Ratings: Moody's: Aaa
S&P: AAA
Fitch: AAA
(See "*Ratings*" herein)

NEW ISSUE-Book-Entry Only

Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the 2026 Bonds, a prospective investor should read this Official Statement in its entirety. Unless indicated, capitalized terms used on this cover page have the meanings given in this Official Statement.

$832,825,000
COUNTY OF MECKLENBURG, NORTH CAROLINA
GENERAL OBLIGATION BONDS

Consisting of
$42,220,000 General Obligation Solid Waste Bonds, Series 2026A
$395,305,000 General Obligation School Bonds, Series 2026B
$395,300,000 General Obligation School Bonds, Series 2026C

Dated: Date of Delivery **Due: As shown on the inside cover pages**

The 2026 Bonds:	The general obligation bonds described above (collectively, the "*2026 Bonds*") are being issued by the County of Mecklenburg, North Carolina (the "*County*").
Tax Treatment:	In the opinion of Parker Poe Adams & Bernstein LLP, Bond Counsel, under existing law, (1) assuming compliance by the County with certain requirements of the Internal Revenue Code of 1986, as amended, (the "*Code*"), interest on the 2026 Bonds (a) is excludable from gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal individual alternative minimum tax; provided, however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations, and (2) interest on the 2026 Bonds is exempt from State of North Carolina income taxation. See "**TAX TREATMENT**" herein.
Redemption:	The 2026 Bonds are subject to optional redemption before their maturities as described herein.
Security:	The 2026 Bonds constitute general obligations of the County, secured by a pledge of the faith and credit and taxing power of the County.
Interest Payment Dates:	Interest will be payable on each February 1 and August 1, commencing August 1, 2027.
Denominations:	$5,000 and any integral multiples thereof.
Expected Delivery/Settlement:	2026A Bonds: December 8, 2026. 2026B and 2026C Bonds: December 9, 2026.
Municipal Advisor:	First Tryon Advisors, LLC, Charlotte, North Carolina.
Bond Counsel:	Parker Poe Adams & Bernstein LLP, Raleigh, North Carolina.
Disclosure Counsel:	Chapman and Cutler LLP, Charlotte, North Carolina.

The date of this Official Statement is November 17, 2026

MATURITY SCHEDULE

$42,220,000 GENERAL OBLIGATION SOLID WASTE BONDS, SERIES 2026A

$33,780,000 Serial 2026A Bonds

DUE FEBRUARY 1	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	CUSIP+ 584002
2028	$2,115,000	5.00%	2.94%	D63
2029	2,115,000	5.00	2.99	D71
2030	2,115,000	5.00	3.07	D89
2031	2,115,000	5.00	3.14	D97
2032	2,110,000	5.00	3.21	E21
2033	2,110,000	5.00	3.28	E39
2034	2,110,000	5.00	3.31	E47
2035	2,110,000	5.00	3.36	E54
2036	2,110,000	5.00	3.44	E62
2037	2,110,000	5.00	3.53	E70
2038	2,110,000	5.00	3.62[C]	E88
2039	2,110,000	5.00	3.73[C]	E96
2040	2,110,000	5.00	3.91[C]	F20
2041	2,110,000	5.00	4.01[C]	F38
2042	2,110,000	5.00	4.12[C]	F46
2043	2,110,000	5.00	4.24[C]	F53

$4,220,000 4.625% Term 2026 Bonds due February 1, 2045, Yield 4.625%; CUSIP+: 584002F79
$4,220,000 4.750% Term 2026 Bonds due February 1, 2047, Yield 4.750%; CUSIP+: 584002F95

[C] Yield to the first optional redemption date of February 1, 2037 at 100%.

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MATURITY SCHEDULE

$395,305,000 GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026B

DUE FEBRUARY 1	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	CUSIP+ 584002
2028	$39,530,000	5.00%	2.94%	G29
2029	39,535,000	5.00	2.99	G37
2030	39,530,000	5.00	3.07	G45
2031	39,530,000	5.00	3.14	G52
2032	39,530,000	5.00	3.20	G60
2033	39,530,000	5.00	3.27	G78
2034	39,530,000	5.00	3.30	G86
2035	39,530,000	5.00	3.35	G94
2036	39,530,000	5.00	3.43	H28
2037	39,530,000	5.00	3.52	H36

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MATURITY SCHEDULE

$395,300,000 GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026C

DUE FEBRUARY 1	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	CUSIP+ 584002
2038	$39,530,000	5.00%	3.62%[C]	H44
2039	39,530,000	5.00	3.74[C]	H51
2040	39,530,000	5.00	3.91[C]	H69
2041	39,530,000	5.00	4.00[C]	H77
2042	39,530,000	5.00	4.10[C]	H85
2043	39,530,000	5.00	4.22[C]	H93
2044	39,530,000	5.00	4.31[C]	J26
2045	39,530,000	5.00	4.42[C]	J34
2046	39,530,000	5.00	4.52[C]	J42
2047	39,530,000	5.00	4.61[C]	J59

[C] Yield to the first optional redemption date of February 1, 2037 at 100%.

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COUNTY OF MECKLENBURG, NORTH CAROLINA

BOARD OF COMMISSIONERS

Mark Jerrell ..... Chair

Leigh Altman ..... Vice-Chair

Arthur Griffin
Yvette Townsend-Ingram
Elaine Powell
Vilma D. Leake
George Dunlap
Laura Meier
Susan Rodriguez-McDowell

COUNTY STAFF

Michael Bryant. ..... County Manager

David Boyd ..... Chief Financial Officer

Kristine Smith ..... Clerk to the Board

MUNICIPAL ADVISOR

First Tryon Advisors, LLC
Charlotte, North Carolina

BOND COUNSEL

Parker Poe Adams & Bernstein LLP
Raleigh, North Carolina

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INTRODUCTION

This Official Statement, including the cover page and the appendices hereto, is intended to furnish information in connection with the issuance of $832,825,000 General Obligation Bonds, consisting of $42,220,000 General Obligation Solid Waste Bonds, Series 2026A (the "*2026A Bonds*"), $395,305,000 General Obligation School Bonds, Series 2026B (the "*2026B Bonds*") and $395,300,000 General Obligation School Bonds, Series 2026C (the *"2026C Bonds"*, and collectively with the 2026A Bonds and the 2026B Bonds, the "*2026 Bonds*" or the "*Bonds*") of the County of Mecklenburg, North Carolina (the "*County*"). The information furnished herein includes a brief description of the County and its economic condition, government, debt management, tax structure, financial operations, budget, pension plans and contingent liabilities.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds offered hereby, nor shall there be any offer or solicitation of such offer or sale of the Bonds in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Neither the delivery of this Official Statement nor the sale of any of the Bonds implies that the information herein is correct as of any date subsequent to the date thereof. The information contained herein is subject to change after the date of this Official Statement, and this Official Statement speaks only as of its date.

This Official Statement is deemed to be a final official statement with respect to the Bonds within the meaning of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"). In accordance with the requirements of the Rule, the County has agreed in resolutions adopted by the Board of Commissioners of the County to certain continuing disclosure obligations. See the caption "CONTINUING DISCLOSURE" herein.

THE LOCAL GOVERNMENT COMMISSION OF NORTH CAROLINA

The Local Government Commission of North Carolina (the "*Commission*"), a division of the Department of State Treasurer, State of North Carolina (the "*State*"), is a State agency that supervises the issuance of the bonded indebtedness of all units of local government and assists these units in the area of fiscal management. Appendix B to this Official Statement contains additional information concerning the Commission and its functions.

THE 2026 BONDS

DESCRIPTION

The 2026 Bonds will be dated as of their date of delivery and will bear interest from their date at the interest rates shown on the inside cover of this Official Statement. Interest on the 2026 Bonds will be payable semiannually on each February 1 and August 1, commencing August 1, 2027. The interest will be paid to the person in whose name a 2026 Bond is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding each interest payment date. The 2026 Bonds will mature on the dates and in the amounts shown on the inside cover of this Official Statement.

The 2026 Bonds will be issuable as fully registered bonds in a book-entry system maintained by The Depository Trust Company ("*DTC*"). DTC will act as securities depository for the 2026 Bonds. Purchases and transfers of the 2026 Bonds may be made only in denominations of $5,000 and any integral multiples thereof and in accordance with the practices and procedures of DTC. See Appendix G hereto for a description of the book-entry system and DTC.

The Chief Financial Officer of the County has been appointed the registrar, transfer agent and paying agent for the 2026 Bonds (collectively the "*Bond Registrar*"), subject to the right of the governing body of the County to appoint another Bond Registrar, and as such shall keep at his or her office the books of the County for the registration, registration of transfer, exchange and payment of the 2026 Bonds.

AUTHORIZATION AND PURPOSE

The 2026A Bonds are being issued pursuant to the provisions of The Local Government Bond Act, as amended, and Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina (the "*Act*"), and a bond order adopted by the Board of Commissioners on October 6, 2026. Proceeds of the 2026A Bonds are being used to pay (1) the costs of additions and capital improvements to, or the acquisition, renewal or replacement of capital assets of, or purchasing and installing of new equipment relating to the operation and maintenance of certain solid waste facilities located in the County, including the acquisition of land or rights-of-way in land required therefor (the "*2026A Projects*") and (2) the costs of issuing the 2026A Bonds.

The 2026B Bonds and 2026C Bonds are to be issued pursuant to and in accordance with the Act and a bond order authorizing school bonds adopted on August 2, 2023, by the Board of Commissioners and approved by the voters on November 7, 2023. Proceeds of the 2026B Bonds and 2026C Bonds are being used to provide funds to pay (1) the costs of constructing, improving, and renovating school facilities, specifically including, among other things, the construction and renovation of classroom facilities, the construction and equipping of athletic facilities, the acquisition and installation of furnishings and equipment, the acquisition of land, rights-of-way and easements in land required therefor, and related public infrastructure development (collectively, the "*School Projects*") and (2) the costs of issuing the 2026B Bonds and the 2026C Bonds.

Terms of the 2026 Bonds were established in the resolution duly adopted by the Board of Commissioners of the County on October 6, 2026 (the "*Bond Resolution*").

SECURITY

The 2026 Bonds constitute general obligations of the County, secured by a pledge of the faith and credit and taxing power of the County. The County is authorized and required by law to levy on all property taxable by the County such ad valorem taxes, without limitation as to rate or amount, as may be necessary to pay the 2026 Bonds and the interest thereon.

REDEMPTION PROVISIONS

Optional Redemption. The 2026A Bonds maturing on and after February 1, 2038 shall be subject to redemption prior to their stated maturities at the option of the County on or after February 1, 2037, in whole or in part at any time at a redemption price equal to 100% of the principal amount of the 2026A Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption.

The 2026B Bonds are not subject to redemption prior to their stated maturities.

The 2026C Bonds shall be subject to redemption prior to their stated maturities at the option of the County on or after February 1, 2037, in whole or in part at any time at a redemption price equal to 100% of the principal amount of the 2026C Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption.

If the Bonds are subject to optional redemption and if less than all the 2026 Bonds are called for redemption, the County shall select the maturity or maturities of the 2026 Bonds to be redeemed in such manner as the County in its discretion may determine, and DTC and its participants shall determine which Bonds within a maturity are to be redeemed in accordance with its rules and procedures; *provided, however*, that the portion of any 2026 Bond to be redeemed must be in principal amount of $5,000 or integral multiples thereof and that, in selecting 2026 Bonds for redemption, each 2026 Bond is to be considered as representing that number of 2026 Bonds which is obtained by dividing the principal amount of such 2026 Bond by $5,000.

Mandatory Redemption of 2026A Bonds. The 2026A Bonds maturing on February 1, 2045 (the "*2045 Term Bonds*") are subject to mandatory sinking fund redemption prior to maturity in part at a redemption price equal to the principal amount to be redeemed plus accrued interest, if any, to the date set for redemption, without premium, on February 1 in the years and amounts as follows:

YEAR	AMOUNT
2044	$2,110,000
2045*	2,110,000

*Maturity

The 2026A Bonds maturing on February 1, 2047 (the "*2047 Term Bonds*" and collectively with the 2045 Term Bonds, the "*Term Bonds*") are subject to mandatory sinking fund redemption prior to maturity in part at a redemption price equal to the principal amount to be redeemed plus accrued interest, if any, to the date set for redemption, without premium, on February 1 in the years and amounts as follows:

YEAR	AMOUNT
2046	$2,110,000
2047*	2,110,000

*Maturity

At its option, to be exercised on or before the 45th day next preceding any mandatory redemption date, the County, in its capacity as bond registrar, may (a) cancel Term Bonds or portions thereof in any aggregate principal amount desired (in denominations of $5,000 or integral multiples thereof), or (b) receive a credit in respect of its mandatory redemption obligation for the Term Bonds (in denominations of $5,000 or integral multiples thereof), which prior to said date have been purchased or redeemed (otherwise than through mandatory redemption), cancelled, and not theretofore applied as a credit against any mandatory redemption obligation. Each such Term Bond or portion thereof so cancelled, or previously purchased or redeemed and cancelled, shall be credited at 100% of the principal amount thereof against the obligation of the County to redeem the Term Bonds on such mandatory redemption date, and any excess over such amount shall be credited towards future mandatory redemption obligations in chronological order, unless otherwise designated by the County, and the principal amount of the Term Bonds so to be redeemed shall be accordingly reduced.

General Redemption Provisions. Not more than 60 days nor less than 30 days before the redemption date of any 2026 Bonds to be redeemed, whether such redemption be in whole or in part, the County shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each 2026 Bond to be redeemed in whole or in part at his or her address appearing upon the registration books of the County, provided that such notice to Cede

& Co. shall be given by certified or registered mail or by such other means as DTC shall require. Failure to mail such notice or any defect therein shall not affect the validity of the redemption as regards registered owners to whom such notice was given as required by the Bond Resolution. Each such notice shall set forth the date designated for redemption, the redemption price to be paid and the maturities of the 2026 Bonds to be redeemed. In the event that certificated 2026 Bonds are outstanding, each such notice to the registered owners thereof shall also set forth, if less than all of the 2026 Bonds of any maturity then outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such 2026 Bonds to be redeemed and, in the case of any 2026 Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any 2026 Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such 2026 Bond, a new 2026 Bond in principal amount equal to the unredeemed portion of such 2026 Bond will be issued.

On or before the date fixed for redemption, the money shall be deposited with the Bond Registrar to pay the principal of the 2026 Bonds or portions thereof called for redemption as well as the interest accruing thereon to the redemption date thereof. On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the 2026 Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If money sufficient to pay the redemption price of the 2026 Bonds or portions thereof to be redeemed, plus accrued interest thereon to the date fixed for redemption, have been deposited by the County to be held in trust for the registered owners of the 2026 Bonds or portions thereof to be redeemed, interest on the 2026 Bonds or portions thereof called for redemption shall cease to accrue, such 2026 Bonds or portions thereof shall cease to be entitled to any benefits or security under the Bond Resolution or to be deemed outstanding, and the registered owners of such 2026 Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption.

If a portion of a 2026 Bond shall be selected for redemption, the registered owner thereof or his or her attorney or legal representative shall present and surrender such 2026 Bond to the Bond Registrar for payment of the principal amount thereof so called for redemption, and the Bond Registrar shall authenticate and deliver to or upon the order of such registered owner or his or her legal representative, without charge therefor, for the unredeemed portion of the principal amount of the 2026 Bond so surrendered, a 2026 Bond of the same maturity, of any denomination or denominations authorized by the Bond Resolution and bearing interest at the same rate.

PROFESSIONALS

First Tryon Advisors, LLC, Charlotte, North Carolina, is serving as Municipal Advisor to the County. Tyrone C. Wade, Esq., Charlotte, North Carolina, is County Attorney. Parker Poe Adams & Bernstein LLP, Raleigh, North Carolina, is serving as Bond Counsel to the County. Chapman and Cutler LLP, Charlotte, North Carolina, is serving as disclosure counsel to the County.

THE COUNTY

See Appendix A for a description of the County.

CONTINGENT LIABILITIES

It is the opinion of the County Attorney that there is no known litigation involving the County that will materially affect the ability of the County to meet its financial obligations.

INVESTMENT CONSIDERATIONS

CYBERSECURITY

The County, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations and faces multiple cybersecurity threats involving, but not limited to, hacking, phishing viruses, malware and other attacks on its computing and other digital networks and systems (collectively, "*Systems Technology*"). As a recipient and provider of personal, private, or sensitive information, the County may be the target of cybersecurity incidents that could result in adverse consequences to the County and its Systems Technology, requiring a response action to mitigate the consequences. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the County's Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage.

The County has taken steps to mitigate these risks. County information security practices are modeled after leading national cybersecurity guidance and standards. The County has a team of cybersecurity professionals that have implemented leading security tools to protect its network, servers and desktops. The County continuously strengthens practices associated with Identity Management, Authentication, and Access Control. The County has deployed a Countywide Information Security awareness and training program with required participation at all levels of the organization. The County has robust monitoring and intrusion detection tools that allow the County to detect, isolate and remediate intrusions if they occur. The County has a comprehensive internal response process that is activated if cyber events are detected and partners with federal and state security teams as needed for incident response. In addition, the County regularly leverages these partnerships to identify improvement opportunities in the cybersecurity practices. Finally, the County has leading data backup capabilities both for on-premise systems and for data stored in the cloud so that the County can more easily recover from an attack if necessary. Disaster Recovery and Business Continuity plans are maintained and reviewed regularly with key stakeholders.

NATURAL DISASTERS AND CLIMATE CHANGE

Numerous scientific studies on global climate change demonstrate that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common and extreme weather events will become more frequent because of increasing global temperatures attributable to atmospheric pollution. In the coming years, such extreme events and conditions are expected to increasingly disrupt and damage critical infrastructure and property as well as regional economies and industries that depend on natural resources and favorable climate conditions. Disruptions could include more frequent and longer-lasting power outages, fuel shortages, supply chain delays and service disruptions. The County is located in the Piedmont of North Carolina and was outside the area severely impacted by Hurricane Helene. The County cannot accurately predict the timing, extent or severity of climate change and its impact on its operations and financial condition.

BANKRUPTCY

Under North Carolina law, a local governmental unit such as the County may not file for bankruptcy protection without (1) the consent of the Commission and (2) the satisfaction of the requirements of §109(c) of the United States Bankruptcy Code. If the County were to initiate bankruptcy proceedings with the consent of the Commission and satisfy the requirements of 11 U.S.C. §109(c), the bankruptcy proceedings could have material and adverse effects on holders of the 2026 Bonds, including (a) delay in enforcement of their remedies, (b) subordination of their claims to claims of those supplying goods and services to the County after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a plan of reorganization reducing or delaying payment of the 2026 Bonds. The effect of the other provisions of the United States Bankruptcy Code on the rights and remedies of the holders of the 2026 Bonds cannot be predicted and may be affected significantly by judicial interpretation, general

principles of equity (regardless of whether considered in a proceeding in equity or at law) and considerations of public policy.

TAX TREATMENT

GENERAL

On the date of issuance of the 2026 Bonds, Parker Poe Adams & Bernstein LLP, Bond Counsel, will render an opinion that, under existing law, (1) assuming compliance by the County with certain provisions of the Code, interest on the 2026 Bonds (a) is excludable from gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal individual alternative minimum tax; provided, however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations, and (2) interest on the 2026 Bonds is exempt from State of North Carolina income taxation.

The Code imposes various restrictions, conditions and requirements relating to the exclusion of interest on obligations, such as the 2026 Bonds, from gross income for federal income tax purposes, including, but not limited to, the requirement that the County rebate certain excess earnings on proceeds and amounts treated as proceeds of the 2026 Bonds to the United States Treasury, restrictions on the investment of such proceeds and other amounts, and restrictions on the ownership and use of the facilities financed or refinanced with proceeds of the 2026 Bonds. The foregoing is not intended to be an exhaustive listing of the post-issuance tax compliance requirements of the Code, but is illustrative of the requirements that must be satisfied by the County subsequent to issuance of the 2026 Bonds to maintain the excludability of the interest on the 2026 Bonds from gross income for federal income tax purposes. Bond Counsel's opinion is given in reliance on certifications by representatives of the County as to certain facts material to the opinion and the requirements of the Code.

The County has covenanted to comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2026 Bonds in order that the interest on the 2026 Bonds be, or continue to be, excludable from gross income for federal income tax purposes. The opinion of Bond Counsel assumes compliance by the County with such covenants, and Bond Counsel has not been retained to monitor compliance by the County with such covenants subsequent to the date of issuance of the 2026 Bonds. Failure to comply with certain of such requirements may cause the interest on the 2026 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2026 Bonds. No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of or the receipt, accrual or amount of interest with respect to the 2026 Bonds.

If the interest on the 2026 Bonds subsequently becomes included in gross income for federal income tax purposes due to a failure by the County to comply with any requirements described above, the County is not required to redeem the 2026 Bonds or to pay any additional interest or penalty.

The Internal Revenue Service has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations is includable in gross income for federal income tax purposes. Bond Counsel cannot predict whether the Internal Revenue Service will commence an audit of the 2026 Bonds. Prospective purchasers and owners of the 2026 Bonds are advised that, if the Internal Revenue Service does audit the 2026 Bonds, under current Internal Revenue Service procedures, at least during the early stages of an audit, the Internal Revenue Service will treat the County as the taxpayer, and the owners of the 2026 Bonds may have limited rights, if any, to participate in such audit. The commencement of an audit could adversely affect the market value and liquidity of the 2026 Bonds until the audit is concluded, regardless of the ultimate outcome.

Prospective purchasers and owners of the 2026 Bonds should be aware that ownership of the 2026 Bonds and the accrual or receipt of interest on the 2026 Bonds may result in collateral federal

income tax consequences to certain taxpayers, including, without limitation, financial institutions, property or casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain Subchapter S Corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the 2026 Bonds. Bond Counsel does not express any opinion as to any such collateral tax consequences. Prospective purchasers and owners of the 2026 Bonds should consult their own tax advisors as to collateral tax consequences.

Proposed legislation is considered from time to time by the United States Congress that, if enacted, would affect the tax consequences of owning the 2026 Bonds. No assurance can be given that any future legislation, or clarifications or amendments to the Code, if enacted into law, will not contain provisions which could cause the interest on the 2026 Bonds to be subject directly or indirectly to federal, state or local income taxation, adversely affect the market price or marketability of the 2026 Bonds or otherwise prevent the owners of the 2026 Bonds from realizing the full current benefit of the status of the interest on the 2026 Bonds.

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that Bond Counsel deems relevant to such opinion. Bond Counsel's opinion expresses the professional judgment of the attorneys rendering the opinion regarding the legal issues expressly addressed therein. By rendering its opinion, Bond Counsel does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of the County, nor does the rendering of such opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

An owner of a 2026 Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid on the 2026 Bond if such owner fails to provide to any person required to collect information in accordance with Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" described in Section 6049 of the Code properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

ORIGINAL ISSUE PREMIUM

As indicated on the inside cover page, the 2026A Bonds maturing on February 1, 2028 through February 1, 2043, inclusive, all of the 2026B Bonds, and all of the 2026C Bonds (collectively, the "*Premium Bonds*"), are being sold at initial offering prices which are in excess of the principal amount payable at maturity. The difference between (a) the initial offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at which a substantial amount of the Premium Bonds is sold and (b) the principal amount payable at maturity of such Premium Bonds constitutes original issue premium, which original issue premium is not deductible for federal income tax purposes. In the case of an owner of a Premium Bond, however, the amount of the original issue premium which is treated as having accrued over the term of such Premium Bond is reduced from the owner's cost basis of such Premium Bond in determining, for federal income tax purposes, the taxable gain or loss upon the sale, redemption or other disposition of such Premium Bond (whether upon its sale, redemption or payment at maturity). Owners of Premium Bonds should consult their tax advisors with respect to the determination, for federal income tax purposes, of the "adjusted basis" of such Premium Bonds upon any sale or disposition and with respect to any state or local tax consequences of owning a Premium Bond.

CONTINUING DISCLOSURE

In the Bond Resolution, the County has undertaken, for the benefit of the Beneficial Owners of the 2026 Bonds, to provide to the Municipal Securities Rulemaking Board (the "*MSRB*"):

(a) by not later than seven months from the end of each fiscal year of the County, beginning with the fiscal year ended June 30, 2026, audited financial statements of the County for such fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of the County are not available by seven months from the end of such fiscal year, unaudited financial statements of the County for such fiscal year to be replaced subsequently by audited financial statements of the County to be delivered within 15 days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each fiscal year of the County, beginning with the fiscal year ended June 30, 2026, (i) the financial and statistical data as of a date not earlier than the end of the preceding fiscal year for the type of information included in the tables under the headings "**DEBT INFORMATION**" and "**TAX INFORMATION**" in Appendix A to this Official Statement (excluding any information on overlapping or underlying units) and (ii) the combined budget of the County for the current fiscal year, to the extent such items are not included in the audited financial statements referred to in (a) above;

(c) in a timely manner, not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the 2026 Bonds:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2026 Bonds, or other material events affecting the tax status of the 2026 Bonds;

(7) modification to rights of the Beneficial Owners of the 2026 Bonds, if material;

(8) 2026 Bond calls, if material, and tender offers;

(9) defeasance of any of the 2026 Bonds;

(10) release, substitution or sale of property securing repayment of the 2026 Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the County;

(13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) incurrence of a financial obligation (as defined below) of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect beneficial owners of the Bonds, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties; and

(d) in a timely manner, to the MSRB, notice of a failure of the County to provide required annual financial information described in (a) or (b) above on or before the date specified.

All information provided to the MSRB as described herein will be provided in an electronic format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

For purposes of the preceding paragraphs (15) and (16), the term "*financial obligation*" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of either (i) or (ii). The term "*financial obligation*" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

The County may discharge its undertaking described above by transmitting the documents referred to above to any entity and by any method authorized by the United States Securities and Exchange Commission.

At present, Section 159-34 of the General Statutes of North Carolina requires the County's financial statements to be prepared in accordance with generally accepted accounting principles and to be audited in accordance with generally accepted auditing standards.

The Bond Resolution also provides that, if the County fails to comply with the undertaking described above, any Beneficial Owner of 2026 Bonds then outstanding may take action to protect and enforce the rights of all Beneficial Owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the 2026 Bonds. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all Beneficial Owners of the 2026 Bonds.

Pursuant to the Bond Resolution, the County reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the County, provided that:

(a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the County;

(b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 issued under the Securities Exchange Act of 1934 ("the *Rule*") as of the date of this Official Statement, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interests of the Beneficial Owners, as determined either by parties unaffiliated with the County (such as bond counsel), or by the approving vote of the registered owners of a majority in principal amount of the 2026 Bonds then outstanding pursuant to the terms of the Bond Resolution, as it may be amended from time to time, at the time of the amendment.

Any annual financial information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The undertaking described above will terminate upon payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest on all the 2026 Bonds.

The County's undertaking with respect to its Series 2011 Special Obligation Bonds included a requirement to provide information on the County's residential solid waste fee by cross-referencing to "the second table under the heading **'REPORT OF FINANCIAL CONSULTANT'** in the Official Statement…". The second table in the referenced report, however, was not the table showing the County's residential solid waste fee but was, instead, a five-year forecast. The County has not made any filings updating the five-year forecast as the reference to the forecast was inadvertent. The County has, however, provided annual information on its residential solid waste fee as a part of its annual audited financial results. The County has posted a notice describing this scrivener's error and clarified its intention to continue to provide annual information on its residential solid waste fee. Otherwise, for each of the previous five years, the County has, to the best of its knowledge, complied, in all material respects, with its existing continuing disclosure undertakings made pursuant to the Rule.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incident to the authorization and issuance of the 2026 Bonds are subject to the approval of Parker Poe Adams & Bernstein LLP, Raleigh, North Carolina, Bond Counsel, whose approving legal opinions will be available at the time of the delivery of the 2026 Bonds. The proposed forms of such opinions are attached hereto as Appendix F.

RATINGS

Moody's Ratings, S&P Global Ratings, a Standard & Poor's Financial Services LLC business, and Fitch Ratings have given the 2026 Bonds ratings of Aaa, AAA and AAA, respectively. Those ratings reflect only the respective views of such organizations, and an explanation of the significance of such ratings may be obtained only from the respective organization providing such rating. Certain information and materials not included in the Official Statement were furnished to such organizations. There is no assurance that such ratings will remain in effect for any given period of time or that any or all will not be revised downward or withdrawn entirely. Any downward revision or withdrawal of a rating may have an adverse effect on the market prices of the 2026 Bonds.

MUNICIPAL ADVISOR

First Tryon Advisors, LLC has served as municipal advisor (the "*Municipal Advisor*") to the County with respect to the sale of the 2026 Bonds. The Municipal Advisor's fee for services rendered with respect to the sale of the 2026 Bonds is contingent on the issuance and delivery of the 2026 Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an

independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement and the appendices thereto.

UNDERWRITING

The underwriter for the 2026A Bonds is Wells Fargo Bank, National Association.[1]

The underwriter for the 2026A Bonds has agreed, subject to certain conditions, to purchase all but not less than all of the 2026A Bonds. If all of the 2026A Bonds are sold at the public offering yields set forth on the inside cover page of this Official Statement, the underwriter anticipates a total discount of $39,563.52. The public offering prices or yields of the 2026A Bonds may be changed from time to time by the underwriter.

The underwriter for the 2026B Bonds is Wells Fargo Bank, National Association.[2]

The underwriter for the 2026B Bonds has agreed, subject to certain conditions, to purchase all but not less than all of the 2026B Bonds. If all of the 2026B Bonds are sold at the public offering yields set forth on the inside cover page of this Official Statement, the underwriter anticipates a total discount of $14,408.87. The public offering prices or yields of the 2026B Bonds may be changed from time to time by the underwriter.

The underwriter for the 2026C Bonds is Morgan Stanley & Co. LLC.[3]

The underwriter for the 2026C Bonds has agreed, subject to certain conditions, to purchase all but not less than all of the 2026C Bonds. If all of the 2026C Bonds are sold at the public offering yields set forth on the inside cover page of this Official Statement, the underwriter anticipates a total discount of $1,264,960.00. The public offering prices or yields of the 2026C Bonds may be changed from time to time by the underwriter.

Morgan Stanley & Co. LLC, the underwriter of the 2026C Bonds, has entered into a distribution agreement with its affiliate, Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the 2026C Bonds.

MISCELLANEOUS

Any statements in the Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact.

References herein to the State Constitution and legislative enactments are only brief outlines of certain provisions thereof and do not purport to summarize or describe all provisions thereof.

[1] Information provided by the underwriter for the 2026A Bonds.

[2] Information provided by the underwriter for the 2026B Bonds.

[3] Information provided by the underwriter for the 2026C Bonds.

APPENDIX A

THE COUNTY OF MECKLENBURG, NORTH CAROLINA

APPENDIX A

THE COUNTY OF MECKLENBURG

GENERAL DESCRIPTION

The County is 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, D.C., and 250 miles northeast of Atlanta, Georgia. The County's topography varies from a mean sea level measurement of 840 feet at the northern end to 532 feet at the southern boundary. The City of Charlotte (the *"City"*), the largest city between Washington, D.C. and Atlanta, serves as the County seat and represents over 85% of the County's population.



The County has a land mass 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, which are all part of the Catawba River Basin, are utilized in the production of electricity and provide recreational areas for the County.

DEMOGRAPHIC CHARACTERISTICS

The County has experienced significant population growth over the past several decades. The United States Department of Commerce, Bureau of the Census, has recorded the population of the County for the following calendar years:

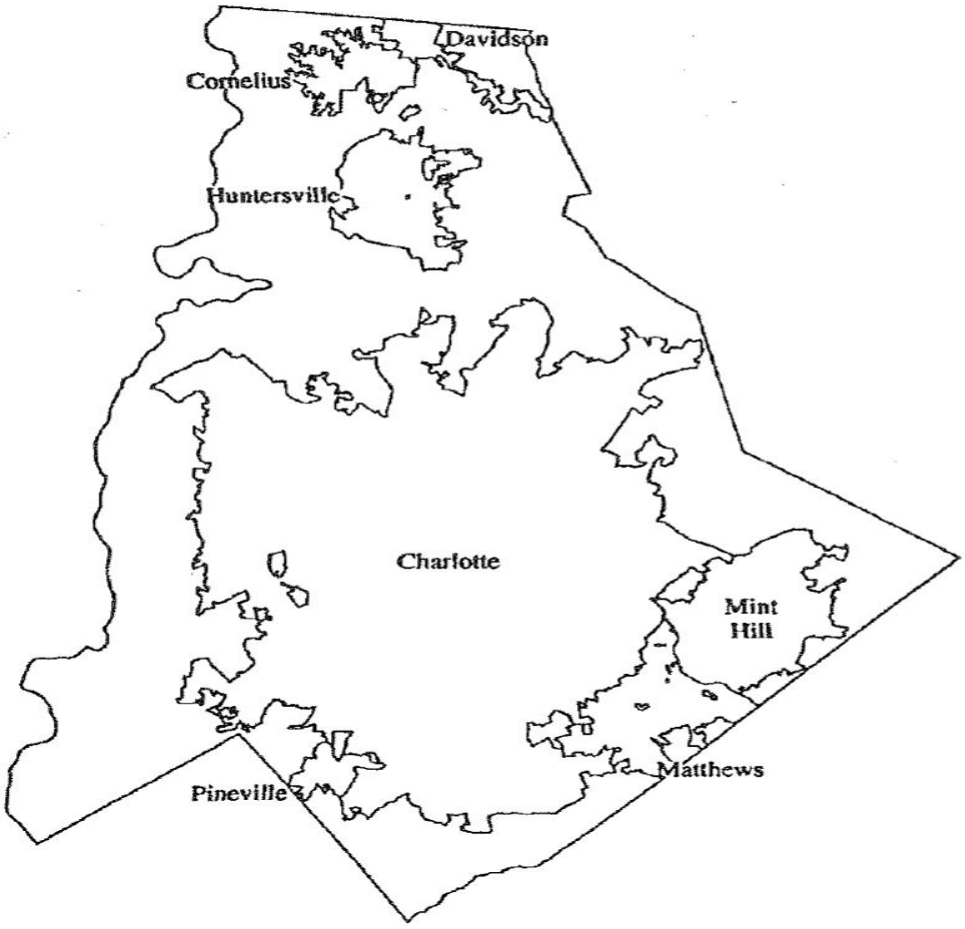
1990	2000	2010	2020
511,481	695,378	919,628	1,131,342

According to estimates of the North Carolina Office of State Budget and Management, the County has a July 1, 2025 population of 1,224,717, making it the second most populous county in the State of North Carolina (the *"State"*).

Per capita income for the County, the State and the United States are presented in the following table (latest data available):

YEAR	COUNTY	STATE	UNITED STATES
2020	$68,555	$51,816	$59,151
2021	75,056	57,233	64,692
2022	78,578	59,092	66,298
2023	82,469	62,233	70,002
2024	86,098	65,634	73,204

Source: United States Bureau of Economic Analysis.



COMMERCIAL, INDUSTRIAL AND INSTITUTIONAL PROFILE

General. The County is in the nation's 21st largest Metropolitan Statistical Area (*"MSA"*) and home to major financial and healthcare sectors as well as being the largest tourism area in the State.

The County serves as the headquarters to seven Fortune 500 companies.

MECKLENBURG COUNTY FORTUNE 500 HEADQUARTERS

RANK	COMPANY	INDUSTRY	REVENUE (BILLIONS)
20	Bank of America	Commercial Banks	$191.6
116	Honeywell International[1]	Industrial Machinery	40.7
142	Nucor	Metals	32.5
145	Duke Energy	Utilities	31.8
150	Truist Financial	Commercial Banks	30.4
297	Sonic Automotive	Automotive Retailing	15.2
494	Ingersoll Rand	Industrial Machinery	7.7

[1] Honeywell International has since been split into three publicly traded companies with one, Honeywell Technologies, headquartered in Charlotte.

Source: Fortune 500 (June 2026).

Finance. The County is the second largest financial center in the United States. The financial sector includes mortgage banks, commercial and financial institutions, leasing companies, credit unions, and other banks. The County's continued status as a leading financial center can be attributed to multiple factors, including State laws permitting branch banking and the location of a branch of the Federal Reserve Bank in the County.

The County is the headquarters for Bank of America Corporation, which is the parent company of Bank of America, National Association, the second largest commercial bank in the United States. Bank of America Corporation is the third largest employer in the County with approximately 19,590 employees.

Wells Fargo & Co. is the parent company of Wells Fargo Bank, National Association, the fourth largest commercial bank in the United States. Its east coast center for operations is located in the County. Wells Fargo & Co. is the second largest employer in the County with approximately 30,291 employees.

In December of 2019, BB&T Corporation and SunTrust Banks, Inc. completed the merger of equals that created Truist Bank, which is currently the ninth largest bank in the United States. A new corporate headquarters was established in Charlotte.

U.S. Bancorp, headquartered in Minneapolis, Minnesota, is the parent company of U.S. Bank National Association, the sixth largest commercial bank in the United States. U.S. Bank opened its corporate trust office in the County in 2006 and has added additional employees, primarily through its addition of a corporate banking group in 2010.

In 2009, Ally Financial Inc., the parent company of Ally Bank (formerly GMAC), expanded its corporate presence in the County. Although Ally Bank is headquartered in Detroit, Michigan, it maintains its corporate center in Charlotte.

In July 2025, Citigroup announced that it would be expanding its operations in the County, investing $16.1 million in a new facility and creating 510 new jobs with an average salary of approximately $131,800. The facility, which opened in early 2026, accommodates up to 785 employees, including approximately 275 existing staff relocating into the new space.

In April 2026, Sumitomo Mitsui Banking Corp. announced that it would be establishing its second United States headquarters in Charlotte. The announcement provided that the move is expected to create 2,000 jobs in the County.

In addition to the various financial institutions located in the County, a branch of the United States Small Business Administration serves the County by arranging loans for small businesses.

Healthcare. Healthcare has become increasingly important to the County's economy. The County is a location for regional medical care facilities and is one of the leading medical centers in the southern United States. There are over 40 hospital locations in the Charlotte MSA and one in ten workers in the County is employed in the healthcare or life sciences sector. These health care facilities serve more than one million patients a year.

In December 2022, Advocate Aurora Health and Atrium Health combined. The resulting entity, Advocate Health, is headquartered in Charlotte and is the County's largest employer. Advocate Health operates more than 1,000 sites of care, including 69 hospitals. Among its facilities in the County are Carolinas Medical Center, a State-designated Academic Medical Center Teaching Hospital and Level I Trauma Center, and Levine Children's Hospital, the most comprehensive children's hospital between Atlanta and Washington, D.C.

Novant Health, a four-state health care system headquartered in Winston-Salem, North Carolina, operates multiple facilities in the County, including the 624-bed Presbyterian Medical Center, Hemby Children's Hospital, the Heart & Vascular Institute, and the Cancer Institute.

In 2022 Wake Forest University School of Medicine and Atrium Health (now Advocate Health) received accreditation approval to proceed with phased plans to open an instructional site in Charlotte. It is housed in a new 14-story building. Initially serving medical students in their third and fourth years, the initial class of first-year medical students was seated in fall 2025.

The United States Department of Veterans Affairs' 295,000-square-foot outpatient healthcare center opened in April 2016. The facility offers enhanced outpatient primary care and specialty services for more than 35,000 patients per year.

Energy. The energy sector has a major impact in the County. The presence of Duke Energy, Siemens Energy, Celgard, LLC and over 200 highly specific "energy cluster" firms combine to create an energy hub in the County. Duke Energy, the largest regulated utility in the nation, is based in the County. In February 2024, Siemens Energy announced that it had selected the County for its advanced manufacturing facility to produce large power transformers. The plans include an investment of $149,859,000 and 475 new jobs in Charlotte. In February 2026 Siemens announced

additional expansion plans in Charlotte to increase its generator capacity and resume gas turbine manufacturing.

Tourism. According to the Charlotte Regional Visitors Authority (the "*CRVA*"), visitors spent approximately $6.5 billion in 2025, which was the highest for any county in the State. The CRVA estimates that tourism in the County generated more than $430 million in state and local tax revenue and supports 38,380 local jobs.

In August 2023, the 18-member Atlantic Coast Conference (the *"ACC"*) moved its headquarters to Charlotte after being in Greensboro, North Carolina since its creation in 1953. In April 2018, the ACC and the Charlotte Sports Foundation announced a 10-year agreement that keeps the ACC Football Championship Game in Charlotte through the 2030 season. The ACC Men's Basketball Tournament has been played in Charlotte on 15 occasions, including most recently in 2026 at the Spectrum Center in uptown Charlotte. It is scheduled to return in 2028. The 2021, 2022, 2024, and 2026 ACC Baseball Championships were played at Truist Field in Charlotte, and the league has participated in the Duke's Mayo Bowl in Charlotte since its inception in 2002.

The Charlotte Convention Center, which marked its 30th anniversary in 2025, generates economic impact for the community and serves long-term group business in Charlotte, driving hotel occupancy, room rates, and hospitality tax collections throughout the Charlotte region. The Charlotte Convention Center's $126.9 million expansion project was completed in 2021. The 50,000 square-foot expansion increased the facility's total building space to 850,000 square feet.

The Carolina Panthers, a National Football League franchise, play at a stadium located in uptown Charlotte that was built in 1996. The County and the City jointly provided the land for the stadium. Richardson Sports financed and constructed the privately-owned 75,525-seat stadium known as Bank of America Stadium. The stadium is undergoing $1.3 billion in improvements with $650 million coming from city tourism taxes and $650 million coming from private funding through Tepper Sports & Entertainment. The improvements include new seating, a new social patio, and the addition of an attached 4,400 seat capacity live music and entertainment venue.

Charlotte has a National Basketball Association franchise, the Charlotte Hornets, who play at the 18,500-seat Spectrum Center, which opened in 2005 and is owned by the City. The City and the Hornets reached an agreement whereby the team agreed to remain in Charlotte through 2045 in exchange for the City contributing $215 million to arena renovations, which were completed before the 2024-2025 NBA season.

Charlotte Football Club, a Major League Soccer club, began its inaugural season in Charlotte in February 2022. The soccer club plays home games at Bank of America Stadium. Tepper Sports & Entertainment owns the Charlotte Football Club.

Charlotte Motor Speedway, known as "America's Home for Racing," is located in neighboring Cabarrus County. It hosts two premier NASCAR Cup Series events each year. The City owns the NASCAR Hall of Fame complex in uptown Charlotte, which opened in 2010. It is licensed by NASCAR and operated by the CRVA. The complex consists of the 86,500 square-foot NASCAR Hall of Fame; a 40,000 square-foot ballroom in the Charlotte Convention Center with a seating capacity of 2,400 banquet style and more than 4,200 theater style; a 393,000 square-foot,

19-story privately developed office building; and the NASCAR Hall of Fame parking garage with more than 1,000 parking spaces.

Bojangles Coliseum and Ovens Auditorium are owned by the City and operated by the CRVA. The two venues are connected by a 35,000 square-foot bridge facility that includes hospitality space, concession options, public restrooms, and a corridor for artists and performers. The complex is home to the American Hockey League's Charlotte Checkers hockey club and is a premier venue for college sports, concerts, ice shows, and family entertainment.

In 2014, the Charlotte Knights Triple-A Minor League Baseball team completed its 10,200-seat baseball stadium in uptown Charlotte now known as Truist Field. Special events are held at Truist Field such as "Light the Knights," a festival of lights, holiday market, ice skating, and other seasonal festivities that run throughout the winter holiday season.

The City also has the Charlotte Independence, a United Soccer League soccer team that plays in the American Legion Memorial Stadium, a 10,500-capacity City-owned venue. In August 2024, the United Soccer League Super League launched its inaugural season, introducing a new era of professional women's soccer. Charlotte became home to one of its founding teams, Carolina Ascent FC. Carolina Ascent FC plays its home matches at American Legion Memorial Stadium.

The AvidXchange Music Factory (the *"Music Factory"*) is a mixed-use development that opened in 2009. The Music Factory contains indoor and outdoor music venues, including an amphitheater with 2,000 fixed seats and 3,000 lawn seats. It also features office space and numerous restaurants.

The Levine Center for the Arts includes (1) the approximately 145,000 square-foot Mint Museum of Art, (2) the approximately 35,000 square-foot Bechtler Museum of Modern Art, (3) the 1,150-seat Knight Theater, which is the primary venue for the Charlotte Ballet and (4) the Harvey B. Gantt Center for African-American Arts + Culture, which includes an outdoor amphitheater, an indoor theater, and two galleries.

Discovery Place has three museums in the County, including (1) Discovery Place Science & IMAX in uptown Charlotte, (2) Discovery Place Nature and (3) Discovery Place Kids in Huntersville. In early 2024 the original 1951 building for Discovery Place Nature was razed and construction commenced on the replacement facility that is expected to open in late 2026. It will be known as the Charlotte Museum of Nature.

Other facilities in the County that support tourism include (1) the North Carolina Blumenthal Center for the Performing Arts, a three-level, 125,000 square-foot Performing Arts Center with a 2,100-seat performance hall and a 440-seat theater; (2) the Carolina Theatre, which first opened in March 1927, closed in 1978 and then reopened in March 2025 after being gifted by the City to the Foundation For The Carolinas; (3) the McColl Center for the Visual Arts, located in a former church, an artist colony that hosts "Artists in Residence" to promote the development of the arts in the region; (4) ImaginOn: The Joe & Joan Martin Center, a collaborative venture between the Charlotte Mecklenburg Library, the County, and the Children's Theatre of Charlotte; and (5) the Levine Museum of the New South, an interactive history museum that recently purchased a site in the City with plans to develop a community hub with exhibition galleries, event spaces, classrooms, and educational areas.

In 2012, the County unveiled its collaboration with the City to develop the Cross Charlotte Trail, a greenway project spanning over 30 miles. Stretching from Pineville through Center City to the UNC Charlotte campus and the Cabarrus County line, this initiative aims to promote connectivity and outdoor recreation. Upon completion, the Cross Charlotte Trail will offer seamless travel across Charlotte, benefiting approximately 140,000 residents and connecting them to 130,000 jobs within walking distance. Approximately 19 miles of the Cross Charlotte Trail are complete and open to the public.

Manufacturing. Manufacturing remains a significant part of the County's economy. Nucor, the largest steelmaker in the nation, is headquartered in the City. Other manufacturers such as Honeywell Technologies, Sealed Air, Corning Optical, and Elevate Textiles also maintain their corporate headquarters in the City

Economic Data. Construction activity in the County is illustrated by the following tables showing the number and value of building permits issued by the County in the calendar years indicated:

NUMBER AND VALUE OF BUILDING PERMITS

		VALUE		
CALENDAR YEAR	PERMITS ISSUED[1]	RESIDENTIAL	BUILDING	TOTAL
2021	82,998	$2,259,065,867	$3,976,298,325	$6,235,364,192
2022	79,379	1,972,059,745	5,596,373,542	7,568,433,287
2023	73,992	1,674,383,173	5,268,080,043	6,942,463,216
2024	74,525	1,779,105,426	5,083,340,076	6,862,445,502
2025	90,794	2,746,249,692	4,559,640,682	7,305,890,374
2026[2]	94,494	2,265,061,093	3,907,110,847	6,172,171,940

[1] Includes residential (including single- and two-family dwellings) and building (including condominium and multi-family dwellings as well as commercial and industrial buildings) permits.

[2] Through October 14, 2026.

Source: Mecklenburg County Land Use and Environmental Services Agency.

Total taxable sales for the fiscal years 2022 through 2026 are shown in the following table:

FISCAL YEAR ENDED JUNE 30	TOTAL TAXABLE SALES	INCREASE OVER PREVIOUS YEAR
2022	$31,011,893,464	18.8%
2023	34,078,420,190	9.9
2024	35,006,490,918	2.7
2025	36,027,444,827	2.9
2026	37,134,594,295	3.1

Source: North Carolina Department of Revenue, Sales and Use Tax Division.

EMPLOYMENT

The following table identifies the largest employers in the County:

EMPLOYER	APPROXIMATE NUMBER OF EMPLOYEES
Advocate Health (formerly Atrium)	39,000
Wells Fargo Corporation	30,291
Bank of America Corporation	19,590
Charlotte-Mecklenburg Schools	18,460
Novant Health	17,495
American Airlines	16,500
Compass Group USA	9,100
City of Charlotte	9,036
Harris Teeter	8,239
Amazon	8,000

Source: Charlotte Regional Business Alliance, ACFR June 30, 2026

The North Carolina Department of Commerce – Bureau of Labor Statistics has estimated the percentage of unemployment (not seasonally adjusted) in the County to be as follows:

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2022	4.2%	3.9%	3.7%	3.3%	3.4%	3.8%	3.8%	4.0%	3.3%	3.6%	3.6%	3.2%
2023	3.8	3.8	3.6	3.1	3.4	3.6	3.6	3.8	3.2	3.4	3.3	3.4
2024	3.9	4.0	3.7	3.4	3.5	3.9	4.1	4.1	3.4	3.4	3.7	3.5
2025	4.0	4.1	3.9	3.6	3.8	4.1	4.2	4.2	3.8	--[1]	3.8	3.5
2026	4.3	4.1	3.7	3.6	3.6	3.6	3.7	3.7	3.3			

[1] Information not available because of government shutdown.

Source: North Carolina Department of Commerce: Labor and Economic Analysis Division.

The average unemployment rates (not seasonally adjusted) for the calendar years indicated:

	COUNTY[1]	STATE[1]	UNITED STATES[2]
2021	5.0%	4.9%	5.3%
2022	3.7	3.7	3.6
2023	3.5	3.5	3.6
2024	3.7	3.7	4.0
2025	3.9	3.5	4.3

1 North Carolina Department of Commerce: Labor and Economic Analysis Division.
2 United States Bureau of Labor Statistics.

GOVERNMENT AND MAJOR SERVICES

Government Structure. The County is governed by a Board of Commissioners (the *"Board"*) consisting of nine members, three of whom are elected at-large and six of whom are

elected from districts. Board members serve two-year terms with elections for all members of the Board held in November of even-numbered years, and candidates run for office as members of a political party. The Board takes office at the first meeting in December following the November election. At its first meeting in December of each year, the Board elects a chair and vice-chair from among its members.

Major duties of the Board include:

- Assessing and assigning priorities to the needs of the County and establishing programs and services to meet these needs.
- Adopting an annual balanced budget to fund County programs and services.
- Establishing the annual property tax rate.
- Adopting the County's Capital Improvement Program.
- 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.
- Calling bond referendums, entering contracts and establishing new programs.

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 Chief Financial Officer, 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 Manager is the chief executive officer of the County and serves the Board at its discretion. The County Manager is assisted by the Executive Team that includes four Deputy County Managers, with one also serving as Chief of Staff. Reporting directly to the Executive Team are the Department Directors. Major duties of the County Manager include:

- Supervising and coordinating the 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 on 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.

Mike Bryant has served as County Manager since June 30, 2025. He has over 30 years of public service and joined the County in 2003. Prior to his current position, he served as Deputy County Manager.

Education. Serving approximately 140,525 students in the County, the Charlotte-Mecklenburg School System (the *"School System"*) is the 16th largest public school system in the nation based on the most recent statistics available from the U.S. Department of Education. For the 2024-2025 school year, the School System had approximately 18,495 employees.

A nine-member Board of Education is the policymaking authority for the School System. Three members are elected at-large and six are elected in districts. Members are elected to four-year terms. Administrative responsibility is vested in an appointed superintendent who serves as chief executive officer. The Board of Education relies upon State per-pupil funding and local funds provided by the County to fund the public school system. Most local funds are used to supplement regular State salaries, to hire extra teachers not provided for by the State and for the operation and maintenance of school buildings. The Board of Education operates 186 schools, which include magnet schools, early and middle colleges, and other academic options.

The Board of Education student enrollment trend is shown below:

	AVERAGE DAILY MEMBERSHIP (ADM)				
SCHOOL YEAR	K-5	6-8	9-12/SPECIAL	TOTAL	NUMBER OF SCHOOLS
2021-22	61,306	32,804	44,087	138,197	180
2022-23	62,141	32,155	45,276	139,572	180
2023-24	62,264	31,342	45,346	138,952	184
2024-25	63,790	31,771	46,165	141,726	186
2025-26	62,767	31,287	45,274	139,328	185

[1] Includes exceptional children and Grade 13.

Source: Finance Department of the Charlotte-Mecklenburg Board of Education.

Charter schools in the State were authorized through legislation passed in 1997. Charter schools are separate entities and are not a component of the local school system. As part of the funding for charter schools, the legislation requires a portion of the local and County funds designated for education to be redirected to charter schools. The School System pays the charter school cost based on the student's county of residence irrespective of which county the school is located. For the 2025-2026 school year, there were 34 charter schools located in the County.

Colleges and universities located in the County offer a range of opportunities for higher education. The area offers the opportunity to attend small private colleges, church-affiliated institutions, a community college, or a large state university. The following table presents enrollment data (fall 2025) for colleges and universities within the County.

UNIVERSITY	ENROLLMENT
Central Piedmont Community College	34,000
University of North Carolina at Charlotte	32,207
Davidson College	2,000
Queens University of Charlotte[1]	1,511
Johnson C. Smith University	1,300
Johnson & Wales University (Charlotte campus)	1,288

[1] In September 2025, Queens University of Charlotte announced plans to merge with Elon University. Once the merger is finalized, it plans to become Elon University | Queens College.

The University of North Carolina at Charlotte (*"UNC Charlotte"*) is the third largest institution in the State's public university system. It is a Doctoral and Research Intensive Institution, achieving R1 status in February 2025. It offers undergraduates over 170 major and minor programs.

Central Piedmont Community College (*"CPCC"*) is one of the largest community colleges in the Carolinas, offering nearly 300 for-credit programs of study and serving nearly 60,000 students annually. Class instruction occurs at eight locations throughout the County, and the college also offers online classes. CPCC maintains a middle college high school program at five locations with more than 1,000 students.

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

Transportation and Distribution. Availability of transportation alternatives is a major draw for attracting businesses to the County. The County is served by Interstate Highways 85 and 77 which intersect in Charlotte; by U.S. Highways 21, 29, 52, 74, 521, and 601; and by North Carolina Highways 16, 24, 27, 49, 51, 73, 115, and 160. The final segment of the 67-mile I-485 outer belt freeway built around the perimeter of the County opened in 2015. The Charlotte area's first toll road, the Monroe Expressway, opened in 2018. The Charlotte area's second toll road is the I-77 Express project. It is a public-private partnership between the North Carolina Department of Transportation ("*NCDOT*") and I-77 Mobility Partners. This public-private partnership allowed the construction of I-77 Express and other infrastructure improvements along the existing portion of Interstate 77 to advance significantly sooner than if the improvements were supported through traditional funding methods. Charlotte-based I-77 Mobility Partners has financed, developed, designed, constructed, and is operating and maintaining the 26-mile project. NCDOT retains ownership of the roadway and helps ensure that I-77 Mobility Partners adheres to the standards of their contractual partnership. The express lanes opened in 2019.

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, the District of Columbia, and Canada. Both main line railroads have junctions that interface with trucking companies in the area. Amtrak in Charlotte provides north and south passenger lines that connect to access most of the United States.

Public Transportation. The County is served by the Charlotte Area Transit System (*"CATS"*). Until July 1, 2026, CATS was overseen by the City. Effective July 1, 2026, the Metropolitan Public Transportation Authority ("*MPTA*"), an independent public authority led by a 26-member board that includes representatives from across the County, assumed the governance and oversight of CATS.

CATS operates 63 bus routes and also provides an ADA-compliant, door-to-door paratransit service. In 2007, CATS LYNX Blue Line light rail service began. The Blue Line is 18.9 miles long with 26 stops and operates from I-485 to UNC Charlotte's main campus. CATS also operates the Gold Line streetcar on a four-mile corridor with 17 stops that connects the West End through uptown Charlotte to the Elizabeth neighborhood.

On November 4, 2025, the County's voters approved a one cent sales tax increase, from 7.25% to 8.25% that took effect on July 1, 2026. The new tax is expected to generate approximately $19.4 billion over 30 years to fund transportation and transit improvements, with revenue allocated as follows: 40% to road and pedestrian improvements, including sidewalks, bike paths, and intersection upgrades; 20% to bus system modernization, including increased bus frequency and new shelters and benches; and 40% to rail expansion, including a new Red Line commuter rail from uptown Charlotte to Huntersville and Davidson, a new Silver Line from the airport to Bojangles Coliseum, as well as extensions of the Blue Line and Gold Line.

Charlotte Douglas International Airport. The Charlotte Douglas International Airport (the *"Airport"*) is owned and operated as a department of the City. It occupies approximately 5,400 acres of land within the County and is located approximately seven miles west of uptown Charlotte. The Airport currently has three runways, each equipped with precision instrument landing systems. A fourth parallel runway was decommissioned and reconstructed as a taxiway in February 2025. A new fourth parallel runway is under development. The Airport is a gateway for international travelers and is a port of entry and export with customs service and a foreign trade zone designation at the Airport. In 2025, Airports Council International ranked the Airport as the seventh busiest airport worldwide for the number of arrivals and departures.

The major domestic carriers that serve the Airport are American Airlines, Delta Air Lines, Frontier Airlines, JetBlue Airways, Southwest Airlines, and United Airlines. The Airport is also served by numerous regional carriers, four foreign flag carriers, and several cargo airlines. In addition, a unit of the North Carolina Air National Guard and other aviation support facilities are located at the Airport.

Health and Human Services. Health and Human Services is comprised of Social Services, Health, and Community Support Services. The Board has assumed the duties of the Board of Social Services and the Board of Health.

The Department of Social Services (*"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. The County's social services programs are regulated by State and Federal agencies and over half of their funding comes from these sources. DSS is charged with the County-wide administration of all social service 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 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 is responsible for assessing health services 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, vital statistics, and epidemiology.

Community Support Services aids County residents through the Prevention and Intervention programs which provide domestic violence victim and offender services, violence prevention and substance use services, the Veterans Service Office which provides claims processing, counseling and outreach, and Homeless Services which provides coordinated entry, shelter plus care, housing stability, and supportive services, and the Homeless Resource Center. These services are provided through a combination of community partnerships and County-provided services.

Pre-hospital emergency services are provided through a contract with the Mecklenburg Emergency Medical Services Agency (the *"Medic Agency"*). The Medic Agency is a separate governmental agency governed by its own Board of Commissioners, which is appointed by the Board. The Medic Agency receives a subsidy from the County. The Medic Agency is reported as a component unit in the County's financial statements.

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

Child Support Enforcement works to ensure that both parents are responsible for the financial support of their children to the best of each parent's ability. The Medical Examiner provides autopsy and investigative services to the County and surrounding counties. Court

coordination includes administrative and case management services supporting the Public Defender's office as well as the operation of the County Courthouse, which consolidates all court groups and critical support services under one roof.

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 and 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, Park and Recreation, and the Board of Elections. The Charlotte-Mecklenburg Library is one of America's leading urban libraries, serving a community of more than one million citizens in the County. The library 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: The Joe & Joan Martin Center, and 22 branch libraries. A new Main Library is under construction in uptown Charlotte and expected to open in spring 2027. The total funding for the project is $137.33 million, with $72.33 million coming from the County and $65 million coming from private support.

The Park and Recreation Department offers a variety of educational, cultural, and recreational activities in over 230 parks and facilities located on more than 21,000 acres of parkland throughout the County. Parks range in size from neighborhood parks consisting of a few acres to nature preserves of over 2,000 acres. The Park and Recreation Department is also responsible for 18 recreation centers, seven public golf courses, three indoor pools, two outdoor pools, three nature centers, a public campground, and 14 disc golf courses. Greenways consist of parks built along stream corridors and are being developed with pedestrian/bicycle trails, interpretive stops and picnic areas. The Park and Recreation Department is responsible for 21 nature preserves.

The Board of Elections supervises and manages all activities relating to elections, including voter registration and the operation of voting sites and services. There were 843,085 registered voters in the County as of September 1, 2026.

Public Utility Enterprises. In 1972, the City and the County consolidated and merged the separate water and wastewater utility operations of the two governments into a single department functioning on a County-wide basis under the administrative direction of the City. Charlotte Water, formerly the Charlotte-Mecklenburg Utilities Department, operates the water and wastewater, water distribution and wastewater collection systems for the City and County. The water treatment system has a total treatment capacity of 230 million gallons per day (*"MGD"*). The average water pumped daily in fiscal year 2026 was 130.44 MGD.

Solid Waste Operations. Mecklenburg County Solid Waste and Recycling is a division of the Mecklenburg County Land Use and Environmental Services Agency that provides for the

management of recyclables, yard waste, and solid waste generated in the County by providing the programs (waste reduction, recycling, litter prevention) and facilities (recycling centers, yard waste composting, landfills, and materials recycling facility) necessary to fulfill the County's obligations under the Solid Waste Interlocal Agreements between the County and its seven municipalities.

All of the incorporated areas within the County have entered into Solid Waste Interlocal Agreements with the County, which are in effect through June 30, 2028. Mecklenburg County Solid Waste ("*MCSW*") services, programs, and facilities are also directly available to the small fraction of the County population that resides outside the incorporated areas.

MCSW currently meets its responsibilities under the Solid Waste Interlocal Agreements with a combination of public and private facilities. For the management of residential waste, MCSW contracts with a private landfill, the Republic Services Speedway Landfill, located in neighboring Cabarrus County. The current waste disposal contract has been amended to extend the term until June 30, 2028. The County is also in discussions with Republic Services to extend the Agreement further, possibly through 2032. Yard waste collected by the municipalities, along with significant quantities of commercially generated yard waste, is primarily received at MCSW's Compost Central Disposal and Recycling Center as well as the Foxhole Complex.

MCSW are also in the construction and design phases for constructing three-Solid Waste Transfer Stations. These stations will serve various geographical areas of the County and will accept solid waste and recyclables to transport to disposal or processing facilities. MCSW also owns and operates four additional staffed disposal and recycling centers and four self service recycling centers.

Residential recyclables collected by the municipalities are delivered to the Amble Drive Recycling Center also known as Materials Recovery Facility ("*MRF*") located in North Charlotte. Some recyclables are also received at this facility from residential sources located outside of the County, and the County charges a separate fee for processing that material. This facility and processing equipment are owned by MCSW and operated under contract by a private firm. The Amble Drive MRF was upgraded in 2026 with all new processing equipment and is one of the most modern facilities operating in the United States. The Amble Drive MRF processes over 6,000 tons each month of residential recyclables and separates those items into marketable commodities.

MCSW are also in the process of converting a former single stream Materials Recycling Facility into a facility that recycles construction and demolition debris materials. This facility, the Pence Road MRF, will substantially increase the operational life of the Foxhole Landfill complex.

MCSW is completely fee funded, charging customers for waste disposal and recycling processing. The Solid Waste program also charges a Residential Availability Fee to all residential properties in the County. This fee was established several decades ago for the purpose of maintaining a guaranteed revenue source to the program and allowing the acceptance of residential recycling. Fees are reviewed annually and adjusted as needed.

Storm Water Utility. In 1993, the Board adopted the Mecklenburg County Storm Water Management Plan (the *"Plan"*). The Plan is implemented through interlocal agreements with the City and the six other municipalities in the County and is intended to provide for a single storm

water utility in the County. The agreements also establish responsibilities for financing and operating a single, comprehensive storm water quantity and quality management program. These agreements with the City and municipalities specify that the City is to perform billing services on behalf of the County. Funding is derived from a fee structure based on impervious area and a base rate charge for fixed and administrative costs sufficient to cover related costs.

The goal of the Plan is to control the threat that storm water poses to the public health, safety, and welfare of County residents. The Plan has five objectives in order to accomplish this goal: (1) constructing, operating, and maintaining needed facilities; (2) regulating and controlling the use and development of land to reduce the adverse effects of storm water; (3) improving the quality of streams, rivers, and lakes in and around the County; (4) providing for an effective and long-term approach to storm water management through the identification of an adequate funding source; and (5) equitably and adequately funding the storm water management program by a system of charges related to the volume and quality of storm water runoff from developed land. These five main objectives will not only allow the County to achieve its goals contained in the Board-approved Creek-Use policy but will also permit it to comply with the requirements of the Clean Water Act, the United States Environmental Protection Agency, and the State.

To improve the water quality of the County's creeks, lakes, and ponds, Storm Water Services monitors pollutant levels in surface water, investigates spills or illegal dumping, enforces ordinances designed to protect water quality, restores eroded or damaged stream channels, and educates residents about pollution prevention. Reducing flood risks includes preventing or reducing the loss of life, disruption of services, and property damage caused by floods, installing, upgrading and maintaining storm drains and pipes, mapping floodplains, managing floodplain development, preserving and restoring natural stream channels and the beneficial functions of floodplains.

County Storm Water Services are 100% fee-funded.

DEBT INFORMATION

Legal Debt Limit. The State Constitution and The Local Government Bond Act, as amended, provide that the net debt of the County may not exceed eight percent of the assessed value of its property subject to taxation. As of July 1, 2026, the County had a legal debt margin of $20,296,533,723.

Debt Outlook. The County continually evaluates how to finance its Capital Improvement Plan. The County currently anticipates issuing general obligation bonds in the principal amounts of approximately $150 million, $600 million, and $600 million during fiscal years 2028, 2029, and 2030, respectively, to finance various school projects pursuant to an existing bond order. The County also anticipates issuing limited obligation bonds in the principal amounts of approximately $200 million and $300 million during fiscal years 2028 and 2030, respectively, to fund improvements to various County facilities.

Outstanding General Obligation Debt.

General Obligation Bonds[1]	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026
School Bonds	$ 1,245,026,716	$ 1,181,048,383	$ 1,392,502,269	$ 1,311,831,156
Refunding Bonds	185,660,000	140,175,000	94,305,000	48,065,000
Other Bonds	211,333,284	201,666,618	231,542,731	217,563,844
Total Debt Outstanding[2]	$1,642,020,000	$1,522,890,000	$1,718,350,000	$1,577,460,000

[1] Bonds Issued:
2020-21 $225,000,000 General Obligation School Bonds, Series 2021, 10.45 years average maturity, 1.4979% true interest cost.
2021-22 $437,860,000 General Obligation School Bonds, Series 2022, 10.50 years average maturity, 2.9612% true interest cost.
2024-25 $41,765,000 General Obligation Solid Waste Bonds, Series 2025A, 10.47 years average maturity, 3.5693% true interest cost.
$278,210,000 General Obligation School Bonds, Series 2025B, 10.47 years average maturity, 3.5651% true interest cost.

[2] This amount excludes escrow–secured refunded bonds.

General Obligation Debt Ratios.

At June 30	Total GO[1] Debt	Assessed Valuation	Percent of Assessed Valuation	Population[2]	Total GO Debt Per Capita
2022	$1,299,945,000	$195,870,899,398	.66%	1,144,176	$1,136
2023	1,642,020,000	203,111,575,229	.81	1,162,168	1,413
2024	1,522,890,000	288,428,092,713	.53	1,190,614	1,279
2025	1,718,350,000	296,994,136,242	.58	1,198,460	1,434
2026	1,577,460,000	304,350,606,829	.52	1,233,187	1,279
After 2026 GO Bonds are issued	2,355,550,000	304,350,606,829	.77	1,233,187	1,910

[1] These amounts exclude escrow-secured refunded bonds.
[2] Source: North Carolina Office of State Budget and Management.

Bonds Authorized and Unissued.

	Date Bond Order Adopted	Bonds Authorized and Unissued[1]	2026 GO Bonds Being Offered	Balance
School	11/07/2023	$2,221,790,000	$790,605,000	$1,431,185,000
Solid Waste	10/06/2026	93,925,000	42,220,000	51,705,000
Refunding	12/03/2024	90,000,000	—	

[1] Denotes the amount of bonds authorized by bond order. By statute, a bond order will take effect 30 days after its publication following adoption. Approval of the Local Government Commission of North Carolina is required before any bonds can be issued.

General Obligation Debt Information for Underlying Units as of June 30, 2026.

Unit	2024 Population[1]	Assessed Valuation[2]	Tax Rate Per $100[3]	GO Debt Authorized and Unissued	Total Outstanding GO Debt[4]	Total GO Debt Per Capita
Charlotte	944,742	$224,831,775,000	$.2741	$584,528,404	$933,870,000	$988
Cornelius	32,632	11,772,014,558	.1731	40,355,000	13,640,000	418
Davidson	16,254	4,607,934,586	.2660	6,940,000	17,050,000	1,049
Huntersville	66,955	16,324,857,165	.2275	29,000,000	48,145,000	719
Matthews	30,761	7,564,320,075	.2665	24,440,000	12,230,000	398
Mint Hill	28,761	6,039,986,222	.2250	—	—	—
Pineville	11,379	3,886,415,124	.2850	—	—	—
Unincorporated		19,375,088,656		—	—	—

[1] Estimate of North Carolina Office of State Budget and Management.
[2] Source: North Carolina Department of Revenue, Local Government Division.
[3] Source: Mecklenburg County Tax Administration website.
[4] Source: North Carolina Department of State Treasurer. Excludes installment purchase contracts, revenue bonds and state revolving loans.

Other Long-Term Commitments.

The County is obligated with respect to installment financings, limited obligation bonds, special obligation bonds and a state revolving loan. The annual principal and interest requirements as of June 30, 2026 are as follows:

Fiscal Year	Principal	Interest	Total
2027	$28,322,456	$11,734,625	$40,057,081
2028	23,652,456	10,552,325	34,204,781
2029	15,917,456	9,439,825	25,357,281
2030	11,572,456	8,755,200	20,327,656
2031	11,520,000	8,179,200	19,699,200
2032	11,520,000	7,603,200	19,123,200
2033	11,520,000	7,027,200	18,547,200
2034	11,520,000	6,451,200	17,971,200
2035	11,520,000	5,875,200	17,395,200
2036	11,520,000	5,299,200	16,819,200
2037	11,520,000	4,723,200	16,243,200
2038	11,520,000	4,147,200	15,667,200
2039	11,520,000	3,571,200	15,091,200
2040	11,520,000	2,995,200	14,515,200
2041	11,520,000	2,419,200	13,939,200
2042	11,520,000	1,843,200	13,363,200
2043	11,520,000	1,382,400	12,902,400
2044	11,520,000	921,600	12,441,600
2045	11,520,000	460,800	11,980,800
Total	$252,264,824	$103,381,175	$355,645,999

TAX INFORMATION

General Information.

	FISCAL YEAR ENDED JUNE 30 (IN MILLIONS)				
	2022	2023	2024	2025	2026
Assessed Valuation:					
Assessment Ratio[1]	100%	100%	100%	100%	100%
Real Property	$165,396.1	$170,179.9	$251,795.4	$258,513.5	$264,383.3
Personal Property	25,082.4	27,340.8	30,460.5	32,073.2	33,200.2
Public Service Companies[2]	5,392.3	5,590.9	6,172.3	6,407.2	6,767.1
Total Assessed Valuation	$195,870.8	$203,111.6	$288,428.2	$296,994.1	$304,350.6
Rate per $100	0.6169	0.6169	0.4731	0.4831	0.4927
Levy[3]	$1,211.5	$1,254.9	$1,367.4	$1,440.0	$1,501.7

[1] Percentage of appraisal value has been established by statute.

[2] Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

[3] Original levy adjusted for discoveries, penalties, discount allowed and releases as of the fiscal year end of the levy.

Pursuant to state law, property revaluations must occur at least every eight years. The last reevaluation was completed on January 1, 2023 and applied to tax bills for 2024. The next reevaluation is projected to be effective January 1, 2027 and be applied to tax bills for 2028.

Tax Collections.

FISCAL YEAR ENDED JUNE 30	TOTAL TAX LEVY	COLLECTED WITHIN FISCAL YEAR OF LEVY	PERCENTAGE OF LEVY COLLECTED	PERCENTAGE OF TOTAL TAX OF COLLECTIONS TO TAX LEVY
2022	$1,211,541,001	$1,205,348,681	99.49%	99.87%
2023	1,254,852,535	1,249,101,028	99.54	99.87
2024	1,367,362,608	1,360,609,680	99.51	99.86
2025	1,440,038,464	1,433,123,148	99.52	99.80
2026	1,501,694,185	1,493,649,130	99.46	99.46

Principal Taxpayers for Fiscal Year 2026.

NAME	ENTERPRISE	ASSESSED VALUATION	PERCENTAGE OF TOTAL ASSESSED VALUATION
Duke Energy	Utilities	$4,241,551,407	1.39%
Bank of America	Financial Services	1,743,085,617	0.57
Wells Fargo	Financial Services	1,576,408,921	0.52
American Airlines	Transportation	1,002,215,824	0.33
HRLP LLC	Real Estate	840,683,410	0.28
Piedmont Natural Gas Co.	Utilities	713,002,787	0.23
Truist Bank	Financial Services	582,399,955	0.19
Spectrum	Utilities	476,980,509	0.16
South Park Mall	Retail	360,071,500	0.12
Panthers Stadium	Sports Stadium	344,438,091	0.11
TOTALS		$11,880,838,021	3.90%

2025-2026 BUDGET RESULTS

The fiscal year 2025-2026 General Fund budget as of June 30, 2026, was approximately $1.7 billion and General Fund balance is expected to increase by $116 million. Several factors contributed to the increase. Revenues are expected to be greater than budget due to continued strong property tax collections, additional intergovernmental funding received after budget adoption, and increased investment earnings. Expenditures are expected to be under budget as a result of reduced departmental spending and outstanding encumbrances on June 30, 2026, as these amounts are not included in GAAP-based expenditures. In addition, the County adopted a new Fund Balance Policy in fiscal year 2026 that contributed $55 million of the $116 million increase. The previous policy measured combined fund balance for both the General and Debt Service Funds for minimum fund balance requirements and funds available for one-time expenditures. The new policy measures fund balance within the General Fund and a one-time transfer was processed in fiscal year 2026 to move $55 million excess fund balance held in the Debt Service Fund to the General Fund.

2026-2027 BUDGET OUTLOOK

The Board approves an annual budget for the fiscal year no later than July each year. As required by the North Carolina Budget and Fiscal Control Act, the Board adopts an annual budget for all governmental and proprietary operating funds except those authorized by project ordinance, which are multi-year in nature. During the fiscal year, the County Manager or their 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.

The Board approved a $2.59 billion annual budget for fiscal year 2027, an increase of $50.4 million or 2.0% over fiscal year 2026. The Board maintained the property tax rate of 49.27 cents per $100 of assessed valuation. The fiscal year 2027 adopted budget includes $1.0 billion for education and literacy, which represents 38.6% of the overall budget. This category includes funding for the School System, CPCC, the Charlotte-Mecklenburg Library, and Meck Pre-K.

FUTURE BUDGET CONSIDERATIONS

On November 3, 2026, the State's voters approved an amendment to the North Carolina Constitution that requires the North Carolina General Assembly to enact statewide laws limiting how much the property tax of a county, municipality, or other local government may increase. The amendment does not establish the limits or formula.

Changes to the funding of federal benefits under the Supplemental Nutrition Assistance Program ("*SNAP*") could have a significant impact on the County's budget in the future. Historically, the federal government has fully funded all SNAP benefits. Beginning October 1, 2027, states with SNAP payment error rates of 6% or higher will be required to pay a portion of the benefit costs: 5% for error rates between 6-7.99%; 10% for error rates between 8-9.99%; and 15% for error rates of 10% or higher. The recently approved State budget requires counties in the State to pay the State's share. The amounts would be withheld by the State from the distribution of local sales taxes to counties. Using federal fiscal year 2025 data, the North Carolina General Assembly Fiscal Research Division estimates an annualized impact of $41.5 million for the County. Preliminary estimates of the County range from $0 to $120 million dollars annually. The USDA reported the State's payment error rate at 7.36% for the federal fiscal year 2025; however, from October to February 2026, the error rate was 6.49%. Only 14 states had an error rate below 6% for the 2025 federal fiscal year. The North Carolina Association of County Commissioners is working with the National Association of Counties, the National Governors Association, the National League of Cities, and the Council of State Governments to request a two-year delay. In addition to the shifts in funding, recent changes in federal law require counties to cover additional administrative costs estimated at $10 million annually.

PENSION PLANS

North Carolina Local Governmental Employees' Retirement System. The County participates in the North Carolina Local Governmental Employees' Retirement System (*"LGERS"*), a cost-sharing multiple-employer defined benefit pension plan administered by the State for public employees of counties, cities, boards, commissions and other similar governmental entities. While the State Treasurer is the custodian of system funds, administrative costs are borne by the participating employer governmental entities. The State makes no contributions to the system.

The system provides, on a uniform system-wide basis, retirement and, at each employer's option, death benefits from contributions made by employers and employees. Employee members contribute six percent of their individual compensation. The contribution rate for fiscal year 2025 was 13.63% for general employees and 15.04% for law enforcement officers, 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.

LGERS provides retirement and survivor benefits. 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). Members who are law enforcement officers are able to retire with full retirement benefits at age 55 with at least five years of creditable

service or at any age with 30 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.

At June 30, 2025, the County reported a liability of $282,845,427 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing updated procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the County recognized pension expense of $81,214,813.

For information concerning the County's participation in the North Carolina Local Governmental Employees' Retirement System and the Supplemental Retirement Income Plan of North Carolina see the Notes to the County's Audited Financial Statements in Appendix D.

Financial statements and required supplementary information for the North Carolina Local Governmental Employees' Retirement System are included in the Annual Comprehensive Financial Report (*"ACFR"*) for the State. Please refer to the State's ACFR for additional information.

Law Enforcement Officers' Special Separation Allowance. The County administers a public employee retirement system (the *"Separation Allowance"*), a single-employer defined benefit pension plan that provides retirement benefits to qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the monthly equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service.

State statute requires the County to provide these retirement benefits. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The County has chosen to fund the Separation Allowance on a pay-as-you-go basis. There are no contributions made by employees. Pension expenditures by the County of $2,410,445 for the fiscal year ended June 30, 2025, were made from the General Fund, which is maintained on a modified accrual basis of accounting.

At June 30, 2025, the County reported a total pension liability of $23,975,480. The pension liability was measured as of December 31, 2024, based on a December 31, 2023 actuarial valuation. The total pension liability was rolled forward to December 31, 2024 utilizing updated procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the County recognized pension expense of $2,594,178. Please refer to the Notes to the County's Audited Financial Statements in Appendix D for additional information.

OTHER POST-EMPLOYMENT BENEFITS

The County administers a single-employer defined benefit plan (*"Single-Employer Benefit Plan"*) which provides certain post-employment health care benefits (*"OPEB"*) as part of the total compensation offered to retain the services of qualified employees. The benefit is available to retirees who participate in the North Carolina Local Government Employees Retirement System, were employed with the County on or before July 1, 2010, and who, at the time of their retirement from the County, had at least 10 years of creditable County service. Employees under the age of

65 retiring with 20 or more years of creditable service receive the full cost of medical insurance premiums. Employees under the age of 65 retiring with 10 through 19 years of creditable service receive 50% of the costs of their medical insurance premium.

The County contributes to the Single-Employer Benefit Plan on a pay-as-you-go basis with an additional amount to prefund benefits as determined annually by the Board of County Commissioners. The County contributed $30,177,839 for fiscal year 2025.

As of June 30, 2025, the actuarially accrued liability for benefits was $571,662,714 and the actuarial value of assets was $298,703,540 resulting in an unfunded actuarial accrued liability (*"UAAL"*) of $272,959,174. Please refer to the Notes to the County's Audited Financial Statements in Appendix D for additional information.

APPENDIX B

THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION

THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION

The Local Government Commission (the *"Commission"*) is composed of nine members: the State Treasurer, the Secretary of State, the State Auditor, the Secretary of Revenue, and five others by appointment (three by the Governor, one by the General Assembly upon recommendation of the President Pro Tempore of the Senate and one by the General Assembly upon recommendation of the Speaker of the House of Representatives). The State Treasurer serves as Chairman and selects the Secretary of the Commission, who heads the administrative staff serving the Commission.

A major function of the Commission is the approval, sale, and delivery of substantially all North Carolina local government bonds and notes. A second key function is monitoring certain fiscal and accounting standards prescribed for units of local government by The Local Government Budget and Fiscal Control Act. In addition, the Commission furnishes, upon request, on-site assistance to units of local government concerning existing financial and accounting systems as well as aid in establishing new systems. Further, educational programs and materials are provided for local officials concerning finance and cash management.

Before any unit of local government can incur bonded indebtedness, the proposed bond issue must be approved by the Commission. In determining whether to give such approval the Commission may consider, among other things, the unit's debt management procedures and policies, its compliance with The Local Government Budget and Fiscal Control Act, and its ability to service the proposed debt. All general obligation issues are customarily sold based on formal sealed bids submitted at the Commission's offices in Raleigh and are subsequently delivered to the successful bidder by the Commission. The Commission maintains records for all units of local government of principal and interest payments coming due on bonded indebtedness in the current and future years and monitors the payment by the units of local government of debt service through a system of monthly reports.

As a part of its role in assisting and monitoring the fiscal programs of units of local government, the Commission attempts to ensure that the units of local government follow generally accepted accounting principles, systems, and practices. The Commission's staff also counsels the units of local government in treasury and cash management, budget preparation, and investment policies and procedures. Educational programs, in the form of seminars or classes, are also provided by the Commission to accomplish these tasks. The monitoring of the financial systems of units of local government is accomplished through the examination and analysis of the annual audited financial statements and other required reports. The Local Government Budget and Fiscal Control Act requires each unit of local government to have its accounts audited annually by a certified public accountant or by an accountant certified by the Commission as qualified to audit local government accounts. A written contract must be submitted to the Secretary of the Commission for his or her approval before the commencement of the audit.

The Commission has the statutory authority to impound the books and records of any unit of local government and assume full control of all its financial affairs (a) when the unit defaults on any debt service payment or, in the opinion of the Commission, will default on a future debt service payment if the financial policies and practices of the unit are not improved or (b) when the

unit persists, after notice and warning from the Commission, in willfully or negligently failing or refusing to comply with the provisions of The Local Government Finance Act. When the Commission takes action under this authority, the Commission is vested with all of the powers of the governing board of the unit of local government as to the levy of taxes, expenditure of money, adoption of budgets, and all other financial powers conferred upon such governing board by law.

APPENDIX C

MANAGEMENT DISCUSSION AND ANALYSIS

The following is Management's Discussion and Analysis of the financial activities of the County, lifted from the Annual Comprehensive Financial Report for the County for the fiscal year ended June 30, 2025. Management's Discussion and Analysis provides an objective and easily readable short and long-term analysis of the County's financial activities based on currently known facts, decisions, or conditions. Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. The independent auditors of the County have applied certain limited procedures, which consist primarily of the inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, they did not audit this information and did not express an opinion on it.

Management's Discussion and Analysis

Introduction

Management's Discussion and Analysis provides a narrative discussion of the County's financial activities for the year ended June 30, 2025 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, 2025, the Statement of Activities reflects an increase in net position of $249.7 million as compared to an increase in net position in the prior year of $180.8 million. The increase in net position is attributable to a 2.9% increase in operating expenses offset by an increase of 5.4% in revenues, both program and general. Expenses increased $71.1 million from the previous year, with Community Services having the largest increase of $67.4 million with $55.0 million of the increase attributed to the new Main Library and University City Regional Library construction projects. Business Partner expenses increased by $26.1 million as the County continues to increase funding to the Charlotte-Mecklenburg Schools, Central Piedmont Community College, and Emergency Medical Services.

Overall, revenues increased by $139.9 million compared to the previous year, which includes a $69.0 million increase in property taxes and a $19.4 million increase in sales tax. Investment income increased $6.4 million from the prior year as a result of increased interest rates and an increase in fair market valuations of held securities. Charges for services increased by $48.2 million, operating grants and contributions decreased by $31.8 million, and capital grants and contributions increased by $38.7 million compared to fiscal year 2024.

The governmental funds total fund balances increased by $485.9 million, including a restatement, from the prior year total for an ending fund balance of $1,917.3 million. The overall increase in governmental fund balance is primarily attributed to the issuance of general obligation bonds totaling $300 million for school capital projects and $250 million in limited obligation bonds for County capital projects in 2025. Property and sales tax collections were strong as the County continued to see economic growth. Property tax revenue increased $69.0 million or 4.9% and sales tax revenue increased $19.4 million or 4.0% compared to fiscal year 2024. Revenues from charges to users increased by $12.4 million or 16.9% in fiscal year 2025, mostly attributed to fees associated with property transactions increasing by $4.5 million compared to fiscal year 2024. Charges for services in Health and Human Services increased by $4.4 million as the County continues to expand health and social service programs to its residents. Of the $1,917.3 of governmental fund balances, $506.6 million is available for future years' spending as unassigned fund balance. The $506.6 million in unassigned fund balance represents 28.9% of the fiscal year 2026 budgeted General Fund expenditures or 105 days of operating expenses.

The County's Employee Benefits Internal Service Fund and Risk Management Internal Service Fund are classified as proprietary funds. These funds predominately benefit governmental rather than business-type activities; therefore, they have 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, Storm Water Enterprise Fund, Employee Benefits Internal Service Fund and Risk Management Internal Service Fund are the County's 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; sixteen 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 five Capital Project Funds, which account for the proceeds of debt 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, American Rescue Plan Fund, School Bond Fund and Opioid Settlement 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 and Storm Water Enterprise Fund are presented in the business-type activities column of the government-wide financial statements because these funds operate similar to private business enterprises. The Employee Benefits Internal Service Fund and Risk Management Internal Service Fund are presented in the governmental activities' column of the government-wide financial statements.
- Fiduciary funds: The County's Post-Employment Healthcare Benefit Trust Fund accounts 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, fiduciary funds, and internal service funds. These include budget/actual schedules for the Special Revenue Funds, 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, 2025 and 2024:

Net Position
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024*	2025	2024	2025	2024
Assets						
Current and other assets	$ 2,291,268	$ 1,864,767	$ 104,755	$ 74,522	$ 2,396,023	$ 1,939,289
Capital assets, net	1,597,860	1,525,883	215,345	181,127	1,813,205	1,707,010
Total Assets	**3,889,128**	**3,390,650**	**320,100**	**255,649**	**4,209,228**	**3,646,299**
Total deferred outflows of resources	**150,834**	**197,636**	**4,469**	**5,270**	**155,303**	**202,906**
Liabilities						
Current and other liabilities	286,064	356,850	9,002	5,843	295,066	362,693
Long-term liabilities:						
Due within one year	237,725	216,452	4,892	2,326	242,617	218,778
Due after one year	2,606,641	2,291,927	73,225	28,977	2,679,866	2,320,904
Total Liabilities	**3,130,430**	**2,865,229**	**87,119**	**37,146**	**3,217,549**	**2,902,375**
Total deferred inflows of resources	**93,414**	**106,548**	**181**	**228**	**93,595**	**106,776**
Net Position						
Net investment in capital assets	1,362,801	1,416,069	205,164	178,326	1,567,965	1,594,395
Restricted	302,071	294,711	199	80	302,270	294,791
Unrestricted (Deficit)	(848,754)	(1,094,272)	31,906	45,139	(816,848)	(1,049,133)
Total Net Position	**$ 816,118**	**$ 616,508**	**$ 237,269**	**$ 223,545**	**$ 1,053,387**	**$ 840,053**

*2024 amounts were restated for an error correction. Please refer to Note 20 for more information.

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 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 the Net Position of the County. The County's Net Position increased from $840.1 million in fiscal year 2024 (restated) to $1,053.4 million in fiscal year 2025; an increase of $213.3 million or 25.4%. Total assets increased 15.4% while total liabilities increased 10.9%.

The increase in total assets is primarily attributed to a $311.7 million increase in restricted cash and investments compared to fiscal year 2024. The increase in restricted cash and investments consists of unspent general obligation and limited obligation bond proceeds that were issued in February 2025 for school and County capital projects. Total liabilities increased by $315.2 million primarily due to a $359.0 million increase in long term liabilities due after one year; with the long-term liabilities associated with general obligation bonds increasing by $139.4 million and installment financing increasing by $201.3 million compared to fiscal year 2024.

Investments in capital assets, net of any related outstanding debt of those assets, relates only to County activities. This amount decreased from $1,594.4 million at June 30, 2024 to $1,568.0 million at June 30, 2025 as new assets were acquired and the associated debt increased. Capital assets include land, buildings, vehicles, equipment, computer equipment and other machinery used in providing services to residents. Also, restricted net position of $294.8 million at June 30, 2024 and $302.1 million at June 30, 2025 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, 2025, with comparison to the prior year.

Changes in Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues:						
Charges for services	$ 292,257	$ 252,208	$ 77,527	$ 69,422	$ 369,784	$ 321,630
Operating grants and contributions	230,828	262,408	672	857	231,500	263,265
Capital grants and contributions	41,829	2,596	2	537	41,831	3,133
General Revenues:						
Property taxes	1,477,762	1,408,810	-	-	1,477,762	1,408,810
Sales taxes	502,909	483,534	-	-	502,909	483,534
Other taxes	20,476	22,357	-	-	20,476	22,357
Investment income	85,157	79,427	4,127	3,496	89,284	82,923
Gain on sale of capital assets	106	8,131	15	(40)	121	8,091
Total Revenues	**2,651,324**	**2,519,471**	**82,343**	**74,272**	**2,733,667**	**2,593,743**
Expenses						
Program Expenses:						
Customer Satisfaction and Management Services	41,712	34,095	-	-	41,712	34,095
Administrative Services	265,446	255,720	-	-	265,446	255,720
Financial Services	30,613	29,952	-	-	30,613	29,952
Land Use and Environmental Services	101,788	89,018	-	-	101,788	89,018
Community Services	259,638	192,215	-	-	259,638	192,215
Detention and Court Support Services	188,474	185,473	-	-	188,474	185,473
Health and Human Services	483,340	465,953	-	-	483,340	465,953
Business Partners	1,014,822	988,687	-	-	1,014,822	988,687
Interest Expense	31,450	108,581	-	-	31,450	108,581
Solid Waste	-	-	45,696	41,761	45,696	41,761
Storm Water	-	-	21,029	21,493	21,029	21,493
Total Expenses	**2,417,283**	**2,349,694**	**66,725**	**63,254**	**2,484,008**	**2,412,948**
Increase in net position before transfers	234,041	169,777	15,618	11,018	249,659	180,795
Transfers	-	670	-	(670)	-	-
Increase in net position after transfers	234,041	170,447	15,618	10,348	249,659	180,795
Net position, beginning of year	616,508	391,998	223,545	213,197	840,053	605,195
Restatement (See note 20)	(34,431)	54,063	(1,894)	-	(36,325)	54,063
Net position, beginning of year, as restated	**582,077**	**446,061**	**221,651**	**213,197**	**803,728**	**659,258**
Net position, end of year	**$ 816,118**	**$ 616,508**	**$ 237,269**	**$ 223,545**	**$ 1,053,387**	**$ 840,053**

Governmental-type Activities

Governmental activities increased the County's net position by $234.0 million in fiscal year 2025. Key elements of this increase are as follows:

Program revenues covered 22.0% of County expenses at June 30, 2024 and 23.4% at June 30, 2025, 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, 2025 results from higher revenues - primarily property tax and sales tax. Property tax revenues increased $69.0 million (4.9%) 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 $19.4 million or 4.0% from fiscal year 2024 due to economic growth. Investment income increased $5.7 million (7.2%) from the year ended June 30, 2024. The increase is attributed to higher interest rates and fair market valuations on long-term securities held by the County. Charges to users of County services generated revenues that supported 12.1% of County governmental operations for fiscal year 2025 and 10.7% for fiscal year 2024, resulting in an increase of 13.1% to support operations. The County strives to secure a maximum amount of grant funds provided by state, federal and local agencies. Revenues from operating grants decreased by $31.6 million (12.0%) in fiscal year 2025, while capital grant and contribution revenue increased by $39.2 million mostly due to a $32 million contribution associated with the new Main Library that is currently under construction with an expected opening date in 2027. The County covered 11.3% of expenses with operating and capital grant revenues in fiscal year 2025 and 11.2% in fiscal year 2024.

County expenses corresponding to governmental activities were $2,417.3 million in fiscal year 2025 compared to $2,350 million in fiscal year 2024; a 2.9% increase. Operating and capital expenses associated with the County's business partners totaled $1,014.8 million or 42.0% of the total governmental activities expenditures in fiscal year 2025. The County's business partners consist of Charlotte-Mecklenburg Schools, Central Piedmont Community College, Emergency Medical Services, Community Service Grants, and Joint Programs between the County and the City of Charlotte. Health and Human Services expenditures totaled $483.3 million or 20.0 % of the total governmental activities expenditures. Administrative Services totaled $265.4 million or 11.0% while Community Services, consisting of Parks and Recreation, Public Libraries, Elections, and the Historic Landmark Commission, totaled $259.6 million in expenditures or 10.8%. Detention and Court Support Services expended $188.5 million or 7.8 % with Land Use and Environmental Services, Financial Services, Customer Satisfaction and Management Services, and interest on long-term debt combining for the remaining $205.6 million or 8.5 % of total governmental activities expenditures.

Business-type Activities

Business-type activities increased the County's net position by $15.6 million in fiscal year 2025. Key elements of this increase are as follows:

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 $49.50 per residential unit; a landfill tipping fee at a private sanitary landfill of approximately $40 per ton for residential waste; a tipping fee of $60 per ton for commercial construction debris at the County owned Foxhole Landfill; a tipping fee of $38.00 per ton for Yard Waste delivered to the County yard waste facilities; sale of yard waste products and recycled materials from the MRF operations. Solid Waste generated $49.1 million in revenue in fiscal year 2025 compared to $43.4 million in fiscal year 2024; with $44.7 million expended in 2025 compared to $41.6 million in 2024. Solid Waste activity contributed 1.8% to the primary government's total revenue for fiscal year 2025 as compared to 1.7% contributed for fiscal year 2024. Solid Waste increased the County's net position by $5.8 million in fiscal year 2025.

The Storm Water Enterprise Fund operates services that protect and improve the quality of streams and other surface waters. The services continuously assess and improve storm drainage to improve public safety and ensure long-term sustainability. The County addresses surface water quality needs of named streams draining more than one square mile and the regulated floodplain throughout the entire county. The County charges tier-based fees based on square footage of impervious surfaces on properties within the County. Storm Water generated $28.4 million in revenue in fiscal year 2025 compared to $26.0 million in fiscal year 2024; with $21.0 million expended in 2025 compared to $21.5 million in 2024. Storm Water contributed 1.0% to the primary government's total revenue for the fiscal year 2025 while increasing the County's net position by $10.0 million.

The Employee Benefits Internal Service Fund accounts for benefits subsidized by the County. The fund's net position at year-end totaled $26.6 million. The Risk Management Internal Service Fund tracks and provides funding to protect against risk related activities within the County. The Risk Management Fund's net position at year-end totaled $14.5 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 $723.1 million, of which $189.2 million is restricted for Stabilization by State Statute, $4.3 million is committed for Administrative Services, $4.4 million is committed for Customer Satisfaction and Management, $1.2 million is committed for Land Use and Environmental Services, $1.0 million is committed for Detention and Court Support Services, $6.8 million is committed for Community Services, $9.5 million is committed for Health and Human Services, $0.1 million is committed for Financial Services and $506.6 million is unassigned.

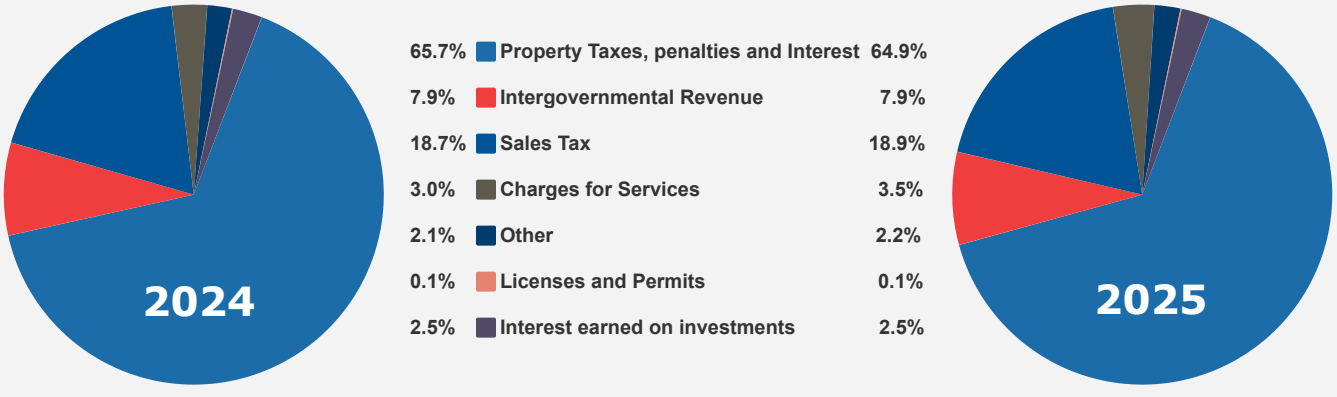
General Fund total revenues were $54.9 million more than budget with sales tax accounting for $12.0 million of the variance. Property tax revenue exceeded budget by $7.9 million. Interest earned on investments was $23.2 million more than budget in fiscal year 2025 with unrealized gains on securities held by the County being a majority of the variance. Actual expenditures and other financial uses were $25.6 million less than actual revenues, as explained more fully below.

Revenues for the General Fund increased $54.6 million, or 3.3% from fiscal year 2024:

- Property tax revenues increased 2.0% from the prior year while property tax collections rates remained consistent with the prior year at 99.5%. This growth is a result of the County's growth in population and increased property valuations.
- Sales tax revenues reported in the General Fund were $319.3 million, an increase of $12.5 million from fiscal year 2024 resulting from an increase in consumer spending and growth in population.
- Intergovernmental revenues totaled $133.2 million as compared to $129.9 million for fiscal year 2024, an increase of $3.3 million (2.5%), with federal revenue totaling $2.9 million of the increase. 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.
- Charges for services revenue increased $9.4 million (18.8%) from the prior year and is mainly attributed to a $4.5 million increase in Land Use and Environmental Services. This increase consists primarily of Register of Deeds fees associated with property transactions increasing by $3.2 million compared to fiscal year 2024. Health and Human Services experienced an increase of $4.4 million compared to fiscal year 2024 with the Health Department patient fees increasing by $3.5 million.
- Interest earned on investments increased by $4.3 million compared to fiscal year 2024. The change results from an increase in the fair value of the County's investments as of June 30, 2025 and higher income earned as interest rates remained higher throughout fiscal year 2025. The County follows sound investment practices and strives to maximize invested balances and interest earnings within the parameters of allowable investment vehicles.

The composition of the General Fund revenue dollar for fiscal years 2025 and 2024 are illustrated in Exhibit 1.

Exhibit 1
Revenue Sources - Fiscal Year



General Fund expenditures increased $88.7 million (5.7%) over those of last year. Exhibit 2 graphically illustrates the County's expenditure dollar for the two years.

Exhibit 2
Expenditures by Core Service - Fiscal Year



Administrative services, which includes Internal Audit, Attorney's Office, Human Resources, Information Services and Technology, Non-departmental and Asset and Facility Management, decreased $1.4 million (0.9%) from the prior year. The majority of this year over year change is associated with a $8.8 million decrease in non-departmental associated lease-related expenditures as the County entered into fewer lease agreements in fiscal year 2025 compared to 2024. Asset and Facility Management expenditures increased by $4.3 million primarily due to gas and electric utilities increasing by $2.7 million compared to the prior year. Information Services and Technology increased by $2.6 million mostly due to a $1.6 million increase in salary and benefits and a $1.0 million increase in expenditures associated with software maintenance and support. Financial Services expenditures increased 5.0%, Land Use and Environmental Services increased 2.4%, and Health and Human Services increased 6.0% from fiscal year 2024. 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 increased 6.9% from prior year mainly due to an increase of $6.4 million associated with Parks and Recreation as the County expands park services and open space area protection along with an increase of $1.6 million in funding to the Charlotte Mecklenburg Library.

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 make up 96.3% 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, totaled $644.2 million, $46.7 million more than the amount allocated for fiscal year 2024. Funding to Central Piedmont Community College, a crucial community partner responsible for helping students achieve academic success, was $47.3 million, an increase of 4.6%. These changes, plus adjustments to other outside agencies resulted in an overall increase in expenditures to Business Partners of $42.4 million from fiscal year 2024.

Debt Service Fund

The Debt Service Fund provides separate dedicated funding for debt service and pay-as-you-go capital costs. Total debt service expenditures decreased from $222.6 million in fiscal year 2024 to $211.7 million in fiscal year 2025; a decrease of $10.8 million or 4.9%. General debt service, which covers the capital needs of the County, primarily libraries, courts and parks and recreation, decreased by $3.4 million (15.0%) from the prior year as the County utilizes more of a pay-as-you-go approach for funding some of these activities. Debt service related to education, both for the Charlotte-Mecklenburg Schools and Central Piedmont Community College, decreased by $7.4 million (3.7%), as the County continued to make payments towards debt issued in prior years for both the schools and the community college.

Special Revenue Funds

Total revenues for the fourteen nonmajor Special Revenue Funds decreased in comparison to fiscal year 2024. Overall, total revenues decreased by $8.7 million or 3.6% compared to the prior year primarily due to the Opioid Settlement Fund transitioning from a nonmajor fund in fiscal year 2024 with $16.6 million in revenue to a major fund for fiscal year 2025. This decrease is offset by the following year over year increases: $3.3 million increase in Transit one-half cent sales tax; $1.0 million increase in Fire Service District

taxes, and $2.4 million increase in charges for services. Charges for services increased primarily due to an increase of $3.2 million in State fees collected and disbursed to the State during 2025. These fees consist of birth certificates, concealed carry weapon permits, and recording fees included in Register of Deeds transactions.

Total expenditures for the nonmajor Special Revenue Funds increased from $210.7 million in fiscal year 2024 to $229.0 million in fiscal year 2025; a $18.3 million or 8.7% increase. Land Use and Environmental Services experienced a $11.9 million increase in expenses that consisted of a $3.2 million increase in excise stamp fees payable to the State as property-related transactions increased during the fiscal year along with a $7.5 million increase in Code Enforcement expenditures attributed to a $3.1 million increase in salaries and benefits plus a $2.0 million increase in software maintenance as the department implemented new software to improve efficiencies within the permitting process.

The American Rescue Plan Act (ARPA) special revenue fund accounts for revenues and expenditures of authorized projects associated with the American Rescue Plan Act that was signed into law in March of 2021. ARPA funds must be allocated by December 2024 and fully expended by December 2026. Intergovernmental revenues totaled $52.0 million in fiscal year 2025 compared to $64.6 million in fiscal year 2024. Authorized ARPA project expenditures totaled $42.3 million in fiscal year 2025 compared to $64.6 million in fiscal year 2024. A total of $183.8 million of the authorized $219.7 million in authorized projects has been expended through the end of fiscal year 2025.

The Opioid Settlement special revenue fund accounts for activity related to the national opioid settlements involving various pharmaceutical distributors, pharmacy chains, and manufacturers in 2021 and 2022. Under both the 2021 and 2022 national settlements, at least 85% of the funds going directly to participating states and subdivisions must be used for abatement of the opioid epidemic, with the overwhelming bulk of the proceeds restricted to funding future abatement efforts by state and local governments. The County received $6.8 million in contributions in fiscal year 2025 compared to $16.4 million in 2024. Health and Human Services expenditures primarily consisting of addiction treatments, recovery support services, and early intervention efforts totaled $5.3 million in 2025 as the County began implementing programs to assist residents suffering from opioid addiction. As of June 30, 2025, the Opioid Settlement fund had a fund balance of $23.2 million.

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.

For fiscal year 2025 the total fund balance for nonmajor capital project funds was $124.5 million compared to $120.6 million for fiscal year 2024. Of the $124.5 million fund balance, $109.5 million is committed for capital projects and $15.0 million is committed to Health and Human Services for affordable housing projects. Revenues associated with capital projects totaled $10.8 million in fiscal year 2025 compared to $7.4 million in fiscal year 2024. Expenditures associated with capital projects totaled $177.6 million in fiscal year 2025 compared to $158.1 million in fiscal year 2024. This increase is primarily due to an increase of $57.1 million in capital project spending associated with school facilities offset by a $48.8 million decrease in land purchases due to the Environmental Leadership Action Plan activity being moved to the Pay-As-You-Go Capital Fund in fiscal year 2025.

The County issued general obligation school bonds, series 2025B, in February 2025 with a project authorization amount of $300 million to fund ongoing school capital projects. $12.5 million was expended in fiscal year 2024 in advance of the bond sale, with $45.2 million expended in fiscal year 2025. The School Bond Fund had a fund balance of $242.3 million as of June 30, 2025.

The County also issued limited obligation bonds, series 2025, in February 2025 with a project authorization amount of $250 million. This issuance will provide funding to County projects that include renovations to the sheriff's office and detention center, improvements to Central Piedmont Community College and Charlotte-Mecklenburg Library facilities, and upgrades to county parks and greenways. As of June 30, 2025, $165.5 million of the $250 million issuance had been expended.

Lastly, the County issued general obligation bonds, series 2025A, in February 2025 with a project authorization amount of $45 million to fund various Solid Waste capital improvement projects. As of June 30, 2025, $8.1 million of the $45 million issuance had been expended.

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 their 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 $2.7 million to address the Board's priorities and provide for a well-managed government.

General Fund revenues totaled $54.9 million more than the total revenue final budget in fiscal year 2025. This increase is related to several factors. The County's current year property tax collections totaled $7.9 million more than the appropriated budget. Sales tax revenue totaled $12.0 million more than budget as a result of increased consumer spending. Charges for services revenue totaled $4.9 million more than the final budget in fiscal year 2025. Charges for services revenue for Land Use and Environmental Services totaled $3.2 million more than budget in fiscal year 2025. This is primarily due to deed stamp fees being $2.3 million more than budgeted as property transactions were higher than expected during the fiscal year.

General Fund expenditures were $104.2 million less than the final budget. This results from departments and business partners reduced spending as well as encumbrances remaining outstanding at June 30, 2025, as these amounts are not included in the GAAP actual numbers. Some variances, such as Health and Human Services ($49.5 million), Customer Satisfaction and Management ($20.9 million), Administrative Services ($15.1 million), and Detention and Court Services ($10.9 million), include various grants where program spending did not reach expected levels or where funds were encumbered but not expended within the fiscal year.

Capital Assets

The County's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities at June 30, 2025 totals $1.8 billion. Capital assets include land, land improvements, buildings and improvements, vehicles and heavy equipment, furniture, machinery, and other equipment, antiques and artifacts, computer equipment and construction in progress. Capital assets are reported in the government-wide financial statements and in the enterprise funds financial statements. Governmental funds treat capital acquisitions as expenditures in the period in which they are purchased. The investment in capital assets, net of accumulated depreciation, increased 4.7% from last year for governmental activities as the County purchased land, continued construction projects, and made capital improvements. The business-type activities investment in capital assets, net of accumulated depreciation, increased 18.9% compared to fiscal year 2024.

The change in governmental activities assets in the amount of $72.0 million results primarily from: 1) a net increase in land totaling $30.7 million as the County purchased property to expand parks and greenways; 2) a net decrease of $2.9 million associated with accounting for leased assets; 3) a net increase of $26.7 million in construction in progress, 4) and a net decrease of $21.7 million in buildings and improvements. The change in vehicles and heavy equipment and furniture, machinery and equipment results from the net change of adding and disposing of items.

The $34.2 million increase in business-type activities (enterprise funds) is mainly due to an increase of $11.5 million in land as Storm Water acquired parcels subject to frequent flooding, $2.1 million in construction in progress, a $10.9 million increase in building and improvements and a $8.9 million increase in furniture, machinery and equipment primarily attributed to Solid Waste acquiring equipment to expand processing at their landfills and material recovery facilities.

Note 5 to the Basic Financial Statements explains in detail the capital asset activities for the year ended June 30, 2025.

Capital Assets, Net of Accumulated Depreciation (in thousands)

Description	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 898,216	$ 867,518	$ 125,178	$ 113,695	$ 1,023,394	$ 981,213
Construction in progress	93,460	66,770	30,199	28,129	123,659	94,899
Land improvements	59,296	16,127	7,653	8,312	66,949	24,439
Buildings and improvements	501,926	523,602	27,068	16,202	528,994	539,804
Vehicles and heavy equipment	8,606	8,547	3,825	2,325	12,431	10,872
Furniture, machinery and equipment	19,085	18,274	20,809	11,920	39,894	30,194
Lease assets	7,888	10,817	400	545	8,288	11,362
Subscription assets	9,383	14,227	212	-	9,595	14,227
Total	**$ 1,597,860**	**$ 1,525,882**	**$ 215,344**	**$ 181,128**	**$ 1,813,204**	**$ 1,707,010**

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, 2025 and 2024, general obligation bonds and certificates of participation consisted of:

General Obligation Bonds Installment Financings (in thousands)

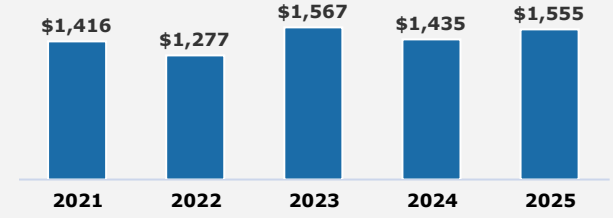
Description	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Public Improvement Bonds	$ 1,863,230	$ 1,708,739	$ 45,007	$ -	$ 1,908,237	$ 1,708,739
Installment Financings	300,867	73,526	262	315	301,129	73,841
Special Obligation Bonds	-	-	1,216	2,354	1,216	2,354
Total	**$ 2,164,097**	**$ 1,782,265**	**$ 46,485**	**$ 2,669**	**$ 2,210,582**	**$ 1,784,934**

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 3 shows the County's net per capita outstanding bonded debt to be $1,555, an increase of 8.4% from the prior year which results from an increase in bonds payable and spreading the outstanding debt over a 0.7% increase in County population.

Exhibit 3

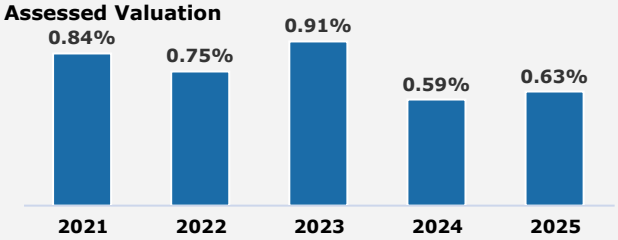
Bonded debt Outstanding Per Capita



The County's net bonded debt is 0.63% of assessed valuation, well below the 8.0% of assessed valuation legal debt limit of $23.8 billion, authorized by N.C. General Statute Chapter 159-55c. See Exhibit 4.

Exhibit 4

Percent of Net Bonded Debt to Assessed Valuation



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, 2025.

Outlook for the Next Year

The Board approved a $2.542 billion annual budget for fiscal year 2026, an increase of $39 million, or 1.6% over fiscal year 2025. The 2026 tax rate is 49.27 cents per $100 of assessed valuation, a 2.0% increase from 2025. The fiscal year 2026 adopted budget has six priorities set by the Board of County Commissioners::

- Education
- Economic Development
- Environmental Stewardship
- Health Equity and Wellness
- Senior Services
- Workforce Development

Major funding decisions for fiscal year 2026 are listed as follows:

- A top priority for the Board of County Commissioners in fiscal year 2026 is education. The County is fully funding Charlotte-Mecklenburg Schools fiscal year 2026 request which includes an increase of $28 million over fiscal year 2025. 93% of the increase will be invested in employee compensation at CMS. $9.9 million will be used for local funded salaries to match state increases as well as the increased cost of benefits. $8.3 million will be used to address below-market salaries and increase compensation for relative to years of service. $8.1 million will increase the County's local teacher supplement by an average of 5%. $2 million will be used for technology to make sure every student has access to a device for learning. The total County commitment to CMS is $699M which is an increase of $38 million. This represents 40% of the County's total general fund budget. Central Piedmont Community College is a pivotal educational partner for the County that offers programs in 14 career fields and more than 55 professional pathways. Funding to Central Piedmont Community College for fiscal year 2026 totals to $49 million which is an increase of $1.7 million compared to fiscal year 2025. Meck Pre-K, the County's high-quality, universal preschool program for four-year-olds, continues to give children the skills needed to enter kindergarten. In the fall of 2025, Meck Pre-K enters its eighth year and continues to be our biggest service to the community.The fiscal year 2026 budget includes an additional $3.4 million to add 10 new Meck Prek classrooms and cover associated costs. The next step in this expansion is to provide services to the northern and southern parts of the County where gaps have been identified in the Meck PreK programming.
- This budget includes an additional $2.3 million for seniors who need in-home aid and adult day care services. Providing this essential care will allow residents to age in place while preserving their dignity. The expansion will allow the County to serve an additional 60 seniors with subsidies for in-home aid services and an additional 50 clients who need adult daycare services. The budget also includes $2.6 million to continue the critical home repair program which also allows seniors to age in place.
- The County will continue to support MEDIC by committing $7 million for 10 new ambulances, 9 remounted units, and 2 supervisor replacement vehicles. In addition, an increase of $5.1 million in funding will allow MEDIC to expand their position count by 78 new positions which includes 50 Emergency Medical Technicians.
- To increase services at the local library branches, the County will add 15 positions at a cost of $1.3 million. The County will also support staffing to plan for the opening of the new main library in center city which plans to open in 2027.
- The County's most valuable resource is its employees. There are more than 6,000 employees who serve the 1.2 million residents of the county every day. The fiscal year 2026 budget includes a $38.9 million investment in its employees that includes salary increases and funding to cover increases in medical premiums and employer retirement contributions.

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.

APPENDIX D

BASIC FINANCIAL STATEMENTS OF THE COUNTY OF MECKLENBURG, NORTH CAROLINA

A-1
Mecklenburg County, North Carolina
Statement of Net Position (Deficit)
June 30, 2025

	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	$ 1,588,324,233	$ 57,869,112	$ 1,646,193,345	$ 28,857,714	$ 26,503,008	$ 43,226,307
Receivables, net	313,549,374	9,262,061	322,811,435	5,870,360	14,144,384	10,404
Due from other governmental agencies	-	-	-	-	971,392	-
Advances to other governmental agencies	4,184,228	-	4,184,228	-	-	-
Internal balances	(514,256)	514,256	-	-	-	-
Prepaid expenses	-	-	-	206,297	1,245	1,243,871
Inventories	-	-	-	-	-	22,697,398
Restricted assets - cash and investments	385,031,113	37,110,298	422,141,411	11,211,266	-	-
Pledges receivable, noncurrent	-	-	-	2,416,608	-	-
Net pension asset - ROD	693,551	-	693,551	-	-	-
Capital assets						
Non-Depreciable	991,675,980	155,376,959	1,147,052,939	103,448,079	-	14,725,721
Depreciable and amortizable, net	606,184,203	59,967,622	666,151,825	145,928,302	15,093,383	37,086,893
Total capital assets	1,597,860,183	215,344,581	1,813,204,764	249,376,381	15,093,383	51,812,614
TOTAL ASSETS	3,889,128,426	320,100,308	4,209,228,734	297,938,626	56,713,412	118,990,594
DEFERRED OUTFLOWS OF RESOURCES	150,834,169	4,468,651	155,302,820	10,801,825	23,498,601	8,688,487
LIABILITIES						
Accounts payable and other accrued liabilities	202,091,648	7,102,609	209,194,257	5,666,859	12,248,272	25,742,615
Accrued interest payable	25,562,785	786,119	26,348,904	-	-	-
Unearned revenue	29,335,022	-	29,335,022	-	-	-
Liabilities payable from restricted assets	29,074,988	1,114,209	30,189,197	-	-	-
Long-term liabilities						
Due within one year	237,724,861	4,891,875	242,616,736	4,095,518	7,721,680	-
Due in more than one year	2,606,641,168	73,224,598	2,679,865,766	97,063,248	96,575,721	12,799,205
TOTAL LIABILITIES	3,130,430,472	87,119,410	3,217,549,882	106,825,625	116,545,673	38,541,820
DEFERRED INFLOWS OF RESOURCES	93,414,050	181,277	93,595,327	6,134,450	14,821,934	-
NET POSITION						
Net investment in capital assets	1,362,800,888	205,163,650	1,567,964,538	232,951,408	15,093,383	51,812,614
Restricted						
Stabilization by State Statute	189,203,036	-	189,203,036	2,175,551	7,282,058	-
Land Use and Environmental Services	1,100,329	-	1,100,329	-	-	-
Detention and Court Support Services	1,879,824	-	1,879,824	-	-	-
Capital Projects	-	-	-	-	-	7,500,000
Debt Service	23,782,860	199,038	23,981,898	-	-	-
Health and Human Services	85,411,100	-	85,411,100	-	-	-
Grants	-	-	-	101,085	-	-
Programming	-	-	-	275,453	-	-
Register of Deeds' Pension Plan	693,551	-	693,551	-	-	-
Facility Enhancements	-	-	-	1,093,244	-	-
By Law for Specific Purposes	-	-	-	28,615,681	-	8,182,274
Unrestricted (deficit)	(848,753,515)	31,905,584	(816,847,931)	(69,432,046)	(73,531,035)	21,642,373
TOTAL NET POSITION (DEFICIT)	$ 816,118,073	$ 237,268,272	$ 1,053,386,345	$ 195,780,376	$ (51,155,594)	$ 89,137,261

The accompanying notes are an integral part of this statement

A-2
Mecklenburg County, North Carolina
Statement of Activities
for the Year Ended June 30, 2025

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) / Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Public Library of Charlotte and Mecklenburg County	Component Units: Mecklenburg Emergency Medical Services Agency	Component Units: Mecklenburg County Alcoholic Beverage Control Board
PRIMARY GOVERNMENT										
Governmental Activities										
Customer Satisfaction and Management Services	$ 41,712,412	$ -	$ 500,000	$ -	$ (41,212,412)	$ -	$ (41,212,412)	$ -	$ -	$ -
Administrative Services	265,445,680	151,952,418	10,774,021	-	(102,719,241)	-	(102,719,241)	-	-	-
Financial Services	30,612,864	3,418,950	-	-	(27,193,914)	-	(27,193,914)	-	-	-
Land Use and Environmental Services	101,788,204	94,720,232	3,875,985	-	(3,191,987)	-	(3,191,987)	-	-	-
Community Services	259,637,712	18,556,330	5,470,825	41,829,543	(193,781,014)	-	(193,781,014)	-	-	-
Detention and Court Support Services	188,474,205	4,735,687	5,778,827	-	(177,959,691)	-	(177,959,691)	-	-	-
Health and Human Services	483,339,992	15,805,373	192,154,669	-	(275,379,950)	-	(275,379,950)	-	-	-
Business Partners	1,014,822,440	3,068,220	12,273,764	-	(999,480,456)	-	(999,480,456)	-	-	-
Interest on long-term debt										
General purpose	5,512,361	-	-	-	(5,512,361)	-	(5,512,361)	-	-	-
Public schools	25,937,761	-	-	-	(25,937,761)	-	(25,937,761)	-	-	-
Total Governmental Activities	2,417,283,631	292,257,210	230,828,091	41,829,543	(1,852,368,787)	-	(1,852,368,787)	-	-	-
Business-type Activities										
Solid Waste	45,696,499	49,098,996	170,883	-	-	3,573,380	3,573,380	-	-	-
Storm Water	21,029,245	28,428,003	501,117	1,800	-	7,901,675	7,901,675	-	-	-
Total Business-type Activities	66,725,744	77,526,999	672,000	1,800	-	11,475,055	11,475,055	-	-	-
TOTAL PRIMARY GOVERNMENT	$ 2,484,009,375	$ 369,784,209	$ 231,500,091	$ 41,831,343	(1,852,368,787)	11,475,055	(1,840,893,732)	-	-	-
COMPONENT UNITS										
Public Library of Charlotte and Mecklenburg County	$ 91,945,711	$ 627,156	$ 2,432,451	$ 87,215,371	-	-	-	(1,670,733)	-	-
Mecklenburg Emergency Medical Services Agency	89,097,808	69,725,932	617,640	3,379,207	-	-	-	-	(15,375,029)	-
Mecklenburg County Alcoholic Beverage Control Board	212,810,612	212,988,775	-	-	-	-	-	-	-	178,163
TOTAL COMPONENT UNITS	$ 393,854,131	$ 283,341,863	$ 3,050,091	$ 90,594,578	-	-	-	(1,670,733)	(15,375,029)	178,163
General Revenues										
Property taxes, levied for general purposes					1,439,249,297	-	1,439,249,297	-	-	-
Property taxes, levied for Law Enforcement Service District					22,276,063	-	22,276,063	-	-	-
Property taxes, levied for Fire Service Districts					16,236,299	-	16,236,299	-	-	-
Sales taxes					502,908,848	-	502,908,848	-	-	-
Other taxes					20,476,087	-	20,476,087	-	-	-
Investment earnings					85,156,845	4,127,484	89,284,329	2,538,193	397,905	871,443
Gain on sale of capital assets					106,134	14,860	120,994	-	-	60,537
Miscellaneous					-	-	-	6,296,939	2,239,487	10,211
Payment from primary government										
Library					-	-	-	52,129,800	-	-
Emergency Medical Services					-	-	-	-	22,450,687	-
Total General Revenues, Transfers and Payment from primary government					2,086,409,573	4,142,344	2,090,551,917	60,964,932	25,088,079	942,191
Change in Net Position					234,040,786	15,617,399	249,658,185	59,294,199	9,713,050	1,120,354
Net Position (Deficit), beginning of year, as previously reported					562,445,138	223,544,816	785,989,954	140,030,832	(57,797,856)	88,016,907
Restatement (See note 20)					19,632,149	(1,893,943)	17,738,206	(3,544,655)	(3,070,788)	-
Net Position (Deficit), beginning, as restated					582,077,287	221,650,873	803,728,160	136,486,177	(60,868,644)	88,016,907
Net Position (Deficit), end of year					$ 816,118,073	$ 237,268,272	$ 1,053,386,345	$ 195,780,376	$ (51,155,594)	$ 89,137,261

The accompanying notes are an integral part of this statement

A-3
Mecklenburg County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Debt Service Fund	Pay-As-You-Go Capital Funding	American Rescue Plan Act	School Bond Fund	Opioid Settlement Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash and investments	$ 686,669,441	$ 65,563,335	$ 482,385,838	$ 39,490,625	$ -	$ 18,596,068	$ 226,899,591	$ 1,519,604,898
Interest receivable	7,224,890	5,310,801	-	-	-	166,239	977,356	13,679,286
Accounts receivable	137,417,059	26,512,398	-	11,000,000	-	48,528,091	52,894,737	276,352,285
Taxes receivable	21,143,540	-	-	-	-	-	680,686	21,824,226
Less allowance for uncollectible taxes	(1,244,000)	-	-	-	-	-	(40,000)	(1,284,000)
Advances to other governmental agencies	4,184,228	-	-	-	-	-	-	4,184,228
Due from other funds	-	-	14,030,650	-	-	-	-	14,030,650
Restricted cash and investments	-	24,090,420	84,515,570	-	276,425,123	-	-	385,031,113
Total assets	$ 855,395,158	$ 121,476,954	$ 580,932,058	$ 50,490,625	$ 276,425,123	$ 67,290,398	$ 281,412,370	$ 2,233,422,686
LIABILITIES								
Accounts payable and accrued liabilities	$ 99,543,390	$ 5,100	$ 12,769,243	$ 3,569,498	$ -	$ 964,347	$ 49,208,481	$ 166,060,059
Unearned grant revenue	1,012,229	-	-	28,240,636	-	-	82,157	29,335,022
Due to other funds	4,347,360	-	-	-	14,030,650	-	394,200	18,772,210
Liabilities payable from restricted assets	-	-	8,935,259	-	20,139,729	-	-	29,074,988
Total liabilities	104,902,979	5,100	21,704,502	31,810,134	34,170,379	964,347	49,684,838	243,242,279
DEFERRED INFLOWS OF RESOURCES	27,432,212	1,665,483	-	-	-	43,149,213	640,686	72,887,594
FUND BALANCES								
Restricted								
Stabilization by State Statute	189,203,036	-	-	-	-	-	-	189,203,036
Land Use and Environmental Services	-	-	-	-	-	-	1,100,329	1,100,329
Detention and Court Support Services	-	-	-	-	-	-	1,879,824	1,879,824
Capital Projects	-	-	-	-	242,254,744	-	-	242,254,744
Health and Human Services	-	-	-	18,680,491	-	23,176,838	404,558	42,261,887
Debt Service	-	23,782,860	-	-	-	-	-	23,782,860
Committed								
Administrative Services	4,247,308	-	-	-	-	-	1,784,991	6,032,299
Customer Satisfaction and Management	4,437,737	-	-	-	-	-	386,882	4,824,619
Land Use and Environmental Services	1,198,113	-	-	-	-	-	70,287,596	71,485,709
Public Safety	-	-	-	-	-	-	13,272,097	13,272,097
Fire Protection	-	-	-	-	-	-	7,944,295	7,944,295
Capital Projects	-	-	559,227,556	-	-	-	109,522,343	668,749,899
Detention and Court Support Services	971,773	-	-	-	-	-	9,125,684	10,097,457
Community Services	6,766,611	-	-	-	-	-	57,562	6,824,173
Health and Human Services	9,514,965	-	-	-	-	-	15,320,685	24,835,650
Debt Service	-	96,023,511	-	-	-	-	-	96,023,511
Financial Services	120,000	-	-	-	-	-	-	120,000
Unassigned	506,600,424	-	-	-	-	-	-	506,600,424
Total fund balances	723,059,967	119,806,371	559,227,556	18,680,491	242,254,744	23,176,838	231,086,846	1,917,292,813
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 855,395,158	$ 121,476,954	$ 580,932,058	$ 50,490,625	$ 276,425,123	$ 67,290,398	$ 281,412,370	

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	1,597,860,183
Net pension asset	693,551
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	57,700,695
Certain bond expenditures are capitalized for future amortization over the life of the bonds	6,135,186
Other long-term assets are not available for current year expenditures and therefore, are deferred in the funds	63,689,439
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.	39,892,627
Pension related deferrals	79,405,116
OPEB related deferrals	(76,622,723)
Long-term liabilities including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds	(2,869,928,814)
Net position of governmental activities	$ 816,118,073

The accompanying notes are an integral part of this statement

A-4
Mecklenburg County, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
for the Year Ended June 30, 2025

	General Fund	Debt Service Fund	Pay-As-You-Go Capital Funding	American Rescue Plan Act	2022A School Bond Fund	School Bond Fund	Opioid Settlement Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES									
Taxes	$ 1,428,440,941	$ 436,191,425	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,864,632,366
Law Enforcement Service District taxes	-	-	-	-	-	-	-	22,249,353	22,249,353
Transit one-half cent sales tax	-	-	-	-	-	-	-	88,068,287	88,068,287
Fire Service Districts taxes	-	-	-	-	-	-	-	16,160,096	16,160,096
Licenses and permits	2,301,109	-	-	-	-	-	-	44,181,828	46,482,937
Intergovernmental	133,215,239	14,219,312	485,779	51,999,709	-	-	-	34,406,229	234,326,268
Charges for services	59,133,979	-	-	-	-	-	-	27,114,842	86,248,821
Interest earned on investments	42,549,826	25,205,537	-	-	-	-	843,701	4,923,475	73,522,539
Administrative charges	10,541,388	-	-	-	-	-	-	-	10,541,388
Contributions	671,530	-	32,300,000	-	-	-	6,775,324	123,783	39,870,637
Other	16,331,907	742,990	303,350	-	-	-	-	3,193,725	20,571,972
Total revenues	1,693,185,919	476,359,264	33,089,129	51,999,709	-	-	7,619,025	240,421,618	2,502,674,664
EXPENDITURES									
Customer satisfaction and management	40,249,095	-	-	-	-	-	-	183,610	40,432,705
Administrative services	144,576,112	-	-	773,390	-	-	-	956,462	146,305,964
Financial services	23,832,110	-	-	-	-	-	-	-	23,832,110
Land use and environmental services	32,020,799	-	-	3,581	-	-	-	74,557,620	106,582,000
Community services	132,878,584	-	84,040,875	3,315,805	-	-	-	3,174,495	223,409,759
Detention and court support services	161,825,224	-	-	-	-	-	-	6,223,926	168,049,150
Health and human services	398,591,327	-	-	26,392,647	-	-	5,262,498	21,512,330	451,758,802
Business partners	717,979,056	-	16,533,876	250,954	-	45,206,569	-	200,424,716	980,395,171
Public safety	-	-	-	-	-	-	-	37,525,045	37,525,045
Debt Service									
Principal payments	-	147,005,000	-	-	-	-	-	-	147,005,000
Interest and fiscal charges	-	64,724,766	-	-	-	-	-	-	64,724,766
Capital outlay	-	-	114,629,829	11,600,541	-	-	-	62,022,392	188,252,762
Total expenditures	1,651,952,307	211,729,766	215,204,580	42,336,918	-	45,206,569	5,262,498	406,580,596	2,578,273,234
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	41,233,612	264,629,498	(182,115,451)	9,662,791	-	(45,206,569)	2,356,527	(166,158,978)	(75,598,570)
OTHER FINANCING SOURCES (USES)									
Premium on debt issuance	-	2,059,612	19,590,000	-	-	21,790,000	-	-	43,439,612
General obligation bonds issued	-	-	-	-	-	278,210,000	-	-	278,210,000
Sale of capital assets	146,606	-	-	-	-	-	-	336,417	483,023
Installment purchases issued	-	-	230,410,000	-	-	-	-	-	230,410,000
Lease financing	292,350	-	-	-	-	-	-	-	292,350
Subscription financing	3,841,329	-	-	-	-	-	-	-	3,841,329
Transfers in	2,268,003	-	277,850,962	-	-	-	-	80,347,044	360,466,009
Transfers out	(22,204,420)	(334,208,594)	-	(3,662,791)	-	-	-	(390,204)	(360,466,009)
Total other financing sources (uses)	(15,656,132)	(332,148,982)	527,850,962	(3,662,791)	-	300,000,000	-	80,293,257	556,676,314
NET CHANGE IN FUND BALANCE	25,577,480	(67,519,484)	345,735,511	6,000,000	-	254,793,431	2,356,527	(85,865,721)	481,077,744
FUND BALANCE, 6/30/2024, as previously reported	697,482,487	187,325,855	213,492,045	12,680,491	80,318,428	-	-	240,099,314	1,431,398,620
Restatement (See note 20)	-	-	-	-	(80,318,428)	(12,538,687)	20,820,311	76,853,253	4,816,449
FUND BALANCE, 6/30/2024, as restated	697,482,487	187,325,855	213,492,045	12,680,491	-	(12,538,687)	20,820,311	316,952,567	1,436,215,069
FUND BALANCE - END OF YEAR	$ 723,059,967	$ 119,806,371	$ 559,227,556	$ 18,680,491	$ -	$ 242,254,744	$ 23,176,838	$ 231,086,846	$ 1,917,292,813

The accompanying notes are an integral part of this statement

A-5
Mecklenburg County, North Carolina
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities for the Year Ended June 30, 2025

Net change in fund balances - total governmental funds	$	481,077,744
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.		120,737,141
Depreciation expense is reported in the Statement of Activities, but not in the fund statements.		(36,678,330)
Amortization expense is reported in the Statement of Activities, but not in the fund statements.		(11,704,593)
Loss on disposal of assets and adjustment to accumulated depreciation is reported in the Statement of Activities, but not in the fund statements.		(376,889)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		57,700,695
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.		(508,620,000)
Lease financing proceeds provide current financial resources to governmental fund, but entering into lease agreements increase long-term liabilities in the statement of Net Position, therefore, these proceeds do not appear in the Statement of Activities.		(292,350)
Subscription financing proceeds provide current financial resources to governmental fund, but entering into subscription arrangements increase long-term liabilities in the statement of Net Position, therefore, these proceeds do not appear in the Statement of Activities.		(3,841,329)
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.		33,274,644
Bond premiums and deferred charges, respectively, for the governmental funds are deferred and amortized in the Statement of Activities.		(24,340,880)
Repayments of bond, lease and subscription 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.		158,353,544
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.		(5,511,737)
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.		(20,946,404)
Other long-term liabilities are reported in the Statement of Net Position, but not in the fund statements		3,659,848
Consolidated adjustment for the Internal Service Fund and the Governmental Funds		
Internal service fund net revenue		(8,684,703)
Portion of internal servcie fund net revenue allocated to business-type activities		234,385
Change in net position of governmental activities	$	234,040,786

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, 2025

	Budgeted Amounts			Variance from Final Budget Positive/ (Negative)
	Original	Final	Actual	
REVENUES				
Taxes				
General property - current	$1,081,754,596	$1,081,754,596	$ 1,091,517,660	$ 9,763,064
General property - prior	5,335,331	5,335,331	3,367,274	(1,968,057)
Interest on delinquent taxes	3,105,750	3,105,750	3,219,799	114,049
Sales tax	307,309,338	307,309,338	319,310,558	12,001,220
Room Occupancy	2,184,728	2,184,728	2,345,595	160,867
Vehicle Rental	5,947,796	5,947,796	6,204,637	256,841
Other	2,350,742	2,350,742	2,475,418	124,676
Total taxes	1,407,988,281	1,407,988,281	1,428,440,941	20,452,660
Licenses and permits				
Business licenses	60,783	60,783	83,045	22,262
Inspection permits	2,139,712	2,139,712	2,037,794	(101,918)
Marriage licenses	169,560	169,560	180,270	10,710
Total licenses and permits	2,370,055	2,370,055	2,301,109	(68,946)
Intergovernmental				
Federal	102,282,870	100,925,024	100,337,083	(587,941)
State	18,252,743	17,682,735	18,937,916	1,255,181
Local	11,821,779	12,718,420	13,940,240	1,221,820
Total intergovernmental	132,357,392	131,326,179	133,215,239	1,889,060
Charges for services				
Administrative Services	1,287,091	1,287,091	1,182,082	(105,009)
Financial Services	3,117,528	3,117,528	3,083,549	(33,979)
Land Use and Environmental Services	23,035,887	23,035,887	26,257,266	3,221,379
Community Services	8,298,195	8,298,195	9,154,680	856,485
Detention and Court Support Services	3,976,601	3,976,601	3,853,618	(122,983)
Health and Human Services	9,366,550	13,071,746	13,504,386	432,640
Business Partners	1,450,000	1,450,000	2,098,398	648,398
Customer Satisfaction and Management	9,413	9,413	-	(9,413)
Total charges for services	50,541,265	54,246,461	59,133,979	4,887,518
Interest earned on investments	19,300,000	19,300,000	42,549,826	23,249,826
Administrative charges	11,518,219	11,518,219	10,541,388	(976,831)
Contributions	72,610	98,396	671,530	573,134
Other				
Rental	7,051,583	7,051,583	6,680,686	(370,897)
Document fees	1,146,967	1,146,967	1,315,283	168,316
Miscellaneous	3,236,904	3,236,904	8,335,938	5,099,034
Total other	11,435,454	11,435,454	16,331,907	4,896,453
Total revenues	1,635,583,276	1,638,283,045	1,693,185,919	54,902,874

(Continued on next page)

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 - (Continued)
Budget and Actual - General Fund
for the Year Ended June 30, 2025

	Budgeted Amounts			Variance from Final Budget Positive/ (Negative)
	Original	Final	Actual	
EXPENDITURES				
Customer satisfaction and management				
County Commissioners	$ 794,252	$ 813,363	$ 813,363	$ -
Economic Development Office	22,552,594	31,351,894	19,917,793	11,434,101
Manager's Office	18,805,516	23,266,228	13,783,320	9,482,908
Public Service and Information	5,648,665	5,734,619	5,734,619	-
Total customer satisfaction and management	47,801,027	61,166,104	40,249,095	20,917,009
Administrative services				
Internal Audit	2,514,667	2,515,238	2,019,041	496,197
Attorney's Office	3,855,198	3,920,936	3,509,898	411,038
Human Resources	12,031,871	12,335,065	11,265,495	1,069,570
Information Services and Technology	48,537,336	49,356,065	48,544,816	811,249
Nondepartmental	31,662,086	43,290,583	31,355,663	11,934,920
Asset and Facility Management	46,886,137	48,213,884	47,881,199	332,685
Total administrative services	145,487,295	159,631,771	144,576,112	15,055,659
Financial services				
Finance	17,602,344	18,018,554	16,876,496	1,142,058
Tax Collection	7,058,577	7,353,081	6,955,614	397,467
Total financial services	24,660,921	25,371,635	23,832,110	1,539,525
Land use and environmental services				
County Assessor's Office	17,610,315	17,933,632	17,500,894	432,738
Code Administration	2,825,002	2,659,144	2,314,709	344,435
Air Quality	2,083,346	2,330,669	2,330,669	-
Water and Land Resources	6,270,849	6,297,366	6,149,142	148,224
Register of Deeds	3,858,470	3,963,192	3,725,385	237,807
Total land use and environmental services	32,647,982	33,184,003	32,020,799	1,163,204
Community services				
Public Libraries	47,865,842	49,000,302	49,000,302	-
Historic Landmark Commission	665,113	659,399	659,399	-
Park and Recreation	71,712,825	72,537,962	72,537,962	-
Elections	7,989,245	10,680,921	10,680,921	-
Total community services	128,233,025	132,878,584	132,878,584	-
Detention and court support services				
Medical Examiner	4,077,186	4,128,492	3,771,695	356,797
Criminal Justice Services	18,122,450	19,398,522	17,322,951	2,075,571
Sheriff and Jail	147,116,382	149,212,799	140,730,578	8,482,221
Total detention and court support services	169,316,018	172,739,813	161,825,224	10,914,589

(Continued on next page)

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 - (Continued)
Budget and Actual - General Fund
for the Year Ended June 30, 2025

	Budgeted Amounts			Variance from Final Budget Positive/ (Negative)
	Original	Final	Actual	
Health and human services				
Public Health	$ 108,863,727	$ 118,685,791	$ 107,034,287	$ 11,651,504
Child, Family and Adult Services	167,862,840	198,092,664	170,888,237	27,204,427
Community Support Services	24,681,356	25,220,988	24,114,488	1,106,500
Community Resources	96,796,604	106,071,965	96,554,315	9,517,650
Total health and human services	398,204,527	448,071,408	398,591,327	49,480,081
Business partners				
Emergency Medical Services	22,450,687	26,367,167	22,450,687	3,916,480
City - County Joint Programs	2,191,540	2,822,675	2,160,441	662,234
Board of Education	643,315,849	644,165,485	644,165,485	-
Central Piedmont Community College	47,320,867	47,320,867	47,320,867	-
Community Service Grants	2,013,060	2,445,486	1,881,576	563,910
Total business partners	717,292,003	723,121,680	717,979,056	5,142,624
Total expenditures	1,663,642,798	1,756,164,998	1,651,952,307	104,212,691
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(28,059,522)	(117,881,953)	41,233,612	159,115,565
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	146,606	146,606
Lease financing	-	-	292,350	292,350
Subscription financing	-	-	3,841,329	3,841,329
Transfers in	1,086,028	1,259,374	2,268,003	1,008,629
Transfers out	(21,451,001)	(22,451,001)	(22,204,420)	246,581
Appropriated Fund Balance	48,424,495	139,073,580	-	(139,073,580)
Total other financing sources (uses)	28,059,522	117,881,953	(15,656,132)	(133,538,085)
NET CHANGE IN FUND BALANCE	$ -	$ -	25,577,480	$ 25,577,480
FUND BALANCE - BEGINNING OF YEAR			697,482,487	
FUND BALANCE - END OF YEAR			$ 723,059,967	

The accompanying notes are an integral part of this statement

A-7
Mecklenburg County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-type Activities			Governmental Activities
	Solid Waste Enterprise Fund	Storm Water Enterprise Fund	Total	Internal Service Funds
ASSETS				
Current Assets				
Cash and investments	$ 20,409,153	$ 35,445,403	$ 55,854,556	$ 70,733,891
Interest receivable	206,192	339,713	545,905	652,002
Accounts receivable	701,172	7,931,911	8,633,083	2,408,648
Due from other funds	394,200	-	394,200	4,347,360
Total current assets	21,710,717	43,717,027	65,427,744	78,141,901
Noncurrent Assets				
Restricted cash and investments	37,110,298	-	37,110,298	-
Capital assets				
Land	45,057,622	80,120,683	125,178,305	-
Construction in progress	30,198,654	-	30,198,654	-
Land improvements	16,963,214	849,414	17,812,628	-
Buildings	43,495,763	467,230	43,962,993	-
Vehicles and heavy equipment	7,461,286	1,689,680	9,150,966	-
Furniture, machinery and equipment	40,855,072	1,727,477	42,582,549	-
Lease assets	660,834	-	660,834	-
Subscription assets	-	212,257	212,257	-
Total capital assets	184,692,445	85,066,741	269,759,186	-
Less accumulated depreciation	(50,092,844)	(4,061,325)	(54,154,169)	-
Less accumulated amortization	(189,684)	(70,752)	(260,436)	-
Total capital assets, net of accumulated depreciation and amortization	134,409,917	80,934,664	215,344,581	-
Total noncurrent assets	171,520,215	80,934,664	252,454,879	-
Total assets	193,230,932	124,651,691	317,882,623	78,141,901
DEFERRED OUTFLOW OF RESOURCES				
Pension deferrals	2,757,110	1,711,541	4,468,651	-
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities	4,370,470	1,694,504	6,064,974	37,069,224
Accrued interest payable	786,119	-	786,119	-
Compensated absences	610,820	626,250	1,237,070	-
Lease liability	65,795	-	65,795	-
Bonds payable, net of unamortized premium	3,467,928	-	3,467,928	-
Loan payable	-	52,456	52,456	-
Subscription liability	-	68,626	68,626	-
Current liabilities payable from restricted assets	1,114,209	-	1,114,209	-
Total current liabilities	10,415,341	2,441,836	12,857,177	37,069,224
Long-term Liabilities				
Compensated absences	1,942,415	1,131,065	3,073,480	-
Net pension liability	5,395,134	3,306,059	8,701,193	-
Lease liability	402,168	-	402,168	-
Landfill development and postclosure care costs	18,012,539	-	18,012,539	-
Bonds payable, net of unamortized premium	42,754,663	-	42,754,663	-
Loan payable	-	209,824	209,824	-
Subscription liability	-	70,731	70,731	-
Total long-term liabilities	68,506,919	4,717,679	73,224,598	-
Total liabilities	78,922,260	7,159,515	86,081,775	37,069,224
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals	111,574	69,703	181,277	-
Total deferred inflow of resources	111,574	69,703	181,277	-
NET POSITION				
Net investment in capital assets	124,630,623	80,533,027	205,163,650	-
Restricted net position				
Restricted for debt service	199,038	-	199,038	-
Unrestricted	(7,875,453)	38,600,987	30,725,534	41,072,677
Total net position	$ 116,954,208	$ 119,134,014	236,088,222	$ 41,072,677
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds			1,180,050	
Net position of business-type activities			$ 237,268,272	

The accompanying notes are an intergral 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, 2025

	Business-type Activities			Governmental Activities
	Solid Waste Enterprise Fund	Storm Water Enterprise Fund	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	$ -	$ 25,128,219	$ 25,128,219	$ 117,565,700
Residential availability fees	26,242,294	-	26,242,294	-
Recycling sales and tip fees	19,821,590	-	19,821,590	-
Other	3,035,112	3,299,784	6,334,896	23,126,725
Total operating revenues	49,098,996	28,428,003	77,526,999	140,692,425
OPERATING EXPENSES				
Personnel services and employee benefits	12,556,938	7,672,699	20,229,637	-
Utilities	199,785	2,289	202,074	-
Supplies	1,666,735	737,581	2,404,316	-
Depreciation	4,377,156	383,732	4,760,888	-
Amortization	73,426	70,752	144,178	-
Maintenance and repairs	3,966,352	273,743	4,240,095	-
Rental and occupancy charges	3,882,069	1,892,309	5,774,378	-
Contractual services	16,827,772	9,923,262	26,751,034	-
Final development and postclosure costs	1,110,591	-	1,110,591	-
Claims, insurance premiums and fees	-	-	-	153,166,216
Total operating expenses	44,660,824	20,956,367	65,617,191	153,166,216
OPERATING INCOME	4,438,172	7,471,636	11,909,808	(12,473,791)
NON-OPERATING REVENUES / (EXPENSES)				
Grant revenue	170,883	501,117	672,000	-
Interest income	2,089,023	2,038,461	4,127,484	3,789,088
Interest expense	(874,168)	-	(874,168)	-
Gain/(Loss) on disposal of capital assets	10,789	4,071	14,860	-
Total non-operating revenues / (expenses)	1,396,527	2,543,649	3,940,176	3,789,088
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	5,834,699	10,015,285	15,849,984	(8,684,703)
CAPITAL CONTRIBUTIONS	-	1,800	1,800	-
Increase (decrease) in net position	5,834,699	10,017,085	15,851,784	(8,684,703)
Net position - beginning of year, as previously reported	112,054,925	110,075,456	222,130,381	49,757,380
Restatement (See note 20)	(935,416)	(958,527)	(1,893,943)	-
Net position - beginning of year, as restated	111,119,509	109,116,929	220,236,438	49,757,380
Net position - end of year	$ 116,954,208	$ 119,134,014	$ 236,088,222	$ 41,072,677
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds			(234,385)	
Change in net position of business-type activities			$ 15,617,399	

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, 2025

	Business-type Activities			Governmental Activities
	Solid Waste Enterprise Fund	Storm Water Enterprise Fund	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from users	$ 49,118,144	$ 27,423,105	$ 76,541,249	$ 143,844,400
Cash paid to suppliers	(23,445,695)	(13,639,055)	(37,084,750)	(150,094,961)
Cash paid to employees	(11,685,636)	(7,677,179)	(19,362,815)	-
Net cash provided by operating activities	13,986,813	6,106,871	20,093,684	(6,250,561)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Grant revenue	170,883	96,548	267,431	-
Net cash provided by non-capital financing activities	170,883	96,548	267,431	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal payments - bonds	(1,070,000)	(52,456)	(1,122,456)	-
Interest paid	(373,563)	-	(373,563)	-
Acquisition of capital assets	(29,699,476)	(9,562,715)	(39,262,191)	-
Principal payments - leases	(61,434)	-	(61,434)	-
Proceeds from disposal of assets	146,635	8,268	154,903	-
Capital contributions	-	1,800	1,800	-
Proceeds from general obligation bond	41,765,000	-	41,765,000	-
Premium on debt issuance	3,403,839	-	3,403,839	-
Net cash used in capital and related financing activities	14,111,001	(9,605,103)	4,505,898	-
CASH FLOW FROM INVESTING ACTIVITIES				
Interest received	2,099,722	1,940,250	4,039,972	3,750,125
CHANGE IN CASH AND INVESTMENTS	30,368,419	(1,461,434)	28,906,985	(2,500,436)
CASH AND INVESTMENTS - BEGINNING OF YEAR	27,151,032	36,906,837	64,057,869	73,234,327
CASH AND INVESTMENTS - END OF YEAR	$ 57,519,451	$ 35,445,403	$ 92,964,854	$ 70,733,891
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income	$ 4,438,172	$ 7,471,636	$ 11,909,808	$ (12,473,791)
Depreciation	4,377,156	383,732	4,760,888	-
Amortization	73,426	70,752	144,178	-
Adjustments to reconcile operating income to net cash provided by operating activities:				
Change in accounts receivable	278,934	(1,004,898)	(725,964)	3,667,453
Change in due from other funds	(259,786)	-	(259,786)	(515,478)
Change in deferred outflows of resources - pensions	510,788	290,448	801,236	-
Change in payroll accrual	131,948	65,129	197,077	-
Change in accounts payable	3,097,018	(949,228)	2,147,790	3,071,255
Change in compensated absences	268,326	(337,449)	(69,123)	-
Change in net pension liability	(10,178)	(5,787)	(15,965)	-
Change in landfill reserve	1,110,591	-	1,110,591	-
Change in subscription liability	-	139,357	139,357	-
Change in deferred inflows of resources - pensions	(29,582)	(16,821)	(46,403)	-
Total adjustments	9,548,641	(1,364,765)	8,183,876	6,223,230
Net cash provided by operating activities	$ 13,986,813	$ 6,106,871	$ 20,093,684	$ (6,250,561)

The accompanying notes are an integral part of this statement

A-10
Mecklenburg County, North Carolina
Statement of Fiduciary Net Position
June 30, 2025

	Post-Employment Healthcare Benefit Trust Fund	Custodial Funds
ASSETS		
Cash and investments	$ -	$ 4,746,751
Taxes for other governments	-	19,522,021
	-	24,268,772
Investments at fair value:		
Short-term OPEB Fund	46,179,219	-
Long-term OPEB Fund	17,155,825	-
OPEB Equity Funds	235,368,496	-
Total investments	298,703,540	-
Total assets	298,703,540	24,268,772
LIABILITIES		
Due to other governmental agencies	-	23,543,360
Total liabilities	-	23,543,360
NET POSITION		
Restricted for		
Postemployment benefits other than pensions	298,703,540	-
Individuals and organizations	-	725,412
Total net position	$ 298,703,540	$ 725,412

The accompanying notes are an integral part of this statement

A-11
Mecklenburg County, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
for the Year Ended June 30, 2025

	Post-Employment Healthcare Benefit Trust Fund	Custodial Funds
ADDITIONS		
Investment earnings:		
Net decrease in fair value of investments	$ 33,709,396	$ -
Interest	2,641,591	-
Total investment earnings	36,350,987	-
Less investment costs:		
Investment activity costs	(45,515)	-
Net investment earnings	36,305,472	-
Tax collections for other governments	-	942,625,252
Collection on behalf of beneficiaries	-	6,661,556
Total additions	36,305,472	949,286,808
DEDUCTIONS		
Payments of tax to other governments	-	942,625,252
Payments to beneficiaries	-	6,780,647
Total deductions	-	949,405,899
Net increase (decrease) in fiduciary net position	36,305,472	(119,091)
Net position - beginning of year	262,398,068	844,503
Net position - end of year	$ 298,703,540	$ 725,412

The accompanying notes are an integral part of this statement

Notes to the Basic Financial Statements

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. The following are the County's discretely presented component units that 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 the 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 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.

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, 2025. 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, proprietary funds, and 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 government-wide, proprietary and fiduciary fund financial statements 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 non-exchange 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 on the expenditures recorded. The other type provides money that is virtually unrestricted as to the purpose of the expenditure and is 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.

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.

School Bond Fund – This fund accounts for financial resources used for the acquisition or construction of major capital facilities for schools and the purchase of land.

Opioid Settlement Fund – This fund accounts for Opioid Settlement Funds distributed by the State of North Carolina.

The County reports the following major proprietary funds:

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.

Storm Water Enterprise Fund – This fund accounts for activities related to surface water quality needs and flood management and is self-supporting through the Storm Water Services fees.

Additionally, the County reports the following funds:

i. Nonmajor 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 Funds). 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 Funds:

These funds account for funds contributed by the County and its employees for health and life benefits and risk management services.

iii. Fiduciary Funds:

Post-Employment Healthcare Benefit Trust Fund – This fund accounts for funds accumulated for future 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

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

	Original Budget	Amendments	Final Budget June 30, 2025
Special Revenue Funds	$ 195,452,102	$ 69,952,269	$ 265,404,371
Debt Service Fund	545,190,205	2,059,612	547,249,817
Total	**$ 740,642,307**	**$ 72,011,881**	**$ 812,654,188**

Amendments result from 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.

e. Cash and Investments

A cash and investment pool is maintained and used for all available funds except cash on hand and funds held by others. Details for cash and investment balances as of June 30, 2025 are shown in the schedule below:

Cash on hand	19,085
Funds held by others:	
City of Charlotte, Risk Management Trust	14,514,794
2011 Qualified School Construction Bonds - Wells Fargo	23,782,860
2011 Special Obligation Bonds - Bank of NY Mellon	260,763
Self Insurance Dental Claims - Citibank	42,693
Deposit carrying amount	751,349,259
Investments	1,283,112,053
Post-Employment Healthcare Benefit Trust	298,703,540
Total Cash and Investments	**2,371,785,047**

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 $751,349,259 and the bank balance was $758,886,033. The bank balance is comprised of a $498,209 money market account and $8,577 lockbox accounts with Truist Bank, $334,200,149 in money market accounts with First National Bank of PA, $21,866,651 in a money market account with SouthState Bank, certificate of deposits in the amount of $20,000,000 with First Horizon Bank and $300,000,000 with TD Bank, and $82,312,447 held in a depository account with Bank of America.

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 $758,886,033 was covered by collateral or insured at June 30, 2025.

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, 2025, the Library's deposits had a bank balance of $16,252,908 and a carrying amount of $15,686,643. The Federal Deposit Insurance Corporation (FDIC) covers $250,000 for substantially all depository accounts and for certain qualifying and participating non-interest bearing transaction accounts. Of the bank balance, $250,000 was covered by federal depository insurance and $16,002,908 was covered by collateral held under the pooling method. At June 30, 2025, the Library's petty cash fund totaled $8,816. The Library has no policy for managing interest rate risk or credit risk.

At June 30, 2025, the Medic Agency's deposits had a carrying value of $15,779,846 and a bank balance of $16,034,456. The cash exceeded insured limits by $15,784,456. At June 30, 2025, the Medic Agency had no cash on hand.

At June 30, 2025, the ABC Board's deposits had a carrying value of $43,125,233 and a bank balance of $51,162,793. Of the bank balance, $750,000 was covered by federal depository insurance, and $50,412,793 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, the North Carolina Capital Management Trust (NCCMT), the North Carolina Investment Pool (NCIP), and the North Carolina Cooperative Liquid Assets Securities System (NC CLASS).

At June 30, 2025, 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	$ 456,972,560	$ 246,595,310	$ 210,377,250	$ -
U.S. Government Agencies	Fair Value - Level 2	362,516,283	224,758,333	137,757,950	-
NC Capital Management Trust - Government Portfolio*	Fair Value - Level 2	197,249,164	197,249,164	-	-
North Carolina Investment Pool**	Fair Value - Level 2	166,791,363	166,791,363	-	-
NC Cooperative Liquid Assets Securities System***	Fair Value - Level 2	99,582,683	99,582,683	-	-
Total		**$1,283,112,053**	**$ 934,976,853**	**$ 348,135,200**	**$ -**

**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 NCIP 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 NC Cooperative Liquid Assets Securities Systems has a weighted average maturity of less than 90 days and is prensented as an investment with a maturity of less than 12 months.*

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Risk

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

Credit Risk

The County has no formal policy regarding credit risk but maintains internal management procedures that limit the County's investments to the provisions of North Carolina General Statute 159-30 that restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County'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, 2025. The County's investment in the NCIP is rated AAAm by Standard & Poor's and AAAf by Fitch Ratings. The County's investment in the NC CLASS is rated AAAm by Standard & Poor's as of June 30, 2025. 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 Aa1 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. There were no bankers' acceptances or commercial paper investments at year-end. The County does not place a limit on the level of investment in federal agency securities. At June 30, 2025, Federal Home Loan Bank securities comprised 76.6% of the total US Agency securities held, with Federal Farm Credit Bank at 23.4%.

The County's investments are stated at fair value in the financial statements, as determined by quoted market prices. The securities of the NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, are measured at fair value, which is the NCCMT's share price. The securities of the NCIP Portfolio are valued at amortized cost, which approximates fair value. Market prices used to determine fair values in this comparison are derived from closing bid prices as of the last business day of the month as supplied by third-party pricing services. The NC CLASS investments within the portfolio are measured at fair value. In accordance with State law, the County invests in securities that are callable prior to maturity and securities that provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value.

As of June 30, 2025, the County had $298,703,540 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) 15.46% which is reported as cash and cash equivalents; State Treasurer's Bond Index Fund (BIF) 5.74%; and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund 78.80% (the equities were split with 64% in domestic securities and 36% in international securities).

Ownership of the STIF is determined on a fair 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, 2025 of 2.1 years.

Ownership of the BIF is determined monthly at fair value using the same Level 2 inputs as the STIF and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. The BIF, which does not have a credit rating, was valued at $1 per unit and had an average maturity of 8.11 years on June 30, 2025.

The BlackRock's MSCI ACWI EQ Index Non-Lendable Class B fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The Fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2025 the fair value of the funds was $44.333857 per share. Fair value for this Blackrock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

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 2.1 years at June 30, 2025. The State Treasurer's Bond Index Fund (BIF) is unrated and had a weighted average maturity of 8.11 years at June 30, 2025.

At June 30, 2025, the Library's investments consist of 11,211,266 which are invested in the Foundation for the Carolina's Pooled Investment Funds, while $13,162,255 is included in cash and cash equivalents. The Foundation does not have an investment strategy other than choosing the investment pool. The fund invests in the BlackRock TempFund, one of BlackRock's Liquidity Funds which seeks as high a level of current income as is consistent with liquidity and stability of principal. The Foundation has no policy for managing interest rate risk, custodial credit risk, or concentration of credit risk.

All Medic Agency investments, $10,723,162, were invested in the NC Capital Management Trust Government Portfolio at June 30, 2025.

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 AAA 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.

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 the 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 are expensed over the period that the items are used.

g. Capital Assets

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

Land improvements	$	50,000
Building and improvements		Greater of $100,000 or 10% of cost of building
Vehicle, machinery, furniture and equipment	$	50,000
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 are recorded at acquisition value at the date of donation. 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

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

The right to use Subscription-Based Information Technology Arrangement (SBITA) assets are initially measured at an amount equal to the present value of the SBITA liability plus any SBITA payments made at the start of the term, if applicable, plus capitalizable initial implementation costs at the start of the SBITA term, less any incentives received from the vendor at the start of the SBITA term. The right to use subscription assets are amortized on a straight-line basis over the SBITA term.

Library capital assets are reported in the government-wide financial statements and include land, buildings and improvements, furniture and equipment, intangible and right to use 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 acquisition value. The Library capitalizes all library books with a useful life greater than one year. The Library has certain books that are considered historical treasures which are not capitalized and are recorded as expenditures in the year of acquisition. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

For the ABC Board, buildings, 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 assets that applies to future periods and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the Statement of Financial Position can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as revenue until then.

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 280 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. A liability is accrued for earned leave that carries over to future periods and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. When determining the liability, the flow assumption of leave is considered taken on a first-in,

first-out ("FIFO") basis. For retiring employees, the balance of unpaid sick leave is used in the determination of length of service for retirement purposes.

In addition to vested leave, the County, Library, and Medic Agency also recognize as a liability the portion of leave benefits that is more likely than not to be paid or used. An expense and corresponding liability for compensated absences and related salary payments are recorded as the leave is earned in the government-wide and proprietary fund financial statements. The current portion of this obligation is estimated based on historical usage trends. In the governmental fund financial statements, a liability is recognized only when amounts are due and payable, such as upon employee resignations or 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 four classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balance as follows:

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

  Restricted for Stabilization by State Statute – portion of fund balance that is restricted by State Statute (N.C.G.S. 159-8(a)) which prohibits governmental units from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted for Stabilization by State Statute (RSS) is calculated at the end of the fiscal year and the statute provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is RSS. Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation". RSS is reduced by inventories and prepaids as they are classified as 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 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 sources and can only be used for capital outlay in the County.

Restricted for Debt Service – portion of fund balance that is restricted investment for repurchase agreement to pay off the General Obligation Qualified School Construction Bonds series 2011 B.

Restricted for Health and Human Services – portion of fund balance that is restricted by revenue source and can only be used for health, mental health, and social services 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 budgeted by the Board of County Commissioners for support services to County Departments.

  Committed for Customer Satisfaction and Management – portion of fund balance budgeted by the Board of County Commissioners for customer satisfaction and management services.

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

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

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

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

  Committed for Detention 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 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 Financial Services – portion of fund balance budgeted by the Board of County Commissioners for Financial Services.

  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 general fund is the only fund reporting a positive unassigned fund balance.

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	Pay-As-You-Go Capital Funding	American Rescue Plan Act	Opioid Settlement Fund	Nonmajor Funds
Encumbrances	$ 45,396,730	$ 285,830,150	$ 37,502,404	$ 5,803,984	$ 46,995,649

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.

l. Restricted Assets

The Debt Service Fund has restricted cash and cash equivalents pursuant to a bond order. The unexpended bond proceeds of general and 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 limited and general obligation bonds issued for capital projects are classified as restricted assets for the Pay-As-You-Go Capital Funding and School Bond Fund because their use is restricted for that purpose. Cash and cash equivalents in the Other Postemployment Benefits Trust Fund is considered restricted because it can only be used to pay other postemployment benefit obligations.

Cash, cash equilavents, and investments are restricted in the accompanying statements as follows by fund:

Governmental:	
Debt Service Fund	$ 24,090,420
Pay-As-You-Go Capital Funding	84,515,570
School Bond	276,425,123
Total Governmental	**385,031,113**
Business-type:	
Solid Waste Enterprise Fund	37,110,298
Total Restricted Assets	**$ 422,141,411**

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, 2025, the County received $10,091,184 from the North Carolina Lottery Fund that was used to reduce outstanding school debt.

n. Deferred outflows/inflows of Resources

The balances in deferred outflows/inflows at June 30, 2025 are from the following sources:

	Governmental		Business Type	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred refunding charges	$ 6,135,186	$ -	$ -	$ -
Prepaid taxes	-	2,512,801	-	-
Pension contributions subsequent to the measurement date	57,700,695	-	1,860,005	-
Pension deferrals	86,998,288	7,593,172	2,608,646	181,277
OPEB deferrals	-	76,622,723	-	-
Lease deferrals	-	6,685,354	-	-
Total	**$150,834,169**	**$ 93,414,050**	**$ 4,468,651**	**$ 181,277**

In addition to prepaid taxes and lease deferrals shown above, the governmental funds reported unavailable revenues from Opioid settlement of $43,149,213 and property tax receivables of $20,540,226 at June 30, 2025.

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, 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 Officers 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 resources and deferred inflows of resources related to pensions, and pension expense are captured on the government-wide statements.

q. Adoption of Accounting Pronouncement

The County implemented GASB Statement No. 101, Compensated Absences, effective July 1, 2024. This Statement supersedes GASB Statement No.16, Accounting for Compensated Absences, which was issued in 1992, and aims to align the treatment of paid leave benefits across government entities. The goal of this statement is to provide financial statement users with improved and comparable information regarding compensated absences by establishing a unified model for recognizing and measuring compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for the measurement of the liabilities using the employees' pay rate as of the date of the financial statements and including certain salary-related payments that are directly and incrementally associated with payments for leave. Additional information regarding the implementation of GASB Statement No. 101, including the restatement for compensated absences, is presented in Note 20.

2. Accounts Receivable

The following reflects the components of accounts receivable as reported in the Government-wide Statement of Net Position at June 30, 2025:

	Governmental Activities						Business-type Activities		
	General Fund	Debt Service Fund	American Rescue Plan Act Fund	Opioid Settlement Fund	Nonmajor Funds	Internal Service Funds	Solid Waste Fund	Storm Water Fund	Total Receivables
General	$ 9,977,170	$ 1,543,717	$ 11,000,000	$ 53,322,448	$ 15,351,651	$ 2,408,648	$ 670,060	$ 5,698,315	$ 99,972,009
Less: Allowance for doubtful accounts	-	-	-	(4,794,357)	(1,000)	-	-	-	(4,795,357)
Federal, State and Local Government	127,439,889	24,968,681	-	-	37,544,086	-	31,112	2,233,596	192,217,364
Taxes	21,143,540	-	-	-	680,686	-	-	-	21,824,226
Less: Allowance for doubtful accounts	(1,244,000)	-	-	-	(40,000)	-	-	-	(1,284,000)
Interest	7,224,890	5,310,801	-	166,239	977,356	652,002	206,192	339,713	14,877,193
Total Accounts Receivable	**$ 164,541,489**	**$ 31,823,199**	**$ 11,000,000**	**$ 48,694,330**	**$ 54,512,779**	**$ 3,060,650**	**$ 907,364**	**$ 8,271,624**	**$ 322,811,435**

3. Property Tax

The County's property tax levy effective for fiscal year 2025, was based on the assessed values listed as of January 1, 2024 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, 2024. The property tax rate for the 2025 fiscal year was $0.4831 per $100 valuation. A revaluation of all real property is required to be performed at least every eight years, however the County plans to do this every four years to get as accurate a market value as possible to maintain equity among taxpayers. The County completed a revaluation in fiscal year 2023 which was effective for fiscal year 2024. 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. 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.

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.

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, 2025:

Governmental Activities	Primary Government				
	Balance July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Governmental activities:					
Capital assets not being depreciated:					
Land	$ 867,518,445	$ 30,697,638	$ -	$ -	$ 898,216,083
Construction in progress	66,770,204	81,998,133	-	(55,308,440)	93,459,897
Total capital assets not being depreciated	**934,288,649**	**112,695,771**	**-**	**(55,308,440)**	**991,675,980**
Capital assets being depreciated:					
Land improvements	66,774,497	108,882	-	45,730,875	112,614,254
Buildings and improvements	1,091,123,098	612,367	-	6,880,782	1,098,616,247
Vehicles and heavy equipment	35,112,032	1,848,372	(2,665,529)	331,880	34,626,755
Furniture, machinery and equipment	53,768,246	1,338,070	(530,782)	2,364,903	56,940,437
Intangibles-software and licenses	16,425,311	-	-	-	16,425,311
Right-to-use assets being amortized:					
Lease buildings	8,702,548	292,350	(252,407)	-	8,742,491
Lease equipment	6,826,593	-	(202,343)	-	6,624,250
Lease other assets	546,060	-	(546,060)	-	-
Subscription assets	29,080,058	3,841,329	(6,086,596)	-	26,834,791
Total capital assets being depreciated/ amortized	**1,308,358,443**	**8,041,370**	**(10,283,717)**	**55,308,440**	**1,361,424,536**
Less accumulated depreciation:					
Land improvements	(50,647,658)	(2,670,475)	-	-	(53,318,133)
Buildings and improvements	(567,520,790)	(29,169,061)	-	-	(596,689,851)
Vehicles and heavy equipment	(26,565,008)	(1,960,281)	2,504,498	-	(26,020,791)
Furniture, machinery and equipment	(35,494,620)	(2,878,513)	517,263	-	(37,855,870)
Intangibles-software and licenses	(16,425,315)	-	4	-	(16,425,311)
Less accumulated amortization:					
Lease buildings	(1,981,245)	(1,856,525)	252,407	-	(3,585,363)
Lease equipment	(2,860,624)	(1,032,679)	-	-	(3,893,303)
Lease other assets	(415,899)	(130,161)	546,060	-	-
Subscription assets	(14,853,079)	(8,685,228)	6,086,596	-	(17,451,711)
Total accumulated depreciation and amortization	**(716,764,238)**	**(48,382,923)**	**9,906,828**	**-**	**(755,240,333)**
Total capital assets being depreciated/ amortized, net	**591,594,205**	**(40,341,553)**	**(376,889)**	**55,308,440**	**606,184,203**
Governmental activities capital assets, net	**$1,525,882,854**	**$ 72,354,218**	**$ (376,889)**	**$ -**	**$ 1,597,860,183**

Business-type Activities	Primary Government				
	Balance June 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Business-type activities					
Capital assets not being depreciated:					
Land	$ 113,694,648	$ 11,483,657	$ -	$ -	$ 125,178,305
Construction in progress	28,129,204	18,058,476	-	(15,989,026)	30,198,654
Total capital assets not being depreciated	**141,823,852**	**29,542,133**	**-**	**(15,989,026)**	**155,376,959**
Capital assets being depreciated:					
Land improvements	17,812,628	-	(313,209)	313,209	17,812,628
Buildings and improvements	32,135,423	3,133,438	-	8,694,132	43,962,993
Vehicles and heavy equipment	7,210,613	1,982,664	(42,311)	-	9,150,966
Furniture, machinery and equipment	31,893,207	4,704,908	(997,250)	6,981,685	42,582,550
Right-to-use assets being amortized:					
Lease land	660,834	-	-	-	660,834
Subscription Software	-	212,257	-	-	212,257
Total capital assets being depreciated/ amortized	**89,712,705**	**10,033,267**	**(1,352,770)**	**15,989,026**	**114,382,228**
Less accumulated depreciation:					
Land improvements	(9,500,658)	(658,741)	-	-	(10,159,399)
Buildings and improvements	(15,933,101)	(962,312)	-	-	(16,895,413)
Vehicles and heavy equipment	(4,885,868)	(475,733)	36,090	-	(5,325,511)
Furniture, machinery and equipment	(19,973,173)	(2,664,102)	863,428	-	(21,773,847)
Less accumulated amortization:					
Lease land	(116,258)	(73,426)	-	-	(189,684)
Subscription Software	-	(70,752)	-	-	(70,752)
Total accumulated depreciation and amortization	**(50,409,058)**	**(4,905,066)**	**899,518**	**-**	**(54,414,606)**
Total capital assets being depreciated/ amortized, net	**39,303,647**	**5,128,201**	**(453,252)**	**15,989,026**	**59,967,622**
Business-type activities capital assets, net	**$ 181,127,499**	**$ 34,670,334**	**$ (453,252)**	**$ -**	**$ 215,344,581**

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

Governmental activities:	
Customer Satisfaction and Management Services	$ 6,348
Administrative Services	20,226,228
Financial Services	85,943
Land Use and Environmental Services	328,202
Community Services	12,833,957
Detention and Court Support Services	13,131,050
Health and Human Services	1,621,923
Business Partners	149,272
Total Governmental activities	**$ 48,382,923**

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

	Estimated Project Authorization	Expended to June 30, 2025	Costs to Complete
Projects:			
Governmental activities:			
Park and Recreational facilities	$ 206,139,933	$ 63,045,255	$ 143,094,678
Law Enforcement/Court facilities	124,923,526	15,389,691	109,533,835
County facilities	218,485,189	15,024,951	203,460,238
Total Governmental Activities	549,548,648	93,459,897	456,088,751
Business-type activities:			
Solid Waste Enterprise Fund	30,425,152	30,198,654	226,498
Total	**$ 579,973,800**	**$ 123,658,551**	**$ 456,315,249**

Activity in the Library's capital assets for the year ended June 30, 2025 is as follows:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Capital assets not being depreciated:				
Land	$ 13,523,473	$ -	$ -	$ 13,523,473
Construction in progress	45,409,384	85,454,240	(40,939,018)	89,924,606
Total capital assets not being depreciated	**58,932,857**	**85,454,240**	**(40,939,018)**	**103,448,079**
Capital assets being depreciated/amortized:				
Buildings and improvements	123,948,898	39,555,943	(3,265,382)	160,239,459
Books	9,456,952	3,340,449	(2,102,035)	10,695,366
Furniture and equipment	8,942,798	1,771,173	(486,615)	10,227,356
Digital books	11,915,823	2,804,329	-	14,720,152
Website and other projects	697,125	404,697	-	1,101,822
Lease buildings	16,600,063	350,348	-	16,950,411
Lease equipment and fixtures	1,536,320	-	-	1,536,320
Leasehold improvements	1,463,839	-	-	1,463,839
Subscription assets	1,882,555	714,724	(719,975)	1,877,304
Total capital assets being depreciated/amortized	**176,444,373**	**48,941,663**	**(6,574,007)**	**218,812,029**
Less accumulated depreciation/amortization:				
Buildings and improvements	(45,511,768)	(3,476,401)	2,189,337	(46,798,832)
Books	(4,249,562)	(2,475,174)	2,102,035	(4,622,701)
Furniture and equipment	(6,400,416)	(706,433)	472,660	(6,634,189)
Digital books	(6,830,035)	(1,790,480)	-	(8,620,515)
Websites and other projects	(612,656)	(24,256)	-	(636,912)
Leasehold improvements	(396,913)	(97,589)	-	(494,502)
Lease assets	(2,887,734)	(1,475,550)	-	(4,363,284)
Subscription assets	(939,295)	(493,472)	719,975	(712,792)
Total accumulated depreciation/amortization	**(67,828,379)**	**(10,539,355)**	**5,484,007**	**(72,883,727)**
Total capital assets being depreciated/amortized, net	**108,615,994**	**38,402,308**	**(1,090,000)**	**145,928,302**
Total Capital Assets, net	**$ 167,548,851**	**$ 123,856,548**	**$ (42,029,018)**	**$ 249,376,381**

Activity in the Medic Agency's capital assets for the year ended June 30, 2025 is as follows:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Capital assets being depreciated:				
Vehicles	$ 19,324,199	$ 2,887,956	$ (438,171)	$ 21,773,984
Furniture and other equipment	3,009,002	-	-	3,009,002
Patient equipment	10,081,224	787,462	-	10,868,686
Computer equipment	9,834,729	1,161,536	-	10,996,265
Buildings and improvements	300,258	-	-	300,258
Total capital assets being depreciated	**42,549,412**	**4,836,954**	**(438,171)**	**46,948,195**
Less: accumulated depreciation:				
Vehicles	(15,159,960)	(1,808,329)	436,633	(16,531,656)
Furniture and other equipment	(2,987,583)	(4,760)	-	(2,992,343)
Patient equipment	(2,101,219)	(1,882,157)	-	(3,983,376)
Computer equipment	(7,469,944)	(714,049)	-	(8,183,993)
Buildings and improvements	(133,418)	(30,026)	-	(163,444)
Total accumulated depreciation	**(27,852,124)**	**(4,439,321)**	**436,633**	**(31,854,812)**
Total Capital assets, net	**$ 14,697,288**	**$ 397,633**	**$ (1,538)**	**$ 15,093,383**

Activity in the ABC Board's capital assets for the year ended June 30, 2025 is as follows:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Capital assets not being depreciated:				
Land	$ 14,570,243	$ -	$ -	$ 14,570,243
Construction in progress	238,903	(83,425)	-	155,478
Total capital assets not being depreciated	**14,809,146**	**(83,425)**	**-**	**14,725,721**
Capital assets being depreciated:				
Buildings and improvements	52,788,326	1,930,834	-	54,719,160
Equipment	6,031,254	1,858,585	-	7,889,839
Motor vehicles	2,226,586	801,479	(334,949)	2,693,116
Total capital assets being depreciated	**61,046,166**	**4,590,898**	**(334,949)**	**65,302,115**
Less accumulated depreciation:				
Buildings and improvements	(20,208,206)	(1,851,283)	-	(22,059,489)
Equipment	(4,040,991)	(730,422)	-	(4,771,413)
Motor vehicles	(1,243,464)	(467,560)	326,704	(1,384,320)
Total accumulated depreciation	**(25,492,661)**	**(3,049,265)**	**326,704**	**(28,215,222)**
Total capital assets being depreciated, net	**35,553,505**	**1,541,633**	**(8,245)**	**37,086,893**
Total Capital assets, net	**$ 50,362,651**	**$ 1,458,208**	**$ (8,245)**	**$ 51,812,614**

6. Accounts Payable, Accrued Liabilities and Unearned Grant Revenue

The components of accounts payable, accrued liabilities and unearned grant revenue at June 30, 2025 for the governmental activities and the business-type activities as reported in the Statement of Net Position are as follows:

	General payables	Salaries & benefits payable	Unearned grant revenue	Accrued interest payable	Other accrued liabilities	Total
Governmental Activities						
General Fund	$ 67,764,424	$ 30,813,530	$ 1,012,229	$ -	$ 965,436	$ 100,555,619
Debt Service Fund	5,100	-	-	-	-	5,100
Pay-As-You-Go Capital Funding	21,516,516	187,986	-	-	-	21,704,502
American Rescue Plan Act	3,488,318	81,180	28,240,636	-	-	31,810,134
School Bond Fund	20,139,729	-	-	-	-	20,139,729
Opioid Settlement	956,463	7,884	-	-	-	964,347
Nonmajor Funds	46,926,368	2,220,837	82,157	-	61,276	49,290,638
Internal Service Funds	37,069,224	-	-	-	-	37,069,224
GASB 34 Adjustments	-	-	-	25,562,785	-	25,562,785
Business-type Activities						
Solid Waste Enterprise Fund	4,801,630	683,049	-	786,119	-	6,270,798
Storm Water Enterprise Fund	1,311,825	382,679	-	-	-	1,694,504
Total Accounts Payable and Accrued Liabilities	**$203,979,597**	**$ 34,377,145**	**$ 29,335,022**	**$ 26,348,904**	**$ 1,026,712**	**$ 295,067,380**

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 and taxing power of the County. 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.

In fiscal year 2025, the County issued $41,765,000 in General Obligation Solid Waste Bonds, Series 2025A. The proceeds will be used to provide funds for solid waste capital improvement projects. The interest rates range from 4.00 to 5.00% with a maturity date in 2045. In addition, the County issued $278,210,000 in General Obligation School Bonds, Series 2025B. The proceeds will be used to provide funds for school facilities capital improvement projects. The interest rates range from 4.00 to 5.00% with a maturity date in 2045.

General obligation bonds outstanding at June 30, 2025 are as follows:

Governmental Activities	Issue Date	Due Serially To	Interest Rates	Original Issue	Balance June 30, 2025
Refunding Bonds 2010 – Series A	March 16,2010	2026	3.500%	$ 114,940,000	$ 7,480,000
Qualified School Construction Bonds – Series B	October 27, 2011	2031	4.349%	51,000,000	51,000,000
Refunding Bonds 2011 – Series C	October 27, 2011	2026	5.250%	164,015,000	4,590,000
Refunding Bonds 2013 – Series A	January 29, 2013	2028	5.000%	209,815,000	51,160,000
Public Improvement 2013 – Series B	February 20, 2013	2033	3.000%	100,000,000	40,000,000
School Bonds 2015– Series A	March 17, 2015	2035	3.000% - 5.000%	100,000,000	50,000,000
Refunding Bonds 2016 – Series A	October 12, 2016	2030	2.500% - 5.000%	148,565,000	31,075,000
Public Improvement 2016 – Series B	October 18, 2016	2036	2.000% - 5.000%	200,000,000	150,000,000
Public Improvement 2017 – Series A	September 12, 2017	2037	3.000% - 5.000%	225,000,000	184,000,000
Public Improvement 2018 – Series A	September 12, 2018	2039	3.000% - 5.000%	150,000,000	105,000,000
Public Improvement 2019	September 26, 2019	2040	2.250% - 5.000%	200,000,000	150,000,000
School Bonds 2021	March 18, 2021	2041	2.000% - 5.000%	225,000,000	180,000,000
School Bonds 2022	September 1, 2022	2043	3.250% - 5.000%	437,860,000	394,070,000
School Bonds 2025 - Series B	February 12, 2025	2045	4.000% - 5.000%	278,210,000	278,210,000
Total				**$ 2,604,405,000**	**$ 1,676,585,000**

Business-type Activities	Issue Date	Due Serially To	Interest Rates	Original Issue	Balance June 30, 2025
Solid Waste Bonds 2025 - Series A	February 11, 2025	2045	4.000% - 5.000%	$ 41,765,000	$ 41,765,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year Ending June 30	Governmental Activities Principal	Governmental Activities Interest
2026	$ 138,800,000	$ 66,105,849
2027	118,400,000	60,194,853
2028	113,705,000	54,542,103
2029	107,135,000	49,303,353
2030	107,050,000	44,376,546
2031-2035	580,775,000	148,413,370
2036-2040	364,250,000	60,305,625
2041-2045	146,470,000	12,511,200
Total	**$ 1,676,585,000**	**$ 495,752,899**

Fiscal Year Ending June 30	Business-type Activities Principal	Business-type Activities Interest
2026	$ 2,090,000	$ 1,908,618
2027	2,090,000	1,858,650
2028	2,090,000	1,754,150
2029	2,090,000	1,649,650
2030	2,090,000	1,545,150
2031-2035	10,450,000	6,158,250
2036-2040	10,440,000	3,546,000
2041-2045	10,425,000	1,251,000
Total	**$ 41,765,000**	**$ 19,671,468**

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, 2025, such statutory limit for the County was $23,759,530,899 providing a legal debt margin of $19,538,003,619. As of June 30, 2025, $2,221,790,000 of general obligation bonds was authorized but unissued.

Special Obligation Bonds

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

Special Obligation Bonds outstanding at June 30, 2025 are as follows:

Fiscal Year	Principal	Interest
2026	$ 1,125,000	$ 56,250

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.

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

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

The 2025 Limited Obligation Bonds were issued pursuant to a deed of trust in which the Central Detention Site (includes the historic courthouse and a criminal justice office building) is pledged as collateral for this debt. If a default occurs, the mortgaged property can be foreclosed, and the proceeds used to pay off the debt. No assurance can

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

Installment financings outstanding at June 30, 2025 are as follows:

Governmental Activities	Issue Date	Due Serially To	Interest Rates	Original Issue	Balance June 30, 2025
2013 Taxable Limited Obligation Bonds	March 13, 2013	2028	3.300% - 3.500%	$ 18,115,000	$ 4,280,000
2015 Limited Obligation Refunding	April 30, 2015	2028	3.000% - 5.000%	120,025,000	27,220,000
2017 Limited Obligation Refunding	September 30, 2017	2028	5.000%	119,135,000	19,215,000
2025 Limited Obligation Bonds	February 18, 2025	2045	4.000% - 5.000%	230,410,000	230,410,000
Total				**$487,685,000**	**$ 281,125,000**

Business-type Activities	Issue Date	Due Serially To	Interest Rates	Original Issue	Balance June 30, 2025
NC Clean Water State Revolving Loan	April 11, 2011	2030	-	$ 996,663	$ 262,280

Annual debt service requirements to maturity for installment financings are as follows:

Governmental Activities	Other	
Fiscal Year	Principal	Interest
2026	$ 29,070,000	$ 12,594,626
2027	28,270,000	11,734,625
2028	23,600,000	10,552,325
2029	15,865,000	9,439,825
2030	11,520,000	8,755,200
2031-2035	57,600,000	35,136,000
2036-2040	57,600,000	20,736,000
2041-2045	57,600,000	7,027,200
Total	**$ 281,125,000**	**$ 115,975,801**

Business-type Activities	Direct Borrowing	
Fiscal Year	Principal	Interest
2026	$ 52,456	$ -
2027	52,456	-
2028	52,456	-
2029	52,456	-
2030	52,456	-
Total	**$ 262,280**	**$ -**

$319,574,865 of governmental activities debt outstanding at June 30, 2025 relates to assets of the County. Unspent bond proceeds related to this debt were $84,515,570 and unamortized refunding charges were $968,247 at June 30, 2025.

Changes in Long-Term Liabilities

The following presents the changes in long-term liabilities for the year ended June 30, 2025:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025	Due within One Year
	(as restated, see note 20)				
Governmental activities:					
General obligation bonds	$1,522,890,000	$ 278,210,000	$ (124,515,000)	$1,676,585,000	$138,800,000
Unamortized premium	185,848,686	22,710,204	(21,914,372)	186,644,518	21,914,372
Total general obligation bonds	**1,708,738,686**	**300,920,204**	**(146,429,372)**	**1,863,229,518**	**160,714,372**
Installment financings - direct borrowing	321,055	-	(321,055)	-	-
Installment financings - other	73,205,000	230,410,000	(22,490,000)	281,125,000	29,070,000
Unamortized premium	-	20,729,408	(987,115)	19,742,293	987,115
Total installment financings	**73,526,055**	**251,139,408**	**(23,798,170)**	**300,867,293**	**30,057,115**
Compensated absences	89,174,750	48,676,133	(44,490,763)	93,360,120	37,954,048
Arbitrage	7,845,218	-	(7,845,218)	-	-
Lease liability	11,099,234	292,350	(3,030,389)	8,361,195	2,638,279
Subscription liability	11,624,786	3,841,329	(7,997,100)	7,469,015	3,822,658
Net OPEB liability	340,727,846	-	(67,768,672)	272,959,174	-
Net pension liability (LGERS)	274,627,180	-	(482,946)	274,144,234	-
Total pension liability (LEOSSA)	25,446,273	-	(1,470,793)	23,975,480	2,538,389
Total Governmental Activities	**2,542,810,028**	**604,869,424**	**(303,313,423)**	**2,844,366,029**	**237,724,861**
Business-type activities:					
General obligation bonds	-	41,765,000	-	41,765,000	2,090,000
Unamortized Premium	-	3,403,839	(162,088)	3,241,751	162,088
Special obligation bonds	2,195,000	-	(1,070,000)	1,125,000	1,125,000
Unamortized premium	159,142	-	(68,302)	90,840	90,840
Total bonds payable	**2,354,142**	**45,168,839**	**(1,300,390)**	**46,222,591**	**3,467,928**
Installment financing - direct borrowing	314,736	-	(52,456)	262,280	52,456
Compensated absences	4,379,673	1,527,845	(1,596,968)	4,310,550	1,237,070
Lease liability	529,397	-	(61,434)	467,963	65,795
Subscription liability	-	212,257	(72,900)	139,357	68,626
Net pension liability (LGERS)	8,717,158	-	(15,965)	8,701,193	-
Landfill development and post-closure care costs	16,901,948	1,110,591	-	18,012,539	-
Total Business-type Activities	**33,197,054**	**48,019,532**	**(3,100,113)**	**78,116,473**	**4,891,875**
Total Government-wide	**$2,576,007,082**	**$652,888,956**	**$ (306,413,536)**	**$2,922,482,502**	**$ 242,616,736**

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

The following presents changes in long-term liabilities for the year ended June 30, 2025 for the Library:

	Balance June 30, 2024, as restated	Additions	Reductions	Balance June 30, 2025	Due within One Year
Governmental activities:					
Compensated Absences	$ 6,566,662	$ 3,440,490	$ (2,851,729)	$ 7,155,423	$ 2,554,454
SBITA liabilities	826,153	714,724	(467,102)	1,073,775	270,651
Lease liabilities	16,215,157	350,348	(1,214,307)	15,351,198	1,270,413
Net Pension Liability	17,011,929	729,465	-	17,741,394	-
Total OPEB Liability	61,551,277	-	(1,714,301)	59,836,976	-
Total Governmental activities	**$ 102,171,178**	**$ 5,235,027**	**$ (6,247,439)**	**$ 101,158,766**	**$ 4,095,518**

$7,721,680 of long-term liabilities due within one year for the Medic Agency represents compensated absences at June 30, 2025. The $96,575,721 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 and Subscription-Based Information Technology Arrangements

a. Leases:

Lessee

The County has entered into lease arrangements for buildings, land, vehicles, other asset, and equipment. The lease contracts expire at various dates through 2032. The right to use assets are intangible assets and are recorded in capital assets as building, equipment, land, other asset and vehicle leases as noted in Note 5.

The following represents the future minimum lease payments for governmental and business-type required under the lease arrangements as of June 30:

	Governmental Activities		
Year Ending June 30,	Principal	Interest	Total
2026	$ 2,638,279	$ 174,956	$ 2,813,235
2027	2,282,263	118,526	2,400,789
2028	2,285,443	66,541	2,351,984
2029	1,115,170	16,048	1,131,218
2030	40,040	147	40,187
	$ 8,361,195	**$ 376,218**	**$ 8,737,413**

	Business-Type Activities		
Year Ending June 30,	Principal	Interest	Total
2026	$ 65,795	$ 15,242	$ 81,037
2027	70,369	13,099	83,468
2028	75,165	10,807	85,972
2029	80,192	8,359	88,551
2030	85,461	5,747	91,208
2031-2032	90,981	2,963	93,944
	$ 467,963	**$ 56,217**	**$ 524,180**

Lessor

The County has entered into fifteen arrangements to lease buildings and land owned by the County to others. The lease contracts expire at various dates through 2098. During 2025, the County received $1,202,550 in lease revenue which represents the total amount of inflows of resources in the reporting period from leases. Lease revenue is reported with other revenue in the statement of revenues.

b. Subscription-Based Information Technology Arrangements

The County has entered into thirty-eight software subscription arrangements. The subscription contracts expire at various dates through 2030. The right to use assets are intangible assets and are recorded in capital assets as software subscription assets as noted in Note 5.

The following represents the future minimum subscription payments required under the subscription arrangements as of June 30:

	Governmental Activities		
Year Ending June 30,	Principal	Interest	Total
2026	$ 3,822,658	$ 185,508	$ 4,008,166
2027	2,265,714	90,918	2,356,632
2028	1,041,156	28,708	1,069,864
2029	314,296	4,730	319,026
2030	25,191	309	25,500
	$ 7,469,015	**$ 310,173**	**$ 7,779,188**

Year Ending June 30,	Business-Type Activities		
	Principal	Interest	Total
2026	$ 68,626	$ 4,274	$ 72,900
2027	70,731	2,169	72,900
	$ 139,357	**$ 6,443**	**$ 145,800**

9. Transfers, Interfund Receivables and Payables

The following is a summary of interfund transfers at June 30, 2025:

Transfers Out:	Transfers In:			
	General	Pay-As-You-Go Capital Funding	Nonmajor Funds	Total
General Fund	$ -	$ -	$ 22,204,420	$ 22,204,420
Debt Service Fund	-	277,850,962	56,357,632	334,208,594
American Rescue Plan Act Fund	1,877,799	-	1,784,992	3,662,791
Nonmajor Funds	390,204	-	-	390,204
Total	**$ 2,268,003**	**$ 277,850,962**	**$ 80,347,044**	**$ 360,466,009**

The transfers consist primarily of the following: (a) Transfer of $21,204,420 to the Affordable Housing Fund from the General Fund to be utilized for expenditures related to housing security and a $1,000,000 transfer from the General Fund to the Reval Reserve Fund as an annual contribution to fund the upcoming fiscal year 2027 property revaluation, (b) $56,357,632 in transfers from the Debt Service Fund to Nonmajor Capital Project Funds such as the Technology Reserve Fund, Capital Reserve Fund, Capital Maintenance Fund, and Vehicle Reserve Fund to be utilized for technology, capital expenditures, capital maintenance expenditures, and vehicle replacements in the current and subsequent fiscal years. (c) $277,850,962 transferred from the Debt Service Fund to Pay-As-You-Go Capital Fund will be used to finance capital improvement projects such as replacement of vehicle fleets, heavy equipment, and roof replacements without the need to issue bonded debt and reducing debt service costs. (d) $3,662,791 transferred from the American Rescue Plan Act Fund, with $1,877,799 in investment earnings transferred to the General Fund and $1,784,992 transferred to the General Grants Special Revenue Fund to provide additional funding for Mecklenburg County's Facility Based Crisis Center with the goals of stabilizing people in crisis, decreasing emergency department use, and reducing psychiatric boarding.

The following is a summary of interfund receivables and payables at June 30, 2025:

	Due from other funds	Due to other funds
General Fund	$ -	$ 4,347,360
Internal Service Funds	4,347,360	-
School Bond Fund	-	14,030,650
Nonmajor Funds	-	394,200
Pay-As-You-Go Capital Funding	14,030,650	-
Solid Waste Enterprise Fund	394,200	-
Total	**$ 18,772,210**	**$ 18,772,210**

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

10. Pension Plan Obligations

The County participates in the North Carolina Local Governmental Employees' Retirement System (LGERS), the Law Enforcement Officers' Special Separation Allowance (LEOSSA), a Supplemental Retirement Income Plan and the Register of Deeds' Supplemental Pension Fund (RODSPF). 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 liablilty	$ 282,845,427	$ 23,975,480	$ -	$ 306,820,907
Pension asset	-	-	693,551	693,551
Deferred outflows - County contributions subsequent to the measurement date	58,125,200	1,379,104	56,396	59,560,700
Deferred outflows - pension deferrals	88,017,898	1,212,137	376,899	89,606,934
Deferred inflows - pension deferrals	5,966,479	1,795,571	12,399	7,774,449
Pension expense	81,214,813	2,594,178	249,293	84,058,284

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 composed 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.

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, 2025, was 15.04% of compensation for law enforcement officers and 13.63% 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, 2025 was $58,125,200.

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, 2025, was 13.60%. Contributions to the pension plan from the Library were $3,465,747 for the year ended June 30, 2025. The Medic Agency's contractually required contribution rate for the year ended June 30, 2025, was 13.60%. Contributions to the pension plan were $6,494,072 for the year ended June 30, 2025. The ABC Board's contractually required contribution rate for the year ended June 30, 2025, was 15.04% of compensation for law enforcement officers and 13.66% for general employees. Contributions to the pension plan from the ABC Board were $2,172,998 for the year ended June 30, 2025. The contributions made by the Library, Medic Agency, and ABC Board were actuarially determined as an amount that, when combined with employee contributions is expected to finance the costs of benefits earned during the year.

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

At June 30, 2025, the County reported a liability of $282,845,427 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2025, the County's proportion was 4.20% (measured as of June 30, 2024), which was a decrease of 0.08% from its proportion reported as of June 30, 2024 (measured as of June 30, 2023).

For the year ended June 30, 2025, the County recognized pension expense of $81,214,813. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 49,565,229	$ 333,257
Net difference between projected and actual earnings on pension plan investments	38,452,669	-
Changes in proportion and differences between County	-	5,633,222
County contributions subsequent to the measurement date	58,125,200	-
Total	**$ 146,143,098**	**$ 5,966,479**

$58,125,200 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2026	$ 24,299,974
2027	53,591,097
2028	8,508,254
2029	(4,347,906)
	$ 82,051,419

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

Inflation	2.50 percent
Salary increases	3.25 percent to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 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, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

Future ad hoc cost-of-living adjustments (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, 2024, are summarized in the following table:

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

The information above is based on 30-year expectations developed with the consulting actuary for the asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return

are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.38%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension 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 6.50 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 (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability (asset)	$ 501,210,379	$ 282,845,427	$ 103,210,222

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	$ 5,380,390	$ 10,194,291	$ 3,621,944
Deferred outflows of resources - contributions subsequent to the measurement date	3,465,747	6,494,072	2,172,998
Deferred outflows of resources - other	5,628,086	11,807,784	4,176,326
Deferred inflows of resources	106,635	1,446,202	12,310
Pension liability	17,741,394	37,944,302	10,447,733

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, 2023 valuation date, the Separation Allowance's membership consisted of:

	County
Retirees	96
Active plan members	262
Total	**358**

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.

The LEOSSA has no assets accumulated in a trust and does not issue a standalone financial report.

Actuarial Assumptions

The entry age normal actuarial cost method was used in the December 31, 2023 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	4.28%

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

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, 2023 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 $2,410,445 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, 2025, the County reported a total pension liability of $23,975,480. The total pension liability was measured as of December 31, 2024 based on a December 31, 2023 actuarial valuation. The total pension liability was rolled forward to December 31, 2024 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the County recognized pension expense of $2,594,178.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 984,584	$ 368,125
Changes of assumptions and other inputs	227,553	1,427,446
Benefit payments and administrative expenses subsequent to the measurement date	1,379,104	-
Total	**$ 2,591,241**	**$ 1,795,571**

$1,379,104 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, 2026. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2026	$ (437,805)
2027	(96,558)
2028	2,058
2029	(51,129)
	$ (583,434)

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 4.28 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 (3.28 percent) or 1-percentage-point higher (5.28 percent) than the current rate:

	1% Decrease (3.28%)	Discount Rate (4.28%)	1% Increase (5.28%)
Total pension liability	**$ 25,329,674**	**$ 23,975,480**	**$ 22,717,264**

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

	2025
Beginning Balance	$ 25,446,273
Service Cost	600,718
Interest	971,213
Differences between expected and actual experience	(341,517)
Changes of assumptions or other inputs	(369,304)
Benefit payments	(2,331,903)
Net pension obligation end of year	**$ 23,975,480**

Changes of Assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 4.00% at June 30, 2024 to 4.28% at June 30, 2025.

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.

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 2025. 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, 2025 was $1,138,223. Contributions for the ABC Board for the years ended June 30, 2025 was $359,860, which consisted of $182,135 from the ABC Board and $177,725 from the law enforcement officers' voluntary contributions.

For non-law enforcement full-time employees, the ABC Board voluntarily contributes each month an amount equal to 5% with a 1% match for employee participation. Non-law enforcement employees also may make voluntary contributions to the plan. Total contributions for the year ended June 30, 2025 was $1,360,894 which consisted of $785,951 from the ABC Board and $574,943 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, cost-sharing multiple-employer 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 $56,396 for the year ended June 30, 2025.

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

As of June 30, 2025, the County reported an asset of $693,551 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2025 (measured as of June 30, 2024), the County's proportion was 6.02%, which was a decrease of 0.32% from its proportion at June 30, 2024 (measured as of June 30, 2023).

For the year ended June 30, 2025, the County recognized pension expense of $249,293. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 15,228	$ 12,399
Net difference between projected and actual earnings on pension plan investments	267,838	-
Changes in proportion and differences between County contributions and proportionate share of contributions	93,833	-
County contributions subsequent to the measurement date	56,396	-
Total	**$ 433,295**	**$ 12,399**

$56,396 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2026. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,		
2026	$	204,891
2027		134,330
2028		24,316
2029		963
	$	**364,500**

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

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	3.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements. The actuarial assumptions used in the December 31, 2023 valuation were based on the experience investigation prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021 for use beginning with the December 31, 2020 annual actuarial valuation.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant 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 bond index external investment pool. The best estimate of arithmetic real rate of return for the bond index external investment pool as of June 30, 2025, is 2.76%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2024 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.38%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.00%. The projection of cash flows used to determine the discount rate assumes 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 3.00 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 (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	$ (459,538)	$ (693,551)	$ (890,668)

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 year 2025 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 totaled $15,208,518 for the year ended June 30, 2025. The Library contributed $827,797 and the Medic Agency contributed $1,514,726 in fiscal year 2025.

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, 2025 year-end and does not issue a stand-alone report. As of January 1, 2024, the actuarial valuation date, membership was as follows:

	2025
Inactive plan members or beneficiaries currently receiving benefits	1,961
Inactive plan members entitled to but not yet receiving benefits	253
Active employees	1,405
Total Membership	**3,619**

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 premiums. Retirees can purchase medical insurance coverage for their dependents at the County's group rate.

Benefits Provided post-65. Medicare eligible retirees and dependents may participate in the County's Medicare Supplemental Medical Plan. The plan pays the full cost of the premiums for retirees with twenty or more years of creditable service and 50% of the costs of premiums for those with 10-19 years of creditable service. Retirees are

responsible for paying the full premium for eligible dependents. If the Medicare eligible retiree opts out of 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 actuarially determined annual recommended contributions. Annual contribution rates for retirees were dependent on years of service and coverage selected and ranged from $-0- to $28,226 for 2025.

The County contributes to the Plan on a pay-as-you-go basis with additional amounts to prefund benefits as determined annually by the Board of Commissioners. Postemployment benefit contributions and expenses are recorded in the Employee Benefits Internal Service Fund. Amounts set aside to prefund benefits are recorded in the Post-Employment Healthcare Benefit Trust Fund. The County contributed $30,177,839 to the Employee Benefits Fund and did not make any contributions to the Post-Employment Healthcare Benefit Trust Fund for fiscal year 2025.

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, 2025, the Board of Commissioners has not established an investment policy.

Contributions to the Trust 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 2025	Long-Term Expected Real Rate of Return 2025
Equity Index	65.00%	6.90%
Bond Index	10.00%	2.40%
Short Term Investment Fund	25.00%	4.30%
	100.00%	

Rate of return. For the year ended June 30, 2025, the annual money weighted rate of return on investments, net of investment expense, was 14.89%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the County

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

Total OPEB Liability	**$ 571,662,714**
Plan Fiduciary Net Position	298,703,540
Net OPEB Liability	**$ 272,959,174**
Plan fiduciary net position as a percentage of the total OPEB liability	**52.25%**

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases, inlcuding wage inflation	
General employees	3.25 to 8.41%
Firefighters	3.75 to 9.00%
Law Enforcement Officers	3.25 to 7.90%
Healthcare cost trend rates:	
Pre-Medicare	6.75% for 2024, decreasing to a rate of 4.50% by 2033
Medicare	5.00% for 2024, decreasing to a rate of 4.50% by 2026

Mortality rates:	
Employees & Healthy Annuitants	PUB-2010 Amounts-Weighted General Employees and Healthy Annuitants Mortality Table with Generational Imporvements by Scale MP2019
Disabled Members	PUB-2010 Amounts-Weighted General Employees and Healthy Annuitants Mortality Table with Generational Imporvements by Scale MP2019
Survivor Beneficiaries	PUB-2010 Amounts-Weighted General Employees and Healthy Annuitants Mortality Table with Generational Imporvements by Scale MP2019

Total OPEB liabilities were rolled forward to June 30, 2024 and June 30, 2025, 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 arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30 are presented above.

Discount rate. The discount rate used to measure the total OPEB liability at June 30, 2025 was 6.50% which was an increase from the discount rate of 5.92% at June 30, 2024.

Sensitivity of the net OPEB liability to changes in the discount rate. As of June 30, 2025 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 (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current discount rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB liability	$ 352,218,980	$ 272,959,174	$ 208,198,679

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, 2025, 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:

	1% Decrease	Healthcare Cost Trend Rate (Current)	1% Increase
Net OPEB liability	$ 198,465,984	$ 272,959,174	$ 364,555,564

Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2025, the County reported a net OPEB liability of $272,959,174. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024. The total pension liability was then rolled forward to the measurement date of June 30, 2025, utilizing update procedures incorporating the actuarial assumptions.

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2024	$ 603,125,914	$ 262,398,068	$ 340,727,846
Changes for the Fiscal Year:			
Service cost	6,624,100	-	6,624,100
Interest	35,240,272	-	35,240,272
Changes of assumptions	(43,954,969)	-	(43,954,969)
Benefit payments	(29,372,603)	(29,372,603)	-
Contributions	-	30,177,839	(30,177,839)
Net investment income	-	36,305,472	(36,305,472)
Administrative expense	-	(805,236)	805,236
Net changes	**(31,463,200)**	**36,305,472**	**(67,768,672)**
Balance at June 30, 2025	**$ 571,662,714**	**$ 298,703,540**	**$ 272,959,174**

For the year ended June 30, 2025, the County recognized OPEB benefit of $(29,301,893). At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 2,616,778
Changes of assumptions	-	49,780,818
Net difference between projected and actual earnings on OPEB plan investments	-	24,225,127
Total	**$ -**	**$ 76,622,723**

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,	
2026	$ (43,285,418)
2027	(21,510,406)
2028	(7,976,981)
2029	(3,849,918)
	$ (76,622,723)

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 $59,836,976 was measured as of June 30, 2024 and was determined by an actuarial valuation as of January 1, 2024. Complete information regarding the Library's postemployment benefits appears in the separately issued June 30, 2025 Library financial statements.

Medic Agency provides the full cost of post-employment healthcare benefits to qualified retirees with 20 years of credited service and 50% of the cost of post-employment healthcare benefits to qualified retirees with 10 - 20 years of credited service. Effective June 1, 2010 the plan was closed to new entrants. Medic's total OPEB liability of $58,631,419 was measured as of June 30, 2025 and was determined by an actuarial valuation as of January 1, 2024. Complete information regarding Medic Agency's post-employment healthcare benefits appears in Medic Agency's separately issued June 30, 2025 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 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, 2025, the most recent valuation date, the plan was not funded. The net OPEB obligation of $11,019,723 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, 2025 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.

14. Risk Management

Property, Liability and Worker's Compensation

The County is exposed to various risks of loss related to general liability, vehicle liability, property, and workers' compensation. The Risk Management Internal Service Fund was established in fiscal year 2022 to account for and finance insured and uninsured risks. The County funds the program and makes payments to the Risk Management Fund. The Risk Management Division of the City of Charlotte's Finance Department, as trustee for the County, provides risk management services to the County. As of June 30, 2025, the program covered the following areas of risk: Commercial Automobile Liability, Fidelity Bonds, Commercial General Liability, Public Official Liability, Law Enforcement, Property, Workers' Compensation, Network Security, Boiler, Aviation, Crime, Active Assailant, Terrorism, 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 funds held in trust for the County or funds held in the Risk Management Fund except for property exposures and Workers' Compensation exposures as described below. Amounts held by the City are specifically designated by the entity and there is no pooling of risks. The Risk Management Division accounts for claims incurred but not reported based on prior historical data. This accrual reduces the amount available in the separate trust. Property exposures over $250,000 and Workers' Compensation exposures up to $2,000,000 are insured. The County holds a Stand-Alone Terrorism policy to cover exposures up to $1 billion. Other Exposures covered are: Boiler Liability up to $25,000,000, Aviation liability up to $3,000,000, and Employee Crime up to $2,000,000. Law Enforcement exposures over $1,500,000 are insured up to $5,000,000 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 $15,000,000 above the trust coverage amount. The Cyber Liability policy covers up to $15,000,000 per occurrence. The Chief Financial Officer is bonded for $1,000,000 and the 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, 2025, amounts recorded in the Risk Management Fund for reported and incurred but not reported claims related to property, liability and worker's compensation self-insurance are as follows:

	2025	2024
Accounts payable and accrued liabilities - beginning of fiscal year	$ 12,044,307	$ 12,271,426
Additions	(10,001,653)	(9,518,795)
Payments	10,427,330	9,291,676
Accounts payable and accrued liabilities - end of fiscal year	**$ 12,469,984**	**$ 12,044,307**

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 and retiree insurance activities. The County funds the program and makes payments to the Employee Benefits Fund. Employees and retirees contribute their portion of the costs to the fund based on actuarially determined rates. As of June 30, 2025, amounts recorded in the Employee Benefits Fund for reported and incurred but not reported claims are as follows:

	2025	2024
Accounts payable and accrued liabilities - beginning of fiscal year	$ 21,953,662	$ 19,789,559
Additions	145,384,464	132,511,045
Payments	(142,738,886)	(130,346,942)
Accounts payable and accrued liabilities - end of fiscal year	**$ 24,599,240**	**$ 21,953,662**

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 $18,012,539 as of June 30, 2025 is based on the use of 76% of the total estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post-closure care of $6.5 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 2024. 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, 2025 of $1,763,159. 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, 2025, 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 that 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 on June 30, 2025, are committed for various projects in accordance with related Capital Projects Ordinances. These funds are included in Restricted Net Position and are included in the 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, 2025, 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 complaints pending with the Equal Employment Opportunity Commission. The complaints 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 pending complaints and the ultimate amount of compensation or penalties that could be awarded is not presently determinable, in the opinion of County management and the County Attorney, the results of the claims and resolution of legal actions will not have a materially adverse impact on the financial position of the County.

17. Jointly Governed Organization

The County, in conjunction with eight 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 $304,564 to COG during fiscal year 2025.

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 $47,320,867 for operations and $16,487,916 for capital purposes during fiscal year 2025 and made debt service payments of $19,302,093 in fiscal year 2025 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 the 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 $37,000 to the Commission in fiscal year 2025. 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, 2025. Complete financial statements for the Commission may be obtained from the following address:

Lake Norman Marine Commission
P.O. Box 2454
Charlotte, NC 28031

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 2025. 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, 2025. Complete financial statements for the Commission may be obtained from the following address:

Lake Wylie Marine Commission
10735 David Taylor Drive
Suite 250
Charlotte, NC 28262

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 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. The County has a limited commitment to maintain the tax-exempt status of the bonds. 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 $5,390,000 at June 30, 2025 are not reported as liabilities in the accompanying financial statements.

In September 2006, 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. The County has a limited commitment to maintain the tax-exempt status of the bonds. 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 $2,500,000 at June 30, 2025 are not reported as liabilities in the accompanying financial statements.

20. Net Position and Fund Balance Restatements

Change in Accounting Principle

During fiscal year 2025, the County implemented GASB Statement No. 101, Compensated Absences, which establishes new recognition and measurement guidance for compensated absences, including certain types of leave that were not previously recognized as a liability. These adjustments reflect the recognition of additional compensated absences liabilities in accordance with the new standard. The effect of this change in accounting principle is presented in column A of the table below.

Change Within the Financial Reporting Entity

During fiscal year 2025, the School Bond Fund was reclassified from a nonmajor governmental fund to a major fund, while the 2022A School Bond Fund transitioned from a major governmental fund to a nonmajor fund. The effects of these changes within the financial reporting entity are summarized in column B of the table below.

Error Correction

During fiscal year 2025, the County determined opioid settlement funds received per the State of North Carolina Memorandum of Agreement should be classified as an exchange transaction based on new guidance indicating the payments are received in exchange for the release of future litigation. Previously these funds were determined to be the result of nonexchange transactions. As a result of this change, the full settlement amount was accrued and recognized as revenue at the government-wide level and the amount of revenue received by the County within the availability period of 60 days was recognized as revenue at the fund level. The effect of this error correction also transitioned the Opioid Settlement Fund from a nonmajor fund to a major fund. The effects this error correction are shown in column C of the table below.

	6/30/2024, As Previously Reported	Change in Accounting Principle (A)	Change within the financial reporting entity (B)	Error Correction (C)	6/30/2024, As Restated
Government-wide Statements					
Governmental Activities	$ 562,445,138	$ (34,431,305)	$ -	$ 54,063,454	$ 582,077,287
Business-Type Activities	223,544,816	(1,893,943)	-	-	221,650,873
Total Government-wide	**$ 785,989,954**	**$ (36,325,248)**	**$ -**	**$ 54,063,454**	**$ 803,728,160**
Governmental Funds					
Major Funds					
General Fund	$ 697,482,487	$ -	$ -	$ -	$ 697,482,487
Debt Service Fund	187,325,855	-	-	-	187,325,855
Pay-As-You-Go Funding	213,492,045	-	-	-	213,492,045
American Rescue Plan Act	12,680,491	-	-	-	12,680,491
2022A School Bond	80,318,428	-	(80,318,428)	-	-
School Bond	-	-	(12,538,687)	-	(12,538,687)
Opioid Settlement	-	-	16,003,862	4,816,449	20,820,311
Total Major Fund	**1,191,299,306**	**-**	**(76,853,253)**	**4,816,449**	**1,119,262,502**
Nonmajor Funds					
Capital Projects					
Bond Funds	(12,363,332)	-	92,857,115	-	80,493,783
Capital Reserve	72,810,276	-	-	-	72,810,276
Other Capital Funds	60,165,552	-	-	-	60,165,552
Total Capital Projects	120,612,496	-	92,857,115	-	213,469,611
Special Revenues	119,486,818	-	(16,003,862)	-	103,482,956
Total Nonmajor Funds	**240,099,314**	**-**	**76,853,253**	**-**	**316,952,567**
Total Governmental Funds	**$ 1,431,398,620**	**$ -**	**$ -**	**$ 4,816,449**	**$ 1,436,215,069**
Enterprise Funds					
Solid Waste	$ 112,054,925	$ (935,416)	$ -	$ -	$ 111,119,509
Storm Water	110,075,456	(958,527)	-	-	109,116,929
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds	1,414,435	-	-	-	1,414,435
Total Enterprise Funds	**$ 223,544,816**	**$ (1,893,943)**	**$ -**	**$ -**	**$ 221,650,873**

APPENDIX E

CERTAIN CONSTITUTIONAL, STATUTORY AND ADMINISTRATIVE PROVISIONS GOVERNING OR RELEVANT TO THE INCURRENCE OF GENERAL OBLIGATION BONDED INDEBTEDNESS BY UNITS OF LOCAL GOVERNMENT OF THE STATE OF NORTH CAROLINA

CERTAIN CONSTITUTIONAL, STATUTORY AND ADMINISTRATIVE PROVISIONS GOVERNING OR RELEVANT TO THE INCURRENCE OF GENERAL OBLIGATION BONDED INDEBTEDNESS BY UNITS OF LOCAL GOVERNMENT OF THE STATE OF NORTH CAROLINA

CONSTITUTIONAL PROVISIONS

The North Carolina Constitution (the *"Constitution"*) requires the General Assembly to enact general laws relating to the borrowing of money secured by a pledge of the faith and credit and the contracting of other debts by counties, cities and towns, special districts and other units, authorities and agencies of local government and prohibits enactment of special or local acts on this subject. These general laws may be enacted for classes defined by population or other criteria.

The General Assembly has no power under the Constitution to authorize any unit of local government to contract debts secured by a pledge of its faith and credit unless approved by a majority of the qualified voters of the unit who vote thereon, except for the following purposes:

(a) to fund or refund a valid existing debt;

(b) to supply an unforeseen deficiency in the revenue;

(c) to borrow in anticipation of the collection of taxes due and payable within the current fiscal year to an amount not exceeding 50% of such taxes;

(d) to suppress riots or insurrections;

(e) to meet emergencies immediately threatening the public health or safety, as conclusively determined in writing by the Governor; and

(f) for purposes authorized by general laws uniformly applicable throughout the State, to the extent of two-thirds of the amount by which the issuing unit's outstanding indebtedness was reduced during the next preceding fiscal year.

The Constitution requires that the power of taxation be exercised in a just and equitable manner, for public purposes only, and never be surrendered, suspended or contracted away. Since general obligation bonded indebtedness pledges the taxing power, it may therefore be incurred only for "public purposes." The North Carolina Supreme Court determines what is and is not a public purpose within the meaning of the Constitution.

The Constitution requires voter approval for any unit of local government to give or lend its credit in aid of any person, association or corporation, and such lending of credit must be for public purposes as authorized by general law. A loan of credit is defined by the Constitution as occurring when a unit of local government exchanges its obligations with or in any way guarantees the debts of an individual, association or private corporation.

The Constitution does not impose a limit on the total indebtedness of a unit of local government.

Of the sources of revenue available to units of local government, only the property tax is subject to special Constitutional regulation. The Constitution does not mandate a general property tax; rather,

it authorizes the General Assembly to classify property for taxation under two conditions: (1) each class of property selected for taxation must be taxed by uniform rule and (2) every classification must be made by general law uniformly applicable to every unit of local government. No class of property is accorded exemption from ad valorem taxation by the Constitution except property belonging to the State, counties and municipal corporations. The General Assembly may exempt cemeteries and property held for educational, scientific, literary, cultural, charitable or religious purposes and, to a value not exceeding $300, any personal property. The General Assembly may also exempt from taxation not exceeding $1,000 in value of property used as the place of residence of the owner. Property of the United States is exempt by virtue of the supremacy clause of the United States Constitution.

The Constitution requires that any property tax must be levied for purposes authorized by general law uniformly applicable throughout the State, unless approved by a majority of the qualified voters of the unit of local government who vote thereon.

Under the Constitution, property taxes levied for unit-wide purposes must be levied uniformly throughout the territorial jurisdiction of the taxing unit, but the General Assembly may enact general laws authorizing the governing body of any county, city or town to define territorial areas and to levy taxes within those areas in order to finance, provide or maintain services, facilities and functions in addition to or to a greater extent than those financed, provided or maintained for the entire county, city or town.

THE LOCAL GOVERNMENT BOND ACT

No unit of local government has authority to incur general obligation bonded indebtedness otherwise than in accordance with the limitations and procedures prescribed in The Local Government Bond Act, G.S. Ch. 159, Art. 4 (the *"Act"*) and G.S. Ch. 159, Art. 7 or to issue short-term general obligation notes otherwise than in accordance with G.S. Ch. 159, Art. 9.

By statute, the faith and credit of the issuing unit are pledged for the payment of the principal of and interest on all bonds issued under the Act according to their terms, and the power and obligation of the issuing unit to levy taxes and raise other revenues for the prompt payment of installments of principal and interest or for the maintenance of sinking funds is unrestricted as to rate or amount.

The revenues of each utility or public service enterprise owned or leased by a unit of local government are required by statute to be applied in accordance with the following priorities: (1) to pay the operating, maintenance and capital outlay expenses of the utility or enterprise; (2) to pay when due the interest on and principal of outstanding bonds issued for capital projects that are or were a part of the utility or enterprise; and (3) for any other lawful purpose. In its discretion, an issuing unit may pledge the revenues (or any portion thereof) of a utility or enterprise for the

payment of the interest on and principal of bonds issued under the Act to finance capital projects that are to become a part of the utility or enterprise.

Bonds may be issued only for purposes specifically authorized by the Act.

No bonds may be issued under the Act without the approval of the Local Government Commission. The criteria for approval have been summarized in the description of the powers of the Commission in Appendix B to this Official Statement.

The Act provides that, subject to certain exceptions, no bond order may be adopted by the governing body of a unit of local government unless it appears from a sworn statement of debt filed in connection therewith that the net debt of the unit does not exceed 8% of the assessed value of property subject to taxation by the issuing unit. Under current law, the mandated assessment ratio is 100% of appraised value. This limitation does not apply to funding and refunding bonds, bonds issued for water, gas or electric power purposes, or two or more of such purposes, certain sanitary sewer, sewage disposal or sewage purification plant bonds, bonds or notes issued for erosion control purposes or bonds or notes issued for the purposes of erecting jetties or other protective works to prevent encroachment by certain bodies of water.

"Net debt" is defined as gross debt less certain statutory exclusions and deductions. Gross debt, excluding therefrom debt incurred or to be incurred in anticipation of tax or other revenue collections or in anticipation of the sale of bonds other than funding or refunding bonds, is the sum of (i) outstanding debt evidenced by bonds, (ii) bonds authorized by orders introduced but not yet adopted, (iii) unissued bonds authorized by adopted orders and (iv) outstanding debt not evidenced by bonds. From gross debt are deducted (a) funding and refunding bonds (both those authorized by orders introduced but not yet adopted and those authorized but not yet issued), (b) the amount of money held in sinking funds or otherwise for the payment of any part of the principal of gross debt other than debt incurred for the purposes set forth in clause (e) below, (e) the amount of bonded debt included in gross debt and incurred, or to be incurred, for water, gas or electric light or power purposes, or two or more of such purposes, and certain bonded debt for sanitary sewer purposes, and (d) the amount of uncollected special assessments theretofore levied or estimated to be levied for local improvements for which any part of the gross debt (that is not otherwise deducted) was or is to be incurred, to the extent that the special assessments, when collected, will be applied to the payment of any part of the gross debt. Revenue bond indebtedness is not included in, nor deducted from, gross debt.

Bonds may be issued under an approved bond order at any time within seven years after the bond order takes effect. The effective date of the bond order is the date of formal passage of the bond order in the case of bonds that do not require voter approval and the date of voter approval in all other cases. If the issuance of bonds is prevented or prohibited by any order of any court or certain litigation, the period of time is extended by the length of time elapsing between the date of institution of the action or litigation and the date of its final disposition. The General Assembly may, prior to the expiration of the maximum period, also extend such period. In addition, such period may be extended from seven to ten years by the governing body of a unit of local government under certain circumstances with approval by the Commission. In any such case, no further voter approval is required.

The Commission has by regulation established the maximum useful lives of capital projects that may be financed by bonds. The maturity dates of any bonds issued for any project may not exceed the maximum useful life of the project, measured from the date of the bonds.

All bonds must mature in annual installments, the first of which must be payable not more than three years after the date of the bonds and the last of which must be payable within the maximum useful life of the project. Payment of an installment of principal may be provided for by the maturity of a bond, mandatory redemption of principal prior to maturity, a sinking fund, a credit facility or any other means satisfactory to the Commission. In addition, the Act prohibits "balloon installments" in that it requires that no installment of any issue may be greater than four times as large in amount as the smallest prior installment of the same issue. Bonds authorized by two or more bond orders may be consolidated into a single issue, and bonds of each issue may be issued from time to time in series with different provisions for each series. Each series is deemed a separate issue for the purposes of the limitations discussed in this paragraph. Bonds may be made payable from time to time on demand or tender for purchase as provided in the Act, and bonds may be made subject to redemption prior to maturity, with or without premium. The requirement that the bonds must mature in annual installments and the prohibition against balloon installments as described above does not apply to (a) refunding bonds, (b) bonds purchased by a State or federal agency or (c) bonds the interest on which is or may be includable in gross income for purposes of federal income tax, provided that the dates on which such bonds are stated to mature are approved by the Commission and the Commission may require that payment of all or any part of the principal of and interest and any premium on such bond be provided for by mandatory sinking fund redemption.

SHORT-TERM OBLIGATIONS

Bond Anticipation Notes -Units of local government are authorized to issue short term notes in anticipation of the sale of bonds validly authorized for issuance within the maximum authorized amount of the bonds. General obligation bond anticipation notes must be payable not later than seven years after the effective date of the bond order and shall not be renewed or extended beyond that time unless the period of time within which the bonds may be issued has been extended as mentioned above. The faith and credit of the issuing unit are pledged for the payment of general obligation bond anticipation notes, and the power and obligation of the issuing unit to levy taxes and raise other revenues for the prompt payment of such notes is unrestricted as to rate or amount. The proceeds of each general obligation bond issue are also pledged for the payment of any notes issued in anticipation of the sale thereof, and any such notes shall be retired from the proceeds of the bonds as a first priority.

Tax Anticipation Notes -Units of local government having the power to levy taxes are authorized to borrow money for the purpose of paying appropriations made for the current fiscal year in anticipation of the collection of taxes due and payable within the current fiscal year, and to issue negotiable notes in evidence thereof. Any tax anticipation note must mature not later than 30 days after the close of the fiscal year in which it is issued and may not be renewed beyond that time. No tax anticipation note shall be issued by the unit of local government if the amount thereof, together with the amount of all authorized or outstanding tax anticipation notes on the date the note is authorized, would exceed 50% of the amount of taxes uncollected as of the date of the proposed note authorization. The faith and credit of the issuing unit are pledged for the payment

of tax anticipation notes, and the power and obligation of the issuing unit to levy taxes and raise other revenues for the prompt payment of such notes is unrestricted as to rate or amount.

Revenue Anticipation Notes -Units of local government are authorized to borrow money for the purpose of paying appropriations made for the current fiscal year in anticipation of the receipt of the revenues, other than taxes, estimated in their budgets to be realized in cash during such fiscal year, and to issue negotiable notes in evidence thereof. Any revenue anticipation note must mature not later than 30 days after the close of the fiscal year in which it is issued and may not be renewed beyond that time. No revenue anticipation note shall be issued if the amount thereof, together with the amount of all revenue anticipation notes authorized or outstanding on the date the note is authorized, would exceed 80% of the revenues of the issuing unit, other than taxes, estimated in its budget to be realized in cash during such fiscal year. Revenue anticipation notes are special obligations of the issuing unit, and neither the credit nor the taxing power of the issuing unit may be pledged for the payment of revenue anticipation notes.

Grant Anticipation Notes -Units of local government are authorized to borrow money for the purpose of paying appropriations made for capital projects in anticipation of the receipt of moneys from grant commitments for such capital projects from the State or the United States or any agencies of either, and to issue negotiable notes in evidence thereof. Grant anticipation notes must mature not later than 12 months after the estimated completion date of such capital project and may be renewed from time to time, but no such renewal shall mature later than 12 months after the estimated completion date of such capital project. No grant anticipation note may be issued if the amount thereof, together with the amount of all other notes authorized or issued in anticipation of the same grant commitment, exceeds 90% of the unpaid amount of said grant commitment. Grant anticipation notes are special obligations of the issuing unit, and neither the credit nor the taxing power of the issuing unit may be pledged for the payment of grant anticipation notes.

THE LOCAL GOVERNMENT BUDGET AND FISCAL CONTROL ACT

The Local Government Budget and Fiscal Control Act, G.S. Ch. 159, Art. 3 (the *"Fiscal Control Act"*), sets forth procedures for the adoption and administration of budgets of units of local government. The Fiscal Control Act also prescribes certain accounting and auditing requirements. The Fiscal Control Act attempts to achieve close conformity with the accounting principles contained in the American Institute of Certified Public Accountants' Industry Audit Guide, Audits of State and Local Government Units.

Budget -The Fiscal Control Act requires the adoption of an annual balanced budget, which includes all appropriations required for debt service and for eliminating any deficit. Any deficit is required to be eliminated by the imposition of a property tax at a rate which will produce the revenue necessary to balance revenues and appropriations in the budget. The Secretary of the Commission is required to notify each local government unit by May 1 of each year of its debt service obligations for the coming fiscal year, including sums to be paid into sinking funds. At least 30 days prior to the due date of each installment of principal or interest on outstanding debt, the Secretary must notify each unit of the payment due, the due date, the place which the payments should be sent, and a summary of the legal penalties for failing to meet debt service obligations.

The Fiscal Control Act directs that the budget ordinance be adopted by the governing board of the unit of local government by July 1 of the fiscal year to which it applies. There is no penalty for failure to meet this deadline. The fiscal year begins July 1 and ends the following June 30. The governing board is required to hold a public hearing concerning the budget prior to its adoption. A project ordinance authorizing all appropriations necessary for the completion of a capital project or a grant project may be adopted in lieu of annual appropriations for each project and need not be readopted in any subsequent fiscal year.

Fiscal Control – The Fiscal Control Act sets forth certain fiscal control requirements concerning the duties of the finance officer; the system of accounting; budgetary accounting for appropriations; investment of idle funds; semiannual reports of financial information to the Commission; and an annual independent audit.

Except as otherwise provided by regulation of the Commission, the Fiscal Control Act requires a unit of local government to use the modified accrual basis of accounting in recording transactions. The Commission is empowered to prescribe regulations as to (a) features of accounting systems; (b) bases of accounting, including identifying in detail the characteristics of a modified accrual basis, identifying what revenues are susceptible to accrual, and permitting or requiring the use of a basis other than modified accrual in a fund that does not account for the receipt of a tax; and (c) definitions of terms not clearly defined in the Fiscal Control Act.

The Fiscal Control Act requires each unit of local government to have its accounts audited annually by an independent certified public accountant or by an independent accountant certified by the Commission as qualified to audit local government accounts. The audit must be conducted pursuant to a written contract containing the form, terms and fees for the audit. The Secretary of the Commission must approve this contract before the audit may begin and must approve invoices for the audit fee. Approval of final payment is not given until the audit report is rendered in accordance with the requirements of the contract. All audits are to be performed in conformity with generally accepted auditing standards.

MAJOR GENERAL FUND REVENUE SOURCES

Ad Valorem Tax -Each unit of local government having authority to incur general obligation bonded indebtedness also has authority to levy ad valorem taxes on property having a situs within the unit. The ad valorem tax is levied on classes of property selected for taxation by the General Assembly through laws that are uniform throughout the State. The statute governing the listing, appraisal and assessment of property for taxation and the collection of taxes levied is the Machinery Act, G.S. Ch. 105, Subchapter II.

Tax Base -The basic class of property selected for taxation comprises all real and tangible personal property. Thus, unless a class of property is specifically excluded from the property tax base, exempted from taxation or specifically accorded some kind of preferential tax treatment, it must be taxed by each unit of local government exercising its authority to levy property taxes. Several classes of property have been selected for exclusion from the property tax base, exemption

from taxation or taxation at reduced valuation or for special appraisal standards. The most significant of these classes are:

(1) Tangible household personal property is excluded from the property tax base.

(2) Stocks and bonds, accounts receivable and certain other types of intangible personal property are excluded from the property tax base.

(3) Property belonging to certain qualified owners and used wholly and exclusively for religious, educational, charitable, cultural, fraternal or civic purposes is wholly exempted from taxation. Property belonging to the United States, the State and units of local government is also exempt from taxation.

(4) Real and personal property owned by certain nonprofit homes for the aged, sick or infirm are excluded from property taxation, provided such homes are exempt from the State income tax.

(5) Certain kinds of tangible personal property held for business purposes are excluded from taxation, the most important of which are:

(a) Manufacturers' inventories (raw materials, goods in process, finished goods, materials or supplies consumed in processing, crops, livestock, poultry, feed used in production of livestock and poultry, and other agricultural or horticultural products held for sale) and inventories of retail and wholesale merchants (tangible personal property held for sale and not manufactured, processed or produced by the merchant).

(b) Property imported through a North Carolina seaport terminal and stored at such terminal for less than 12 months awaiting further shipment.

(c) Certain pollution abatement and resource recovery equipment.

(d) "Bill and hold" goods manufactured in North Carolina and held by the manufacturer for shipment to a nonresident customer.

(e) Nuclear materials held for or in the process of manufacture or processing or held by the manufacturer for delivery.

(f) Motor vehicle frames that belong to nonresidents and enter the State temporarily for the purpose of having a body mounted thereon.

(6) A homestead exemption of the greater of $25,000 or 50% of the appraised value of the residence is allowed if the property owner is a North Carolina resident, has income for the preceding calendar year of not more than the eligibility limit, and is at least 65 years of age or totally and permanently disabled.

(7) Certain agricultural, horticultural and forest land is eligible for taxation at its value for agricultural, horticultural or forest use

Appraisal Standard -All property must be appraised at its true value in money, except agricultural, horticultural and forest land eligible for appraisal at its present-use value. Property must be assessed for taxation at 100% of its appraised value.

Frequency of Appraisal -Real property must be appraised at least once in every eight years. The requirement of octennial real property revaluations has been enforced since 1965, and no taxing unit has been permitted to postpone a scheduled revaluation since that time. Many units revalue real property more frequently than every eight years. Personal property is appraised annually.

Tax Day -All real and tangible personal property (other than most motor vehicles) subject to ad valorem taxation must be listed for taxation as of January 1 each year. Motor vehicles, with certain exceptions, must be listed annually in the name of the record owner on the day on which the current vehicle registration is renewed or the day on which the application is submitted for a new vehicle registration.

Tax Levy -Property taxes are levied in conjunction with the adoption of a budget which covers a July 1 to June 30 fiscal year. The property tax levy must be sufficient to raise during the fiscal year a sum of money equal to the difference between total appropriations and the total estimated receipts of all other revenues. In estimating the percentage of the levy that will be collected during the fiscal year, the taxing unit is prohibited from estimating a greater collection percentage than that of the prior fiscal year.

The tax rate may not exceed $1.50 per $100 assessed valuation unless the voters approve a higher rate. Tax levies by counties for the following purposes are not counted against the rate limit: courts, debt service, deficits, elections, jails, schools, mandated social services programs and joint undertakings with any other taxing unit with respect to any of these. Tax levies by cities for the following purposes are not counted against the rate limit: debt service, deficits and civil disorders.

Tax Collection -The taxing unit has a lien by operation of law on all real property within its jurisdiction that attaches as of January 1 for all taxes levied for the fiscal year beginning on the following July 1. Taxes levied on a parcel of real property are a lien on that parcel but not on other real property owned by the taxpayer. Taxes levied on personal property are a lien on all real property owned by the taxpayer within the taxing unit. The tax lien enjoys absolute priority against all other liens and claims whatsoever except, in limited circumstances, federal tax liens and certain other prior liens and perfected security interests.

Except for motor vehicles, taxes fall due on September 1 following the date of levy and are payable at par until January 6. For the period January 6 to February 1, interest accrues at the rate of 2%, and for the period February 1 until the principal amount of the taxes, the accrued interest, and any penalties are paid, interest accrues at the rate of 3/4% per month or fraction thereof. Each taxing unit may enforce collection of its tax levy by (a) foreclosure of the lien on real property, (b) levy and sale of tangible personal property and (c) garnishment and attachment of intangible personal property. There is no right of redemption of real property sold in a tax foreclosure action.

Discounts for early payment of property taxes are allowed by some taxing units. To allow such discounts, the unit must adopt a discount schedule which must then be approved by the Ad Valorem Tax Division of the Department of Revenue.

No taxing unit has authority to release or refund any valid tax claim. The members of any governing board voting to make an unlawful release or refund of property taxes are personally liable for the amount unlawfully released or refunded.

The Commission periodically publishes statistics on the percentage of property tax levies collected before the close of the fiscal year for which levied. These statistics are available upon request.

Although the State has not levied a general property tax in more than forty years, it does continue general oversight of property tax administration by units of local government through the Ad Valorem Tax Division of the Department of Revenue. The Division has three main functions: (1) it appraises the property of electric power, gas, telephone and telegraph companies, the rolling stock of bus companies and motor freight carriers and the flight equipment of airlines; (2) it oversees local property tax administration; and (3) it provides staff assistance to the Property Tax Commission, an administrative appellate agency hearing listing and valuation appeals from local taxing units.

LOCAL GOVERNMENT SALES AND USE TAXES

The one percent local sales and use tax authorized by the Local Government Sales and Use Tax Act is levied by 99 of the 100 counties of the State (Mecklenburg County levies a virtually identical tax under a 1967 local act). The local sales tax base is the same as the State general sales tax base excluding exempt food sales, except that for goods sold to out-of-county purchasers for delivery out-of-county and sales of certain utility services. The situs of a transaction is the location of the retailer's place of business. Sales of tangible personal property delivered to out-of-county purchasers will be subject to sales tax in the county in which the retailer's place of business is located and will not be subject to the use tax of the destination county. The tax is collected by the State on behalf of local government, and the net proceeds, after deduction of the cost of collection and administration, are returned to the county of collection. The county governing board selects one of two formulas for allocation of the tax among the county and the municipalities therein. One formula calls for allocation on the basis of population and the other on the basis of ad valorem tax levy.

Counties are also authorized under the Supplemental Local Government Sales and Use Tax Act to levy a one-half percent sales tax. This sales tax is collected by the State, allocated to counties on a per capita basis and divided among each county and the municipalities located therein in accordance with the method by which the one percent sales and use taxes are distributed. An adjustment factor is applied to the per capita allocation for each county. All 100 counties levy this one-half percent supplemental sales tax.

Counties are also authorized under the Additional Supplemental Local Government Sales and Use Tax Act to levy an additional one-half percent sales tax. This additional supplemental sales tax is collected and distributed based on a point-of-origin allocation. During the first 16 fiscal years in which this tax is in effect, 60% of the revenue derived by counties from this tax is

required to be used for public school capital outlay purposes or to retire any indebtedness incurred by the county for these purposes during the period beginning five years prior to the date the taxes took effect. Counties may be relieved of the percentage restriction if it can demonstrate to the satisfaction of the Local Government Commission that it is able to meet the aforementioned capital outlay needs without resorting to proceeds of such tax. All 100 counties levy this additional supplemental one-half percent sales tax.

ALCOHOLIC BEVERAGE CONTROL STORE PROFITS

The sale of liquor in the State is a government monopoly. Stores are operated by counties and municipalities that have been authorized and have chosen to establish them. The net profits of these stores are distributed to the units of local government in which they operate. The General Assembly has enacted numerous local acts prescribing different formulas for the distribution of profits. Local elections are authorized to permit sales of liquor by the drink by qualified restaurants and clubs. An additional tax of $20 per four liters is levied on liquor purchased by restaurants or clubs for resale as mixed beverages, and $10 of the $20 is paid to the State's General Fund.

INTRAGOVERNMENTAL SHARED REVENUES

The net amount of excise taxes collected by the State on beer, fortified and unfortified wine is shared with counties and municipalities in which the sale of these beverages is lawful. Counties and municipalities where beer and wine are sold receive on a per capita basis an annual distribution equal to the following percentages of the net amount of excise taxes collected on the sale of beer and wine during the 12-month period ending March 31 each year: 20.47 percent of malt beverage tax revenue, 49.44 percent of unfortified wine tax revenue and 18 percent of fortified wine tax revenue. A municipality or a county is eligible to share in both beer and wine excise tax revenues if beer and wine may legally be sold within its boundaries. If only one beverage may be sold at retail in a municipality located in a county in which the sale of such beverage is otherwise prohibited, only the municipality receives a portion of the amount distributed.

The State levies a tax on the gross receipts derived from the sale of electricity at the combined general rate prescribed by statute. The State distributes 44 percent of the net proceeds of such tax to municipalities, less certain administration costs. Each municipalities' share is calculated pursuant to a formula provided by statute.

The State levies a sales tax on the gross receipts derived from providing telecommunications and ancillary services at the statutorily prescribed combined general rate. Each quarter, the State distributes to municipalities 18.7 percent of the net proceeds from that quarter, minus $2,620,948.

The State levies a tax on the gross receipts derived from the sale of piped natural gas at the combined general rate. The State distributes quarterly 20 percent of the net proceeds of such tax to municipalities, less certain administration costs. Each municipalities' share is calculated pursuant to a formula provided by statute, with certain "gas cities" eligible for an increase to their shares provided that certain requirements are met.

All cities and counties receive shares of three State sales taxes on video programming service and telecommunications service revenues pursuant to a formula provided by statute. The

revenue to be distributed includes 7.7 percent of the net proceeds of taxes collected on telecommunications and ancillary services, 23.6 percent of the net proceeds of taxes collected on video programming services (other than direct-to-home satellite service), and 37.1 percent of the net proceeds of taxes collected on direct-to-home satellite services. Before the distribution of such net proceeds is made, certain cities or counties may receive supplemental public, educational or governmental access channel (*"PEG Channel"*) support funds from such net proceeds, provided that certain requirements are met.

STATE AND LOCAL FISCAL RELATIONS

The State finances from State revenues (primarily individual income taxes, corporate income taxes and sales taxes) several governmental programs that are largely financed from local revenues in other states, thus decreasing reliance on local property taxes for these purposes. The major programs of this nature are as follows:

Public Schools and Community Colleges -The State provides approximately 70% of the funds required for current operating costs of the public school and community college systems, while county government finances the greater portion of the capital costs of these systems. North Carolina school administrative units do not have independent tax-levying authority. The local share of the costs of the public school and community college systems are raised primarily by county government from its general revenues including the local sales tax revenue.

Court System -The State finances virtually all of the current operating costs of the General Court of Justice. County government is required to provide courthouses, certain jails and related judicial facilities.

Correctional System -The State finances all of the cost of correctional facilities used for confinement of convicted felons and long-term (more than 30 days) misdemeanants. Counties and some municipalities furnish jails for short-term misdemeanants and prisoners awaiting trial.

Highway System -The State finances the entire cost of public roads and highways outside the corporate limits of cities and towns. Counties may voluntarily participate in improvements to public roads and highways. Within cities and towns, the State finances the cost of major thoroughfares and streets connecting elements of the State highway system. Cities share responsibility with the State for State-maintained roads inside city limits and take full responsibility for the remaining public streets within city limits.

APPENDIX F

PROPOSED FORMS OF OPINIONS OF BOND COUNSEL

APPENDIX F

FORMS OF OPINIONS OF BOND COUNSEL

[Letterhead of Parker Poe Adams & Bernstein LLP]

December__, 2026

County of Mecklenburg, North Carolina
Charlotte, North Carolina

$42,220,000
County of Mecklenburg, North Carolina
General Obligation Solid Waste Bonds,
Series 2026A

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance of $42,220,000 aggregate principal amount of County of Mecklenburg, North Carolina (the "*County*") General Obligation Solid Waste Bonds, Series 2026A (the "*2026A Bonds*"). The 2026A Bonds are issuable as fully registered obligations and will mature and bear interest at the rates and at the times, and will be subject to redemption, all as provided in the Bond Resolution adopted by the Board of Commissioners of the County (the "*Board of Commissioners*") on October 6, 2026 (the "*Bond Resolution*").

In connection with the issuance of the 2026A Bonds, we have examined the following, and we have assumed the truth and accuracy of the representations, covenants and warranties set forth therein:

(a) A certified copy of the Bond Order authorizing the 2026A Bonds adopted by the Board of Commissioners on October 6, 2026 and effective 30 days after its publication and during which no petition to a vote of the people was filed with the Clerk to the Board of Commissioners under Section 159-60 of the General Statutes of North Carolina;

(b) the Bond Resolution;

(c) A specimen of the 2026A Bonds; and

(d) Such other documents as we deemed relevant and necessary in rendering this opinion.

From such examination we are of the opinion, under existing law, that:

1. The 2026A Bonds have been duly authorized under the provisions of the Constitution and laws of the State of North Carolina, including The Local Government Bond Act, Section 159-43 *et seq.*, of the General Statutes of North Carolina, as amended.

2. The 2026A Bonds are legal, valid and binding general obligations of the County.

3. The County has pledged its faith and credit for the payment of the principal of and the interest on the 2026A Bonds. The County is authorized to levy on all property taxable by the County such *ad valorem* taxes necessary to pay the principal of and interest on the 2026A Bonds without limitation as to rate or amount.

4. Interest on the 2026A Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal individual alternative minimum tax; provided, however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "*Code*")) for the purpose of computing the alternative minimum tax imposed on corporations. The opinion set forth in the preceding sentence is subject to the condition that the County comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2026A Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The County has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the 2026A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2026A Bonds. We express no opinion regarding other federal tax consequences related to the ownership of or the receipt, accrual or amount of interest with respect to the 2026A Bonds.

5. Interest on the 2026A Bonds is exempt from State of North Carolina income taxation.

Our services as bond counsel in connection with the issuance of the 2026A Bonds have been limited to rendering the opinions expressed above based on our review of such proceedings and documents as we deem necessary to approve the validity of the 2026A Bonds and the tax-exempt status of interest with respect thereto.

We express no opinion relating to the accuracy, completeness or sufficiency of the Preliminary Official Statement or the Official Statement (collectively, the "*Official Statement*"), or any other offering material relating to the 2026A Bonds (excepting only the matters set forth as our opinion in the Official Statement and the section entitled **"TAX TREATMENT"**) or as to the financial resources of the County or the ability of the County to make the payments required on the 2026A Bonds that may have been relied on by anyone in making the decision to purchase the 2026A Bonds.

The rights of the owners of the 2026A Bonds and the enforceability of the 2026A Bonds may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, liquidation, readjustment of debt and other similar laws affecting creditors' rights and remedies generally, and by general principles of equity, whether such principles are considered in a proceeding at law or in equity.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certifications, documents, opinions and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing on such public records, certifications, documents, opinions and proceedings.

Respectfully submitted,

PARKER POE ADAMS & BERNSTEIN LLP

[Letterhead of Parker Poe Adams & Bernstein LLP]

December__, 2026

County of Mecklenburg, North Carolina
Charlotte, North Carolina

$395,305,000
County of Mecklenburg, North Carolina
General Obligation School Bonds,
Series 2026B

$395,300,000
County of Mecklenburg, North Carolina
General Obligation School Bonds,
Series 2026C

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance of $395,305,000 aggregate principal amount of County of Mecklenburg, North Carolina (the "*County*") General Obligation School Bonds, Series 2026B (the "*2026B Bonds*") and $395,300,000 aggregate principal amount of County of Mecklenburg, North Carolina General Obligation School Bonds, Series 2026C (the "*2026C Bonds*" and together with the 2026B Bonds, the "*2026B&C Bonds*"). The 2026B&C Bonds are issuable as fully registered obligations and will mature and bear interest at the rates and at the times, and will be subject to redemption, all as provided in the Bond Resolution adopted by the Board of Commissioners of the County (the "*Board of Commissioners*") on October 6, 2026 (the "*Bond Resolution*").

In connection with the issuances of the 2026B&C Bonds, we have examined the following, and we have assumed the truth and accuracy of the representations, covenants and warranties set forth therein:

(a) Certified copies of the Bond Order authorizing the 2026B&C Bonds adopted by the Board of Commissioners on August 2, 2023, and approved by the voters on November 7, 2023 at a referendum duly called and held;

(b) the Bond Resolution;

(c) Specimens of the 2026B Bonds and the 2026C Bonds; and

(d) Such other documents as we deemed relevant and necessary in rendering this opinion.

From such examination we are of the opinion, under existing law, that:

1. The 2026B&C Bonds have been duly authorized under the provisions of the Constitution and laws of the State of North Carolina, including The Local Government Bond Act, Section 159-43 *et seq.*, of the General Statutes of North Carolina, as amended.

2. The 2026B&C Bonds are legal, valid and binding general obligations of the County.

3. The County has pledged its faith and credit for the payment of the principal of and the interest on the 2026B&C Bonds. The County is authorized to levy on all property taxable by the County such *ad valorem* taxes necessary to pay the principal of and interest on the 2026B&C Bonds without limitation as to rate or amount.

4. Interest on the 2026B&C Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal individual alternative minimum tax; provided, however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "*Code*")) for the purpose of computing the alternative minimum tax imposed on corporations. The opinion set forth in the preceding sentence is subject to the condition that the County comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2026B&C Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The County has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the 2026B&C Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2026B&C Bonds. We express no opinion regarding other federal tax consequences related to the ownership of or the receipt, accrual or amount of interest with respect to the 2026B&C Bonds.

5. Interest on the 2026B&C Bonds is exempt from State of North Carolina income taxation.

Our services as bond counsel in connection with the issuance of the 2026B&C Bonds have been limited to rendering the opinions expressed above based on our review of such proceedings and documents as we deem necessary to approve the validity of the 2026B&C Bonds and the tax-exempt status of interest with respect thereto.

We express no opinion relating to the accuracy, completeness or sufficiency of the Preliminary Official Statement or the Official Statement (collectively, the "*Official Statement*"), or any other offering material relating to the 2026B&C Bonds (excepting only the matters set forth as our opinion in the Official Statement and the section entitled **"TAX TREATMENT"**) or as to the financial resources of the County or the ability of the County to make the payments required on the 2026B&C Bonds that may have been relied on by anyone in making the decision to purchase the 2026B&C Bonds.

The rights of the owners of the 2026B&C Bonds and the enforceability of the 2026B&C Bonds may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, liquidation, readjustment of debt and other similar laws affecting creditors' rights and remedies generally, and by general principles of equity, whether such principles are considered in a proceeding at law or in equity.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certifications, documents, opinions and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing on such public records, certifications, documents, opinions and proceedings.

Respectfully submitted,

PARKER POE ADAMS & BERNSTEIN LLP

APPENDIX G

BOOK-ENTRY SYSTEM

BOOK-ENTRY SYSTEM

Beneficial ownership interests in the Bonds will be available only in a book-entry system. The actual purchasers of the Bonds (the "*Beneficial Owners*") will not receive physical bonds representing their interests in the Bonds purchased. So long as The Depository Trust Company ("*DTC*") or its nominee is the registered owner of the Bonds, references in this Official Statement to the Owners of the Bonds shall mean DTC or its nominee and shall not mean the Beneficial Owners.

THE FOLLOWING DESCRIPTION OF DTC, OF PROCEDURES AND RECORD KEEPING ON BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS, PAYMENT OF INTEREST AND OTHER PAYMENTS WITH RESPECT TO THE BONDS, TO DTC PARTICIPANTS OR TO BENEFICIAL OWNERS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS, AND OR OTHER TRANSACTIONS BY AND BETWEEN DTC, DTC PARTICIPANTS AND BENEFICIAL OWNERS IS BASED ON INFORMATION FURNISHED BY DTC.

The Depository Trust Company
a subsidiary of The Depository Trust & Clearing Corporation

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate for each maturity will be issued for the Bonds, in the aggregate principal amount of the issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of the Bonds. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of the Bonds ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners.

Beneficial Owners will not receive bonds representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds arc credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the County's responsibility, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants. THE COUNTY CANNOT AND DOES NOT GIVE ASSURANCE THAT DIRECT AND INDIRECT PARTICIPANTS WILL PROMPTLY TRANSFER PAYMENTS TO BENEFICIAL OWNERS.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, physical bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

THE COUNTY HAS NO RESPONSIBILITY OR OBLIGATION TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT, OR THE MAINTENANCE OF ANY RECORDS; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE BONDS, OR THE SENDING OF ANY TRANSACTION STATEMENTS; (3) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENTS ON ANY PARTIAL REDEMPTION OF THE BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF THE BONDS, INCLUDING ANY ACTION TAKEN PURSUANT TO AN OMNIBUS PROXY.