle time that occurs among the agency's fleet when an ambulance is on scene, parked at the Emergency Department or is in static standby for its next call. The tool decreases idle time by employing high-capacity batteries that enable complete use of the ambulance's critical functions while the engine is off including A/C, heat, electric windows, lighting, and vital equipment for patient care. The system was installed in one ambulance in December of 2018 and was tested for a period of six months. The data demonstrated a significant reduction in all measurable emission products a 20% reduction in fuel consumption, and double the average miles traveled per-engine hour of operation. Medic has already secured \$500,000 in federal grant funding to pay for ZeroRPM systems on 23 ambulances, and funds are being budgeted as part of the Agency's annual capital replacement plan to install the systems on every new ambulance fabricated. The predicted savings in total cost of ownership of the ambulance fleet is \$4.8 million over the next 10 years.
- Empowering Fathers Program (Child Support Enforcement) - The Mecklenburg County's Child Support Services Empowering Fathers Program provides workforce development solutions and specialized curriculums delivered through workshops that help empower fathers with parenting and healthy relationship skills. The Program is designed to build trust between noncustodial fathers and the child support program, and in-turn, support fathers in meeting child support obligations. Programming is delivered both in-person and using virtual platforms. The Empowering Fathers Program also hosts Child Support Orientations, Career Fairs, and provides guidance and expertise to both fathers and other professionals, on local, state and national levels, through web-talks and social media campaigns.
- Mecklenburg County Economic Services Division All Access Mobile Application (Department of Social Services) - Prior to July 2017, customers of the Mecklenburg County Department of Social Services (DSS) were only able to contact the department by mail, fax, phone or in person. Such options limited customers' ability to access the department's services remotely. To reduce the need for customers to contact Mecklenburg County DSS in person, in July 2017, the department created a Process Improvement Task Team that developed an All Access Mobile Application to enhance customer service and make case processing more efficient. Not only did the application reduce customers' need to contact the department in person, but it also helped reduce the need for customers to take time off work to come to the department, take a bus, pay for ride, etc. The application is expected to re-direct customers from the physical need to come to the department allowing them to submit information via the application, get answers to questions, and/or apply for benefits via the safety of their own homes 24 hours a day, 7 days a week. This application will also allow DSS to redirect case workers to spend their time more efficiently. In addition, the application allows for equal access to services for customers with limited English proficiency.
- Mecklenburg County Economic Services Division Transformation - Maximizing Resources – (Department of Social Services) - Mecklenburg County Department of Social Services (MCDSS) Economic Services Division transformed to overcome challenges of increased demand for services. The Transformation streamlined processes to maximize staff resources through proven and innovative approaches to recover lost production capacity and improve accuracy, timeliness, and service delivery. The principle of the Transformation was grounded in proven methods of first-touch resolution and the use of consistency tools to maximize human resources for optimum results. First Touch Resolution, also known as "One and Done" is the process of employing all efforts to bring the eligibility case to resolution at first touch or interaction with the customer. The focus shifts from case actions and touches to full resolution and case completion. To do so consistency tools are used by staff to ensure documentation and verifications used to determine eligibility are consistent.
- Mecklenburg County Senior Citizens Nutrition Program - Bridging the Gap to Provide Nutrition Support to South Asian Seniors (Department of Social Services) - While the needs of the elderly are ever present, COVID-19 has exacerbated problems faced by seniors and increased their need for nutritional support. With the closing of congregate meal sites and home-delivered meals program reaching its maximum capacity, Senior Citizens Nutrition Program of Mecklenburg County (SCNP) focused on innovating to reach more vulnerable seniors, especially those unreached through available services. SCNP collaborated with Universal Institute of Successful Aging of Carolinas (UISAC), a non-profit organization whose mission is to serve underserved populations including refugees, immigrants, and minorities. A gap for vegetarian meals in the South Asian Community was met by partnering with the Hindu Temple of Charlotte and UISAC to purchase and serve

daily hot, Indian cuisine vegetarian meals to 125 seniors identified needing nutrition support during Pandemic. Coronavirus Aid, Relief, and Economic Security Act (CARES) funding was used to provide this service. As the department staff served, they learned that seniors in the Burmese, Bhutanese, Nepali and Vietnamese Montagnard groups are not all vegetarian and preferred more culturally specific meals. This gap was met by piloting two new services: 1) distribution of monthly grocery food boxes containing culturally appropriate staples to 100 seniors in December and 2) providing daily, hot, culturally specific non-vegetarian meals to 50 seniors. Two local vendors from the South Asian Community were contracted to provide these services which helped both the local economy and the local recipients of the programs.

- Unified Workforce Development Program (Department of Social Services) - Mecklenburg County's Unified Workforce Development Program offers a transformative approach to economic mobility efforts. The program leverages services provided by multiple County departments and community agencies, with the expectation of reducing service duplication, increasing service efficiencies, maximizing resources, and increasing employment. The program utilizes a comprehensive social determinants of health lens. Customers receive wrap around services to address the root causes of their employment barriers, which may include involvement in the criminal justice system, substance misuse, and/or mental health. Employment services are grounded in the evidence-based Individualized Placement and Support model, focused on rapid job placement, targeted job development in fields of client interest, and individualized long-term supports. As needed, customers receive access to training opportunities through vocational programs and/or on-the-job training employment placements, along with resources such as childcare and transportation funding to enable workforce participation.
- Finance Department Data Mart and Dashboard Analytics Project (Finance) - The Mecklenburg County Finance Department adopted the FY20-22 Strategic Business Plan with a focus on providing an integrated approach to perform diligent planning, controlled execution, and consistent monitoring of the financial life cycle. A major component of this initiative was around data. As is the case in many organizations, unique data elements are stored in several source systems allowing for a decentralized data structure. In some cases, information travels from one system to another but a single platform which provided all the information simultaneously did not yet exist. To combat this issue and create an innovative user experience, an Azure based centralized data mart was developed. The implementation of the data mart allowed for multi-level reporting, interactive dashboards, enhanced data governance and end-user knowledge of data points. These developments enabled the organization to provide a state-of-the-art user experience, timely and accurate data, as well as one-touch trend analysis to help inform decision makers.
- GovOnline: Digitalizing the Process to Comply with Air Quality Regulations (LUESA – Air Quality) - Paying accounts, managing health records, applying for jobs, all have something in common: they can be done online. Mecklenburg County Air Quality (MCAQ) identified a gap in their services and an opportunity to digitalize the way required reports and notifications are submitted to comply with air quality regulations. In response, MCAQ created GovOnline, the first federally compliant, online air permitting portal in the Southeast region. MCAQ staff received customer feedback to provide the option of an online air permitting portal and was involved every step of the way in creating GovOnline. Staff researched the federal Cross-Media Electronic Reporting rule and requirements, technology vendors, Mecklenburg County Information Technology requirements, learned XML programming, marketing, and more. The initial rollout was for the asbestos program, which requires a notification to be submitted 10 working-days prior to beginning work. Today, 94% of the asbestos notifications come through GovOnline instead of paper. GovOnline has now expanded to include other reports and has the flexibility to continue to grow.
- MeckTech Kits for Mecklenburg County's Most Vulnerable Population (Library) - Charlotte Mecklenburg Library, in partnership with Mecklenburg County, made free computers available to 1,400 households using Coronavirus Aid, Relief, and Economic Security (CARES) Act funding allocated to the county. MeckTech responds directly to the urgent need for digital access in Mecklenburg County, where an estimated 80,000 households don't have dedicated computers in the home. This is a sobering statistic on a normal day, and a devastating one during a worldwide pandemic where economic opportunity, communication, and health access are quickly navigated online. By leveraging 500,000 dollars in CARES funding, Charlotte Mecklenburg Library was able to close this divide for 1,400 homes in the last quarter of 2020. The MeckTech program showcases a model for meeting the technology challenges of the pandemic in terms of sustainability, economic opportunity, green economies, and digital equity. The Library is working with several key partners including Informative Technologies who is providing Endless OS, an open-source operating system designed specifically for digital novices, City Startup Labs who provides customer support via returning citizens, and eCycleSecure, a local refurbisher, who provisions the hardware and accessories to complement the open-source software. Perhaps most importantly, the Library's role as program administrator and primary distributor ensures confidence and trust for MeckTech participants.

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,

David Boyd
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 is the responsibility of the County Manager. In this capacity, she is assisted by three Deputy County Managers and a Deputy 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.

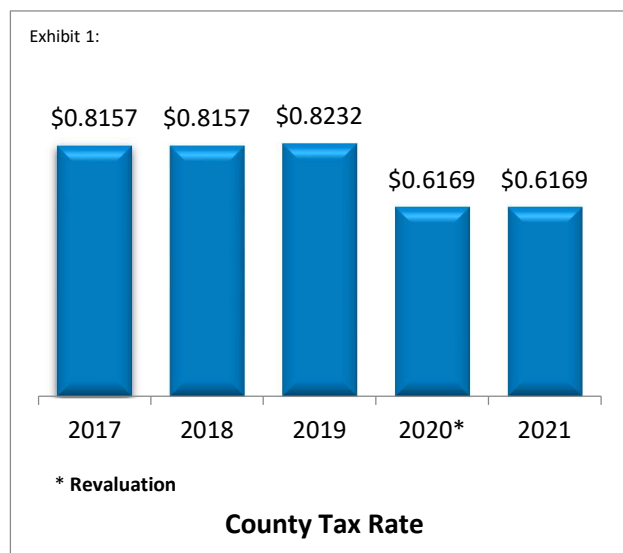
The County had 5,449 full-time equivalent employees at June 30, 2021 to provide the services mandated by State statutes and to meet the needs identified by the Board. Table 20 in the Statistical Section presents the distribution of employees between the core service areas for the current year and the 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 2017. 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 applied 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 2017, 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. The tax rate remained at 61.69 through fiscal year 2021.



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 2021, the County's exempted or reduced assessments totaled approximately \$25.3 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, 2021, their tax levies and rates.

Exhibit 2:

PROPERTY TAXES IN NORTH CAROLINA

With Assessed Valuations Over \$10 Billion

County	Valuation	Revaluation	Tax Rate
	\$		\$
Alamance	15,040,630,463	2017	0.6700
Brunswick	30,093,194,016	2019	0.4850
Buncombe	40,859,021,496	2017	0.5290
Cabarrus	28,623,508,536	2020	0.7400
Carteret	16,415,668,999	2020	0.3300
Catawba	18,917,606,854	2019	0.5750
Chatham	12,007,903,707	2017	0.6700
Cumberland	24,036,040,290	2017	0.7990
Dare	16,822,507,039	2020	0.4005
Davidson	15,296,626,000	2015	0.5400
Durham	45,442,133,679	2019	0.7122
Forsyth	38,126,826,490	2017	0.7435
Gaston	20,290,260,935	2019	0.8300
Guilford	53,657,248,164	2017	0.7305
Henderson	16,513,231,234	2019	0.5610
Iredell	26,974,368,048	2019	0.5375
Johnston	22,073,956,462	2019	0.7600

Lincoln	11,389,298,055	2019	0.5990
Mecklenburg	191,570,548,996	2019	0.6169
Moore	14,153,413,274	2019	0.5100
New Hanover	35,930,283,008	2017	0.5550
Onslow	14,871,879,997	2018	0.7050
Orange	19,296,963,040	2017	0.8679
Pitt	14,979,865,497	2020	0.6797
Randolph	12,017,686,819	2019	0.6327
Rowan	13,925,172,277	2019	0.6575
Union	27,716,828,377	2015	0.7309
Wake	188,408,918,772	2020	0.6000

Note: Amounts 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. Division, Mecklenburg County's is from the County's Charging of Taxes Schedule.

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 four 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. Housing Innovation, Strategy, and Alignment is responsible for convening, coordinating and aligning Mecklenburg County funding, programs and policy to comprehensively address housing instability and homelessness.

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 years 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 conduct autopsies, external examinations and 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 the Empowering Fathers Program. CSE partners with the Court to manage cases through administrative and judicial processes.

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 772,574 registered voters using 195 precincts in the County as of June 2021.

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 5.7% 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	
2021	1,138,138
2020	1,131,342
2019	1,115,571
2018	1,093,901
2017	1,076,837

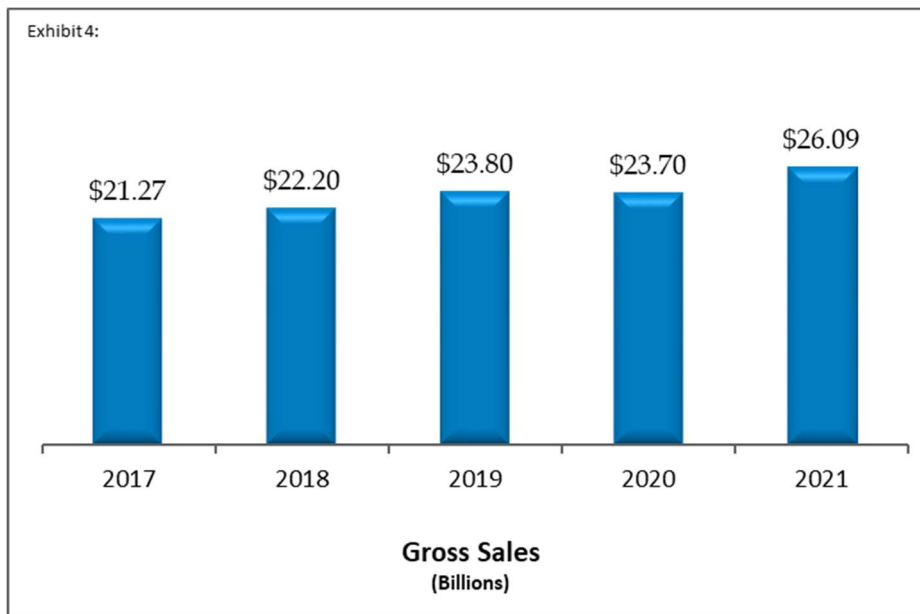
Source:

For years 2017 - 2019 based on U.S. Census Bureau. Prior years are restated to reflect change in data source.

Population estimates for 2020 & 2021 based on estimate from North Carolina Office of State Budget and Management.

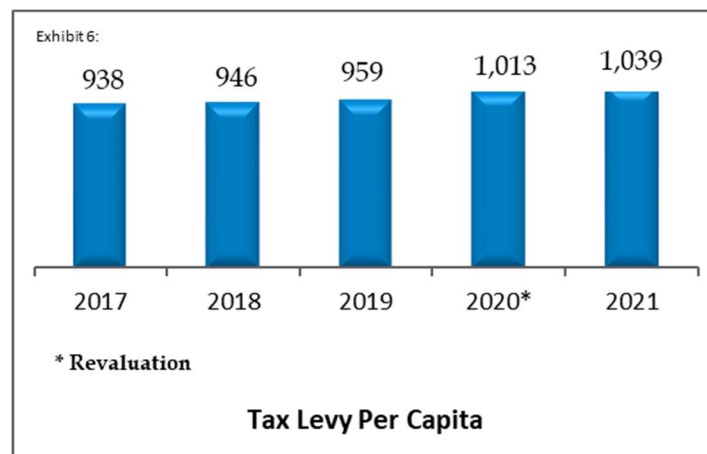
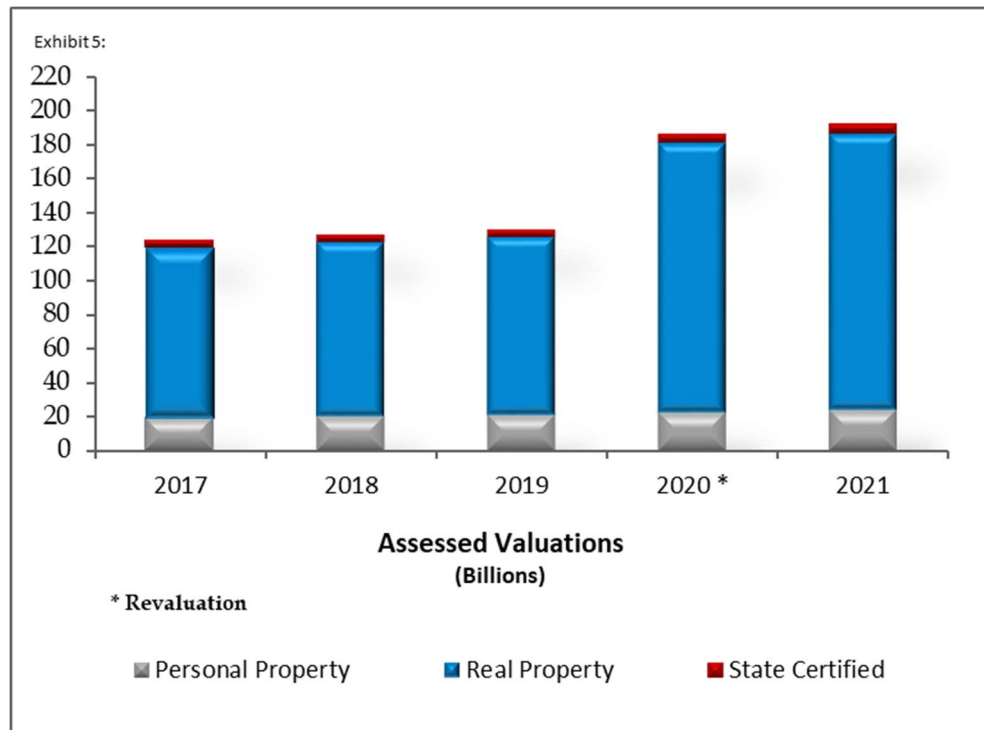
General Economic Indicators

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 2017 through fiscal year 2021 gross taxable sales increased by 22.6%.



Growth of the Tax Base

Exhibit 5 shows the increase in the tax base over the last five years. Assessments for fiscal year 2017 were \$123.9 billion increasing to \$191.5 billion in 2021, which is an 54.6% increase over 5 years. Between fiscal years 2017 and 2021, the general tax levy increased 17.0% from \$1.01 billion in 2017 to \$1.18 billion in 2021. The Tax Levy Per Capita for this period is presented in Exhibit 6. The tax levy per capita has increased from fiscal year 2017 to fiscal year 2021.



The County's ten principal taxpayers, as presented in Table 10 of the Statistical Section, contribute 5.2% of total assessed valuation and represent a wide range of industrial categories. Nine of the ten principal taxpayers in fiscal year 2021 were listed as Principal Taxpayers in fiscal year 2012.

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 2021, CATS bus and light rail ridership totaled approximately 5,945,000 and 2,600,000, respectively. CATS maintains 304 buses, 68 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 2020, Charlotte-Douglas International Airport ranked 6th in aircraft movements, 6th in total passengers and 33rd in total cargo. The Airport has 114 gates and is served by eight domestic and three foreign airline carriers traveling to 187 nonstop and 36 international destinations. An estimated 27.2 million passengers passed through the airport, aircraft movements totaled 397,983 and 174,913 tons of cargo were handled in calendar year 2020. Prior to COVID-19, Charlotte-Douglas recorded yearly 50.2 million passengers, 578,263 aircraft movements and 183,900 tons of cargo.

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	49,935
Administrative and Waste Services	60,095
Agriculture, Forestry, Fishing & Hunting	869
Arts, Entertainment and Recreation	9,490
Construction	35,496
Education Services	34,788
Finance and Insurance	80,209
Health Care and Social Assistance	82,315
Information	20,034
Management of Companies and Enterprises	28,693
Manufacturing	34,805
Mining	193
Other Services, Ex, Public Admin	18,265

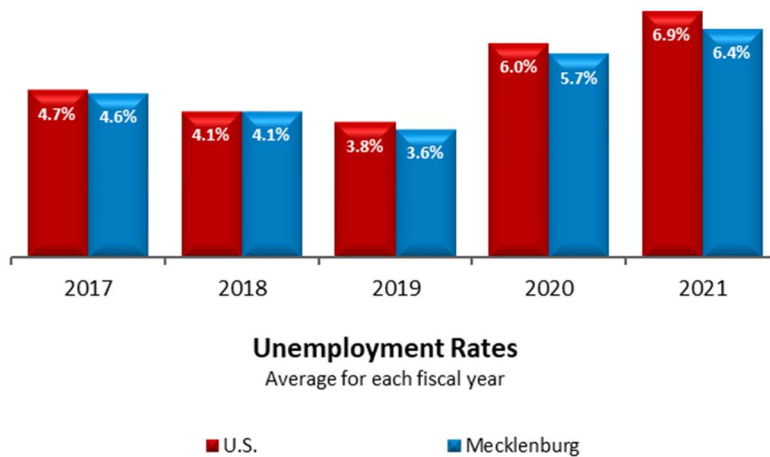
Professional and Technical Services	59,913
Public Administration	18,615
Real Estate, Rental and Leasing	13,816
Retail Trade	62,763
Transportation and Warehousing	51,238
Utilities	1,865
Wholesale Trade	36,194
TOTAL	699,591

Note: Data may not sum to totals due to suppression of data
Source: N.C. Department of Commerce, 1Q 2021

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 4.6% for fiscal year 2017 to 6.4% for fiscal year 2021. The County’s unemployment rate is 0.5% below the National rate as of June 30, 2021.

Exhibit 8:



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 an increase from 2020 to 2021, with the average home price of \$406,176 at June 30, 2021.



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
	Belk*
	Carowinds*
	Central Piedmont Community College*
	DMSI Inc.

Family Dollar Stores**Fedex Corp.****IBM Corp.****LPL Financial Services****Marriott International****McDonald's Corp.**

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 2020-2021 school operating budget was approximately \$1.66 billion: 57.1% provided by the State, 31.6% by the County, 10.3% 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 2020-2021 adopted budget included a \$524.9 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 2020-2021 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 140,073 and employed 17,940.

The County's support per student, exclusive of debt service and based on total enrollment, is shown in Exhibit 12. From fiscal year 2017 to fiscal year 2021 there was an increase in the support per pupil reflecting restoration of funding as the economy improved.

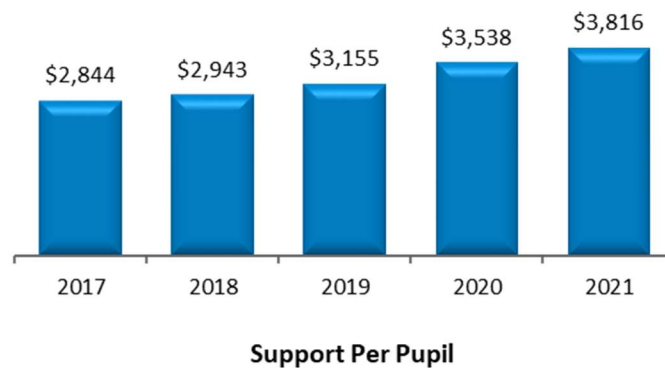
Exhibit 11

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			
2020 - 2021	62,150	32,368	42,075	1,497	138,090	140,073	98.6%	176
2019 - 2020	67,223	33,780	43,135	1,695	145,833	146,688	99.4%	175
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

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 2020-2021 school year, the portion of local education funds budgeted to be redirected to charter schools where County students enrolled totaled \$69.2 million.

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:

	2021	Fall Student Enrollment	2020
University of North Carolina at Charlotte	30,448		30,146
Central Piedmont Community College	15,830		16,269
Queens University of Charlotte	2,068		2,339
Davidson College	1,973		1,983
Johnson & Wales University	1,222		1,396
Johnson C. Smith University	1,189		1,306

Source: Individual Institutions

The University of North Carolina at Charlotte (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 79 programs leading to Bachelor's degrees, 66 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 \$39.1 million from the County in fiscal year 2021. 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 two premier NASCAR Cup Series events each year: 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

Report of Independent Auditor

To 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, 2021, 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") which represent 33%, 87%, and 54% of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units. 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 entity'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 entity'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, 2021, 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.

Emphasis of Matter

As discussed in Notes 1.r and 20 to the financial statements, the County adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. As a result, net position as of June 30, 2020 has been restated. In addition, as discussed in Note 20, the County restated beginning fund balance of the general fund by approximately \$39,000,000 related to a reduction in claims payable previously reported. Our opinion is not modified with respect to these matters.

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 January 27, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and on compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Cheryl Behrman LLP

Charlotte, North Carolina
January 27, 2022

Introduction

Management's Discussion and Analysis provides a narrative discussion of the County's financial activities for the year ended June 30, 2021 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, 2021, the Statement of Activities reflects an increase in net position of \$77.8 million as compared to an increase in net position in the prior year of \$5.8 million. This \$77.8 million net position increase includes a \$51.9 restatement. In addition, the increase in net position is attributable to a 8.5% increase in operating expenses offset by an increase of 9.6% in revenues, both program and general. Expenses increased \$159.3 million from the previous year, with business partners having the largest increase of \$83.9 million, as the County continues to invest in our community. Overall, revenues increased \$179.3 million compared to the previous year, which includes a \$35.2 million increase for sales tax and a \$34.0 million increase in property tax. Investment income decreased \$26.9 million from the prior year due to low interest rates. Implementation of GASB Statement No. 84, Fiduciary Activities, created new special revenue funds that were once treated as agency funds.

The governmental funds total fund balances increased by \$97.4 million from the prior year total for an ending fund balance of \$1,300.0 million. The increase is the result of higher-than-expected revenues, especially taxes and charges to users. Property and sales tax collections were strong as the County continued to see economic growth. Revenues from operating grants increased \$21.9 million or 13.6% in fiscal year 2021, as the County continued to focus on seeking other funding opportunities to support operations. Of the \$1,300.0 million of governmental fund balances, total fund balance of \$285.1 million is available for future years' spending as unassigned fund balance.

The unassigned fund balance of the General Fund at June 30, 2021 is \$302.1 million, which represents 19.9% of fiscal year 2022 budgeted General Fund expenditures or 72 days of operating expenses.

The County created the Employee Benefits Internal Service Fund which is classified as a proprietary fund. This fund predominately benefits governmental rather than business-type activities; therefore, it has been included with governmental activities in the government-wide financial statements.

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 and the Employee Benefits Internal Service Fund are the County's only business-type activities.
- **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; fourteen 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 twenty 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, Pay-As-You-Go Fund and American Rescue Plan 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 Governmental 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 is presented in the business-type activities column of the government-wide financial statements because this fund operates similar to private business enterprises. The Employee Benefits Internal Service Fund is presented in the governmental activities column of the government-wide financial statements.
- **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. The County also holds certain resources for the benefit of parties outside the government, which are accounted for as custodial 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, 2021 and 2020:

	Net Position (in thousands)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current and other assets	\$ 1,672,219	\$ 1,472,260	\$ 44,089	\$ 37,184	\$ 1,716,308	\$ 1,509,444
Capital assets, net	1,359,400	1,281,226	81,256	79,167	1,440,656	1,360,393
Total Assets	3,031,619	2,753,486	125,345	116,351	3,156,964	2,869,837
Total deferred outflows of resources	124,936	104,531	1,301	928	126,237	105,459
LIABILITIES						
Current and other liabilities	380,247	255,022	2,142	1,629	382,389	256,651
Long-term liabilities:						
Due within one year	204,928	176,705	1,440	1,035	206,368	177,740
Due after one year	2,228,704	2,222,522	22,652	21,870	2,251,356	2,244,392
Total Liabilities	2,813,879	2,654,249	26,234	24,534	2,840,113	2,678,783
Total deferred inflows of resources	132,732	63,915	12	17	132,744	63,932
NET POSITION						
Net investment in capital assets	1,185,683	1,085,482	75,799	72,716	1,261,482	1,158,198
Restricted	358,107	465,501	832	220	358,939	465,721
Unrestricted (Deficit)	(1,333,846)	(1,411,130)	23,769	19,792	(1,310,077)	(1,391,338)
Total Net Position	\$ 209,944	\$ 139,853	\$ 100,400	\$ 92,728	\$ 310,344	\$ 232,581

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 \$1,417.4 billion at June 30, 2021, 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 \$232.6 million to a Net Position of \$310.3 million, an increase of \$77.8 million or 33.4%. This is a result of the County's continued commitment to support the community, especially during the pandemic, offset by increases in revenue sources. Total assets increased 10.0% while total liabilities increased 6.0%. The sale of bonds provided additional cash, while also increasing the liabilities associated with the bond sale. These changes mostly relate to increased operating and capital support provided to the schools, increases in Land Use and Environmental Services expenses and a decrease in investment earnings which were offset by growth in sales tax, property tax, and charges for services 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 \$1,158.2 million at June 30, 2020 to \$1,261.5 million at June 30, 2021 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 \$465.7 million at June 30, 2020 and \$358.9 million at June 30, 2021 represents 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, 2021, with comparison to the prior year.

Management Discussion and Analysis

	Changes in Net Position (in thousands)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program Revenues:						
Charges for services	\$ 228,008	\$ 138,219	\$ 38,394	\$ 33,414	\$ 266,402	\$ 171,633
Operating grants and contributions	182,687	160,786	-	57	182,687	160,843
Capital grants and contributions	16,491	866	436	-	16,927	866
General Revenues:						
Property taxes	1,206,573	1,172,599	-	-	1,206,573	1,172,599
Sales taxes	354,920	319,766	-	-	354,920	319,766
Other taxes	19,125	14,064	-	-	19,125	14,064
Investment income	1,107	27,547	193	611	1,300	28,158
Other	822	1,561	-	-	822	1,561
Total Revenues	2,009,733	1,835,408	39,023	34,082	2,048,756	1,869,490
EXPENSES						
Program Expenses:						
Customer Satisfaction and Management Services	22,806	24,596	-	-	22,806	24,596
Administrative Services	172,201	128,313	-	-	172,201	128,313
Financial Services	23,039	24,469	-	-	23,039	24,469
Land Use and Environmental Services	102,048	78,069	-	-	102,048	78,069
Community Services	130,167	120,880	-	-	130,167	120,880
Detention and Court Support Services	176,769	188,554	-	-	176,769	188,554
Health and Human Services	312,989	298,963	-	-	312,989	298,963
Business Partners	986,894	902,955	-	-	986,894	902,955
Interest Expense	63,933	66,256	-	-	63,933	66,256
Solid Waste	-	-	32,058	30,564	32,058	30,564
Total Expenses	1,990,846	1,833,055	32,058	30,564	2,022,904	1,863,619
Increase in net position before transfers	18,887	2,353	6,965	3,518	25,852	5,871
Transfers	-	-	-	-	-	-
Increase in net position after transfers	18,887	2,353	6,965	3,518	25,852	5,871
Net position, beginning of year	139,853	137,500	92,729	89,210	232,582	226,710
Cumulative change in accounting principle (See note 20)	51,204	-	706	-	51,910	-
Net position, beginning of year	191,057	137,500	93,435	89,210	284,492	226,710
Net position, end of year	\$ 209,944	\$ 139,853	\$ 100,400	\$ 92,728	\$ 310,344	\$ 232,581

Governmental-type Activities

Program revenues covered 16.4% of County expenses at June 30, 2020 and 21.5% at June 30, 2021, with general revenues covering the balance of expenses. There are three program revenue categories, with charges for services providing the most coverage of expenses. The change in net position for the year ended June 30, 2021 results from higher revenues - primarily property tax, sales tax and charges to users. Property tax revenues increased \$34.0 million (2.9%) from the prior year, as the County saw an increase in property tax levies due to growth within the

County and continued improvements to revenue collection efforts. Sales tax revenue increased \$35.2 million (11.0%) from fiscal year 2020 due to economic growth. Investment income decreased \$26.4 million (96.0%) from the year ended June 30, 2020. Consistent with the previous fiscal year, the County's investments were negatively impacted by low interest rates. Charges to users of County services generated revenues that supported 11.5% of County governmental operations for fiscal year 2021 and 7.6% for fiscal year 2020, resulting in an increase of 65.0% 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 \$21.9 million (13.6%) in fiscal year 2021, while capital grant revenue increased significantly by \$15.6 million as the County has experienced an increase in the number of capital grants awarded to the organization. The County covered 10.0% of expenses with operating and capital grant revenues in fiscal year 2021 and 8.8% in fiscal year 2020.

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 \$39.50 per residential unit; a landfill tipping fee at a private sanitary landfill of approximately \$35.60 per ton for residential waste; a tipping fee of \$51.00 per ton for commercial construction debris at the County owned Foxhole Landfill; a tipping fee of \$27.00 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 FY21 to reflect higher contract costs associated with external disposal costs, as well as fund needed capital infrastructure. Solid Waste activity contributed 1.9% to the primary government's total revenue for fiscal year 2021 as compared to 1.8% contributed for fiscal year 2020, resulting in an increase of 11.2% to total revenue.

The Employee Benefits Internal Service Fund accounts for benefits subsidized by the County. The funds net position at year-end totaled \$25.0 million.

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 \$621.0 million, of which \$180.5 million is restricted for Stabilization by State Statute, \$25.2 million is committed for Administrative Services as approved by the Board of County Commissioners, \$52.2 million is committed for Land Use and Environmental Services, \$24.9 million is committed for Capital Projects in support of the County's Capital Improvement Plans, \$3.8 million is committed for Detention and Court Support Services, \$6.4 million is committed for Community Services, \$19.0 million is committed for Health and Human Services, \$6.9 million is committed for Business Partners and \$302.1 million is unassigned.

General Fund total revenues were greater than budget by \$24.4 million with sales taxes accounting for the majority of the increase, and expenditures and other financial uses were less than revenue by \$85.4 million, as explained more fully below.

Revenues for the General Fund increased \$84.3 million, or 6.1% from fiscal year 2020:

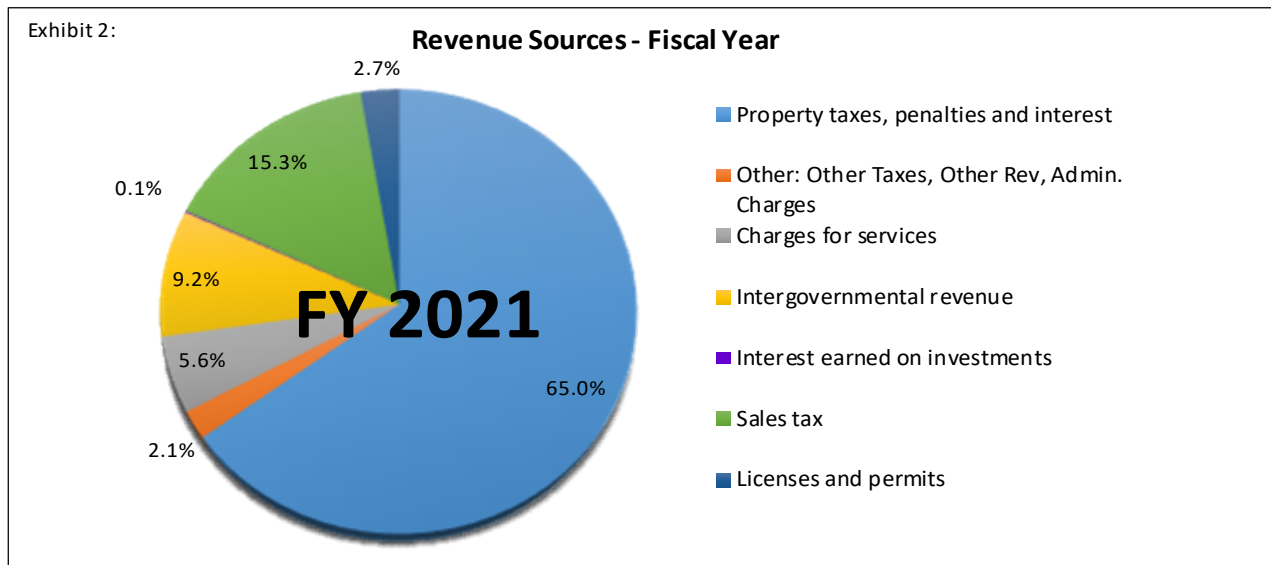
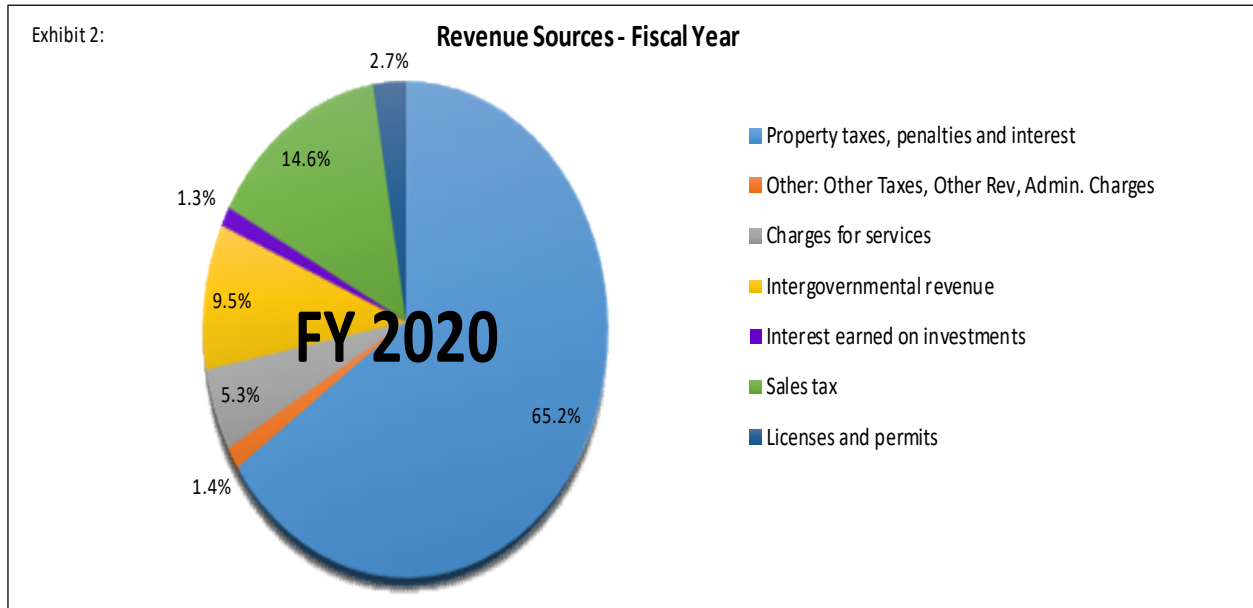
- Property tax revenues increased 5.6% from the prior year. For 2021, the collection rates were consistent with the prior year. Current year collections represented 99.2% of the current year levy for 2021 and 98.9% for 2020. This growth is a result of the County's growth population and increased valuations.
- Sales tax revenues reported in the General Fund were \$223.7 million, an increase of \$22.7 million from fiscal year 2020 resulting from an increase in consumer spending.
- Intergovernmental revenues totaled \$135.0 million as compared to \$130.6 million for fiscal year 2020 an increase of \$4.3 million (3.3%). 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 \$9.7 million (13.5%) from the prior year mainly due to increases in revenue from Land Use and Environmental Services and Detention and Court Support Services. Licenses and permit fees increased \$2.9 million (8.0%) from the prior year due to the increase in construction permit revenue.
- Interest earned on investments decreased \$17.6 million (95.4%) from the amount recorded in fiscal year 2020. The change results from a decrease in the fair value of the County's investments as of June 30, 2021 due to low interest rates. The County follows sound investment practices and strives to maximize invested balances and interest earnings within the parameters of allowable investment vehicles.

Exhibit 1:

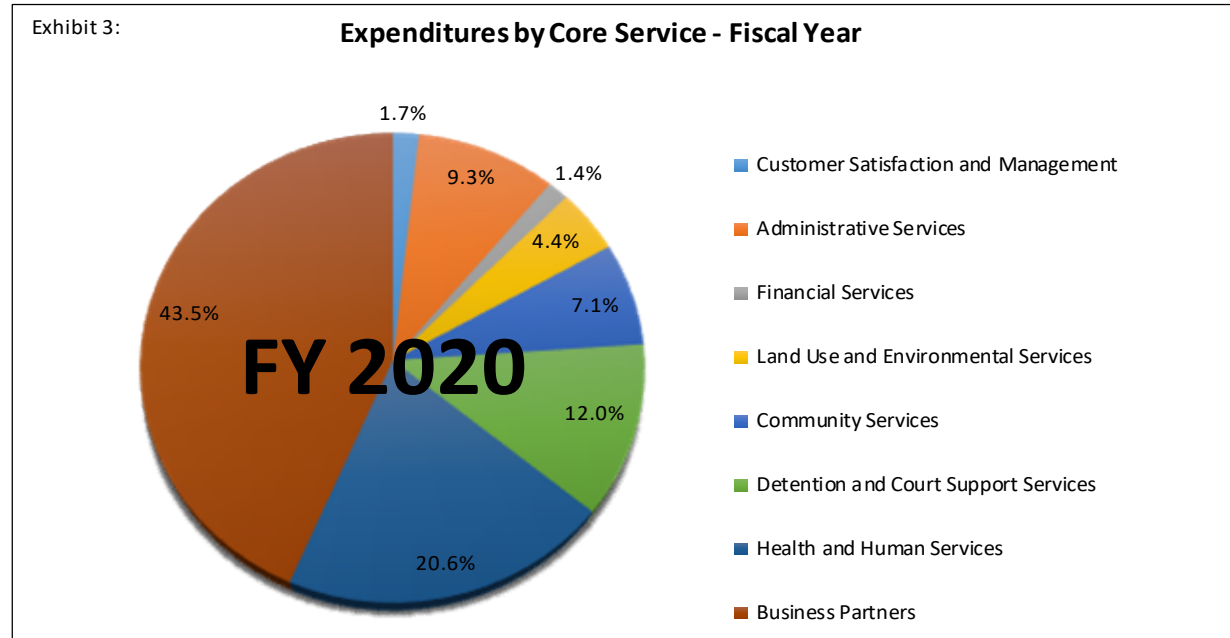
Grant Programs

All Funds		
Program Category	Number	Revenue (millions)
Social Services	49	\$ 54.3
Health	48	25.6
Other	56	64.8
Total	153	\$ 144.7

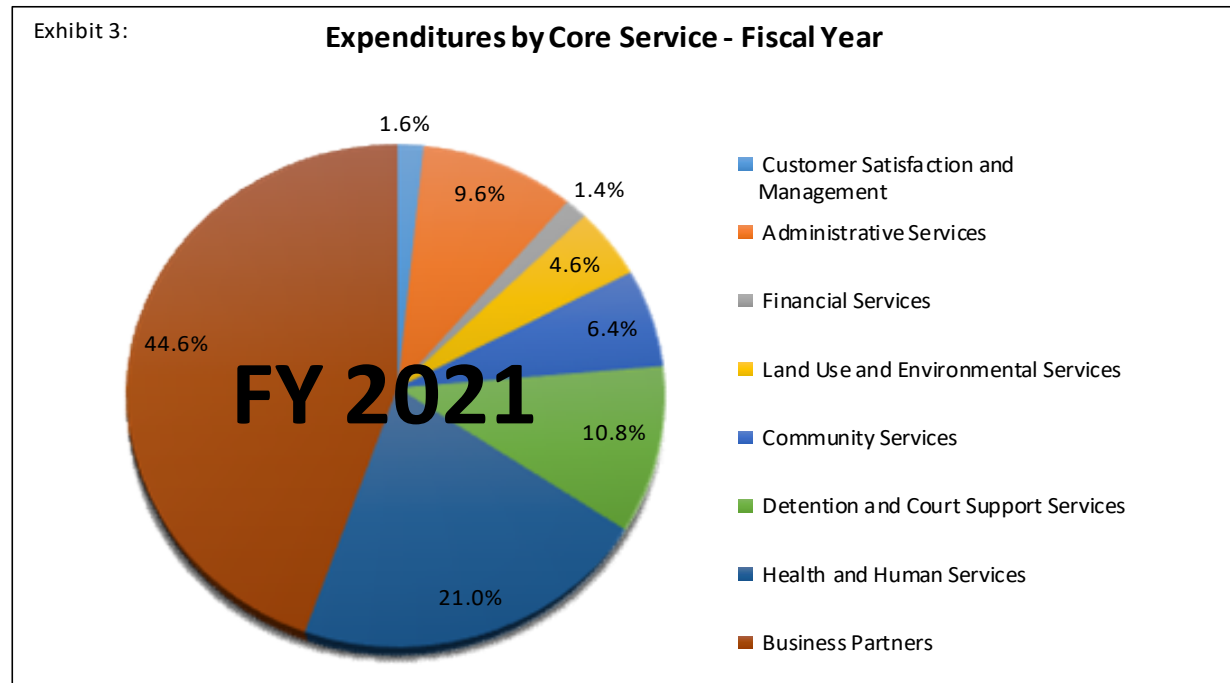
The composition of the General Fund revenue dollar for fiscal years 2021 and 2020 are illustrated in Exhibit 2.



General Fund expenditures increased \$16.1 million (1.2%) over those of last year. Exhibit 3 graphically illustrates the County's expenditure dollar for the two years.



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Administrative services, which includes Internal Audit, Attorney's Office, Human Resources, Information Services and Technology, Non-departmental and Asset and Facility Management, increased \$4.9 million (4.0%) 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 and Health and Human Services expenditures ranged from 2.3% to 5.3%. Land Use and Environmental Services increase is a result of continued construction growth in the community. 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. Community Services decrease by 9.0% from prior year mainly due to the temporary closing of Park and Recreation facilities in response to the pandemic.

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 96.8% 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 \$534.2 million including capital outlay, \$19.8 million more than the amount allocated for fiscal year 2020. Funding to Central Piedmont Community College, a crucial community partner responsible for helping students achieve academic success, was \$39.1 million, an increase of 3.2%. These changes, plus adjustments to other outside agencies resulted in an overall increase in expenditures to Business Partners of \$22.0 million from fiscal year 2020.

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 \$3.5 million (8.7%) 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 \$6.2 million (3.6%), reflecting the continued debt to fund the capital needs of the schools and community college.

Special Revenue Funds

Total revenues for the fourteen Special Revenue Funds, increased in comparison to fiscal year 2020. Overall, total revenues increased \$46.5 million or 38.7% over the prior year. The majority of the change in revenue is primarily attributable to the following: \$20.6 million increase in Charges for Services; \$18.2 million increase in intergovernmental revenue due to Coronavirus Relief Funding received from the federal government, \$4.7 million increase in Transit one-half cent sales taxes, and increases in the Fire Service and Law Enforcement Service Districts taxes. The implementation Governmental Accounting Standards Board (GASB) Statement No. 84 resulted in the addition of two new Special Revenue funds reclassified and previously reported as Agency funds. This change contributed to the increase in revenue for Charges for Services. Special revenue funds also experienced a decrease in revenue for interest earned on investments

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 \$45.8 million to address the Board's priorities and provide for a well-managed government.

General Fund revenues were over final budget by \$24.4 million (1.7%). This increase is related to several factors. The County's property tax collections increased (\$17.9 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 increased by \$23.2 million as a result of increased consumer spending. Licenses and permits increased \$5.8 million due to the rise in the number of inspection permits issued due to construction growth. The decrease in intergovernmental revenue (\$21.6 million) is mainly attributed to the significant decrease in federal funding received in the general fund.

General Fund expenditures were under budget by \$188.8 million, a variance of 12.4% from the final budget. This results from departments and business partners reduced spending as well as encumbrances remaining outstanding at June 30, 2021, 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 (\$93.8 million) and Land Use and Environmental Services (\$15.0 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, 2021 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 6.1% 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 2.6% with no significant changes during the fiscal year.

The change in governmental activities assets in the amount of \$78.2 million results primarily from: 1) a net increase to construction in progress totaling \$41.1 million as a result of ongoing and starting new capital projects for the County; 2) a net increase in land totaling \$38.3 million as the County moves forward with expanding services; 3) a net decrease in land improvements totaling \$0.7 million; 4) and a net decrease to buildings and improvements totaling \$1.2 million. The change in vehicles and heavy equipment and furniture, machinery and equipment results from the net change of adding and disposing of items.

The \$2.1 million increase in business-type activities (enterprise fund) is mainly because of an increase in construction in progress as a result of ongoing capital projects totaling \$0.7 million. For the most part, the net changes in other business-type activities capital assets categories totaling \$1.4 million are the result of land acquisition, land improvements and 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, 2021.

Capital Assets, Net of Accumulated Depreciation

Description	(in thousands)					
	Governmental		Business-type		Total	
	Activities		Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 741,689	\$ 703,342	\$ 42,576	\$ 42,092	\$ 784,265	\$ 745,434
Construction in progress	99,885	58,745	984	252	100,869	58,997
Land improvements	18,358	19,050	5,086	4,602	23,444	23,652
Buildings and improvements	469,527	470,745	17,987	18,156	487,514	488,901
Vehicles and heavy equipment	10,299	10,977	1,616	1,315	11,915	12,292
Furniture, machinery and equipment	19,162	17,381	13,007	12,750	32,169	30,131
Computer software	480	986	-	-	480	986
Total	\$ 1,359,400	\$ 1,281,226	\$ 81,256	\$ 79,167	\$ 1,440,656	\$ 1,360,393

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, 2021 and 2020, general obligation bonds and certificates of participation consisted of:

General Obligation Bonds and Installment Financings

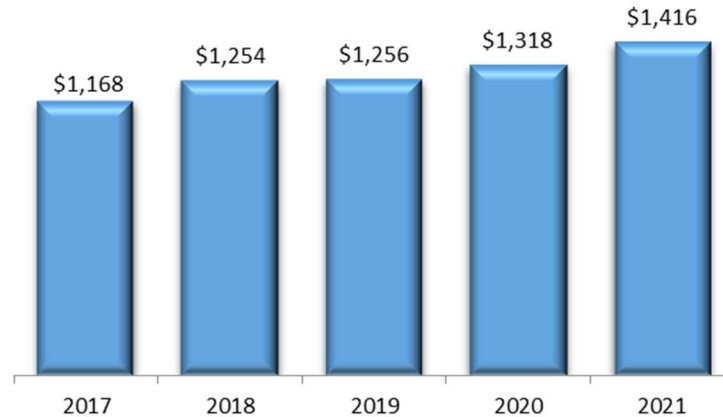
Description	(in thousands)					
	Governmental		Business-type		Total	
	Activities		Activities		Total	
	2021	2020	2021	2020	2021	2020
Public Improvement Bonds	\$ 1,418,580	\$ 1,309,595	\$ -	\$ -	\$ 1,418,580	\$ 1,309,595
Installment Financings	183,967	217,659	-	-	183,967	217,659
Special Obligation Bonds	-	-	5,170	6,095	5,170	6,095

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 \$1,416, an increase of 7.4% from the prior year which results from an increase in bonds payable and spreading the outstanding debt over a 0.6% increase in County population.

Exhibit 4:

Bonded Debt Outstanding Per Capita

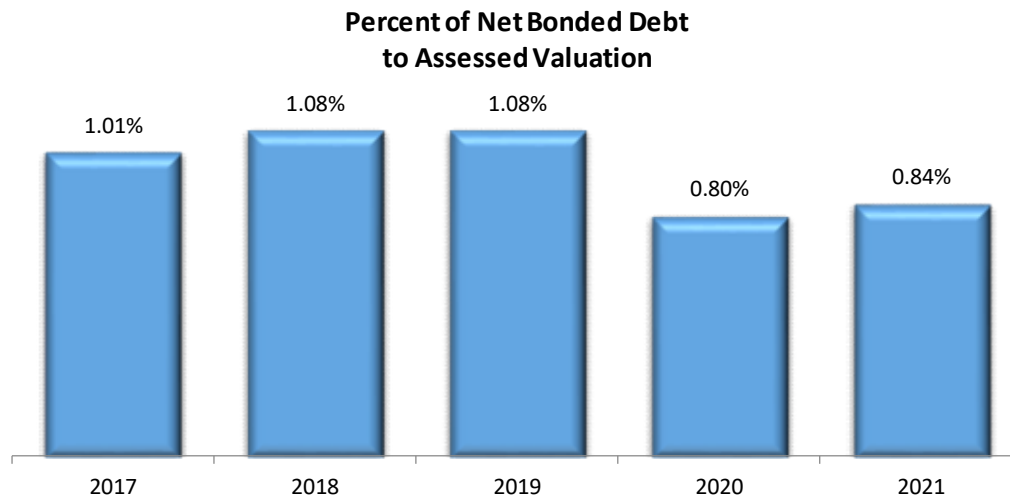


The County's net bonded debt is .84% of assessed valuation, well below the 8.0% of assessed valuation legal debt limit of \$13.2 billion, authorized by N.C. General Statute Chapter 159. See Exhibit 5.

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, 2021.

Exhibit 5:



Outlook for the Next Year

The Board approved a \$2.0 billion annual budget for fiscal year 2022, an increase of \$105.1 million, or 5.5% over fiscal year 2021. The 2021 tax rate is 61.69 cents per \$100 of assessed valuation, no change from FY2021. The Fiscal Year 2022 Adopted Budget has two primary objectives:

- 1) It funds programs and initiatives that align with the Board of County Commissioners top 5 priorities: and
- 2) It funds the County's core, critical services, and programs.

Major funding decisions for fiscal year 2022 are listed as follows:

- One of the top five priorities for the Board of County Commissioners is Environmental Leadership. As a result, the Board adopted a revised Environmental Leadership Policy that tasks the County with operating in a manner that protects and preserves natural resources, fosters healthy environmental solutions and models environmental stewardship and responsibility within the region. The FY22 Adopted Budget includes \$30.1 million invested for the Environmental Leadership Action Plan. The funding includes \$3.5 million for facility upgrades; \$2.3 million for the purchase of electric vehicles; \$20.8 million for park land and nature preserve acquisition, invasive species control, and funding for an additional Real Estate manager; and \$3.4 million for stream.
- Affordable housing remains as one of the top priorities of the Board of County Commissioners. The FY22 Adopted Budget includes a net investment of \$12.6 million which includes \$7 million to support the County's rental subsidy program. Portions of the funding will expand the MeckHome Program, serve an additional 20 families and increase the subsidy amount for existing households in the program. Also included is \$1 million to continue funding for Habitat for Humanity's Critical Home Repair Program, \$2.5 million to match City of Charlotte funding for a shelter/hotel, \$0.5 million for the Salvation Army Shelter, \$0.8 million to support expansion of The Relatives new On-Ramp center, and other portions that provide supportive services for chronic homelessness and other housing programs.
- The expansion of Meck Pre-K early childhood education is our most important investment in economic opportunity—with a County vision to implement voluntary, universal public pre-k education for all eligible 4-year-old children. The FY22 Adopted Budget continues to build on the initiatives of the program with \$2 million

in funding to continue the expansion of the program. The funding will allow for the addition of 16 classrooms, bringing the total number of classrooms to 105, with the capacity to serve up to 1,890 students.

- Workforce Development is also a top priority of the Board of County Commissioners. The FY22 Adopted Budget includes \$1.7 million to support strategies to create partnerships and opportunities to connect residents seeking jobs to employers and place them on a path to a satisfying career that involves mentorship and development. The funding includes \$0.9 million for the Road to Hire program assisting low-income high school seniors. Portions of the funding is also for programs and non-profits such as Meck Success, the Small Business Consortium, the Center for Employment Opportunities, Center for Community Transitions, Youth Conservation Corps, and ASPIRE Community Capital. There is also funding for a new position in the County Manager's Office to manage the County's Workforce Development strategy, a position at the Charlotte-Mecklenburg Library to address the digital divide and workplace development, and a Business Retention/Attraction position in the Office of Economic Development.
- Reducing education attainment gaps is also a Board priority. This priority links budget allocations to strategies and targets to improve college and career readiness outcomes for all students. The County has consistently funded education more than 40% of the County budget. Funding for both CMS and CPCC will increase in Fiscal year 2022. CMS will receive an overall increase of \$17.2 million, or 2.4% over fiscal year 2021. The FY22 Adopted Budget includes \$538.0 million for CMS operating expenses. In addition, the Adopted Budget includes \$173.5 for debt service; \$18 million for deferred maintenance; and \$5.0 million for capital replacements for CMS. Funding for Central Piedmont Community College operating expenses is \$40.6 million, an increase of \$1.5 million over fiscal year 2021. In addition, CPCC received \$19.3 million for debt service and \$2.8 million under the deferred capital maintenance plan.
- Since fiscal year 2020, reducing racial disparities has been one of the top priorities of the Board of County Commissioners. The FY22 Adopted Budget includes \$11.4 million to continue addressing racial equity. The funding includes \$5.0 million for underinvested parks; \$2.2 million for the Unite Charlotte Program administered by United Way of Central Carolinas; \$2.0 million for equity investments of the County's Equity Action Plan developed and led by the County's Office of Equity and Inclusion; \$0.7 million in new funding for the Arts and Science Council; and portions to support grassroots nonprofits, projects and programs that contribute to the County's goals and strategies that support the advancement of racial equity.

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, 2021

	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	\$ 1,273,938,820	\$ 41,881,432	\$ 1,315,820,252	\$ 13,261,559	\$ 7,775,588	\$ 38,389,083
Receivables, net	185,260,021	1,297,954	186,557,975	4,067,447	12,481,146	-
Due from other governmental agencies	-	-	-	557,062	-	-
Advances to other governmental agencies	4,478,389	-	4,478,389	-	-	-
Prepaid expenses	-	-	-	102,129	15,598	593,482
Inventories	-	-	-	-	-	12,513,051
Restricted assets - cash and investments	206,721,911	909,236	207,631,147	21,782,631	-	-
Pledges receivable, noncurrent	-	-	-	12,119,692	-	-
Net pension asset - ROD	1,819,879	-	1,819,879	-	-	-
Capital assets						
Land	741,688,989	42,575,382	784,264,371	13,523,473	-	-
Construction in progress	99,885,223	983,975	100,869,198	15,097,513	-	-
Other capital assets, net of accumulated depreciation	517,826,202	37,696,959	555,523,161	82,427,755	7,118,405	45,758,607
TOTAL ASSETS	<u>3,031,619,434</u>	<u>125,344,938</u>	<u>3,156,964,372</u>	<u>162,939,261</u>	<u>27,390,737</u>	<u>97,254,223</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>124,936,116</u>	<u>1,300,826</u>	<u>126,236,942</u>	<u>12,055,756</u>	<u>18,928,946</u>	<u>2,236,609</u>
LIABILITIES						
Accounts payable and other accrued liabilities	249,744,566	2,013,699	251,758,265	6,206,692	8,688,995	23,748,800
Accrued interest payable	16,685,375	128,200	16,813,575	-	-	-
Unearned revenue	113,817,147	-	113,817,147	706,600	-	-
Long-term liabilities						
Due within one year	204,928,240	1,440,082	206,368,322	1,805,090	2,499,523	-
Due in more than one year	2,228,704,400	22,651,457	2,251,355,857	86,799,714	90,431,289	3,519,469
TOTAL LIABILITIES	<u>2,813,879,728</u>	<u>26,233,438</u>	<u>2,840,113,166</u>	<u>95,518,096</u>	<u>101,619,807</u>	<u>27,268,269</u>
DEFERRED INFLOWS OF RESOURCES	<u>132,731,796</u>	<u>12,130</u>	<u>132,743,926</u>	<u>2,296,910</u>	<u>11,080,937</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	1,185,682,713	75,798,910	1,261,481,623	111,028,886	7,118,405	45,758,607
Restricted						
Stabilization by State Statute	348,926,366	-	348,926,366	2,711,343	12,825,577	-
Land Use and Environmental Services	1,981,461	-	1,981,461	-	-	-
Detention and Court Support Services	5,379,781	-	5,379,781	-	-	-
Capital Projects	-	-	-	-	-	3,182,092
Debt Service	-	832,594	832,594	-	-	-
Grants	-	-	-	123,907	-	-
Programming	-	-	-	440,058	-	-
Register of Deeds' Pension Plan	1,819,879	-	1,819,879	-	-	-
Facility Enhancements	-	-	-	1,093,244	-	-
By Law for Specific Purposes	-	-	-	37,391,363	-	6,015,269
Unrestricted (deficit)	<u>(1,333,846,174)</u>	<u>23,768,692</u>	<u>(1,310,077,482)</u>	<u>(75,608,790)</u>	<u>(86,325,043)</u>	<u>17,266,595</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ 209,944,026</u>	<u>\$ 100,400,196</u>	<u>\$ 310,344,222</u>	<u>\$ 77,180,011</u>	<u>\$ (66,381,061)</u>	<u>\$ 72,222,563</u>

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, 2021

		Program Revenues			Net (Expense) / Revenue and Changes in Net Position					
					Primary Government			Component Units		
		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
Functions / Programs	Expenses									
PRIMARY GOVERNMENT										
Governmental Activities										
Customer Satisfaction and Management Services	\$ 22,806,322	\$ -	\$ 7,075,690	\$ -	\$ (15,730,632)	\$ -	\$ (15,730,632)	\$ -	\$ -	\$ -
Administrative Services	172,201,207	61,181,296	29,638,438	-	(81,381,473)	-	(81,381,473)	-	-	-
Financial Services	23,038,596	1,899,188	-	-	(21,139,408)	-	(21,139,408)	-	-	-
Land Use and Environmental Services	102,047,623	110,261,775	4,810,365	-	13,024,517	-	13,024,517	-	-	-
Community Services	130,166,889	4,252,438	6,147,481	16,490,912	(103,276,058)	-	(103,276,058)	-	-	-
Detention and Court Support Services	176,768,598	40,888,482	4,327,502	-	(131,552,614)	-	(131,552,614)	-	-	-
Health and Human Services	312,989,177	7,473,953	119,958,147	-	(185,557,077)	-	(185,557,077)	-	-	-
Business Partners	986,893,485	2,050,824	10,728,997	-	(974,113,664)	-	(974,113,664)	-	-	-
Interest on long-term debt										
General purpose	9,634,416	-	-	-	(9,634,416)	-	(9,634,416)	-	-	-
Public schools	54,299,003	-	-	-	(54,299,003)	-	(54,299,003)	-	-	-
Total Governmental Activities	1,990,845,316	228,007,956	182,686,620	16,490,912	(1,563,659,828)	-	(1,563,659,828)	-	-	-
Business-type Activities										
Solid Waste	32,058,236	38,393,872	-	436,439	-	6,772,075	6,772,075	-	-	-
Total Business-type Activities	32,058,236	38,393,872	-	436,439	-	6,772,075	6,772,075	-	-	-
TOTAL PRIMARY GOVERNMENT	\$ 2,022,903,552	\$ 266,401,828	\$ 182,686,620	\$ 16,927,351	(1,563,659,828)	6,772,075	(1,556,887,753)	-	-	-
COMPONENT UNITS										
Public Library of Charlotte and Mecklenburg County	\$ 53,474,139	\$ 1,379,760	\$ 1,577,113	\$ -	-	-	-	(50,517,266)	-	-
Mecklenburg Emergency Medical Services Agency	71,014,690	49,050,811	2,411,101	-	-	-	-	-	(19,552,778)	-
Mecklenburg County Alcoholic Beverage Control Board	147,793,586	156,649,459	-	-	-	-	-	-	-	8,855,873
TOTAL COMPONENT UNITS	\$ 272,282,415	\$ 207,080,030	\$ 3,988,214	\$ -	-	-	-	(50,517,266)	(19,552,778)	8,855,873
General Revenues										
Property taxes, levied for general purposes					1,178,868,557	-	1,178,868,557	-	-	-
Property taxes, levied for Law Enforcement										
Service District					19,708,644	-	19,708,644	-	-	-
Property taxes, levied for Fire Service Districts					7,995,663	-	7,995,663	-	-	-
Sales taxes					354,919,861	-	354,919,861	-	-	-
Other taxes					19,125,044	-	19,125,044	-	-	-
Investment earnings					1,106,891	193,119	1,300,010	2,114,668	1,226	28,673
Gain on sale of capital assets					822,331	-	822,331	-	-	129,921
Miscellaneous					-	-	-	8,146,992	1,662,710	215,931
Payment from primary government										
Library					-	-	-	52,909,321	-	-
Emergency Medical Services					-	-	-	-	14,481,794	-
Total General Revenues and Payments										
From Primary Government					1,582,546,991	193,119	1,582,740,110	63,170,981	16,145,730	374,525
Change in Net Position					18,887,163	6,965,194	25,852,357	12,653,715	(3,407,048)	9,230,398
Net Position (Deficit), beginning of year					139,853,244	92,728,641	232,581,885	64,526,296	(62,974,013)	62,992,165
Restatement (See note 20)					51,203,619	706,361	51,909,980	-	-	-
Net Position (Deficit), beginning, restated					191,056,863	93,435,002	284,491,865	64,526,296	(62,974,013)	62,992,165
Net Position (Deficit), end of year					\$ 209,944,026	\$ 100,400,196	\$ 310,344,222	\$ 77,180,011	\$ (66,381,061)	\$ 72,222,563

The accompanying notes are an integral part of this statement.

A-3
MECKLENBURG COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Debt Service Fund	Pay-As-You-Go Capital Funding	American Rescue Plan Act	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 626,318,851	\$ 233,955,767	\$ 103,631,320	\$ 107,836,818	\$ 160,959,327	\$ 1,232,702,083
Interest receivable	1,159,156	490,728	-	-	41,734	1,691,618
Accounts receivable	113,420,499	18,915,287	-	-	24,468,179	156,803,965
Taxes receivable	28,764,631	-	-	-	633,275	29,397,906
Less allowance for uncollectible taxes	(4,551,000)	-	-	-	(79,880)	(4,630,880)
Advances to other governmental agencies	4,478,389	-	-	-	-	4,478,389
Due from other funds	70,366	-	-	-	-	70,366
Restricted cash and investments	-	5,641,505	-	-	201,080,406	206,721,911
Total assets	<u>\$ 769,660,892</u>	<u>\$ 259,003,287</u>	<u>\$ 103,631,320</u>	<u>\$ 107,836,818</u>	<u>\$ 387,103,041</u>	<u>\$ 1,627,235,358</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued liabilities	\$ 120,983,965	\$ 11,650	\$ 16,591,111	\$ -	\$ 50,129,933	\$ 187,716,659
Unearned grant revenue	2,569,503	-	-	107,836,818	3,410,826	113,817,147
Due to other funds	-	-	-	-	70,366	70,366
Total liabilities	<u>123,553,468</u>	<u>11,650</u>	<u>16,591,111</u>	<u>107,836,818</u>	<u>53,611,125</u>	<u>301,604,172</u>
DEFERRED INFLOWS OF RESOURCES	<u>25,094,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>553,397</u>	<u>25,647,836</u>
Fund Balances						
Restricted:						
Stabilization by State Statute	180,518,392	19,705,674	81,750,178	-	66,952,122	348,926,366
Land Use and Environmental Services	-	-	-	-	1,981,461	1,981,461
Detention and Court Support Services	-	-	-	-	5,379,781	5,379,781
Capital Projects	-	-	-	-	177,517,842	177,517,842
Committed:						
Administrative Services	25,162,145	-	-	-	-	25,162,145
Land Use and Environmental Services	52,187,999	-	-	-	17,324,896	69,512,895
Public Safety	-	-	-	-	5,535,668	5,535,668
Fire Protection	-	-	-	-	3,663,767	3,663,767
Capital Projects	24,900,000	-	5,290,031	-	71,546,027	101,736,058
Detention and Court Support Services	3,841,732	-	-	-	215,287	4,057,019
Community Services	6,358,000	-	-	-	-	6,358,000
Health and Human Services	19,043,060	-	-	-	186,615	19,229,675
Business Partners	6,900,000	-	-	-	(368,345)	6,531,655
Debt Service	-	239,285,963	-	-	-	239,285,963
Unassigned:	<u>302,101,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,996,602)</u>	<u>285,105,055</u>
Total fund balances	<u>621,012,985</u>	<u>258,991,637</u>	<u>87,040,209</u>	<u>-</u>	<u>332,938,519</u>	<u>1,299,983,350</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 769,660,892</u>	<u>\$ 259,003,287</u>	<u>\$ 103,631,320</u>	<u>\$ 107,836,818</u>	<u>\$ 387,103,041</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						1,359,400,414
Net pension asset						1,819,879
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position						34,136,296
Certain bond expenditures are capitalized for future amortization over the life of the bonds						21,346,206
Other long-term assets are not available for current year expenditures and therefore, are deferred in the funds						24,767,026
Internal service fund is used to charge costs of employee health and life benefits to individual funds.						
The assets and liabilities are included in governmental activities in the statement of net position.						24,618,130
Pension related deferrals						66,558,110
OPEB related deferrals						(128,955,482)
Long-term liabilities including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds						(2,450,318,015)
Other liabilities are not due and payable in the current period and therefore, are not reported in the funds						(43,411,888)
Net position of governmental activities						<u>\$ 209,944,026</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, 2021

	General Fund	Debt Service Fund	Pay-As-You-Go Capital Funding	American Rescue Plan Act	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 1,185,250,033	\$ 300,617,957	\$ -	\$ -	\$ -	\$ 1,485,867,990
Law Enforcement Service District taxes	-	-	-	-	19,868,968	19,868,968
Transit one-half cent sales tax	-	-	-	-	63,330,796	63,330,796
Fire Service Districts taxes	-	-	-	-	8,003,358	8,003,358
Licenses and permits	39,576,492	-	-	-	730,340	40,306,832
Intergovernmental	134,965,376	11,934,503	-	-	36,851,596	183,751,475
Charges for services	82,183,085	-	-	-	40,917,433	123,100,518
Interest earned on investments	850,202	80,018	-	-	176,671	1,106,891
Administrative charges	8,725,467	-	-	-	-	8,725,467
Other	10,040,369	950,148	-	-	149,797	11,140,314
Total revenues	1,461,591,024	313,582,626	-	-	170,028,959	1,945,202,609
EXPENDITURES						
Customer satisfaction and management	21,595,994	-	-	-	-	21,595,994
Administrative services	127,227,155	-	-	-	6,391,482	133,618,637
Financial services	18,395,307	-	-	-	-	18,395,307
Land use and environmental services	60,907,734	-	-	-	32,321,976	93,229,710
Community services	85,337,974	-	-	-	9,797,050	95,135,024
Detention and court support services	143,976,430	-	-	-	1,808,017	145,784,447
Health and human services	278,148,187	-	-	-	15,268,680	293,416,867
Business partners	592,056,989	-	-	-	63,330,796	655,387,785
Public safety	-	-	-	-	24,611,898	24,611,898
Debt service	-	-	-	-	-	-
Principal payments	-	149,020,000	-	-	52,456	149,072,456
Interest and fiscal charges	-	63,262,134	-	-	-	63,262,134
Capital outlay	-	-	154,972,938	-	300,899,157	455,872,095
Total expenditures	1,327,645,770	212,282,134	154,972,938	-	454,481,512	2,149,382,354
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	133,945,254	101,300,492	(154,972,938)	-	(284,452,553)	(204,179,745)
OTHER FINANCING SOURCES (USES)						
Premium on debt issuance	-	963,875	-	-	31,048,225	32,012,100
General obligation bonds issued	-	-	-	-	225,000,000	225,000,000
Sale of capital assets	25,021	-	-	-	940,589	965,610
Transfers in	957,745	-	92,927,042	-	41,786,886	135,671,673
Transfers out	(49,494,636)	(82,219,292)	(3,000,000)	-	(957,745)	(135,671,673)
Total other financing sources (uses)	(48,511,870)	(81,255,417)	89,927,042	-	297,817,955	257,977,710
NET CHANGE IN FUND BALANCE	85,433,384	20,045,075	(65,045,896)	-	13,365,402	53,797,965
FUND BALANCE - BEGINNING OF YEAR	496,194,898	238,946,562	152,086,105	-	315,390,238	1,202,617,803
Restatement (See note 20)	39,384,703	-	-	-	4,182,879	43,567,582
FUND BALANCE - BEGINNING OF YEAR, RESTATED	535,579,601	238,946,562	152,086,105	-	319,573,117	1,246,185,385
FUND BALANCE - END OF YEAR	\$ 621,012,985	\$ 258,991,637	\$ 87,040,209	\$ -	\$ 332,938,519	\$ 1,299,983,350

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, 2021

Net change in fund balances - total governmental funds	\$ 53,797,965
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.	113,568,782
Depreciation expense is reported in the Statement of Activities, but not in the fund statements.	(35,251,577)
Loss on disposal of assets and adjustment to accumulated depreciation is reported in the Statement of Activities, but not in the fund statements.	(143,279)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	34,136,296
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.	(225,000,000)
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.	(671,285)
Bond premiums and deferred charges, respectively, for the governmental funds are deferred and amortized in the Statement of Activities.	(13,920,675)
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.	152,422,241
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.	(3,384,514)
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.	(25,609,384)
Other long-term liabilities are reported in the Statement of Net Position, but not in the fund statements.	(8,654,797)
Consolidated adjustment for the Internal Service Fund and the Governmental Funds	
Internal service fund net revenue	(22,739,149)
Portion of internal service fund net revenue allocated to business-type activities	<u>336,539</u>
Change in net position of governmental activities	<u>\$ 18,887,163</u>

The accompanying notes are an integral part of this statement.

A-6
MECKLENBURG COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance from Final Budget Positive/(Negative)
	Original	Final	Actual	
REVENUES				
Taxes				
General property - current	\$ 924,135,150	\$ 924,135,150	\$ 939,996,614	\$ 15,861,464
General property - prior	4,325,000	4,325,000	6,322,600	1,997,600
Interest on delinquent taxes	3,203,048	3,203,048	3,076,259	(126,789)
Sales	200,497,608	200,497,608	223,660,687	23,163,079
Room occupancy	1,278,247	1,278,247	753,242	(525,005)
Vehicle rental	3,222,065	3,222,065	3,362,551	140,486
Other	1,600,000	1,600,000	8,078,080	6,478,080
Total taxes	1,138,261,118	1,138,261,118	1,185,250,033	46,988,915
Licenses and permits				
Business licenses	107,000	107,000	101,645	(5,355)
Inspection permits	32,761,688	33,548,623	39,412,702	5,864,079
Marriage licenses	160,785	160,785	62,145	(98,640)
Total licenses and permits	33,029,473	33,816,408	39,576,492	5,760,084
Intergovernmental				
Federal	88,310,888	128,944,629	108,034,609	(20,910,020)
State	18,869,576	20,574,071	18,721,537	(1,852,534)
Local	7,050,265	7,085,265	8,209,230	1,123,965
Total intergovernmental	114,230,729	156,603,965	134,965,376	(21,638,589)
Charges for services				
Administrative Services	64,000	134,898	384,751	249,853
Financial Services	2,321,103	2,321,103	1,600,629	(720,474)
Land Use and Environmental Services	31,934,229	31,934,229	34,049,625	2,115,396
Community Services	5,767,192	5,767,192	734,726	(5,032,466)
Detention and Court Support Services	29,355,165	30,316,420	39,127,797	8,811,377
Health and Human Services	8,375,655	8,375,655	5,466,597	(2,909,058)
Business Partners	2,300,000	2,300,000	818,960	(1,481,040)
Total charges for services	80,117,344	81,149,497	82,183,085	1,033,588
Interest earned on investments	6,300,000	6,300,000	850,202	(5,449,798)
Administrative charges	8,791,179	8,791,179	8,725,467	(65,712)
Other				
Rental	3,950,218	3,950,218	2,580,425	(1,369,793)
Document fees	1,193,449	1,193,449	1,108,893	(84,556)
Miscellaneous	5,484,245	7,097,204	6,351,051	(746,153)
Total other	10,627,912	12,240,871	10,040,369	(2,200,502)
Total revenues	1,391,357,755	1,437,163,038	1,461,591,024	24,427,986

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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, 2021

	Budgeted Amounts		Actual	Variance from
	Original	Final		Final Budget
				Positive/(Negative)
EXPENDITURES				
Customer satisfaction and management				
County Commissioners	\$ 683,686	\$ 679,355	\$ 559,438	\$ 119,917
Economic Development Office	11,464,157	16,006,000	9,876,071	6,129,929
Manager's Office	9,641,456	13,704,395	8,159,520	5,544,875
Public Service and Information	3,213,133	3,347,145	3,000,965	346,180
Total customer satisfaction and management	25,002,432	33,736,895	21,595,994	12,140,901
Administrative services				
Internal Audit	1,892,676	2,121,842	2,022,280	99,562
Attorney's Office	2,353,385	2,412,545	2,043,737	368,808
Human Resources	7,250,930	7,364,927	6,341,179	1,023,748
Information Services and Technology	36,122,671	36,870,021	34,433,481	2,436,540
Nondepartmental	77,266,226	65,300,185	51,403,206	13,896,979
Asset and Facility Management	36,373,688	37,182,622	30,983,272	6,199,350
Total administrative services	161,259,576	151,252,142	127,227,155	24,024,987
Financial services				
Finance	14,578,147	15,005,395	13,019,631	1,985,764
Tax Collection	6,315,935	7,172,900	5,375,676	1,797,224
Total financial services	20,894,082	22,178,295	18,395,307	3,782,988
Land use and environmental services				
County Assessor's Office	15,670,559	16,515,493	12,508,751	4,006,742
Code Administration	41,699,148	42,734,276	37,361,002	5,373,274
Air Quality	2,011,203	7,715,886	3,237,807	4,478,079
Water and Land Resources	5,038,111	5,586,653	4,799,255	787,398
Register of Deeds	3,327,051	3,371,356	3,000,919	370,437
Total land use and environmental services	67,746,072	75,923,664	60,907,734	15,015,930
Community services				
Public Libraries	38,960,759	38,970,325	37,200,673	1,769,652
Park and Recreation	51,852,534	53,408,483	39,249,594	14,158,889
Elections	5,637,452	9,380,120	8,887,707	492,413
Total community services	96,450,745	101,758,928	85,337,974	16,420,954
Detention and court support services				
Medical Examiner	2,796,108	2,836,004	2,570,756	265,248
Criminal Justice Services	13,019,906	19,274,786	14,675,007	4,599,779
Sheriff and Jail	138,460,750	143,836,550	126,730,667	17,105,883
Total detention and court support services	154,276,764	165,947,340	143,976,430	21,970,910

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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, 2021

	Budgeted Amounts			Variance from Final Budget Positive/(Negative)
	Original	Final	Actual	
Health and human services				
Public Health	\$ 92,150,137	\$ 128,855,558	\$ 87,689,617	\$ 41,165,941
Social Services	166,265,627	192,560,993	155,940,053	36,620,940
Community Support Services	19,300,235	31,456,091	20,338,075	11,118,016
Community Resources	17,570,773	19,121,172	14,180,442	4,940,730
Total health and human services	295,286,772	371,993,814	278,148,187	93,845,627
Business partners				
Emergency Medical Services	14,481,794	14,481,794	14,481,794	-
City - County Joint Programs	1,788,395	2,367,472	1,737,684	629,788
Board of Education:				
Current	513,932,548	524,932,548	524,932,548	-
Capital Outlay	4,960,000	9,560,000	9,288,437	271,563
Central Piedmont Community College	39,091,669	39,091,669	39,091,669	-
Hospitals	1,000,000	1,041,232	1,041,232	-
Historic Landmark Commission	499,567	608,922	397,535	211,387
Community Service Grants	1,314,613	1,552,242	1,086,090	466,152
Total business partners	577,068,586	593,635,879	592,056,989	1,578,890
Total expenditures	1,397,985,029	1,516,426,957	1,327,645,770	188,781,187
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,627,274)	(79,263,919)	133,945,254	213,209,173
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	41,027	25,021	(16,006)
Transfers in	978,927	978,927	957,745	(21,182)
Transfers out	(49,198,730)	(49,535,066)	(49,494,636)	40,430
Appropriated Fund Balance	54,847,077	127,779,031	-	(127,779,031)
Total other financing sources (uses)	6,627,274	79,263,919	(48,511,870)	(127,775,789)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	85,433,384	\$ 85,433,384
FUND BALANCE - BEGINNING OF YEAR			496,194,898	
Restatement (See note 20)			39,384,703	
FUND BALANCE - BEGINNING OF YEAR, RESTATED			535,579,601	
FUND BALANCE - END OF YEAR			\$ 621,012,985	

The accompanying notes are an integral part of this statement.

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MECKLENBURG COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business Type Activities Solid Waste Enterprise Fund	Governmental Activities Employee Benefits Internal Service Fund
ASSETS		
Current Assets		
Cash and investments	\$ 41,261,960	\$ 41,856,209
Interest receivable	46,032	-
Accounts receivable	1,221,916	2,027,418
Total current assets	<u>42,529,908</u>	<u>43,883,627</u>
Noncurrent Assets		
Restricted cash and investments	909,236	-
Capital assets		
Land	42,575,382	-
Construction in progress	983,975	-
Land improvements	11,359,230	-
Buildings	31,200,024	-
Vehicles and heavy equipment	5,487,326	-
Furniture, machinery and equipment	27,661,191	-
Total capital assets	119,267,128	-
Less accumulated depreciation	<u>(38,010,812)</u>	-
Total capital assets, net of accumulated depreciation	81,256,316	-
Total noncurrent assets	<u>82,165,552</u>	-
Total assets	<u>124,695,460</u>	<u>43,883,627</u>
DEFERRED OUTFLOW OF RESOURCES		
Pension deferrals	<u>1,300,826</u>	-
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	1,862,243	18,895,675
Compensated absences	406,780	-
Bonds payable, net of unamortized premium	1,033,302	-
Total current liabilities	<u>3,302,325</u>	<u>18,895,675</u>
Long-term Liabilities		
Compensated absences	554,036	-
Net pension liability	2,510,434	-
Landfill development and postclosure care costs	15,086,241	-
Bonds payable, net of unamortized premium	4,500,746	-
Total long-term liabilities	<u>22,651,457</u>	-
Total liabilities	<u>25,953,782</u>	<u>18,895,675</u>
DEFERRED INFLOWS OF RESOURCES		
Pension deferrals	<u>12,130</u>	-
NET POSITION		
Net investment in capital assets	75,798,910	-
Restricted net position		
Restricted for debt service	832,594	-
Unrestricted	23,398,870	24,987,952
Total net position	<u>\$ 100,030,374</u>	<u>\$ 24,987,952</u>

The accompanying notes are an integral part of this statement.

A-8
MECKLENBURG COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business Type Activities	Governmental Activities
	Solid Waste Enterprise Fund	Employee Benefits Internal Service Fund
OPERATING REVENUES		
Charges for services	\$ -	\$ 54,505,361
Residential availability fees	19,006,179	-
Recycling sales and tip fees	15,972,620	-
Other	2,606,923	99,400
Total operating revenues	<u>37,585,722</u>	<u>54,604,761</u>
OPERATING EXPENSES		
Personnel services and employee benefits	8,151,619	-
Utilities	308,945	-
Supplies	870,827	-
Depreciation	3,360,475	-
Maintenance and repairs	2,803,900	-
Rental and occupancy charges	2,786,647	-
Contractual services	11,379,010	-
Final development and postclosure costs	1,080,142	-
Claims, insurance premiums and fees	-	77,343,910
Total operating expenses	<u>30,741,565</u>	<u>77,343,910</u>
OPERATING INCOME	6,844,157	(22,739,149)
NON-OPERATING REVENUES / (EXPENSES)		
Grant revenue	56,181	-
Interest income	193,119	-
Interest expense	(188,098)	-
Loss on disposal of capital assets	16,116	-
Total non-operating revenues / (expenses)	<u>77,318</u>	<u>-</u>
NET INCOME (LOSS)	6,921,475	(22,739,149)
CAPITAL CONTRIBUTIONS	380,258	-
Change in net position	7,301,733	(22,739,149)
Net position - beginning of year	92,728,641	-
Restatement (See note 20)	-	47,727,101
Net position - beginning of year, restated	<u>92,728,641</u>	<u>47,727,101</u>
Net position - end of year	100,030,374	<u>\$ 24,987,952</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund	369,822	
Change in net position of business-type activities	<u>\$ 100,400,196</u>	

The accompanying notes are an integral part of this statement.

A - 9
MECKLENBURG COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Business Type Activities
	Solid Waste Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from users	\$ 37,816,711
Cash paid to suppliers	(18,006,888)
Cash paid to employees	(7,338,473)
Net cash provided by operating activities	<u>12,471,350</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Grant revenue	56,181
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payments - bonds	(925,000)
Interest paid	(256,400)
Acquisition of capital assets	(5,449,565)
Proceeds from disposal of assets	16,116
Capital contributions	380,258
Net cash used in capital and related financing activities	<u>(6,234,591)</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Interest received	<u>186,960</u>
CHANGE IN CASH AND INVESTMENTS	6,479,900
CASH AND INVESTMENTS - BEGINNING OF YEAR	<u>35,691,296</u>
CASH AND INVESTMENTS - END OF YEAR	<u>\$ 42,171,196</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$ 6,844,157
Depreciation	3,360,475
Change in deferred outflows of resources - pensions	(372,872)
Change in deferred inflows of resources - pensions	(4,858)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in accounts receivable	230,989
Change in payroll accrual	90,416
Change in accounts payable	142,441
Change in compensated absences	245,850
Change in net pension liability	854,610
Change in landfill reserve	1,080,142
Total adjustments	<u>5,627,193</u>
Net cash provided by operating activities	<u>\$ 12,471,350</u>

The accompanying notes are an integral part of this statement.

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MECKLENBURG COUNTY, NORTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021

	Post-Employment Healthcare Benefit Trust Fund	Custodial Funds
ASSETS		
Cash and investments	\$ 23,406,545	\$ 4,751,203
Accounts receivable	212,438	-
Taxes for other governments	-	14,521,303
	<u>23,618,983</u>	<u>19,272,506</u>
Investments at fair value:		
Cash and Equivalents	59	-
Short-term OPEB Fund	34,391,275	-
Long-term OPEB Fund	14,858,682	-
OPEB Equity Funds	153,028,621	-
Total investments	<u>202,278,637</u>	<u>-</u>
Total assets	<u>225,897,620</u>	<u>19,272,506</u>
LIABILITIES		
Accounts payable and accrued liabilities	64,289	-
Due to local governments	-	18,557,748
Total liabilities	<u>64,289</u>	<u>18,557,748</u>
NET POSITION		
Restricted for:		
Postemployment benefits other than pensions	225,833,331	-
Individuals and organizations	-	714,758
Total net position	<u>\$ 225,833,331</u>	<u>\$ 714,758</u>

The accompanying notes are an integral part of this statement.

A - 11
MECKLENBURG COUNTY, NORTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Post-Employment Healthcare Benefit Trust Fund	Custodial Funds
ADDITIONS		
Contributions:		
Employer contributions	\$ 16,973,497	\$ -
Retiree contributions	2,126,090	-
Total revenues	<u>19,099,587</u>	<u>-</u>
Investment earnings:		
Net increase in fair value of investments	42,966,154	-
Interest	498,907	-
Total investment earnings	<u>43,465,061</u>	<u>-</u>
Less investment costs:		
Investment activity costs	24,974	-
Net investment earnings	<u>43,440,087</u>	<u>-</u>
Tax collections for other governments	-	710,695,144
Collection on behalf of beneficiaries	-	7,003,286
Total additions	<u>62,539,674</u>	<u>717,698,430</u>
DEDUCTIONS		
Benefits paid to participants or beneficiaries	16,989,829	-
Administrative expense	757,079	-
Payments of tax to other governments	-	710,695,144
Payments to beneficiaries	-	6,678,755
Total deductions	<u>17,746,908</u>	<u>717,373,899</u>
Net increase (decrease) in fiduciary net position	44,792,766	324,531
Net position - beginning of year	158,838,550	-
Restatement (See note 20)	22,202,015	390,227
Beginning of year, restated	<u>181,040,565</u>	<u>390,227</u>
Net position - end of year	<u>\$ 225,833,331</u>	<u>\$ 714,758</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, 2021

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

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

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021. 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, Pay-As-You-Go Capital Funding Fund and the American Rescue Plan Act 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, 2021

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. If all eligibility requirements are not met, the amounts are presented as unearned revenue. 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds, charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

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.

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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.

American Rescue Plan Act Fund – The American Rescue Plan Act Fund accounts for financial resources used to respond to acute pandemic-response needs and support communities and populations hardest hit by the COVID-19 crisis.

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. Internal Service Fund:

Employee Benefits – This fund accounts for funds contributed by the County and its employees for health and life benefits.

iii. 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.

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

- Other governmental units - collections due to municipalities and food and beverage tax. The funds are custodial in nature and do not involve measurement or operating results.
- Individuals –jail clients

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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.

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:

	<u>Original Budget</u>	<u>Amendments</u>	<u>Final Budget June 30, 2021</u>
Special Revenue Funds	\$ 106,417,259	\$ 131,036,002	\$ 237,453,261
Debt Service Fund	<u>311,694,003</u>	<u>963,875</u>	<u>312,657,878</u>
Total	<u>\$ 418,111,262</u>	<u>\$ 131,999,877</u>	<u>\$ 550,111,139</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.

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

e. Cash and Investments

A cash and investments pool is maintained and used for all available funds except cash on hand of \$29,082 and funds held by others. A portion of the County's self-insurance funds in the amount of \$14,895,413 is held in one or more trusts administered by the City of Charlotte's Risk Management Office. Additionally, \$5,641,505 is held by the bank for the Debt Service Fund, \$832,594 is held by the bank for solid waste debt service on special obligation bonds and \$53,961 is held by a trustee for solid waste capital projects. Cash of \$202,278,637 is held by the North Carolina State Treasurer in the Other Post-Employment Benefits Investment Trust, an irrevocable trust fund.

DEPOSITS

All County deposits are made in designated official depositories and are secured as required by North Carolina General Statute 159-31. The County may designate as an official depository, any bank, trust company, or savings and loan institution whose principal office is located in North Carolina. The County may also establish time deposits in the form of NOW accounts, SuperNOW accounts, money market accounts, and certificates of deposit. Primary banking services for the County are provided through a contract, currently with Bank of America. At year-end, the cash balance of County deposits was \$125,286,035 and the bank balance was \$130,065,188. Included in these balances is a money market account in the amount of \$105,503,745 and two certificates of deposit totaling \$112,315 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 \$130,065,188 was covered by collateral or insured at June 30, 2021.

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, 2021, the Library's deposits had a carrying amount of \$12,903,833 and a bank balance of \$13,261,559. 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.

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Of the bank balance, \$250,000 was covered by federal depository insurance and \$12,963,281 was covered by collateral held under the pooling method. At June 30, 2021, the Library's petty cash fund totaled \$7,997. The Library has no policy for managing interest rate risk or credit risk.

At June 30, 2021, the Medic Agency's deposits had a carrying value of \$1,760,058 and a bank balance of \$2,625,776 of which \$250,000 was covered by federal depository insurance and \$2,375,776 was covered by collateral under the pooling method. At June 30, 2021, the Medic Agency had cash on hand of \$485.

At June 30, 2021, the ABC Board's deposits had a carrying value of \$38,297,878 and a bank balance of \$31,054,750. Of the bank balance, \$500,000 was covered by federal depository insurance and \$30,554,750 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, 2021, 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	\$ 161,512,000	\$ 100,378,400	\$ 61,133,600	\$ -
U.S. Government Agencies	Fair Value - Level 2	904,158,370	98,286,135	355,175,190	450,697,044
Commercial Paper	Fair Value - Level 2	49,984,600	49,984,600	-	-
NC Capital Management Trust - Government Portfolio*	Fair Value - Level 1	289,215,587	289,215,587	-	-
Total		\$ 1,404,870,557	\$ 537,864,722	\$ 416,308,790	\$ 450,697,044

**The NCCMT Government Portfolio has a weighted average maturity of less than 90 days and is presented as an investment with a maturity of less than 12 months. The NCCMT Government Portfolio has an AAAm rating from S&P and AAA-mf by Moody's Investor Service.*

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
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021, 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 the Government Portfolio, a 2a7 fund which invests in treasuries and government agencies and is rated AAAm by Standard & Poor's and AAA-mf by Moody's Investors Service as of June 30, 2021. 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, 2021, investments in commercial paper comprised 3.3% of the total portfolio. No single issuer exceeded ten million dollars or ten percent of the total portfolio. There were no bankers' acceptances at year-end. The County does not place a limit on the level of investment in federal agency securities. At June 30, 2021, Federal Home Loan Bank securities comprised 29.9% of the portfolio, Federal Home Loan Mortgage Corporation 14.7%, and Federal National Mortgage Association 9.2%.

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. In accordance with State law, the County invests in securities that are callable prior to maturity and securities that provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value.

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As of June 30, 2021, the County had \$202,278,637 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) 17.0%, which is reported as cash and cash equivalents; State Treasurer's Bond Index Fund (BIF) 7.3%; and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund 75.7%.

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, 2021 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, 2021 the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.34 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, 2021 the fair value of the funds was \$32.24591 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, 2021. The State Treasurer's Bond Index Fund (BIF) is unrated and had a weighted average maturity of 8.34 years at June 30, 2021.

At June 30, 2021, the Library's investments consist of \$22,132,360 which are invested in the Foundation for the Carolina's Pooled Investment Funds, \$349,729 of this amount is included in cash and cash equivalents. The Foundation does not have an investment strategy other than choosing the investment pool. The Foundation has no policy for managing interest rate risk, custodial credit risk, or concentration of credit risk.

All Medic Agency investments, \$6,015,045, were invested in the NC Capital Management Trust Government Portfolio at June 30, 2021.

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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 2021, 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 2021 was a decrease of \$5,788,435. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized loss on investments held at year-end for the County was \$1,379,690.

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

MECKLENBURG COUNTY, NORTH CAROLINA
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FOR THE YEAR ENDED JUNE 30, 2021

two years or more with an initial individual purchase price that meets the following capitalization thresholds:

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

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

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

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

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, furniture and 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 Statement of Revenues, Expenses and Changes in Net Position in the period of 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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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 Land Use and Environmental Services – portion of fund balance that can only be used for storm water operations and code enforcement and land resources.

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

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

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

MECKLENBURG COUNTY, NORTH CAROLINA
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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.

- **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, 2021:

	Non-major Funds				
	General	Debt Service	Pay-As-You-Go	Special	Capital
	Fund	Fund	Capital Funding	Revenue	Project
				Funds	Funds
Fund Balance:					
Restricted					
Stabilization by State Statute	\$ 180,518,392	\$ 19,705,674	\$ 81,750,178	\$ 42,470,730	\$ 24,481,392
Land Use and Environmental Services	-	-	-	1,981,461	-
Detention and Court Support Services	-	-	-	5,379,781	-
Capital Projects	-	-	-	-	177,517,842
Committed					
Administrative Services	25,162,145	-	-	-	-
Land Use and Environmental Services	52,187,999	-	-	17,324,896	-
Public Safety	-	-	-	5,535,668	-
Fire Protection	-	-	-	3,663,767	-
Capital Projects	24,900,000	-	5,290,031	-	71,546,027
Detention and Court Support Services	3,841,732	-	-	215,287	-
Community Services	6,358,000	-	-	-	-
Health and Human Services	19,043,060	-	-	186,615	-
Business Partners	6,900,000	-	-	(368,345)	-
Debt Service	-	239,285,963	-	-	-
Unassigned	302,101,657	-	-	(16,996,602)	-
Total	<u>\$ 621,012,985</u>	<u>\$ 258,991,637</u>	<u>\$ 87,040,209</u>	<u>\$ 59,393,258</u>	<u>\$ 273,545,261</u>

The General Fund is the only fund that reports a positive unassigned fund balance amount. The Transit One-half Cent Sales Tax Fund had a negative unassigned fund balance of (\$16,921,300) resulting from the offset of the reserve by state statute for the receivable as all funds collected are remitted to the City of

MECKLENBURG COUNTY, NORTH CAROLINA
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Charlotte and there is no total fund balance. The Law Enforcement Service District Funds had a negative unassigned fund balance of (\$75,302) 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	\$ 61,389,982	\$ 299,659	\$ 81,750,179	\$ 42,442,211

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

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

I. Restricted Assets

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

m. North Carolina State Lottery

The North Carolina General Assembly adopted legislation allocating a portion of the net revenues from the North Carolina State Lottery Fund to be used to pay for school construction projects or to retire indebtedness for school construction. For the year ended June 30, 2021, 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

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The balances in deferred outflows/inflows at June 30, 2021 are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred refunding charges	\$ 21,346,206	\$ -
Prepaid taxes	-	880,810
Pension contributions subsequent to the measurement date	34,738,797	-
Pension deferrals	68,207,375	963,070
OPEB deferrals	1,944,564	130,900,046
Total	<u>\$ 126,236,942</u>	<u>\$ 132,743,926</u>

In addition, the governmental funds reported unavailable revenues from property tax receivables of \$24,767,026 at June 30, 2021.

o. Statement of Cash Flows

All cash and investments of the proprietary funds are held in a County-wide cash management pool. Funds are available on demand from the pool and individual funds may deposit or withdraw funds at any time without prior notice or penalty. Accordingly, all cash and investments of the proprietary funds 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, 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.

The County also administers a single employer defined benefit pension plan that provides retirement benefits to the County's sworn law enforcement. This Law Enforcement Special Separation Allowance (LEOSSA) Plan is consolidated with the General Fund for reporting in compliance with GASB Statement No. 73 as it is not in a defined trust. The full accrual impacts of the total pension liability, deferred outflows of

MECKLENBURG COUNTY, NORTH CAROLINA
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resources and deferred inflows of resources related to pensions, and pension expense are captured on the government-wise statements.

q. Accounting Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

r. Adoption of Accounting Pronouncement

The County implemented Governmental Accounting Standards Board (GASB) Statement No.84, Fiduciary Activities effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

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2. Accounts Receivable

The following reflects the components of accounts receivable as reported in the Government-wide Statement of Net Position at June 30, 2021:

	Governmental Activities				Business-type Activities	
	General Fund	Debt Service Fund	Non-major Funds	Employee Benefits Internal Service Fund	Solid Waste Fund	Total Receivables
General	\$ 4,152,810	\$ 419,460	\$ 1,477,265	\$ 2,027,418	\$ 1,319,055	\$ 9,396,008
Less: Allowance for doubtful accounts	(3,200)	-	-	-	(97,139)	(100,339)
Federal, State and Local Government	109,270,889	18,495,827	22,990,914	-	-	150,757,630
Taxes	28,764,631	-	633,275	-	-	29,397,906
Less: Allowance for doubtful accounts	(4,551,000)	-	(79,880)	-	-	(4,630,880)
Interest	1,159,156	490,728	41,734	-	46,032	1,737,650
Total Accounts Receivable	<u>\$ 138,793,286</u>	<u>\$ 19,406,015</u>	<u>\$ 25,063,308</u>	<u>\$ 2,027,418</u>	<u>\$ 1,267,948</u>	<u>\$ 186,557,975</u>

3. Property Tax

The County's property tax levy effective for fiscal year 2021, was based on the assessed values listed as of January 1, 2020, 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, 2020. The property tax rate for the 2021 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 September 1, 2013 and for limited registration plates are shown as a receivable and are offset by deferred inflows of resources.

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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 Custodial 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 Custodial 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, 2021:

MECKLENBURG COUNTY					
	Primary Government				
	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 703,342,479	\$ 30,675,785	\$ -	\$ 7,670,725	\$ 741,688,989
Construction in progress	58,745,489	69,779,538	-	(28,639,804)	99,885,223
Total capital assets not being depreciated	762,087,968	100,455,323	-	(20,969,079)	841,574,212
Capital assets being depreciated:					
Land improvements	62,730,525	1,499,363	-	-	64,229,888
Buildings and improvements	915,498,144	5,493,161	-	20,346,371	941,337,676
Vehicles and heavy equipment	34,401,644	2,042,954	(1,333,754)	-	35,110,844
Furniture, machinery and equipment	44,752,897	4,077,981	(530,700)	622,708	48,922,886
Intangibles-software and licenses	16,425,311	-	-	-	16,425,311
Total capital assets being depreciated	1,073,808,521	13,113,459	(1,864,454)	20,969,079	1,106,026,605
Less accumulated depreciation:					
Land improvements	(43,680,782)	(2,191,000)	-	-	(45,871,782)
Buildings and improvements	(444,752,774)	(27,058,080)	-	-	(471,810,854)
Vehicles and heavy equipment	(23,425,107)	(2,631,914)	1,245,131	-	(24,811,890)
Furniture, machinery and equipment	(27,371,997)	(2,865,173)	476,044	-	(29,761,126)
Intangibles-software and licenses	(15,439,341)	(505,410)	-	-	(15,944,751)
Total accumulated depreciation	(554,670,001)	(35,251,577)	1,721,175	-	(588,200,403)
Total capital assets being depreciated, net	519,138,520	(22,138,118)	(143,279)	20,969,079	517,826,202
Governmental activities capital assets, net	\$ 1,281,226,488	\$ 78,317,205	\$ (143,279)	\$ -	\$ 1,359,400,414

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Primary Government continued

BUSINESS-TYPE ACTIVITIES

	Primary Government				Balance June 30, 2021
	Balance June 30, 2020	Additions	Deletions	Transfers	
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 42,091,630	\$ 483,752	\$ -	\$ -	\$ 42,575,382
Construction in progress	251,615	2,230,934	-	(1,498,574)	983,975
Total capital assets not being depreciated	42,343,245	2,714,686	-	(1,498,574)	43,559,357
Capital assets being depreciated:					
Land improvements	10,514,617	36,000	-	808,613	11,359,230
Buildings and improvements	30,510,063	-	-	689,961	31,200,024
Vehicles and heavy equipment	4,988,248	499,078	-	-	5,487,326
Furniture, machinery and equipment	25,563,597	2,199,801	(102,207)	-	27,661,191
Total capital assets being depreciated	71,576,525	2,734,879	(102,207)	1,498,574	75,707,771
Less accumulated depreciation:					
Land improvements	(5,912,788)	(360,162)	-	-	(6,272,950)
Buildings and improvements	(12,354,347)	(858,629)	-	-	(13,212,976)
Vehicles and heavy equipment	(3,673,499)	(197,633)	-	-	(3,871,132)
Furniture, machinery and equipment	(12,811,910)	(1,944,051)	102,207	-	(14,653,754)
Total accumulated depreciation	(34,752,544)	(3,360,475)	102,207	-	(38,010,812)
Total capital assets being depreciated, net	36,823,981	(625,596)	-	1,498,574	37,696,959
Business-type activities capital assets, net	\$ 79,167,226	\$ 2,089,090	\$ -	\$ -	\$ 81,256,316

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

Governmental activities:	
Customer Satisfaction and Management Services	\$ 4,264
Administrative Services	6,832,813
Financial Services	421,816
Land Use and Environmental Services	1,001,255
Community Services	9,070,147
Detention and Court Support Services	15,993,220
Health and Human Services	1,758,120
Business Partners	169,942
Total Governmental activities	35,251,577
Business-type activities:	
Solid Waste Enterprise Fund	3,360,475
Total depreciation expense	\$ 38,612,052

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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

	Estimated Project Authorization	Expended to June 30, 2021	Costs to Complete
Projects:			
Governmental Funds:			
Park and Recreational facilities	\$ 221,630,020	\$ 91,702,688	\$ 129,927,332
Law Enforcement/Court facilities	32,900,671	447,064	32,453,607
County facilities	97,752,452	7,735,471	90,016,981
Total Governmental Funds	352,283,143	99,885,223	252,397,920
Business-type activities:			
Solid Waste Enterprise Fund	5,441,825	983,975	4,457,850
Total	<u>\$ 357,724,968</u>	<u>\$ 100,869,198</u>	<u>\$ 256,855,770</u>

Activity in the Library's capital assets for the year ended June 30, 2021 is as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 13,523,473	\$ -	\$ -	\$ 13,523,473
Construction in progress	14,350,447	12,295,888	(11,548,822)	15,097,513
Total capital assets not being depreciated	27,873,920	12,295,888	(11,548,822)	28,620,986
Capital assets being depreciated:				
Buildings and improvements	107,984,781	11,165,687	-	119,150,468
Books	10,974,420	1,675,358	(2,234,300)	10,415,478
Furniture and equipment	8,340,897	372,716	(10,408)	8,703,205
Digital books	4,343,915	1,358,926	-	5,702,841
Website	575,845	33,500	-	609,345
Leasehold improvements	1,194,985	77,868	-	1,272,853
Total capital assets being depreciated	133,414,843	14,684,055	(2,244,708)	145,854,190
Less accumulated depreciation:				
Buildings and improvements	(43,949,230)	(2,784,598)	-	(46,733,828)
Books	(6,387,879)	(2,058,742)	2,234,300	(6,212,321)
Furniture and equipment	(6,430,729)	(582,881)	10,408	(7,003,202)
Digital books	(1,921,594)	(870,499)	-	(2,792,093)
Websites and other projects	(476,023)	(86,874)	-	(562,897)
Leasehold improvements	(39,833)	(82,261)	-	(122,094)
Total accumulated depreciation	(59,205,288)	(6,465,855)	2,244,708	(63,426,435)
Total capital assets being depreciated, net	74,209,555	8,218,200	-	82,427,755
Total Capital Assets, net	<u>\$ 102,083,475</u>	<u>\$ 20,514,088</u>	<u>\$ (11,548,822)</u>	<u>\$ 111,048,741</u>

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Activity in the Medic Agency's capital assets for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets being depreciated:				
Vehicles	\$ 17,573,029	\$ 2,221,868	\$ (937,303)	\$ 18,857,594
Furniture and other equipment	2,985,204	-	-	2,985,204
Patient equipment	4,119,436	-	-	4,119,436
Computer equipment	7,106,976	98,514	-	7,205,490
Buildings and improvements	300,258	-	-	300,258
Total capital assets being depreciated	32,084,903	2,320,382	(937,303)	33,467,982
Less: accumulated depreciation:				
Vehicles	(11,842,282)	(3,083,573)	937,303	(13,988,552)
Furniture and other equipment	(1,298,088)	(434,934)	-	(1,733,022)
Patient equipment	(3,828,036)	(195,860)	-	(4,023,896)
Computer equipment	(6,197,655)	(363,110)	-	(6,560,765)
Buildings and improvements	(13,316)	(30,026)	-	(43,342)
Total accumulated depreciation	(23,179,377)	(4,107,503)	937,303	(26,349,577)
Total Capital assets, net	<u>\$ 8,905,526</u>	<u>\$ (1,787,121)</u>	<u>\$ -</u>	<u>\$ 7,118,405</u>

Activity in the ABC Board's capital assets for the year ended June 30, 2021 is as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 12,240,197	\$ 1,367,649	\$ -	\$ 13,607,846
Total capital assets not being depreciated	12,240,197	1,367,649	-	13,607,846
Capital assets being depreciated:				
Buildings and improvements	40,471,153	6,868,830	(181,301)	47,158,682
Construction in progress	5,888,691	(5,486,269)	-	402,422
Equipment	5,246,024	573,373	(136,708)	5,682,689
Motor vehicles	1,297,217	155,840	(115,334)	1,337,723
Total capital assets being depreciated	52,903,085	2,111,774	(433,343)	54,581,516
Less accumulated depreciation:				
Buildings and improvements	(15,718,680)	(1,435,060)	105,372	(17,048,368)
Construction in progress	(200)		27	(173)
Equipment	(3,973,857)	(525,325)	133,153	(4,366,029)
Motor vehicles	(950,742)	(173,029)	107,586	(1,016,185)
Total accumulated depreciation	(20,643,479)	(2,133,414)	346,138	(22,430,755)
Total capital assets being depreciated, net	32,259,606	(21,640)	(87,205)	32,150,761
Total Capital assets, net	<u>\$ 44,499,803</u>	<u>\$ 1,346,009</u>	<u>\$ (87,205)</u>	<u>\$ 45,758,607</u>

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

6. Accounts Payable, Accrued Liabilities and Unearned Grant Revenue

The components of accounts payable, accrued liabilities and unearned grant revenue at June 30, 2021 for the governmental activities and the business-type activities as reported in the Statement of Net Position are as follows:

	Governmental Activities							Business-type Activities	
	General	Debt Service	Pay-As-You-Go	Coronavirus Fiscal Recovery	Nonmajor	Employee Benefits Internal Service	GASB 34	Solid Waste	Total Accounts Payable and
	Fund	Fund	Capital Fund	Fund	Funds	Fund	Adjustments	Enterprise Fund	Accrued Liabilities
General payables	\$ 85,572,102	\$ 11,650	\$ 16,490,740	\$ -	\$ 49,715,265	\$ 18,895,675	\$ -	\$ 1,383,089	\$ 172,068,521
Salaries & benefits payable	24,435,891	-	100,371	-	291,635	-	-	350,954	25,178,851
Reserve for self insurance	-	-	-	-	-	-	43,411,888	-	43,411,888
Unearned grant revenue	2,569,503	-	-	107,836,818	3,410,826	-	-	-	113,817,147
Accrued interest payable	-	-	-	-	-	-	16,685,375	128,200	16,813,575
Other accrued liabilities	10,975,972	-	-	-	123,033	-	-	-	11,099,005
Total	<u>\$ 123,553,468</u>	<u>\$ 11,650</u>	<u>\$ 16,591,111</u>	<u>\$ 107,836,818</u>	<u>\$ 53,540,759</u>	<u>\$ 18,895,675</u>	<u>\$ 60,097,263</u>	<u>\$ 1,862,243</u>	<u>\$ 382,388,987</u>

7. Long Term Debt

General Obligation Bonds

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

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

General obligation bonds outstanding at June 30, 2021:

	Issue Date	Due Serially To	Average Interest Rate %	Original Issue	Balance June 30, 2021
Refunding Bonds 2010 – Series A	March 16, 2010	2026	3.1098	\$ 114,940,000	\$ 48,635,000
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	22,330,000
Refunding Bonds 2013 – Series A	January 29, 2013	2028	4.9525	209,815,000	134,355,000
Public Improvement 2013 – Series B	February 20, 2013	2033	3.5009	100,000,000	60,000,000
School Bonds 2015 – Series A	March 17, 2015	2035	3.8746	100,000,000	70,000,000
Refunding Bonds 2016 – Series A	October 12, 2016	2030	4.6234	148,565,000	91,260,000
Public Improvement 2016 – Series B	October 18, 2016	2036	3.4720	200,000,000	178,000,000
Public Improvement 2017 – Series A	September 12, 2017	2037	3.5666	225,000,000	213,000,000
Public Improvement 2018 – Series A	September 12, 2018	2039	3.9550	150,000,000	135,000,000
Public Improvement 2019	September 26, 2019	2040	3.6660	200,000,000	190,000,000
School Bonds 2021	March 18, 2021	2041	2.9444	225,000,000	225,000,000
Total				\$ 1,888,335,000	\$ 1,418,580,000

General Obligation Bonds are due serially and mature during the fiscal years 2022 to 2041 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 3.90%.

The following schedule shows annual requirements to amortize all bonded debt outstanding as of June 30, 2021:

Fiscal Year	Governmental Activities	
	Principal	Interest
2022	\$ 118,635,000	\$ 55,187,790
2023	95,785,000	50,393,759
2024	97,235,000	45,912,090
2025	102,620,000	41,055,734
2026	102,990,000	36,134,015
2027-2031	421,815,000	122,243,974
2032-2036	343,750,000	46,873,125
2037-2041	135,750,000	8,288,125
Total	\$ 1,418,580,000	\$ 406,088,612

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. On June 30, 2021, such statutory limit for the County was \$15,325,643,920 providing a legal debt margin of \$13,233,011,494. As of June 30, 2021, \$490,085,000 of general obligation bonds was authorized but unissued.

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 965,000	\$ 219,400
2023	990,000	190,450
2024	1,020,000	160,750
2025	1,070,000	109,750
2026	<u>1,125,000</u>	<u>56,250</u>
Total	<u>\$ 5,170,000</u>	<u>\$ 736,600</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 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,

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021:

	Issue Date	Due Serially To	Average Interest Rate %	Original Issue	Balance June 30, 2021
NC Clean Water State Revolving Loan	April 11, 2011	2030	-	\$ 2,493,625	\$ 472,104
Guaranteed Energy Savings Contract	December 16, 2011	2025	3.100	6,291,281	2,135,322
2013 Taxable Limited Obligation Bonds	March 13, 2013	2028	2.779	18,115,000	9,430,000
2015 Limited Obligation Refunding	April 30, 2015	2028	4.659	120,025,000	86,630,000
2017 Limited Obligation Refunding	September 14, 2017	2028	4.522	119,135,000	85,300,000
Total				<u>\$ 266,059,906</u>	<u>\$ 183,967,426</u>

The installment financings are due serially and mature during the fiscal years 2022 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 4.58%.

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

Fiscal Year	Direct Borrowing		Other		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
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	52,456	-	17,545,000	2,057,190	17,597,456	2,057,190
2027-2030	209,824	-	33,170,000	2,004,925	33,379,824	2,004,925
Total	<u>\$ 2,607,426</u>	<u>\$ 114,374</u>	<u>\$ 181,360,000</u>	<u>\$ 26,120,801</u>	<u>\$ 183,967,426</u>	<u>\$ 26,235,175</u>

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

\$182,717,852 of governmental activities debt outstanding at June 30, 2021 relates to assets of the County. Unspent bond proceeds related to this debt were \$9,000,151 and unamortized refunding charges were \$3,970,822 at June 30, 2021.

Changes in Long-Term Liabilities

The following presents the changes in long-term liabilities for the year ended June 30, 2021:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Due within One Year
Governmental activities:					
General obligation bonds	\$ 1,309,595,000	\$ 225,000,000	\$ (116,015,000)	\$ 1,418,580,000	\$ 118,635,000
Bond premium	181,556,838	32,012,100	(20,942,681)	192,626,257	18,300,151
Total bonds payable	1,491,151,838	257,012,100	(136,957,681)	1,611,206,257	136,935,151
Capital leases	3,151,120	-	(2,715,622)	435,498	435,498
Compensated absences	36,206,487	35,527,469	(26,872,672)	44,861,284	31,591,748
Installment financings - direct borrowing	3,294,045	-	(686,619)	2,607,426	720,843
Installment financings - other	214,365,000	-	(33,005,000)	181,360,000	35,245,000
Net OPEB liability	514,883,109	-	(113,794,799)	401,088,310	-
Net pension liability (LGERS)	116,777,436	46,888,946	-	163,666,382	-
Total pension liability (LEOSSA)	19,398,321	9,009,162	-	28,407,483	-
Total Governmental Activities	2,399,227,356	348,437,677	(314,032,393)	2,433,632,640	204,928,240
Business-type activities:					
Special Obligation Bonds	6,095,000	-	(925,000)	5,170,000	965,000
Bond Premium	432,350	-	(68,302)	364,048	68,302
Total bonds payable	6,527,350	-	(993,302)	5,534,048	1,033,302
Compensated absences	714,966	615,635	(369,785)	960,816	406,780
Net pension liability (LGERS)	1,655,824	854,610	-	2,510,434	-
Landfill development and post-closure care costs	14,006,099	1,080,142	-	15,086,241	-
Total Business-type Activities	22,904,239	2,550,387	(1,363,087)	24,091,539	1,440,082
Total Government-wide	\$ 2,422,131,595	\$ 350,988,064	\$ (315,395,480)	\$ 2,457,724,179	\$ 206,368,322

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, 2021 for the Library:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due within One Year
Governmental activities:					
Capital leases	\$ 20,236	\$ -	\$ (381)	\$ 19,855	\$ 402
Unearned revenue	738,358	-	(31,758)	706,600	-
Compensated Absences	2,376,498	1,793,250	(1,754,131)	2,415,617	1,805,090
Net Pension Liability	6,681,749	2,217,513	-	8,899,262	-
Total OPEB Liability	67,672,131	9,598,341	-	77,270,472	-
Total Governmental activities	\$ 77,488,972	\$ 13,609,104	\$ (1,786,270)	\$ 89,311,806	\$ 1,805,492

MECKLENBURG COUNTY, NORTH CAROLINA
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\$2,499,523 of long-term liabilities due within one year for the Medic Agency represents compensated absences at June 30, 2021. The \$90,431,289 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 \$842,798.

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, 2021, 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
2022	\$ 451,281	\$ 1,988,835
2023	-	757,759
2024	-	79,629
2025	-	48,196
	451,281	2,874,419
Less: amount representing interest	(15,783)	-
Total	\$ 435,498	\$ 2,874,419

Total interest costs for the year ended June 30, 2021 was \$122,533 relating to the capital lease obligations.

For the year ended June 30, 2021, rent expense for operating leases for the County was \$2,116,360.

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.

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9. Transfers, Interfund Receivables and Payables

The following is a summary of interfund transfers at June 30, 2021:

Transfers Out:	Transfers In:				
		Pay-As-You-Go Capital Funding	Non-Major Capital Project Funds	Non-Major Special Revenue Funds	Total
	General				
General fund	\$ -	\$ 32,461,500	\$ 16,836,336	\$ 196,800	\$ 49,494,636
Debt Service Fund	-	60,465,542	21,753,750	-	82,219,292
Pay-As-You-Go Capital Funding	-	-	3,000,000	-	3,000,000
Non-Major Special Revenue Funds	957,745	-	-	-	957,745
Total	\$ 957,745	\$ 92,927,042	\$ 41,590,086	\$ 196,800	\$ 135,671,673

The transfers consist primarily of the following: (a) \$49,297,836 from the General Fund and \$82,219,292 from the Debt Service Fund to Pay-As-You-Go Capital Funding and Non-Major Capital Project Funds to fund capital projects, (b) \$3,000,000 from Pay-As-You-Go Capital Funding to Non-Major Special Revenue Funds and (c) \$196,800 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, 2021:

	Due from other funds	Due to other funds
General fund	\$ 70,366	\$ -
Non-Major Special Revenue Funds	-	70,366
Total	\$ 70,366	\$ 70,366

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

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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). The pension liability and asset, deferred inflows of resources and deferred outflows of resources and pension expense are consolidated and presented in the Statement of Net Position and the Statement of Activities as follows:

	LGERS	LEOSSA	RODSPF	Total
Pension liability	\$ 166,176,816	\$ 28,407,486	\$ -	\$ 194,584,302
Pension asset	-	-	1,819,879	1,819,879
Deferred outflows - County contributions subsequent to the measurement date	33,659,294	988,011	91,492	34,738,797
Deferred outflows - pension deferrals	58,831,349	9,278,742	97,284	68,207,375
Deferred inflows - pension deferrals	401,337	210,560	351,173	963,070
Pension expense	57,573,729	3,949,345	(35,202)	61,487,872

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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

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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, 2021, was 10.90% of compensation for law enforcement officers and 10.15% 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, 2021 was \$33,659,293.

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, 2021, was 10.15%. Contributions to the pension plan from the Library were \$1,943,167 for the year ended June 30, 2021. The Medic Agency's contractually required contribution rate for the year ended June 30, 2021 was 10.17%. Contributions to the pension plan were \$3,316,323 for the year ended June 30, 2021. The ABC Board's contractually required contribution rate for the year ended June 30, 2021, was 10.84% of compensation for law enforcement officers and 10.25% for general employees. Contributions to the pension plan from the ABC Board were \$815,008 for the year ended June 30, 2021. 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, 2021, the County reported a liability of \$166,176,816 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the County's proportion was 4.650% (measured as of June 30, 2020), which was an increase of 0.314% from its proportion measured as of June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the County recognized pension expense of \$57,573,729. At June 30, 2021, 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	\$ 20,985,216	\$ -
Changes of assumptions	12,366,815	-
Net difference between projected and actual earnings on pension plan investments	23,384,936	-
Changes in proportion and differences between County contributions and proportionate share of contribution	2,094,382	401,337
County contributions subsequent to the measurement date	33,659,294	-
Total	<u>\$ 92,490,643</u>	<u>\$ 401,337</u>

\$33,659,294 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, 2022. 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>	
2022	\$ 16,496,416
2023	21,858,042
2024	13,154,812
2025	6,920,742
	<u>\$ 58,430,012</u>

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Actuarial Assumptions. The total pension liability in the December 31, 2019 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, 2019 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, 2020 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 2020 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)	\$ 337,154,653	\$ 166,176,816	\$ 24,082,210

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report 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	\$ 3,124,620	\$ 6,821,038	\$ 1,318,144
Deferred outflows of resources- contributions subsequent to the measurement date	1,943,167	3,316,323	815,008
Deferred outflows of resources - other	3,163,541	7,496,646	1,421,601
Deferred inflows of resources	76,575	1,493,251	-
Pension liability	8,899,262	21,956,916	3,519,469

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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, 2019 valuation date, the Separation Allowance's membership consisted of:

	<u>County</u>
Retirees	64
Active plan members	<u>282</u>
Total	<u><u>346</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, 2019 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	3.25 to 7.75 %, including inflation and productivity factor
Discount rate	1.93%

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

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All mortality rates use Pub-2010 amount-weighted tables. All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

The actuarial assumptions used in December 31, 2019 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, 2019.

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 \$1,743,939 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, 2021, the County reported a total pension liability of \$28,407,483. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$3,949,345.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,435,699	\$ -
Changes of assumptions and other inputs	5,843,043	210,560
Benefit payments and administrative expenses subsequent to the measurement date	988,011	-
Total	<u>\$ 10,266,753</u>	<u>\$ 210,560</u>

\$988,011 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, 2022. 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>	
2022	\$ 2,781,608
2023	2,555,007
2024	2,264,789
2025	1,466,778
	<u>\$ 9,068,182</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 1.93 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 (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	\$ 30,244,947	\$ 28,407,483	\$ 26,692,072

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

	<u>2021</u>
Beginning Balance	\$ 19,398,321
Service Cost	577,384
Interest	608,485
Differences between expected and actual experience	2,402,044
Changes of assumptions or other inputs	6,887,550
Benefit payments	<u>(1,466,301)</u>
Net pension obligation end of year	<u>\$ 28,407,483</u>

Changes of Assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.26% at June 30, 2020 to 1.93% at June 30, 2021.

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, 2019 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

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December 31, 2020 is shown in the following table:

		(1)	(2)	(3)
		Development of TPL for Year Ending	Development of TPL for Year Ending 2020 Prior to Assumption Change	Development of TPL for Year Ending 2020 After Assumption Change
	TPL Roll Forward	2019		
(a)	Interest rate	3.26%	3.26%	1.93%
(b)	Valuation date for measurement	December 31, 2018	December 31, 2019	December 31, 2019
(c)	TPL as of December 31, 2019	\$ 19,398,321	\$ 21,724,531	\$ 28,401,790
(d)	Entry Age Normal Cost for the period January 1, 2020 - December 31, 2020 at the end of the year	577,384	577,384	937,989
(e)	Actual benefit payments for the period January 1, 2020 - December 31, 2020	1,466,301	1,466,301	1,466,301
(f)	TPL as of December 31, 2020 = [c * (1 + a)] + d - [e * (1 + a * .5)]	19,117,889	21,519,933	28,407,483
(g)	Experience actuarial (gain)/loss	-	2,402,044	-
(h)	Discount rate change (gain)/loss	-	-	6,887,550

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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report 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, 2021 was \$1,121,811 compared to \$1,129,293 for the year ended June 30, 2020. Contributions for the ABC Board for the years ended June 30, 2021 and 2020, were \$199,105 and \$210,187 respectively, which consisted of \$100,511 for 2021 and \$109,689 for 2020 from the ABC Board and \$98,594 for 2021 and \$100,498 for 2020 from the law enforcement officers' voluntary contributions.

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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 2021 and 2020 of each employee's salary, respectively. Non-law enforcement employees, also, may make voluntary contributions to the plan. Total contributions for the years ended June 30, 2021 and 2020 were \$700,694 and \$707,635, respectively, which consisted of \$394,295 for 2021 and \$384,892 for 2020 from the ABC Board and \$306,400 for 2021 and \$322,743 for 2020 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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report 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 \$91,492 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported an asset of \$1,819,879 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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

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participating RODSPF employers. At June 30, 2021 (measured as of June 30, 2020), the County's proportion was 7.94%, which was an increase of 1.25% from its proportion at June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the County recognized pension expense of \$(35,202). At June 30, 2021, 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	\$ -	\$ 37,084
Change of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	155,720
Changes in proportion and differences between County contributions and proportionate share of contributions	97,284	158,369
County contributions subsequent to the measurement date	<u>91,492</u>	<u>-</u>
Total	<u>\$ 188,776</u>	<u>\$ 351,173</u>

\$91,492 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, 2022. 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>	
2022	\$ (57,620)
2023	(86,765)
2024	(70,276)
2025	<u>(39,228)</u>
	<u>\$ (253,889)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 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

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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, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment return and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2021 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 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)	\$ (1,545,762)	\$ (1,819,879)	\$ (2,051,831)

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Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report 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 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 2021 and 2020 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 \$12,006,388 and \$11,801,987, respectively, for years ended June 30, 2021 and 2020. The Library total contributions were \$606,069 and \$588,905, respectively, for years ended June 30, 2021 and 2020. Contributions by the Medic Agency for June 30, 2021 and 2020 were \$1,133,508 and \$1,083,360, 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, 2021 year-end and does not issue a stand-alone report.

	2021
Inactive plan members or beneficiaries currently receiving benefit payments	1,840
Inactive plan members entitled to but not yet receiving benefit payments	717
Active plan members	1,876
Total	4,433

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.

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

Contributions. Contributions to be paid by Plan members are established by the Board of County Commissioners, which also has the authority to amend the program. Rates are established based on an actuarially determined rate. For 2021, 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	4,045	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 \$16,973,497 for fiscal year 2021. 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, 2021, 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 2021	Expected Real Rate of Return 2021
Equity Index	65.0%	4.90%
Bond Index	10.0%	0.10%
Short Term Investment Fund	25.0%	0.69%
	<u>100.0%</u>	

Rate of return. For the year ended June 30, 2021, the annual money weighted rate of return on investments, net of investment expense, was 28.36%. 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, 2021, were as follows:

Total OPEB Liability	\$ 603,366,947
Plan Fiduciary Net Position	<u>202,278,637</u>
Net OPEB Liability	\$ 401,088,310
Plan fiduciary net position as a percentage of the total OPEB liability	33.52%

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of January 1, 2021, 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	6.90% for 2021, decreasing to a rate of 4.50% in 2027 and beyond
Medicare	8.00% for 2021, decreasing to a rate of 4.50% in 2027 and beyond
Mortality rates:	
Employees & Healthy Annuitants	PUB-2010 Amounts-Weighted General Employees and Healthy Annuitants Mortality Table with Generational Improvements by Scale MP2020
Disabled Members	PUB-2010 Amounts-Weighted General Employees Disabled Retirement Mortality Table with Generational Improvements by Scale MP2020
Survivor Beneficiaries	PUB-2010 Amounts-Weighted General Employees Survivor Beneficiary Mortality Table with Generational Improvements by Scale MP2020

The total OPEB liability was rolled forward to June 30, 2021, 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, 2021 was 4.68 % which was a change from the discount rate of 3.91% at June 30, 2020. 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 2.16% as of June 30, 2021 per the Bond Buyer General Obligation 20 year-Bond Municipal Bond Index. As of June 30, 2020, the Bond Buyer General Obligation 20 year-Bond Municipal Bond Index was 2.21%.

Sensitivity of the net OPEB liability to changes in the discount rate. As of June 30, 2021 the following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current discount rate:

	1% Decrease (3.68%)	Discount Rate (4.68%)	1% Increase (5.68%)
Net OPEB liability	\$ 507,525,264	\$ 401,088,310	\$ 316,554,749

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, 2021, 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 (5.90%/7.00% decreasing to 3.50%/3.50%)	Trend Rate (6.90%/8.00% decreasing to 4.50%/4.50%)	1% Increase (7.90%/9.00% decreasing to 5.50%/5.50%)
Net OPEB liability	\$ 305,343,122	\$ 401,088,310	\$ 522,727,004

Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2021, the County reported a net OPEB liability of \$401,088,310. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2021, utilizing update procedures incorporating the actuarial assumptions.

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At June 30, 2021, the components of the net OPEB liability of the County, measured as of June 30, 2021 were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2020	\$ 673,721,659	\$ 158,838,550	\$ 514,883,109
Changes for the Fiscal Year:			
Service cost	13,994,211	-	13,994,211
Interest	26,644,821	-	26,644,821
Difference between expected and actual experience	1,026,366	-	1,026,366
Changes of assumptions	(99,374,212)	-	(99,374,212)
Benefit payments	(12,645,898)	(12,645,898)	-
Contributions	-	16,282,248	(16,282,248)
Net investment income	-	40,474,597	(40,474,597)
Administrative expense	-	(670,860)	670,860
Net changes	(70,354,712)	43,440,087	(113,794,799)
Balance at June 30, 2021	<u>\$ 603,366,947</u>	<u>\$ 202,278,637</u>	<u>\$ 401,088,310</u>

For the year ended June 30, 2021, the County recognized OPEB expense of \$(24,626,574). At June 30, 2021, 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	\$ 1,944,564	\$ 6,391,875
Changes of assumptions	-	103,119,396
Net difference between projected and actual earnings on OPEB plan investments	-	21,388,775
Total	<u>\$ 1,944,564</u>	<u>\$ 130,900,046</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,	
2022	\$ (55,546,493)
2023	(49,473,556)
2024	(17,918,510)
2025	(6,016,925)
2026	<u>2</u>
	<u>\$ (128,955,482)</u>

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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 \$77,270,472 was measured as of June 30, 2020 and was determined by an actuarial valuation as of January 1, 2020. Complete information regarding the Library's postemployment benefits appears in the separately issued June 30, 2021 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 \$68,474,373 was measured as of June 30, 2020 and was determined by an actuarial valuation as of January 1, 2020. Complete information regarding Medic Agency's post-employment healthcare benefits appears in Medic Agency's separately issued June 30, 2021 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, 2021, the most recent valuation date, the plan was not funded. The net OPEB obligation of \$9,120,418 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, 2021 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.

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14. Risk Management

Property, Liability and Worker's Compensation

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, 2021, 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 \$5,000,000. 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.

As of June 30, 2021, amounts recorded in the government wide statements related to property, liability and worker's compensation self-insurance are as follows:

	2021	2020
Accounts payable and accrued liabilities - beginning of fiscal year	\$ 38,928,463	\$ 34,250,203
Additions	12,702,687	9,291,136
Payments	<u>(8,219,262)</u>	<u>(4,612,876)</u>
Accounts payable and accrued liabilities - end of fiscal year	<u>\$ 43,411,888</u>	<u>\$ 38,928,463</u>

Employee Insurance

The County provides insurance coverage for employees and retirees through a self-insured plan administered by outside providers. The Employee Benefits Internal Service Fund was established to account for employee insurance activities. County funds participate in the program and make payments to the Employee Benefits Fund. Employees contribute their portion of the costs to the fund based on actuarially determine rates. As of June 30, 2021, amounts recorded in the Employee Benefits Fund for reported and incurred but not reported claims are as follows:

	2021
Accounts payable and accrued liabilities - beginning of fiscal year	\$ 18,200,922
Additions	78,038,663
Payments	<u>(77,343,910)</u>
Accounts payable and accrued liabilities - end of fiscal year	<u>\$ 18,895,675</u>

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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 \$15,086,241 as of June 30, 2021 is based on the use of 74% of the total estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post-closure care of \$5.4 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 2021. The County expects to close the U.S. 521 landfill in 2030. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

The County has met the requirements of a local government financial test that is one option under state and federal laws and regulations which helps determine if a unit is financially able to meet closure and post-closure care requirements. However, the County has also elected to establish a reserve fund to accumulate resources for the payment of future use development costs which has a balance as of June 30, 2021 of \$1,107,024. 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, 2021, 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, 2021 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, 2021, 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.

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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 \$285,204 to COG during fiscal year 2021.

18. Joint Ventures

The County, along with the State of North Carolina, participates in a joint venture to operate Central Piedmont Community College (CPCC). The County, State of North Carolina and the Charlotte-Mecklenburg Board of Education make four appointments each to the 12-member Board of Trustees. CPCC is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of CPCC and provides some financial support for operations. In addition to providing annual appropriations for facilities, the County periodically issues general obligation bonds and certificates of participation to provide financing for new and restructured facilities. The County contributed \$39,091,669 for operations and \$63,324,907 for capital purposes during fiscal year 2021 and made debt service payments of \$18,142,969 in fiscal year 2021 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 2021. 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, 2021. 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 2021. 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, 2021. Complete financial statements for the Commission may be obtained from the

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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
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 \$11,560,000 at June 30, 2021 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 \$6,555,000 at June 30, 2021 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 \$3,125,000 at June 30, 2021 are not reported as liabilities in the accompanying financial statements.

20. Prior Period Adjustment

Implementation of GASB 84

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* effective July 1, 2020.

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

The implementation of this standard required a change in presentation of the Fee Collections for State Fund and Representative Payee Fund that were previously reported as agency funds to be presented as special revenue funds. The Fee Collections for State Fund and Representative Payee Fund had a \$4,002,832 and \$180,047 beginning fund balance, respectively, that are reflected as a restatement as of July 1, 2020.

The implementation of this standard also required a change in presentation of the Employee's Insurance Fund previously reported as an agency fund to be presented as an internal service fund. A portion of the Employee's Insurance fund, related to active employee health insurance activity, had a \$64,838,286 beginning net position reported as a restatement in the internal service fund as of July 1, 2020. The other portion of the Employee's Insurance Fund related to retiree health insurance activity handled outside of the OPEB trust in which \$22,202,015 was moved into the OPEB Trust fiduciary fund as a restatement as of July 1, 2020.

In accordance with GASB 84 there was also a restatement in the custodial funds to report beginning net position of \$390,227 for amounts collected in which the County is not compelled to disburse the funds collected as of year-end.

Incurred But Not Reported Claims Payable Restatement

During the fiscal year 2021, the County determined that risk management activities previously recorded in the General Fund should have been only reported at the entity wide level rather than at the fund level. As a result, a restatement of \$39,384,703 of beginning fund balance for the General Fund was recorded.

In addition, the County recorded a restatement for an estimate of incurred but not reported health insurance claims that had previously not been reported of \$17,111,185 to beginning net position of the internal service fund and government wide statement.

The restatements due to the implementation of GASB 84 and correction of amounts reported as incurred but not reported resulted in a total restatement at the government wide statements of \$51,909,980, which includes the net restatement to the special revenue funds of \$4,182,879 and the net restatement to the internal service funds of \$47,727,101.

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

	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension asset (liability)	4.65%	4.34%	4.38%	4.44%	4.44%	4.41%	4.36%	(3.91%)
County's proportionate share of the net pension asset (liability)	\$ (166,176,816)	\$ (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	335,148,440	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	(49.58%)	(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	88.61%	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 EIGHT FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 33,659,293	\$ 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	33,659,293	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>	<u>\$ -</u>
County's covered payroll	\$ 338,225,845	\$ 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	9.95%	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 FIVE FISCAL YEARS

	2021	2020	2019	2018	2017
Total pension liability					
Service cost, end of year	\$ 577,384	\$ 503,847	\$ 503,264	\$ 430,674	\$ 462,185
Interest	608,485	603,324	513,769	588,068	556,088
Differences between expected and actual experience	2,402,044	1,924,288	1,065,382	328,893	-
Changes of assumptions or other inputs	6,887,550	445,341	(520,043)	815,257	(303,040)
Benefit payments	<u>(1,466,301)</u>	<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	9,009,162	2,170,193	376,876	1,069,784	(305,707)
Total pension liability, beginning	<u>19,398,321</u>	<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><u>\$ 28,407,483</u></u>	<u><u>\$ 19,398,321</u></u>	<u><u>\$ 17,228,128</u></u>	<u><u>\$ 16,851,252</u></u>	<u><u>\$ 15,781,468</u></u>
Covered payroll	\$ 23,082,725	\$ 20,572,067	\$ 19,021,791	\$ 18,408,846	\$ 18,886,807
Total pension liability as a percentage of covered payroll	123.07%	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 EIGHT FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension asset (liability)	7.94%	6.69%	7.69%	8.22%	7.98%	8.84%	8.99%	9.53%
County's proportionate share of the net pension asset (liability)	\$ 1,819,879	\$ 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	1,861,007	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	97.79%	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	173.62%	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 EIGHT FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 91,492	\$ 76,034	\$ 63,587	\$ 72,460	\$ 64,845	\$ 65,218	\$ 70,729	\$ 71,206
Contributions in relation to the contractually required contribution	91,492	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>	<u>\$ -</u>
County's covered payroll	\$ 1,924,337	\$ 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	4.75%	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 FIVE FISCAL YEARS

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 13,994,211	\$ 14,949,838	\$ 15,371,759	\$ 16,224,734	\$ 18,951,671
Interest	26,644,821	30,544,997	30,940,484	28,140,256	29,961,191
Differences between expected and actual experience	1,026,366	(2,847,633)	(14,026,489)	5,234,527	656,173
Changes of assumptions	(99,374,212)	(57,038,382)	(4,821,705)	(15,686,325)	(79,679,340)
Benefit payments	<u>(12,645,898)</u>	<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	(70,354,712)	(25,549,386)	17,568,055	25,202,769	(42,320,414)
Total OPEB liability, beginning	<u>673,721,659</u>	<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>\$ 603,366,947</u>	<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	\$ 16,282,248	\$ 19,157,755	\$ 16,934,261	\$ 16,889,288	\$ 17,572,532
Net investment income	40,474,597	5,120,519	7,355,210	8,899,852	12,251,797
Benefit payments	(12,645,898)	(11,158,206)	(8,226,655)	(8,238,667)	(8,964,207)
Administrative expense	<u>(670,860)</u>	<u>(754,168)</u>	<u>(707,606)</u>	<u>(650,621)</u>	<u>(608,325)</u>
Net change in plan fiduciary net position	43,440,087	12,365,900	15,355,210	16,899,852	20,251,797
Plan fiduciary net position, beginning	<u>158,838,550</u>	<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>\$ 202,278,637</u>	<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>\$ 401,088,310</u>	<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	33.52%	23.58%	20.95%	19.23%	17.40%
Covered payroll	\$ 325,394,474	\$ 331,778,220	\$ 306,064,456	\$ 293,645,845	\$ 262,111,497
County's net OPEB liability as a percentage of covered payroll	123.26%	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 FIVE FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of Investment expense	28.36%	15.00%	19.61%	23.18%	32.76%

Notes:

Valuation date: 1/1/2021

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: 6.90% for 2021 decreasing to a rate of 4.50% in 2027 and beyond Post-65: 8.00% for 2021 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 MP2020.

Disabled members

PUB-2010 Amounts-weighted general employees
 disabled retirement mortality table with
 generational improvements by scale MP2020.

Survivor beneficiaries

PUB-2010 Amounts-weighted general employees
 survivor beneficiary mortality table with generational
 improvements by scale MP2020.

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

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

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 37,979,325	\$ 16,973,497	\$ 21,005,828	\$ 325,394,474	5.216 %
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

C-1
MECKLENBURG COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 62,101,570	\$ 98,857,757	\$ 160,959,327
Interest receivable	41,734	-	41,734
Accounts receivable	21,625,350	2,842,829	24,468,179
Taxes receivable	633,275	-	633,275
Less allowance for uncollectible taxes	(79,880)	-	(79,880)
Restricted cash and investments	-	201,080,406	201,080,406
Total assets	<u>\$ 84,322,049</u>	<u>\$ 302,780,992</u>	<u>\$ 387,103,041</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	\$ 20,894,202	\$ 29,235,731	\$ 50,129,933
Unearned grant revenue	3,410,826	-	3,410,826
Due to other funds	70,366	-	70,366
Total Liabilities	<u>24,375,394</u>	<u>29,235,731</u>	<u>53,611,125</u>
DEFERRED INFLOWS OF RESOURCES	<u>553,397</u>	<u>-</u>	<u>553,397</u>
Fund Balances			
Restricted:			
Stabilization by State Statute	42,470,730	24,481,392	66,952,122
Land Use and Environmental Services	1,981,461	-	1,981,461
Detention and Court Support Services	5,379,781	-	5,379,781
Capital Projects	-	177,517,842	177,517,842
Committed:			
Land Use and Environmental Services	17,324,896	-	17,324,896
Public Safety	5,535,668	-	5,535,668
Detention and Court Support Services	215,287	-	215,287
Health and Human Services	186,615	-	186,615
Fire Protection	3,627,259	-	3,627,259
Business Partners	(368,345)	-	(368,345)
Capital Projects	-	71,546,027	71,546,027
Unassigned:	<u>(16,960,094)</u>	<u>-</u>	<u>(16,960,094)</u>
Total fund balances	<u>59,393,258</u>	<u>273,545,261</u>	<u>332,938,519</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 84,322,049</u>	<u>\$ 302,780,992</u>	<u>\$ 387,103,041</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, 2021

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES			
Law Enforcement Service District taxes	\$ 19,868,968	\$ -	\$ 19,868,968
Transit one-half cent sales tax	63,330,796	-	63,330,796
Fire Service Districts taxes	8,003,358	-	8,003,358
Intergovernmental	35,132,441	1,719,155	36,851,596
Charges for services	39,531,095	1,386,338	40,917,433
Licenses and permits	730,340	-	730,340
Interest earned on investments	175,866	805	176,671
Other	8,049	141,748	149,797
Total revenues	<u>166,780,913</u>	<u>3,248,046</u>	<u>170,028,959</u>
EXPENDITURES			
Administrative Services	6,391,482	-	6,391,482
Land Use and Environmental Services	32,321,976	-	32,321,976
Community Services	9,797,050	-	9,797,050
Detention and Court Support Services	1,808,017	-	1,808,017
Health and Human Services	15,268,680	-	15,268,680
Business Partners	63,330,796	-	63,330,796
Public Safety	24,611,898	-	24,611,898
Debt Service:			
Principal	52,456	-	52,456
Capital outlay	8,031,030	292,868,127	300,899,157
Total expenditures	<u>161,613,385</u>	<u>292,868,127</u>	<u>454,481,512</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>5,167,528</u>	<u>(289,620,081)</u>	<u>(284,452,553)</u>
OTHER FINANCING SOURCES (USES)			
General obligation bonds issued	-	225,000,000	225,000,000
Premium on debt issued	-	31,048,225	31,048,225
Sale of capital assets	-	940,589	940,589
Transfers in	196,800	41,590,086	41,786,886
Transfers out	(957,745)	-	(957,745)
Total other financing sources (uses)	<u>(760,945)</u>	<u>298,578,900</u>	<u>297,817,955</u>
NET CHANGE IN FUND BALANCE	4,406,583	8,958,819	13,365,402
FUND BALANCES - BEGINNING OF YEAR	50,803,796	264,586,442	315,390,238
Restatement (See note 20)	4,182,879	-	4,182,879
FUND BALANCES - BEGINNING OF YEAR, RESTATED	<u>54,986,675</u>	<u>264,586,442</u>	<u>319,573,117</u>
FUND BALANCES - END OF YEAR	<u>\$ 59,393,258</u>	<u>\$ 273,545,261</u>	<u>\$ 332,938,519</u>

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MECKLENBURG COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2021

	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	Emergency Rental Assistance	Emergency Rental Assistance 2	Fee Collections for State	Representative Payee Fund	Total Special Revenue
ASSETS														
Cash and investments	\$ 33,667,351	\$ 6,987,437	\$ -	\$ 274,882	\$ 334,417	\$ 2,068,272	\$ 4,467,145	\$ 5,575,301	\$ 1,284,761	\$ -	\$ 2,144,514	\$ 5,106,238	\$ 191,252	\$ 62,101,570
Interest receivable	39,472	1,958	-	304	-	-	-	-	-	-	-	-	-	41,734
Accounts receivable	3,918,298	114,198	16,921,300	439,499	152,452	-	48,273	-	-	-	-	31,330	-	21,625,350
Taxes receivable	-	473,479	-	-	-	-	159,796	-	-	-	-	-	-	633,275
Less allowance for uncollectible taxes	-	(64,720)	-	-	-	-	(15,160)	-	-	-	-	-	-	(79,880)
Total assets	<u>\$ 37,625,121</u>	<u>\$ 7,512,352</u>	<u>\$ 16,921,300</u>	<u>\$ 714,685</u>	<u>\$ 486,869</u>	<u>\$ 2,068,272</u>	<u>\$ 4,660,054</u>	<u>\$ 5,575,301</u>	<u>\$ 1,284,761</u>	<u>\$ -</u>	<u>\$ 2,144,514</u>	<u>\$ 5,137,568</u>	<u>\$ 191,252</u>	<u>\$ 84,322,049</u>
LIABILITIES AND FUND BALANCES														
Liabilities														
Accounts payable and accrued liabilities	\$ 2,049,855	\$ 1,463,986	\$ 16,921,300	\$ 199,555	\$ 1,947	\$ 46,510	\$ 90,954	\$ 51,645	\$ 18,449	\$ -	\$ -	\$ 45,364	\$ 4,637	\$ 20,894,202
Unearned grant revenue	-	-	-	-	-	-	-	-	1,266,312	-	2,144,514	-	-	3,410,826
Due to other funds	-	63,085	-	-	-	-	7,281	-	-	-	-	-	-	70,366
Total liabilities	<u>2,049,855</u>	<u>1,527,071</u>	<u>16,921,300</u>	<u>199,555</u>	<u>1,947</u>	<u>46,510</u>	<u>98,235</u>	<u>51,645</u>	<u>1,284,761</u>	<u>-</u>	<u>2,144,514</u>	<u>45,364</u>	<u>4,637</u>	<u>24,375,394</u>
DEFERRED INFLOWS OF RESOURCES	-	408,760	-	-	-	-	144,637	-	-	-	-	-	-	553,397
Fund Balances														
Restricted:														
Stabilization by State Statute	23,503,754	116,155	16,921,300	439,803	152,452	40,301	753,415	143,875	368,345	-	-	31,330	-	42,470,730
Land Use and Environmental Services	-	-	-	-	-	1,981,461	-	-	-	-	-	-	-	1,981,461
Detention and Court Support Services	-	-	-	-	-	-	-	5,379,781	-	-	-	-	-	5,379,781
Committed:														
Land Use and Environmental Services	12,071,512	-	-	75,327	332,470	-	-	-	-	-	-	4,845,587	-	17,324,896
Detention and Court Support Services	-	-	-	-	-	-	-	-	-	-	-	215,287	-	215,287
Health and Human Services	-	-	-	-	-	-	-	-	-	-	-	-	186,615	186,615
Public Safety	-	5,535,668	-	-	-	-	-	-	-	-	-	-	-	5,535,668
Fire Protection	-	-	-	-	-	-	3,627,259	-	-	-	-	-	-	3,627,259
Business Partners	-	-	-	-	-	-	-	-	(368,345)	-	-	-	-	(368,345)
Unassigned:	-	(75,302)	(16,921,300)	-	-	-	36,508	-	-	-	-	-	-	(16,960,094)
Total fund balances	<u>35,575,266</u>	<u>5,576,521</u>	<u>-</u>	<u>515,130</u>	<u>484,922</u>	<u>2,021,762</u>	<u>4,417,182</u>	<u>5,523,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,092,204</u>	<u>186,615</u>	<u>59,393,258</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 37,625,121</u>	<u>\$ 7,512,352</u>	<u>\$ 16,921,300</u>	<u>\$ 714,685</u>	<u>\$ 486,869</u>	<u>\$ 2,068,272</u>	<u>\$ 4,660,054</u>	<u>\$ 5,575,301</u>	<u>\$ 1,284,761</u>	<u>\$ -</u>	<u>\$ 2,144,514</u>	<u>\$ 5,137,568</u>	<u>\$ 191,252</u>	<u>\$ 84,322,049</u>

C-4
MECKLENBURG COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	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	Emergency Rental Assistance	Emergency Rental Assistance 2	Fee Collections for State	Representative Payee Fund	Total Special Revenue
REVENUES														
Law Enforcement Service District taxes	\$ -	\$ 19,868,968	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,868,968
Transit one-half cent sales tax	-	-	63,330,796	-	-	-	-	-	-	-	-	-	-	63,330,796
Fire Service Districts taxes	-	-	-	-	-	-	8,003,358	-	-	-	-	-	-	8,003,358
Intergovernmental	540,643	-	-	1,597,427	583,403	-	-	949,216	24,626,461	6,775,690	-	-	59,601	35,132,441
Charges for services	17,946,135	-	-	-	-	817,266	-	-	-	-	-	20,767,694	-	39,531,095
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	730,340	-	730,340
Interest earned on investments	166,156	8,034	-	1,676	-	-	-	-	-	-	-	-	-	175,866
Other	4,194	-	-	-	-	-	-	-	-	-	-	3,855	-	8,049
Total revenues	18,657,128	19,877,002	63,330,796	1,599,103	583,403	817,266	8,003,358	949,216	24,626,461	6,775,690	-	21,501,889	59,601	166,780,913
EXPENDITURES														
Land Use and Environmental Services	9,487,239	-	-	1,956,851	357,497	628,575	-	-	-	-	-	19,891,814	-	32,321,976
Detention and Court Support Services	-	-	-	-	-	-	-	1,289,342	-	-	-	518,675	-	1,808,017
Public Safety	-	17,708,158	-	-	-	-	6,903,740	-	-	-	-	-	-	24,611,898
Business Partners	-	-	63,330,796	-	-	-	-	-	-	-	-	-	-	63,330,796
Administrative Services	-	-	-	-	-	-	-	-	6,391,482	-	-	-	-	6,391,482
Community Services	-	-	-	-	-	-	-	-	3,021,360	6,775,690	-	-	-	9,797,050
Health and Human Services	-	-	-	-	-	-	-	-	15,213,619	-	-	2,028	53,033	15,268,680
Debt Service:														-
Principal	52,456	-	-	-	-	-	-	-	-	-	-	-	-	52,456
Capital outlay	8,031,030	-	-	-	-	-	-	-	-	-	-	-	-	8,031,030
Total expenditures	17,570,725	17,708,158	63,330,796	1,956,851	357,497	628,575	6,903,740	1,289,342	24,626,461	6,775,690	-	20,412,517	53,033	161,613,385
REVENUES OVER (UNDER) EXPENDITURES	1,086,403	2,168,844	-	(357,748)	225,906	188,691	1,099,618	(340,126)	-	-	-	1,089,372	6,568	5,167,528
OTHER FINANCING SOURCES (USES)														
Transfers in	196,800	-	-	-	-	-	-	-	-	-	-	-	-	196,800
Transfers out	(957,745)	-	-	-	-	-	-	-	-	-	-	-	-	(957,745)
Total other financing sources (uses)	(760,945)	-	-	-	-	-	-	-	-	-	-	-	-	(760,945)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	325,458	2,168,844	-	(357,748)	225,906	188,691	1,099,618	(340,126)	-	-	-	1,089,372	6,568	4,406,583
FUND BALANCES - BEGINNING OF YEAR	35,249,808	3,407,677	-	872,878	259,016	1,833,071	3,317,564	5,863,782	-	-	-	-	-	50,803,796
Restatement (See note 20)	-	-	-	-	-	-	-	-	-	-	-	4,002,832	180,047	4,182,879
FUND BALANCES - BEGINNING OF YEAR, RESTATED	35,249,808	3,407,677	-	872,878	259,016	1,833,071	3,317,564	5,863,782	-	-	-	4,002,832	180,047	54,986,675
FUND BALANCES - END OF YEAR	\$ 35,575,266	\$ 5,576,521	\$ -	\$ 515,130	\$ 484,922	\$ 2,021,762	\$ 4,417,182	\$ 5,523,656	\$ -	\$ -	\$ -	\$ 5,092,204	\$ 186,615	\$ 59,393,258

C-5
MECKLENBURG COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2021

	Bond Funds	2020A School Bonds	Certificates of Participation	Capital Reserve	Other Capital Funding	Total Capital Projects
ASSETS						
Cash and investments	\$ -	\$ -	\$ -	\$ 78,947,976	\$ 19,909,781	\$ 98,857,757
Accounts receivable	-	-	50,322	1,395,613	1,396,894	2,842,829
Restricted cash and investments	<u>119,239,050</u>	<u>81,576,025</u>	<u>265,331</u>	<u>-</u>	<u>-</u>	<u>201,080,406</u>
Total assets	<u>\$ 119,239,050</u>	<u>\$ 81,576,025</u>	<u>\$ 315,653</u>	<u>\$ 80,343,589</u>	<u>\$ 21,306,675</u>	<u>\$ 302,780,992</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued liabilities	\$ 2,050,767	\$ 21,372,452	\$ -	\$ 4,603,488	\$ 1,209,024	\$ 29,235,731
Fund Balances						
Restricted:						
Stabilization by State Statute	139,345	-	50,322	10,773,057	13,518,668	24,481,392
Capital Projects	<u>117,048,938</u>	<u>60,203,573</u>	<u>265,331</u>	<u>-</u>	<u>-</u>	<u>177,517,842</u>
Committed:						
Capital Projects	-	-	-	64,967,044	6,578,983	71,546,027
Unassigned:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>117,188,283</u>	<u>60,203,573</u>	<u>315,653</u>	<u>75,740,101</u>	<u>20,097,651</u>	<u>273,545,261</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 119,239,050</u>	<u>\$ 81,576,025</u>	<u>\$ 315,653</u>	<u>\$ 80,343,589</u>	<u>\$ 21,306,675</u>	<u>\$ 302,780,992</u>

MECKLENBURG COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

CAPITAL IMPROVEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Bond Funds	2020A School Bonds	Certificates of Participation	Capital Reserve	Other Capital Funding	Total Capital Projects
Project Authorization	\$ 1,086,791,159	\$ -	\$ 681,951,412	\$ 436,822,756	\$ 371,006,333	\$ 2,576,571,660
Prior Year's Revenues	1,173,712,111	-	679,507,345	438,572,127	218,232,725	2,510,024,308
Prior Year's Expenditures	1,008,431,953	2,907,490	679,191,692	356,668,253	198,238,478	2,245,437,866
Fund Balances - Beginning of Year	165,280,158	(2,907,490)	315,653	81,903,874	19,994,247	264,586,442
REVENUES						
Intergovernmental						
Federal	-	-	-	12,326	879,443	891,769
State	-	-	-	2,909	668,477	671,386
Local	-	-	-	-	156,000	156,000
Charges for services	-	-	-	1,386,338	-	1,386,338
Interest earned on investments	758	47	-	-	-	805
Other	-	-	-	-	141,748	141,748
Total revenues	758	47	-	1,401,573	1,845,668	3,248,046
EXPENDITURES						
Management Services						
County Buildings	-	-	-	14,412,656	-	14,412,656
Small Business Loan Programs	-	-	-	-	125,000	125,000
Housing Stability Support Services	-	-	-	-	2,970,887	2,970,887
Land Use and Environmental Services						
Community Development	-	-	-	-	643,886	643,886
Historic Preservation	-	-	-	-	13,216	13,216
Community Services						
Park and Recreation Facilities	66,033	-	-	10,906,906	989,275	11,962,214
Library Facilities	-	-	-	1,195,690	-	1,195,690
Detention and Court Support Services						
Court Facilities	-	-	-	2,880,583	-	2,880,583
Jail / Detention Facilities	-	-	-	517,951	-	517,951
Business Partners						
Community College Facilities	3,363,805	-	-	3,634,657	-	6,998,462
School Facilities	44,662,795	192,937,209	-	13,547,578	-	251,147,582
Total expenditures	48,092,633	192,937,209	-	47,096,021	4,742,264	292,868,127
REVENUES UNDER EXPENDITURES	(48,091,875)	(192,937,162)	-	(45,694,448)	(2,896,596)	(289,620,081)
OTHER FINANCING SOURCES (USES)						
General obligation bonds issued	-	225,000,000	-	-	-	225,000,000
Premium on debt issued	-	31,048,225	-	-	-	31,048,225
Sale of capital assets	-	-	-	940,589	-	940,589
Transfers in	-	-	-	38,590,086	3,000,000	41,590,086
Total other financing sources (uses)	-	256,048,225	-	39,530,675	3,000,000	298,578,900
NET CHANGE IN FUND BALANCE	(48,091,875)	63,111,063	-	(6,163,773)	103,404	8,958,819
FUND BALANCES - END OF YEAR	\$ 117,188,283	\$ 60,203,573	\$ 315,653	\$ 75,740,101	\$ 20,097,651	\$ 273,545,261

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MECKLENBURG COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PAY-AS-YOU GO CAPITAL FUNDING
FOR THE YEAR ENDED JUNE 30, 2021

Project Authorization	\$ 1,412,259,152
Prior Year's Revenues	915,898,445
Prior Year's Expenditures	<u>763,812,340</u>
Fund Balance - Beginning of Year	<u>152,086,105</u>
EXPENDITURES	
Management Services	
County Buildings	15,479,602
Community Services	
Park and Recreation	77,990,987
Library Facilities	11,516,730
Detention and Court Support Services	
Court Facilities	1,086,999
Jail / Detention Facilities	458,084
Business Partners	
Community College Facilities	56,486,496
School Facilities	<u>(8,045,960)</u>
Total Expenditures	<u>154,972,938</u>
REVENUES OVER / (UNDER) EXPENDITURES	(154,972,938)
OTHER FINANCING SOURCES (USES)	
Transfers in	92,927,042
Transfers out	<u>(3,000,000)</u>
Total Other Financing Sources (Uses)	<u>89,927,042</u>
NET CHANGE IN FUND BALANCE	(65,045,896)
FUND BALANCE - END OF YEAR	<u>\$ 87,040,209</u>

D-1
 MECKLENBURG COUNTY, NORTH CAROLINA
 COMBINING STATEMENT OF ASSETS
 CUSTODIAL FUNDS
 JUNE 30, 2021

	Municipalities' Taxes	Sherriff's Trust	Total
ASSETS			
Cash and investments	\$ 4,036,445	\$ 714,758	\$ 4,751,203
Taxes for other governments	<u>14,521,303</u>	<u>-</u>	<u>14,521,303</u>
Total assets	<u>18,557,748</u>	<u>714,758</u>	<u>19,272,506</u>
LIABILITIES			
Due to other governmental agencies	<u>18,557,748</u>	<u>-</u>	<u>18,557,748</u>
NET POSITION			
Restricted for:			
Individuals and organizations	<u>-</u>	<u>714,758</u>	<u>714,758</u>
Total net position	<u>\$ -</u>	<u>\$ 714,758</u>	<u>\$ 714,758</u>

D-2
MECKLENBURG COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Municipalities' Taxes	Sherriff's Trust	Total
ADDITIONS			
Tax collections for other governments	\$ 710,695,144	\$ -	\$ 710,695,144
Collections on behalf of beneficiaries	-	7,003,286	7,003,286
Total additions	<u>710,695,144</u>	<u>7,003,286</u>	<u>717,698,430</u>
DEDUCTIONS			
Payments of tax to other governments	710,695,144	-	710,695,144
Payments to beneficiaries	-	6,678,755	6,678,755
Total deductions	<u>710,695,144</u>	<u>6,678,755</u>	<u>717,373,899</u>
Net increase (decrease) in fiduciary net position	-	324,531	324,531
Net position - beginning of year	-	-	-
Restatement (See note 20)	-	390,227	390,227
Beginning of year, restated	-	390,227	390,227
Net position - end of year	<u>\$ -</u>	<u>\$ 714,758</u>	<u>\$ 714,758</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, 2021

	Budget	Actual	Variance Positive/ (Negative)
REVENUES			
Property taxes	\$ 232,689,579	\$ 232,689,579	\$ -
Sales tax	60,044,593	67,928,378	7,883,785
Intergovernmental	13,167,523	11,934,503	(1,233,020)
Interest on investments	4,500,000	80,018	(4,419,982)
Other	1,292,308	950,148	(342,160)
Total revenues	<u>311,694,003</u>	<u>313,582,626</u>	<u>1,888,623</u>
EXPENDITURES			
Board of Education			
Debt service			
Principal payments	120,514,049	110,488,349	10,025,700
Interest	54,817,034	47,065,225	7,751,809
Central Piedmont Community College			
Debt service			
Principal payments	11,962,348	11,962,348	-
Interest	6,309,678	6,180,621	129,057
Debt Service			
Principal payments	26,819,189	26,569,303	249,886
Interest	10,016,288	10,016,288	-
Total expenditures	<u>230,438,586</u>	<u>212,282,134</u>	<u>18,156,452</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>81,255,417</u>	<u>101,300,492</u>	<u>20,045,075</u>
OTHER FINANCING SOURCES (USES)			
Premium on debt issued	963,875	963,875	-
Transfers to other funds	(82,219,292)	(82,219,292)	-
Total other financing sources (uses)	<u>(81,255,417)</u>	<u>(81,255,417)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>20,045,075</u>	<u>\$ 20,045,075</u>
FUND BALANCE - BEGINNING OF YEAR		<u>238,946,562</u>	
FUND BALANCE - END OF YEAR		<u>\$ 258,991,637</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, 2021

	Budget	Actual	Variance Positive/ (Negative)
REVENUES			
Intergovernmental	\$ 10,362,510	\$ 540,643	\$ (9,821,867)
Charges for services	19,175,132	17,946,135	(1,228,997)
Interest earned on investments	-	166,156	166,156
Other	-	4,194	4,194
Total revenues	<u>29,537,642</u>	<u>18,657,128</u>	<u>(10,880,514)</u>
EXPENDITURES			
Land Use and Environmental Services:			
Stormwater	26,455,086	9,487,239	16,967,847
Debt:			
Principal	52,555	52,456	99
Capital outlay	<u>69,631,671</u>	<u>8,031,030</u>	<u>61,600,641</u>
Total expenditures	<u>96,139,312</u>	<u>17,570,725</u>	<u>78,568,587</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	67,559,415	196,800	(67,362,615)
Transfers out	<u>(957,745)</u>	<u>(957,745)</u>	<u>-</u>
Total other financing sources (uses)	<u>66,601,670</u>	<u>(760,945)</u>	<u>(67,362,615)</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	325,458	<u>\$ 325,458</u>
FUND BALANCE - BEGINNING OF YEAR		<u>35,249,808</u>	
FUND BALANCE - END OF YEAR		<u>\$ 35,575,266</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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
REVENUES			
Law Enforcement Service District taxes	\$ 18,487,881	\$ 19,868,968	\$ 1,381,087
Interest earned on investments	<u>-</u>	<u>8,034</u>	<u>8,034</u>
Total revenues	<u>18,487,881</u>	<u>19,877,002</u>	<u>1,389,121</u>
EXPENDITURES			
Public Safety	<u>18,487,881</u>	<u>17,708,158</u>	<u>779,723</u>
REVENUES OVER / (UNDER) EXPENDITURES	<u>\$ -</u>	2,168,844	<u>\$ 2,168,844</u>
FUND BALANCE - BEGINNING OF YEAR		<u>3,407,677</u>	
FUND BALANCE - END OF YEAR		<u>\$ 5,576,521</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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
REVENUES			
Transit one-half cent sales tax	\$ 63,330,796	\$ 63,330,796	\$ -
EXPENDITURES			
Business Partners	63,330,796	63,330,796	-
REVENUES OVER EXPENDITURES	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE - BEGINNING OF YEAR		-	
FUND BALANCE - END OF YEAR		<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, 2021

	Budget	Actual	Variance Positive/ (Negative)
REVENUES			
Intergovernmental	\$ 1,684,000	\$ 1,597,427	\$ (86,573)
Interest earned on investments	<u>-</u>	<u>1,676</u>	<u>1,676</u>
Total revenues	<u>1,684,000</u>	<u>1,599,103</u>	<u>(84,897)</u>
EXPENDITURES			
Land Use and Environmental Services	<u>1,984,000</u>	<u>1,956,851</u>	<u>27,149</u>
REVENUES OVER/ (UNDER) EXPENDITURES	(300,000)	(357,748)	(57,748)
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>300,000</u>	<u>-</u>	<u>(300,000)</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	(357,748)	<u>\$ (357,748)</u>
FUND BALANCE - BEGINNING OF YEAR		<u>872,878</u>	
FUND BALANCE - END OF YEAR		<u>\$ 515,130</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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
REVENUES			
Intergovernmental	<u>\$ 493,220</u>	<u>\$ 583,403</u>	<u>\$ 90,183</u>
EXPENDITURES			
Land Use and Environmental Services	<u>493,220</u>	<u>357,497</u>	<u>135,723</u>
REVENUES OVER / (UNDER) EXPENDITURES	<u>\$ -</u>	<u>225,906</u>	<u>\$ 225,906</u>
FUND BALANCE - BEGINNING OF YEAR		<u>259,016</u>	
FUND BALANCE - END OF YEAR		<u>\$ 484,922</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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
REVENUES			
Charges for services	\$ 3,893,000	\$ 817,266	\$ (3,075,734)
EXPENDITURES			
Land Use and Environmental Services	3,562,579	628,575	2,934,004
Capital outlay	<u>330,421</u>	<u>-</u>	<u>330,421</u>
Total expenditures	<u>3,893,000</u>	<u>628,575</u>	<u>3,264,425</u>
REVENUES OVER/ (UNDER) EXPENDITURES	<u>\$ -</u>	188,691	<u>\$ 188,691</u>
FUND BALANCE - BEGINNING OF YEAR		<u>1,833,071</u>	
FUND BALANCE - END OF YEAR		<u>\$ 2,021,762</u>	

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 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, 2021

	Budget	Actual	Variance Positive/ (Negative)
REVENUES			
Fire Services District taxes	<u>\$ 7,484,323</u>	<u>\$ 8,003,358</u>	<u>\$ 519,035</u>
EXPENDITURES			
Public Safety	<u>7,610,984</u>	<u>6,903,740</u>	<u>707,244</u>
REVENUES OVER / (UNDER) EXPENDITURES	(126,661)	1,099,618	1,226,279
OTHER FINANCING SOURCES (USES)			
Appropriated fund balance	<u>126,661</u>	<u>-</u>	<u>(126,661)</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	1,099,618	<u>\$ 1,099,618</u>
FUND BALANCE - BEGINNING OF YEAR		<u>3,317,564</u>	
FUND BALANCE - END OF YEAR		<u>\$ 4,417,182</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, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive/ (Negative)
REVENUES			
Intergovernmental	\$ -	\$ 949,216	\$ 949,216
EXPENDITURES			
Detention and Court Support Services	2,663,079	1,289,342	1,373,737
Capital Outlay	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>2,673,079</u>	<u>1,289,342</u>	<u>1,383,737</u>
REVENUES OVER/ (UNDER) EXPENDITURES	(2,673,079)	(340,126)	2,332,953
OTHER FINANCING SOURCES			
Transfers In	<u>2,673,079</u>	<u>-</u>	<u>(2,673,079)</u>
REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>\$ -</u>	(340,126)	<u>\$ (340,126)</u>
FUND BALANCE - BEGINNING OF YEAR		<u>5,863,782</u>	
FUND BALANCE - END OF YEAR		<u>\$ 5,523,656</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, 2021

	Budget	Actual	Variance Positive/ (Negative)
REVENUES			
Intergovernmental	\$ 39,199,344	\$ 24,626,461	\$ (14,572,883)
EXPENDITURES			
Administrative services	10,585,352	6,391,482	4,193,870
Community services	3,021,360	3,021,360	-
Health and human services	25,592,632	15,213,619	10,379,013
Total expenditures	39,199,344	24,626,461	14,572,883
REVENUES OVER/ (UNDER) EXPENDITURES	\$ -	-	\$ -
FUND BALANCE - BEGINNING OF YEAR		-	
FUND BALANCE - END OF YEAR		\$ -	

MECKLENBURG COUNTY, NORTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - EMERGENCY RENTAL ASSISTANCE SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive/ (Negative)
REVENUES			
Intergovernmental	\$ 6,775,690	\$ 6,775,690	\$ -
EXPENDITURES			
Community services	<u>6,775,690</u>	<u>6,775,690</u>	<u>-</u>
REVENUES OVER/ (UNDER) EXPENDITURES	<u>\$ -</u>	<u>-</u>	<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 - EMERGENCY RENTAL ASSISTANCE 2 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
REVENUES			
Intergovernmental	\$ 2,144,514	\$ -	\$ (2,144,514)
EXPENDITURES			
Community services	<u>2,144,514</u>	<u>-</u>	<u>2,144,514</u>
REVENUES OVER/ (UNDER) EXPENDITURES	<u>\$ -</u>	<u>-</u>	<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 - FEE COLLECTION FOR STATE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Positive/ (Negative)
REVENUES			
Charges for services	\$ 21,732,750	\$ 20,767,694	\$ (965,056)
Licenses and Permits	762,750	730,340	(32,410)
Other	4,500	3,855	(645)
Total revenues	<u>22,500,000</u>	<u>21,501,889</u>	<u>(998,111)</u>
EXPENDITURES			
Detention and Court Support Services	571,500	518,675	52,825
Health and human services	2,250	2,028	222
Land Use and Environmental Services:	<u>21,926,250</u>	<u>19,891,814</u>	<u>2,034,436</u>
Total expenditures	<u>22,500,000</u>	<u>20,412,517</u>	<u>2,087,483</u>
REVENUES OVER/ (UNDER) EXPENDITURES	<u>\$ -</u>	1,089,372	<u>\$ 1,089,372</u>
FUND BALANCE - BEGINNING OF YEAR		-	
Restatement (See note 20)		<u>4,002,832</u>	
FUND BALANCE - BEGINNING OF YEAR, RESTATED		<u>4,002,832</u>	
FUND BALANCE - END OF YEAR		<u>\$ 5,092,204</u>	

MECKLENBURG COUNTY, NORTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2021

	Project Authorizations	Prior Years	Current Year	Total to Date
REVENUES				
Intergovernmental	\$ 107,836,818	\$ -	\$ -	\$ -
EXPENDITURES				
Community services	107,836,818	-	-	-
REVENUES OVER/ (UNDER) EXPENDITURES	\$ -	\$ -	\$ -	\$ -

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, 2021

	BUDGET	ACTUAL
REVENUES		
Residential availability fees	\$ 18,475,596	\$ 19,006,179
Recycling sales and tip fees	14,240,820	15,972,620
Other	2,798,836	2,606,923
Total revenues	<u>35,515,252</u>	<u>37,585,722</u>
EXPENDITURES		
Personnel services and employee benefits	8,291,168	7,674,739
Utilities	465,000	308,945
Supplies	991,811	884,217
Maintenance and repairs	3,217,000	2,909,189
Rental and occupancy charges	3,059,567	2,786,647
Contractual services	11,719,043	9,840,996
Postclosure reserve contribution	1,080,142	1,080,142
Total expenditures	<u>28,823,731</u>	<u>25,484,875</u>
EXCESS REVENUES OVER EXPENDITURES	<u>6,691,521</u>	<u>12,100,847</u>
OTHER FINANCING SOURCES (USES)		
Grant revenue	29,252	56,181
Interest income	203,277	138,968
Interest expense	(256,400)	(256,400)
Debt principal	(513,164)	(925,000)
Transfers to other funds	(13,763,421)	(13,763,421)
Appropriated fund balance	7,608,935	-
Total other financing sources (uses)	<u>(6,691,521)</u>	<u>(14,749,672)</u>
EXCESS REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	(2,648,825)
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		7,345,036
Special Obligation Bond Fund		10
Depreciation		(3,360,475)
Change in deferred outflows of resources - pensions		372,872
Change in net pension liability		(854,610)
Change in deferred inflows of resources - pensions		4,858
Bond principal		925,000
Amortization of premium		68,302
Capital outlay		5,449,565
Change in net position - full accrual basis		<u>\$ 7,301,733</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, 2021

	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	2,552,886	54,141	2,607,027
Other	12,546	9,372	-	9,372
Total revenues	<u>6,461,744</u>	<u>6,233,070</u>	<u>54,141</u>	<u>6,287,211</u>
EXPENDITURES				
Landfill construction	22,189,633	15,981,630	-	15,981,630
Land improvements	46,079,958	38,060,379	6,488,642	44,549,021
Final development and postclosure costs	10,458,341	7,693,340	-	7,693,340
Total expenditures	<u>78,727,932</u>	<u>61,735,349</u>	<u>6,488,642</u>	<u>68,223,991</u>
REVENUES OVER (UNDER) EXPENDITURES	(72,266,188)	(55,502,279)	(6,434,501)	(61,936,780)
OTHER FINANCING SOURCES (USES)				
Grant revenue	8,000		-	-
Gain (loss) on sale of capital assets	9,529	768,280	16,116	784,396
Operating transfer from Solid Waste Enterprise Fund	71,728,244	54,489,134	13,763,421	68,252,555
Appropriated fund balance	520,415	-	-	-
Total other financing sources (uses)	<u>72,266,188</u>	<u>55,257,414</u>	<u>13,779,537</u>	<u>69,036,951</u>
EXCESS REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	<u>\$ (244,865)</u>	<u>\$ 7,345,036</u>	<u>\$ 7,100,171</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, 2021

	Project	Actual		
	Authorizations	Prior	Current	Total
		Years	Year	to Date
REVENUES				
Interest earned on investments	\$ 8,990	\$ 13,734	\$ 10	\$ 13,744
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)	(12,942,616)	10	(12,942,606)
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	\$ -	\$ 76,633	\$ 10	\$ 76,643

TABLE 1

MECKLENBURG COUNTY, NORTH CAROLINA
NET POSITION BY COMPONENT
FISCAL YEAR ENDED JUNE 30, 2021
(Accrual Basis of Accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities										
Net investment in capital assets	\$ 1,185,682,713	\$ 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
Restricted	358,107,487	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
Unrestricted	(1,333,846,174)	(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)
Total Governmental Activities	209,944,026	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)
Business-type Activities										
Net investment in capital assets	75,798,910	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
Restricted	832,594	220,090	212,672	205,638	300,491	370,617	1,150,480	6,338,310	5,666,805	16,601,737
Unrestricted	23,768,692	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
Total Business-type Activities	100,400,196	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
Primary Government										
Net investment in capital assets	1,261,481,623	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
Restricted	358,940,081	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
Unrestricted	(1,310,077,482)	(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)
Total Primary Government	\$ 310,344,222	\$ 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)

TABLE 2
MECKLENBURG COUNTY, NORTH CAROLINA
CHANGE IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021
(Accrual Basis of Accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Governmental Activities:										
Customer Satisfaction and Management Services	\$ 22,806,322	\$ 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
Administrative Services	172,201,206	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
Financial Services	23,038,596	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
Land Use and Environmental Services	102,047,623	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
Community Services	130,166,889	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
Detention and Court Support Services	176,768,598	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
Health and Human Services	312,989,177	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
Business Partners	986,893,485	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
Interest on long-term debt:										
General purpose	9,634,416	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
Public schools	54,299,003	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
Total Governmental Activities Expenses	1,990,845,315	1,833,055,468	1,648,776,595	1,578,351,832	1,507,622,082	1,438,921,872	1,397,701,188	1,297,108,918	1,277,596,069	1,177,945,720
Business-type Activities:										
Solid Waste	32,058,237	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
MeckLink	-	-	-	-	-	-	(3,316,258)	183,627,246	86,953,809	-
Total Primary Government Expenses	2,022,903,552	1,863,619,083	1,673,946,282	1,599,046,608	1,525,689,237	1,454,515,448	1,409,133,530	1,495,304,647	1,378,361,259	1,192,499,121
Program Revenues:										
Governmental Activities:										
Charges for services	-	-	-	-	-	510,638	3,216	-	-	5,149
Customer Satisfaction and Management Services	-	-	-	-	-	-	-	-	-	-
Administrative Services	61,181,296	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
Financial Services	1,899,188	2,203,444	2,516,924	-	736,936	181,274	193,675	296,922	9,013	8,620
Land Use and Environmental Services	110,261,775	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
Community Services	4,252,438	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
Detention and Court Support Services	40,888,482	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
Health and Human Services	7,473,953	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
Business Partners	2,050,824	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
Operating grants and contributions	182,686,620	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
Capital grants and contributions	16,490,912	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
Total Governmental Activities Program Revenues	427,185,488	299,871,005	282,739,432	270,459,153	295,755,190	291,828,152	277,324,913	270,079,343	276,147,687	281,767,102
Business-type Activities										
Charges for services	38,393,872	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
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
Capital grants and contributions	436,439	-	238,710	-	9,660	932,273	31,585	-	313,996	-
Total Business-type Activities Program Revenues	38,830,311	33,471,772	27,063,629	24,478,479	19,477,488	16,709,565	16,359,585	191,186,622	91,693,711	12,502,818
Total Primary Government Program Revenues	466,015,799	333,342,777	309,803,061	294,937,632	315,232,678	308,537,717	293,684,498	461,265,965	367,841,398	294,269,920
Net Expense										
Governmental activities	(1,563,659,827)	(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)
Business-type activities	6,772,074	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)
Total Primary Government Net Expense	(1,556,887,753)	(1,530,276,306)	(1,364,143,221)	(1,304,108,976)	(1,210,456,559)	(1,145,977,731)	(1,115,449,032)	(1,034,038,682)	(1,010,519,861)	(898,229,201)
General Revenues										
Governmental Activities										
Property taxes, general purpose	1,178,868,557	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
Property taxes, Law Enforcement Service District	19,708,644	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
Property taxes, Fire Service Districts	7,995,663	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	354,919,861	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
Other taxes	19,125,044	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
Investment earnings	1,106,891	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
Miscellaneous	822,331	1,561,439	8,776,517	1,038,539	1,632,933	131,985	-	-	-	-
Transfers	-	-	695,000	6,690	-	-	12,980,816	(10,543,650)	(8,826,133)	(1,700,000)
Total Governmental Activities General Revenues	1,582,546,991	1,535,537,421	1,476,704,842	1,388,408,670	1,325,262,111	1,310,536,648	1,180,565,371	1,208,684,369	1,152,856,613	1,159,205,816
Business-type Activities										
Investment earnings	193,119	610,634	679,289	467,566	192,375	223,689	197,320	178,343	155,445	242,917
Miscellaneous	-	-	-	-	1,817,411	1,156,746	1,649,897	1,837,587	2,305,470	4,403,049
Transfers	-	-	(695,000)	(6,690)	-	-	(12,980,816)	10,543,650	8,826,133	1,700,000
Total Business-type Activities General Revenues	193,119	610,634	(15,711)	460,876	2,009,786	1,380,435	(11,133,599)	12,559,580	11,287,048	6,345,966
Total Primary Government General Revenues	1,582,740,110	1,536,148,055	1,476,689,131	1,388,869,546	1,327,271,897	1,311,917,083	1,169,431,772	1,221,243,949	1,164,143,661	1,165,551,782
Change in Net Position										
Governmental Activities	18,887,164	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
Business-type Activities	6,965,193	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
Total Primary Government Change in Net Position	\$ 25,852,357	\$ 5,871,749	\$ 112,545,910	\$ 84,760,570	\$ 116,815,338	\$ 165,939,352	\$ 53,982,740	\$ 187,205,267	\$ 153,623,800	\$ 267,322,581

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	
2021	\$ -	\$ 180,518,392	\$ 138,392,936	\$ -	\$ 302,101,657	\$ 621,012,985	\$ 353,287,058	\$ 342,679,909	\$ (16,996,602)	\$ 678,970,365	\$ 1,299,983,350
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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
REVENUES										
Taxes	\$ 1,485,867,990	\$ 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
Law Enforcement Service District taxes	19,868,968	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
Transit One-Half Cent sales tax	63,330,796	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
Fire Service Districts taxes	8,003,358	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	40,306,832	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
Intergovernmental	183,751,475	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
Charges for services	123,100,518	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
Interest earned on investments	1,106,891	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
Administrative charges	8,725,467	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
Other	11,140,314	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
Total Revenues	1,945,202,609	1,829,921,789	1,742,133,263	1,662,302,212	1,620,719,718	1,603,634,168	1,469,119,125	1,485,626,027	1,433,269,309	1,443,932,960
EXPENDITURES										
Current										
Customer Satisfaction and Management	21,595,994	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
Administrative Services	133,618,637	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
Financial Services	18,395,307	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
Land Use and Environmental Services	93,229,710	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
Community Services	95,135,024	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
Detention and Court Support Services	145,784,447	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
Health and Human Services	293,416,867	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
Business Partners	655,387,785	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
Public Safety	24,611,898	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	149,072,456	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
Interest and fiscal charges	63,262,134	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
Capital outlay	455,872,095	395,896,640	317,655,956	329,341,198	236,475,476	223,435,762	191,778,251	148,693,477	138,813,366	76,770,706
Total Expenditures	2,149,382,354	2,025,242,186	1,829,214,469	1,799,203,738	1,685,850,552	1,651,282,515	1,577,518,542	1,439,025,904	1,443,148,392	1,354,601,284
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(204,179,745)	(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
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	32,012,100	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	225,000,000	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	965,610	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	135,671,673	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
Transfers out	(135,671,673)	(193,907,199)	(212,786,312)	(133,290,758)	(173,077,440)	(122,274,497)	(103,238,624)	(64,325,048)	(70,446,933)	(48,441,107)
Total Other Financing Sources (Uses)	257,977,710	230,936,010	180,602,380	248,060,535	228,408,203	715,523	125,938,525	(4,650,335)	119,857,056	122,931,144
NET CHANGE IN FUND BALANCES	53,797,965	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
FUND BALANCE - BEGINNING OF YEAR	1,202,617,803	1,131,603,163	1,073,481,016	962,322,007	799,044,638	845,977,462	828,438,354	786,488,566	676,510,593	464,247,773
RESTATEMENT	43,567,582	-	-	-	-	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR, RESTATED	1,246,185,385									
FUND BALANCE - END OF YEAR	\$ 1,299,983,350	\$ 1,167,218,776	\$ 1,167,002,190	\$ 1,073,481,016	\$ 962,322,007	\$ 799,044,638	\$ 845,977,462	\$ 828,438,354	\$ 786,488,566	\$ 676,510,593
Debt service as a percentage of non-capital expenditures	10.43%	10.87%	11.53%	12.77%	13.46%	14.68%	14.49%	15.30%	18.14%	19.39%

TABLE 5

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Tax Revenues										
General Property	\$ 1,182,085,052	\$ 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
Sales	291,589,065	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
Room Occupancy	753,242	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
Vehicle Rental	3,362,551	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
Other	8,078,080	1,614,336	1,862,170	1,692,268	1,611,878	1,327,153	1,158,114	810,089	727,535	721,717
Total Tax Revenues	\$ 1,485,867,990	\$ 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

TABLE 6

MECKLENBURG COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
FOR THE YEAR ENDED JUNE 30, 2021

	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	\$ 179,193,362,811	\$ 0.6169	\$ 1,105,443,855	\$ 1,105,443,855	\$ -
Motor vehicles	11,644,435,771	0.6169	71,834,524	-	71,834,524
Total	<u>190,837,798,582</u>		<u>1,177,278,379</u>	<u>1,105,443,855</u>	<u>71,834,524</u>
Discoveries:					
Prior year taxes	732,750,414	Various	3,605,821	3,605,625	196
Penalties	-		1,228,153	1,228,153	-
Total	<u>732,750,414</u>		<u>4,833,974</u>	<u>4,833,778</u>	<u>196</u>
Total property valuation	<u><u>\$ 191,570,548,996</u></u>				
Net levy			1,182,112,353	1,110,277,633	71,834,720
Uncollected taxes at June 30, 2020			(8,992,590)	(8,992,590)	-
Current year's taxes collected			<u>\$ 1,173,119,763</u>	<u>\$ 1,101,285,043</u>	<u>\$ 71,834,720</u>
Current net levy collection percentage			99.24%	99.19%	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, 2021

Fiscal year	Uncollected Beginning Balance	Additions	Collections and Credits	Uncollected Ending Balance
2020-2021	\$ -	\$ 1,182,112,353	\$ 1,173,119,763	\$ 8,992,590
2019-2020	11,805,781	-	6,530,510	5,275,271
2018-2019	2,727,758	-	641,238	2,086,520
2017-2018	1,897,003	-	289,316	1,607,687
2016-2017	2,674,600	-	246,730	2,427,870
2015-2016	1,174,829	-	175,508	999,321
2014-2015	1,195,521	-	138,345	1,057,176
2013-2014	2,131,655	-	149,681	1,981,974
2012-2013	2,361,075	-	128,012	2,233,063
2011-2012	2,201,290	-	98,132	2,103,158
2010-2011	5,067,717	-	5,067,717	-
	<u>\$ 33,237,229</u>	<u>\$ 1,182,112,353</u>	<u>\$ 1,186,584,951</u>	<u>\$ 28,764,631</u>

Revenue reconciliation:

General property - current - General Fund	\$ 939,996,614
General property - prior - General Fund	6,322,600
General property - current - Debt Service Fund	232,689,579
Reconciling items:	
Property tax refunds	2,576,678
Taxes written off	<u>4,999,480</u>
	<u>\$ 1,186,584,951</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
2021		\$ 162,009.1	\$ 24,119.3	\$ 5,442.1	\$ 191,570.5	0.6169
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

- 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
2021		0.6169	0.3481	0.2220	0.2900	0.2400	0.2800	0.2550	0.3300
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

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.

SOURCE:

Mecklenburg County: Office of the Tax Collector

TABLE 10

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

Taxpayer	Enterprise	2021			2012		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy	Utilities	\$ 3,438,255,316	1	1.79 %	\$ 1,988,938,673	1	1.70 %
Wells Fargo	Financial Services	1,796,823,714	2	0.94	1,386,699,023	3	1.19
Bank of America	Financial Services	1,492,559,196	3	0.78	1,675,023,321	2	1.44
American Airlines	Transportation	848,489,124	4	0.44	513,448,426	4	0.44
Piedmont Natural Gas Co.	Utilities	471,968,134	5	0.25	381,804,585	6	0.33
Spectrum	Utilities	499,086,298	6	0.26	329,436,571	8	0.28
Truist	Financial Services	438,368,819	7	0.23	-	-	-
Sourth Park Mall	Retail	392,881,800	8	0.21	339,005,920	7	0.29
AT&T	Utilities	303,819,825	9	0.16	485,262,847	5	0.42
301 College Street LLC	Property Management	288,662,938	10	0.15	183,113,400	10	0.16
Teachers Insurance	Insurance	-	-	-	316,955,625	9	0.27
Total		<u>\$ 9,970,915,164</u>		<u>5.20 %</u>	<u>\$ 7,599,688,391</u>		<u>6.52 %</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
2021	2020	\$ 1,182,112,353	\$ 1,173,119,763	99.24 %	\$ -	\$ 1,173,119,763	99.24 %
2020	(2) 2019	1,146,400,586	1,134,594,805	98.97	6,530,510	1,141,125,315	99.54
2019	2018	1,070,347,930	1,065,405,538	99.54	2,855,872	1,068,261,410	99.81
2018	2017	1,034,427,285	1,029,768,691	99.55	3,050,907	1,032,819,598	99.84
2017	2016	1,010,179,492	1,003,590,537	99.35	4,161,085	1,007,751,622	99.76
2016	2015	1,000,717,967	995,444,925	99.47	4,273,721	999,718,646	99.90
2015	2014	952,893,579	947,069,990	99.39	4,766,413	951,836,403	99.89
2014	2013	930,300,839	913,606,153	98.21	14,712,712	928,318,865	99.79
2013	2012	921,589,480	902,816,840	97.96	16,539,577	919,356,417	99.76
2012	(2) 2011	947,064,890	927,878,581	97.97	17,083,151	944,961,732	99.78

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, 2021

Description	Issue Date	Due Serially To	Average Interest Rate	Original Issue	Balance July 1, 2020	Sold	Retired	Balance June 30, 2021	Interest Paid in Current Year
Refunding 2009A	March 10, 2009	2021	2.2523%	\$ 243,965,000	\$ 1,745,000	\$ -	\$ 1,745,000	\$ -	\$ 43,625
Refunding 2010	March 16, 2010	2026	3.1098	114,940,000	64,455,000	-	15,820,000	48,635,000	2,560,025
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	33,700,000	-	11,370,000	22,330,000	1,445,700
Refunding 2013A	January 29, 2013	2028	4.9525	209,815,000	157,850,000	-	23,495,000	134,355,000	7,305,125
Public Improvement 2013B	February 5, 2013	2033	3.5009	100,000,000	65,000,000	-	5,000,000	60,000,000	2,250,000
School Bonds 2015A	March 17, 2015	2035	3.8746	100,000,000	75,000,000	-	5,000,000	70,000,000	3,018,750
Refunding 2016A	October 12, 2016	2030	4.6234	148,565,000	114,345,000	-	23,085,000	91,260,000	4,862,013
Public Improvement 2016B	October 18, 2016	2036	3.4720	200,000,000	185,000,000	-	7,000,000	178,000,000	6,763,750
Public Improvement 2017A	September 12, 2017	2037	3.5666	225,000,000	219,000,000	-	6,000,000	213,000,000	8,356,250
Public Improvement 2018A	September 12, 2018	2039	3.9550	150,000,000	142,500,000	-	7,500,000	135,000,000	6,028,125
Public Improvement 2019	September 26, 2019	2040	3.6660	200,000,000	200,000,000	-	10,000,000	190,000,000	8,287,500
Public Improvement 2021	September 26, 2019	2041	2.9440	225,000,000	-	225,000,000	-	225,000,000	-
				<u>\$ 2,132,300,000</u>	<u>\$ 1,309,595,000</u>	<u>\$ 225,000,000</u>	<u>\$ 116,015,000</u>	<u>\$ 1,418,580,000</u>	<u>\$ 53,138,853</u>

TABLE 13

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF INSTALLMENT FINANCINGS
JUNE 30, 2021

Description	Issue Date	Due Serially To	Average Interest Rate	Original Issue	Balance July 1, 2020	Issued	Retired	Balance June 30, 2021	Interest Paid Current Year
NC Clean Water State Revolving Loan	April 11, 2011	2030	- %	\$ 2,493,625	\$ 524,560	\$ -	\$ 52,456	\$ 472,104	\$ -
Guaranteed Energy Savings Contract	December 16, 2011	2025	3.100	6,291,281	2,769,485	-	634,163	2,135,322	77,625
2013 Taxable Limited Obligation Bonds	March 13, 2013	2028	2.779	18,115,000	10,635,000	-	1,205,000	9,430,000	321,058
2015 Limited Obligation Refunding	April 30, 2015	2028	4.659	120,025,000	102,730,000	-	16,100,000	86,630,000	4,418,500
2017 Limited Obligation Refunding	September 14, 2017	2028	4.522	119,135,000	101,000,000	-	15,700,000	85,300,000	4,376,300
				<u>\$ 266,059,906</u>	<u>\$ 217,659,045</u>	<u>\$ -</u>	<u>\$ 33,691,619</u>	<u>\$ 183,967,426</u>	<u>\$ 9,193,483</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			
2021	\$ 1,611,206,257	\$ 183,967,426	\$ 435,498	\$ -	\$ 5,534,048	\$ -	\$ 1,801,143,229	N/A %	\$ 1,583
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

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.

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)
2021	\$ 1,611,206,257	\$ -	\$ 1,611,206,257	0.84 %	\$ 1,416
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

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, 2021

Mecklenburg County:	Assessed Valuation (1)	Percent of Countywide Total	Pro Rata Share of Governmental Activities Debt	Municipalities' Debt (2)	Total Overlapping Debt
Charlotte	\$ 147,130,431,225	76.80 %	\$ 1,379,027,851	\$ 775,050,197	\$ 2,154,078,048
Cornelius	7,402,520,254	3.86	69,310,514	12,450,000	81,760,514
Davidson	2,760,382,457	1.44	25,856,772	16,925,000	42,781,772
Huntersville	10,239,224,236	5.35	96,065,091	32,873,000	128,938,091
Matthews	5,005,557,772	2.61	46,865,400	3,700,000	50,565,400
Mint Hill	3,636,593,421	1.90	34,116,574	-	34,116,574
Pineville	2,569,841,879	1.34	24,061,163	-	24,061,163
Unincorporated Areas	12,825,997,752	6.70	120,305,815	-	120,305,815
Countywide Totals	<u>\$ 191,570,548,996</u>	<u>100.00 %</u>	<u>\$ 1,795,609,181</u>	<u>\$ 840,998,197</u>	<u>\$ 2,636,607,378</u>

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

(2) Provided by Department of State Treasurer.

TABLE 17

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Assessed Value	\$ 191,570,548,996	\$ 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
Debt Limit 8% of Assessed Value	<u>x .08</u>	<u>x .08</u>	<u>x .08</u>	<u>x .08</u>	<u>x .08</u>	<u>x .08</u>	<u>x .08</u>	<u>x .08</u>	<u>x .08</u>	<u>x .08</u>
Debt Limit	<u>15,325,643,920</u>	<u>14,844,465,218</u>	<u>10,403,376,469</u>	<u>10,160,450,271</u>	<u>9,913,722,676</u>	<u>9,804,612,662</u>	<u>9,490,659,580</u>	<u>9,034,728,985</u>	<u>9,233,252,490</u>	<u>9,335,348,737</u>
Amount of Debt Applicable to Debt Limit:										
Total Bonded Debt	1,418,580,000	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
Installment Financings	183,967,426	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
Bonds Authorized and Unissued	<u>490,085,000</u>	<u>715,085,000</u>	<u>915,085,000</u>	<u>1,140,085,000</u>	<u>443,000,000</u>	<u>643,000,000</u>	<u>783,000,000</u>	<u>993,040,000</u>	<u>493,040,000</u>	<u>625,540,000</u>
Total Amount of Debt Applicable to Debt Limit	<u>2,092,632,426</u>	<u>2,242,339,045</u>	<u>2,387,247,750</u>	<u>2,598,484,809</u>	<u>1,847,016,443</u>	<u>2,025,083,831</u>	<u>2,336,588,112</u>	<u>2,608,428,458</u>	<u>2,258,238,195</u>	<u>2,473,190,488</u>
Legal Debt Margin	<u>\$ 13,233,011,494</u>	<u>\$ 12,602,126,173</u>	<u>\$ 8,016,128,719</u>	<u>\$ 7,561,965,462</u>	<u>\$ 8,066,706,233</u>	<u>\$ 7,779,528,831</u>	<u>\$ 7,154,071,468</u>	<u>\$ 6,426,300,527</u>	<u>\$ 6,975,014,295</u>	<u>\$ 6,862,158,249</u>

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)
2021	1,138,138	\$ N/A	\$ N/A	N/A	140,073	4.9 %
2020	1,131,342	N/A	N/A	N/A	146,688	8.5
2019	1,115,571	69,830,164	62,890	35.1	147,352	4.1
2018	1,093,901	66,805,797	61,080	35.0	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

(1) Population for 2012 -2019 based on U.S. Census Bureau. Prior years are restated to reflect change in data source.

Population for 2020 - 2021 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	2021			2012 (2)		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Atrium (formerly Carolinas HealthCare)	35,700	1	5.99 %	32,500	1	7.91 %
Wells Fargo	23,500	2	3.95	20,000	2	4.87
Charlotte-Mecklenburg Schools	18,495	3	3.11	18,120	3	4.41
Bank of America Corporation	15,000	4	2.52	15,000	4	3.65
Novant Health	11,698	5	1.96	10,573	6	2.57
American Airlines	11,000	6	1.85	7,060	10	1.72
Harris Teeter	8,239	7	1.38	-	-	-
Duke Energy	7,800	8	1.31	7,700	9	1.87
State of North Carolina	7,600	9	1.28	-	-	-
City of Charlotte	6,800	10	1.14	-	-	-
Wal-Mart Stores	-	-	-	14,000	5	3.41
Food Lion, Inc. (Delhaize America)	-	-	-	8,700	7	2.12
Lowe's Companies, Inc.				8,500	8	2.07

NOTES: (1) Data per Charlotte Regional Business Alliance

(2) Data per Charlotte Chamber of Commerce publication,
 Charlotte's Largest Employers, dated 2012

TABLE 20

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

Function / Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Customer Satisfaction and Management Service	98	97	104	105	97	71	48	50	49	63
Administrative Services	279	272	263	244	241	231	265	306	307	218
Financial Services	167	167	163	163	165	170	243	158	157	160
Land Use and Environmental Services	648	649	647	630	628	610	416	601	564	537
Community Services	867	757	910	909	935	852	785	755	758	772
Detention and Court Support Services	1,141	1,355	1,283	1,284	1,294	1,300	1,399	1,388	1,380	1,379
Health and Human Services	2,249	2,167	2,212	2,231	2,202	2,175	2,208	1,910	1,646	1,391
	<u>5,449</u>	<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>

SOURCE: Human Resource Management System, PeopleSoft

TABLE 21

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities:										
Land Use and Environmental Services										
Residential permits issued	71,411	64,076	62,584	63,397	61,348	56,559	56,192	51,325	45,287	40,086
Commercial permits issued	36,639	36,021	34,789	34,001	31,576	29,690	33,032	30,968	30,584	29,753
Inspections performed	343,539	322,337	305,954	297,211	302,693	270,100	265,429	242,371	212,546	181,087
Inspection response time	1.40 days	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
Deeds and real estate documents indexed	295,649	231,536	160,273	168,345	183,940	169,290	160,338	164,074	201,736	166,551
Volunteer firefighters	n/a	n/a	650	650	650	650	650	623	612	648
Fire marshal and assistants	10	10	10	9	8	8	7	7	7	6
Community Services										
Registered voters	772,574	760,945	714,405	725,728	698,107	666,160	638,628	668,430	652,424	637,219
Total library circulation	7,684,040	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
Active library card holders (Average)	300,997	358,878	381,930	384,450	408,313	386,959	261,756	255,835	255,256	251,036
Participants using park athletic facilities	898,652	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
Park recreation program participants	725,117	643,101	301,103	280,946	285,665	217,144	214,684	230,423	218,462	188,960
Users of park pools - indoor and outdoor	52,546	153,266	126,810	n/a	360,968	189,793	272,414	468,925	496,888	489,808
Park visitors	12,217,714	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
Detention and Court Support Services										
Arrestees Processed	21,667	27,905	31,911	n/a	34,895	35,823	36,194	38,038	38,641	40,282
Civil processes served	37,823	58,220	67,759	68,208	81,299	67,836	69,349	72,333	78,448	78,694
Hand gun permits processed	32,869	30,837	14,595	13,899	17,884	16,136	13,010	12,032	15,730	10,011
Average daily jail population	1,493	1,494	1,551	1,561	1,525	1,444	1,507	1,881	2,042	1,928
Health and Human Services										
Social Services										
Avg monthly # children receiving subsidized childcare	5,635	6,304	7,660	7,224	6,623	6,373	6,828	7,339	7,019	7,116
Number of transportation trips provided										
by Services for Adults Division	331,883	363,912	505,780	495,776	508,153	444,948	450,343	408,005	417,995	437,995
Senior Nutrition meals served	495,771	39,708	346,244	328,942	333,775	294,748	282,324	277,385	288,432	297,204
Health Department										
Patient visits	36,318	28,571	43,848	51,774	51,793	50,763	104,689	129,772	169,309	222,385
Food service inspections	11,145	8,549	10,326	10,213	10,310	10,155	8,506	8,126	9,434	9,600
Business Partners										
Public school full-time teachers	9,135	9,315	9,401	9,401	9,258	9,253	9,180	9,180	9,221	8,890
Students attending public school	140,073	146,688	147,352	147,359	147,157	146,140	145,363	142,612	141,171	138,012
Community college faculty	742	812	868	894	918	933	938	968	990	914
Community college students	15,117	16,269	18,367	18,526	18,913	19,143	19,064	19,802	20,413	19,470
Business-type Activities										
Solid Waste Enterprise Fund										
Tons of solid waste processed	1,693,393	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
Tons of yard waste processed	144,668	131,086	121,180	122,046	129,944	108,839	104,617	112,756	100,525	100,173
Tons of recyclables processed	93,195	90,904	73,593	74,314	76,404	75,839	75,226	76,716	73,947	72,268

NOTES: (1) Large tournaments excluded from prior years
(2) 2016-2019 does not include WIC

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

TABLE 22

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities										
Land Use & Environmental Services										
Volunteer Fire Stations	20	20	22	20	18	18	18	19	19	19
Community Services										
Libraries	20	20	22	20	20	20	20	20	20	20
Voting Machines	2,750	2,400	2,223	2,223	2,223	2,223	2,223	2,223	2,223	2,223
Parks & Greenways	250	250	250	270	270	270	268	266	256	254
Golf Courses	6	5	5	5	5	5	5	5	5	5
Parks & Greenways Acreage	20,970	20,953	19,572	20,932	22,582	22,492	21,292	20,873	20,472	18,825
Detention & Court Support Services										
Jail Beds	2,625	2,625	2,625	2,625	2,625	2,625	2,715	2,715	2,715	2,715
Business Partners										
Public Schools	176	176	175	176	170	168	164	164	159	159
Historic Sites	n/a	n/a	n/a	n/a	21	21	21	21	8	8
Business-type Activities										
Solid Waste Enterprise Fund										
Landfills	1	1	1	1	1	1	1	1	1	1
Recycling & Yard Waste Processing Facilities	5	10	10	11	12	12	12	12	13	13
Material / Metal / Tire Recovery Facilities	5	5	5	5	5	5	5	2	2	2

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.

FINANCIAL SERVICES DEPARTMENT
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