

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2008



MECKLENBURG COUNTY, NORTH CAROLINA

## **VISION STATEMENT**

To be the best local government service provider.

## **MISSION STATEMENT**

To serve Mecklenburg County residents by helping improve their lives and community,

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2008

MECKLENBURG COUNTY, NORTH CAROLINA  
PREPARED BY THE FINANCE DEPARTMENT

DENA R. DIORIO  
DIRECTOR OF FINANCE

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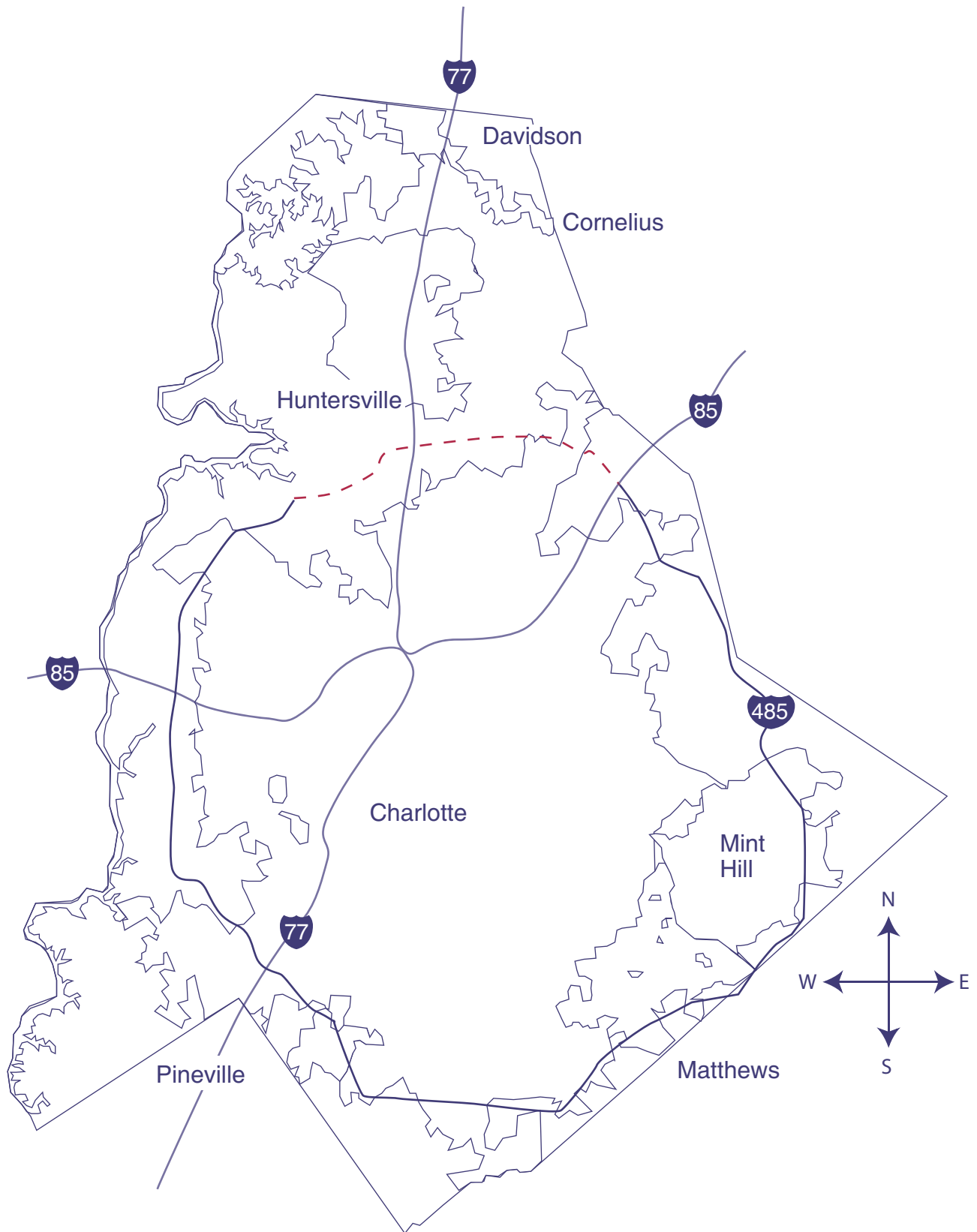
# INTRODUCTION

The Introduction provides background and general information about the County.



MECKLENBURG COUNTY, NORTH CAROLINA

**MECKLENBURG COUNTY**  
*mecklenburg county, north carolina*





LETTER OF TRANSMITTAL  
*mecklenburg county, north carolina*

**Mecklenburg County**

Dena R. Diorio  
Director of Finance

October 13, 2008



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

The Comprehensive Annual Financial Report (Report) of Mecklenburg County for the fiscal year ended June 30, 2008 is submitted herewith. The report meets the State requirement to issue audited financial statements within four months of the close of the fiscal year.

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

The financial statements have been prepared in compliance with applicable General Statutes of North Carolina and accounting principles generally accepted in the United States of America for governmental entities. Cherry, Bekaert and Holland L.L.P., an independent public accounting firm, has issued an unqualified ("clean") opinion on the financial statements. Their opinion is located at the beginning of the Financial Section of the Report. The audit was also designed to meet the requirements of the Federal Single Audit Act Amendment of 1996, as well as the State Single Audit Act, N.C.G.S.159-34. The reports required by these Acts are issued separately.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this Letter of Transmittal and the two should be read together.

***Profile of the Government***

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

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

The Board has six district and three at-large members. Elections for Board members are held in November of even-numbered years, and candidates run for office as members of a political party. Any registered voter is eligible to run for Commissioner. Following the election, Commissioners take office at the first meeting in December. It is also at the first meeting in December each year that the Board elects a chairman and vice-chairman from among its members.

The Board appoints several officials to help carry out the County's business: a County Manager, who serves as chief executive officer; a County Attorney, who serves as legal advisor to the Board; a Director of Finance, who provides required financial information and guidance for planning and conducting fiscal management in operating the County; and a Clerk to the Board, who is responsible for keeping official Board records and preparing official minutes of all Board meetings.

# LETTER OF TRANSMITTAL

*mecklenburg county, north carolina*

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

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

State Statutes require the adoption of an annual balanced budget for all funds, except the agency fiduciary funds and those authorized by project ordinance. The final budget, which the Board of County Commissioners must approve by July 1 each year, serves as the foundation for the County's financial planning and control. The budget is prepared in accordance with the County's Strategic Business Plan that identifies the priority of County programs based on relevance, performance and efficiency and is organized by fund, function and department. During the fiscal year, the County Manager or his designee is authorized to transfer budgeted amounts within any fund; however, any revisions that alter the total budget of any fund must be approved by the Board of County Commissioners.

## Local Economy

The County is the second largest financial center in the United States and the center of the nation's fifth largest urban region, with Charlotte, a mid-sized city, as the largest city. The financial sector includes the headquarters for Bank of America and Wachovia Corporation, as well as mortgage banks, commercial finance and factoring institutions, leasing companies, credit unions and 18 other banks.

The County has escaped much of the economic slowdown affecting other parts of the United States. During fiscal year 2008 the greater Charlotte area gained 17,800 jobs, an increase of 2.1% over the prior year. Job gains occurred in health services and education, leisure and hospitality, and government. Manufacturing employment declined 3.1%.



The unemployment rate in the County has increased from a low of 4.3% in June, 2007 to 6.1% at June 30, 2008. The rate at June, 2008 is comparable to the North Carolina state rate of 6.2%, but slightly higher than the national rate of 5.7%. Job losses in the financial sector, residential construction, construction related manufacturing, and at various assembly plants have contributed to this spike. The County has experienced some downturn in the area of home sales, with existing home sales declining 29% from June, 2007 to June 2008, but there has been little drop in home sales prices, as the average sales price has dropped only 6%. Although total building permits issued in fiscal year 2008 were down 5.5%, commercial construction permits increased by 22.4% over fiscal year 2007 indicating a strong commercial construction industry.

General governmental revenues have increased 90.5% over the last ten years. Taxes and assessment revenues have more than doubled over the last ten years, increasing 113%, and the contribution to total revenue has increased from 66.4% in fiscal year 1999 to 74.4% in fiscal year 2008 reflecting the growth in population and assessed valuations. Additionally, governmental expenditures covered by tax revenues has remained approximately the same, 65.1% in fiscal year 2008 and 64.3% in fiscal year 1999. The contribution of licenses and permit revenue to total revenues has declined over the ten years from 2.1% in fiscal years 1999 to 1.7% in fiscal year 2008. Similarly the contribution of charges for services revenues to total revenue declined from 7.2% in fiscal years 1999 to 6.6% in fiscal year 2008. Intergovernmental revenues, primarily grants, have increased 17.9% in the last ten years, but the contribution to total revenue has dropped from 21.1% in fiscal year 1998 to 14.3% in fiscal year 2008 as the pool of available grant funds has shrunk and the competition for the funds available has increased in conjunction with County budgets increasing faster than the grant dollars received.

# LETTER OF TRANSMITTAL

*mecklenburg county, north carolina*

General governmental expenditures have increased 85.3% in the last ten years as the cost of services has increased along with the increase in populations served. This is particularly true for Detention and Court Support Services where costs have increased 61.4% and Health and Human Services where costs have increased 39.6%. Business Partners costs have increased 98% over the ten year period reflecting the increased contributions for public education. Debt service has increased 113% over the last ten years due to the issuance of debt to fund school and community college construction, renovations or expansions, build a new jail and courthouse, purchase land for future use, add several branch libraries, as well as create new parks and build park buildings.

A more in-depth analysis of revenue and expenditure trends over the last five years appears on page vi.

## **Long-term Financial Planning**

Providing the additional services that accompany continued growth, as well as financing the new schools, community college facilities, parks, libraries and other facilities needed to meet this growth, is a recurring challenge faced by the County. Capital needs are assessed on an annual basis. Each annual request includes a two year Capital Improvement Plan plus a capital needs assessment for an additional eight years. The Capital Improvement Plan serves as the basis for the County's annual capital budget which is approved by the Board of County Commissioners in the spring. Approval includes a decision on how to finance the projects budgeted. If a referendum process is approved by the Board, the necessary legal actions are taken, with the referendum being held in the fall. Bond and certificate of participation sales are scheduled annually to meet the cash needs of the capital projects. The Board of County Commissioners has approved a bond referendum for November 4, 2008.

To aid in annual budgeting, the County utilizes a three-year strategic plan to achieve short-term objectives in pursuit of long-term goals identified in the Board's Community & Corporate Scorecard. The current plan, which covers fiscal years 2008 to 2010, has four focus areas: 1) Community Health and Safety, with the goal of making the community healthier and safer, strives to reduce violence in the community, increase efficiency of criminal justice services and reduce disease and mental illness. 2) Effective and Efficient Government, with the goal to provide services in a highly effective, efficient and inclusive manner, concentrates on improving employee efficiency, reducing costs, improving customer awareness of County services, and enhancing citizen involvement. 3) Growth Management and Environment has the goal of maintaining/creating a vibrant and diverse economy within the county while protecting its natural resources and enhancing the quality of life and focuses on air and water quality, preservation of historic sites, access to public facilities, and economic development and job opportunities. 4) Social, Education and Economic Opportunity, with the goal of creating an environment where all County residents can become self-sufficient and have equal access to services, concentrates on literacy and workforce preparedness, increasing respect/appreciation of ethnic and cultural diversity, and increasing the ability of citizens to maintain food, clothing and housing needs. The priority for funding programs and new initiatives in the budget is determined based on these focus areas and impact of programs on achieving the County's long term goals.

In accordance with State guidelines, 8% of the next year's budget is reserved as General Fund undesignated fund balance. This amount is maintained to provide the required resources to allow for unforeseen needs of an emergency nature and to permit orderly adjustments for changes resulting from fluctuations in revenue sources. Any undesignated fund balance in excess of the 8% is designated for subsequent years' expenditures to be used to fund expenditures as determined by the Board in the subsequent year's budget process. For fiscal year 2008, excess undesignated fund balance at June 30, 2007 of \$64.3 million was appropriated for general expenditures with \$22.0 million used for debt service and \$42.3 million for general expenditures. At June 30, 2008, \$75.6 million of unreserved fund balance has been appropriated for fiscal year 2009, with \$41.5 million to be used for debt service and \$34.1 million for general operations, and \$49.5 million is available for future years' expenditures.





# LETTER OF TRANSMITTAL

*mecklenburg county, north carolina*

## Major County Initiatives

Strategic planning and performance measurement continues to be a major initiative of the County as it strives to meet the goals of Mecklenburg Vision 2015: "In 2015, Mecklenburg County will be a place of pride and choice for people to live, work and recreate." The County has adopted the balanced scorecard methodology to structure and describe the Board's desired results, the corporate strategies used to achieve these results, and the performance measures that gauge the level of achievements.

The following accomplishments during fiscal year 2008 highlight some of the activities County departments have pursued toward Mecklenburg Vision 2015:

- Land Use and Environmental Service:
  - Innovative "green" features were used in the design of new facilities and the operation of existing facilities exemplifying the County's leadership in sensitive environmental design. Several of these projects have been registered with the U.S. Green Building Council to obtain "Leadership in Energy and Environmental Design" (LEED) certification. LEED is a nationally recognized green building rating system used to measure the level of environmental and energy efficient design/systems in a built structure and site.
  - The Green Permit Rebate Program began in January, 2008, to promote sustainable "green" designs. The program grants permit rebates to projects that meet specific criteria for "green" construction.
  - Solid Waste commenced a pilot gypsum drywall recycling program at the Foxhole Landfill. Separated drywall is hauled away and recycled by a private contractor.
  - The Foxhole Landfill was certified under an international program for its environmental management program, becoming the first landfill in North Carolina certified under this program.
  - The "Mowing Green Keeps Air Clean" electric lawn mower rebate program assisted residents with the opportunity to purchase electric lawn mowers at a reduced price.
  - Air Quality checked over 7,770 gas caps and replaced 349 of those at no charge to residents through the Gas Cap Replacement Program resulting in the reduction of air pollutants by 30 tons annually.
- Health and Human Services:
  - The Department of Social Services implemented the Integrated Social Services Information Child Welfare System which totally automates the Child Welfare process and provides full integration with other major Department of Social Services programs.
  - The Health Department established a Travel Clinic to provide medical advice and immunizations to residents traveling world-wide.
  - The Health Department increased the number of school nurses by 26 resulting in a school nurse in every public middle and high school to help manage the complex health needs of students with chronic health conditions such as asthma and diabetes.
  - The Health Department received a \$3.8 million federal grant to help fight HIV/AIDS in the six-county Metropolitan Statistical Area.



- Area Mental Health successfully implemented the Jail Services Wellness Program at Jail North to provide mental health treatment services for youthful offenders and will expand the program to Gatling Detention Center in the next few months.
- Area Mental Health partnered with the Charlotte-Mecklenburg Schools to introduce programs to raise the awareness of mental illness, teen depression and suicide and to share the signs and symptoms with students and teachers.
- Administrative Services
  - The County successfully piloted a vendor payment program via electronic funds transfers (EFTs) to speed payment to vendors and reduce the cost of processing paper checks.

# LETTER OF TRANSMITTAL

*mecklenburg county, north carolina*

- Community Services
  - Park and Recreation introduced a new website to assist citizens with the search for specific park and recreation amenities with proximity to their work or residential location.
  - Segway tours that combine outdoor adventure and nature education began at Latta Plantation Nature Preserve.
  - The Center for Biodiversity Studies at Reedy Creek Park Nature Center opened in January. The Center houses the donated UNC-Charlotte herbarium and zoological collections.
  - The Robert L. Smith Park and the Davie Dog Park opened during the year.
  - Community Support Services Women's Commission partnered with the Charlotte-Mecklenburg Schools to launch an awareness campaign about Teen Dating Violence.
  - The Public Library implemented automated self-service for placing materials on hold and for book check-out.

## Awards and Acknowledgements

The Government Finance Officer's Association (GFOA) awarded its Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report of Mecklenburg County for the year ended June 30, 2007. This was the 32nd consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements. The award is valid for a period of one year only. We believe the Report for fiscal year 2008 continues to substantially conform to those standards and this Report is being submitted to GFOA for the certificate program.



In addition, the County also received GFOA's Distinguished Budget Presentation Award for its Fiscal Year 2008 budget document dated June 5, 2007. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Dena R. Diorio".

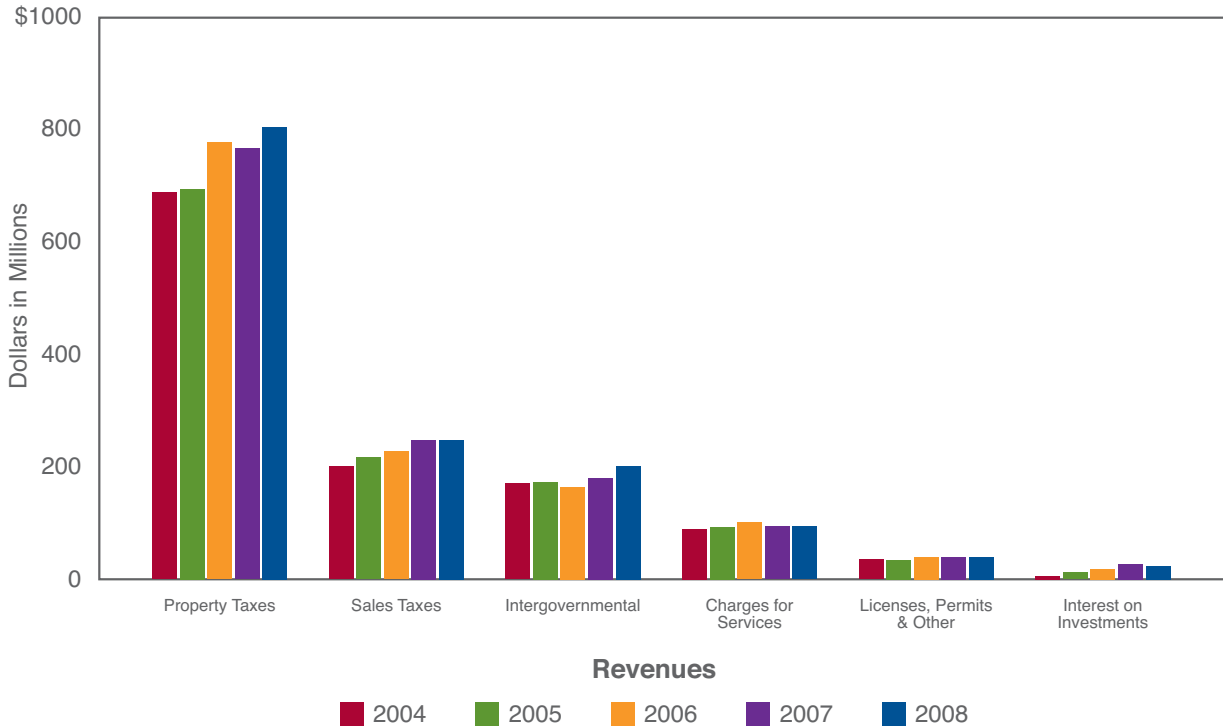
Dena R. Diorio  
Director of Finance



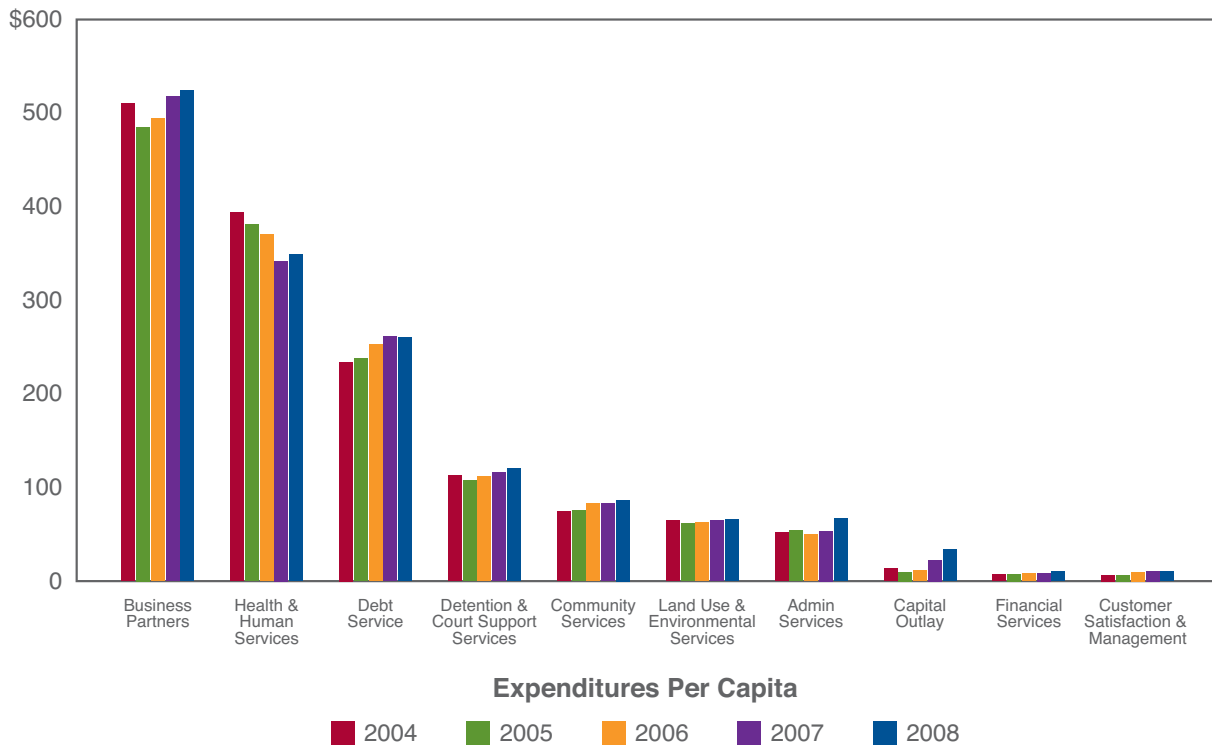
# FIVE YEAR TRENDS

*mecklenburg county, north carolina*

**Exhibit 1:**



**Exhibit 2:**





# FIVE YEAR TRENDS

*mecklenburg county, north carolina*

Five-year trend analysis is provided for the County's governmental activities, excluding capital project revenues and expenditures. Exhibits 1 and 2 present five-year revenue and expenditure trends, respectively. Revenues are presented as whole dollars, while the expenditures are shown on a per capita basis. To eliminate the effect of inflation and provide a better comparison of changes between years, both exhibits have been adjusted using the Implicit Price Deflator Index (base year = 2000), a nationally recognized indicator of annual economic growth, so that each dollar in any given year has the buying power of a 2008 dollar.

## REVENUES

Property taxes are the most significant source of revenue during the five-year period presented by Exhibit 1. Approximately 57% of total revenue in fiscal year 2008 came from property taxes, which is slightly less than the five year average contribution to total revenue of 57.3%. The 30% increase in property tax revenues from fiscal year 2004 to fiscal year 2008 results from increases to the tax base and increases in the tax rate. Although the County revalued property in January 2003, the tax rate dropped from 83.97 cents per \$100 of assessed valuation to 73.64 cents per \$100 of assessed revaluation to partially offset the effect of revaluation. The increase in tax revenues in fiscal year 2004, therefore, is due to growth in the tax base. For fiscal years 2005 and 2006, the increased tax revenues result from rate increases as well as increases in the tax base. The tax rate increased by 2.03 cents per \$100 assessed valuation in fiscal year 2005 and by 8.01 cents per \$100 of assessed valuation for fiscal year 2006. For fiscal year 2007, the tax rate was reduced by 1.97 cents per \$100 of assessed valuation to 81.89 cents, due to increased tax base. However, fiscal year 2008 required raising the tax rate to 83.87 cents per \$100 of assessed valuation. The increase was needed to meet funding increases to schools, provide the necessary funds for debt service, and continue to provide the many services to the County's expanding population.

Intergovernmental revenues fluctuate with the level of grant awards to the County. For the five years presented, intergovernmental revenues have contributed between a low of 12.4% in fiscal year 2006 to the 14.3% of revenue in fiscal year 2008, reflecting the changes in grant awards to the County during the period. The County continues to actively seek available grant funds, however the grants area is very competitive and the pool of available grantor funds continues to be tight.

Sales tax revenues are collected by the State of North Carolina and distributed to counties based on a combination of point of delivery of the goods sold and a per capita basis. The continuous increase in sales tax revenues, excluding the one-half cent sales tax restricted for transit development, from \$151.4 million in fiscal year 2004 to \$208.9 million in fiscal year 2008 reflects the strong retail sales and the relatively good economy of the area. For fiscal year 2008, sales tax revenue, excluding the one-half cent tax restricted for transit development, continues to be the second largest revenue source for the county. The contribution to total revenues was 14.7% for fiscal year 2008.

The percentage of charges for services to total revenues remained around 7.6% from fiscal year 2004 to fiscal year 2006 reflecting strong fee-based activities. For fiscal year 2007, charges for services were 7.0% dropping to 6.6% of total revenue for fiscal year 2008. The decline in the current year results from reduced fee revenues for Land Use and Environmental Services primarily related to the downturn in residential new home starts.

Interest on investments for fiscal year 2008 declined 10.4% from 2007 reflecting the volatile market conditions across the country. Most of the decline resulted from the investment market's low rates, although some can be attributed to changes in the portfolio mix of investments. Over the five-year period, the contribution of interest income to total County revenues has gradually increased from .98% in fiscal year 2005 to 2.0% of total County revenues for fiscal year 2007 and 1.7% in fiscal year 2008.

## EXPENDITURES

### CUSTOMER SATISFACTION AND MANAGEMENT SERVICES

This service area includes the County Commissioners, Manager's Office, and Public Service and Information. It represents .45% of total expenditures for governmental activities for fiscal years 2004 and 2005. In fiscal year 2006 the functional area increased to .7% of total expenditures due to incorporating the legal department within the Manager's Office and the percentage share of total expenditures has been constant in the following two years as department expenditures have grown proportionately with the overall budget. Inflation adjusted expenditures on a per capita basis for this core service increased from \$6.42 in fiscal year 2005 to \$9.78 in 2006 due to increased cost from reorganization, the effect of inflation and population growth. For fiscal years 2007 and 2008, the per capita expenditures have been \$10.89 and \$10.34, respectively, with the small drop in fiscal year 2008 reflecting the growth in population.

# FIVE YEAR TRENDS

*mecklenburg county, north carolina*

## LAND USE AND ENVIRONMENTAL SERVICES

Land Use and Environmental Services represent 4.3% of expenditures for governmental activities for fiscal years 2004 through 2008. Code Enforcement, Storm Water, Property Assessment and Land Records, Environmental Protection and Environmental Health, plus the Register of Deeds comprise this service area. During the last five years inflation adjusted cost per capita has remained at an average \$63.80 for fiscal year 2004 to fiscal year 2008. This is a reflection of cost control, efficiencies in operations and completion of several major storm water projects.

## COMMUNITY SERVICES

Community Services includes Park and Recreation, Elections, the Library, and Community Support Services, a new service area in fiscal year 2007 combining the Women's Commission, Veterans Services and several smaller community programs, that was created to better service residents of the County. Community Services represents 5.7% of total expenditures for governmental activities in fiscal year 2008, which is consistent with the prior year. For fiscal years 2004 through 2008 cost per capita for this service area has ranged from a low of \$74.28 in fiscal year 2004 to the current year \$86.79, with an average of \$80 for the five year period. The increase in per capita expenditures reflects additional park and recreation programs, additional election and library costs plus other community support service costs to meet the growth of the County's population.

## HEALTH AND HUMAN SERVICES

County operations for Social Services, Public Health and Mental Health are the primary departments in this service area. The County's commitment to meet the human services needs of its residents is reflected in expenditures for this service area, as the costs for these services has grown from \$283.6 million in fiscal year 2004 to \$315.3 million in fiscal year 2008. As a percent of total expenditures, this functional area has dropped from 26.8% in fiscal year 2004 to 22.9% of expenditures for governmental activities in fiscal year 2008, as other functional areas have grown more. Inflation-adjusted expenditures in Health and Human Services on a per capita basis have declined from \$393 in fiscal year 2004 to \$349 in fiscal year 2008, reflecting the 12.7% growth in population during the period and the effect of inflation. Exhibit 1 excludes federal and state benefit payments made directly by the State to County social services clients. If these funds had been included, the expenditures per capita for fiscal year 2008 would have been \$1,116.

## DETENTION AND COURT SUPPORT SERVICES

Detention and Court Support Services has consistently represented 7.8% of expenditures for governmental activities. Medical Examiner and Sheriff's Office, including jail operations and coordination with the courts, are included in this service area. Detention and Court Support Services inflation-adjusted expenditures on a per capita basis changed minimally between fiscal years 2004 and 2006, while fiscal year 2008 has experienced an increase of 7% from 2006 as the costs of activities in this core service increased more than the increase in population of the County for the year. Cost per capita for fiscal year 2008 was \$120.05.

## ADMINISTRATIVE SERVICES

This service area consists of County internal and administrative activities that provide management support to other County departments and operations. Included here are Internal Audit, Human Resources, Information Services and Technology, General Services, Real Estate Services, and nondepartmental. Administrative Services represent 4.4% of expenditures for governmental activities. Inflation adjusted costs per capita declined between fiscal year 2005 and 2006 when the legal department was moved from Administrative Services to the Manager's Office. The cost per capita increased from \$53.47 in fiscal year 2007 to \$67.18 in fiscal year 2008 results from the initial funding of the post employment benefits annual required contribution to comply with GASB Statement 45.

## FINANCIAL SERVICES

Resource management is the focus of this service area that consists of Finance and Tax Collection and represents .5% of expenditures for governmental activities in fiscal year 2004 and grows to only .7% in fiscal year 2008. Expenditures increased from \$5.3 million in fiscal year 2004 to \$9.3 million in fiscal year 2008, with \$1.9 million of the difference occurring between fiscal years 2007 and 2008 that reflects costs related to implementing a new tax billing system. Expenditures per capita increased from \$7.41 in fiscal year 2004 to \$10.29 in fiscal year 2008 reflecting the effect of inflation and population growth.

### **BUSINESS PARTNERS**

Allocations and appropriations to other governmental entities and for joint governmental activities are included in this service area that represents 34% of expenditures for governmental activities. Primary recipients of County funding are the Charlotte-Mecklenburg Schools, Central Piedmont Community College, the public television station (WTVI), and the Mecklenburg Emergency Medical Services Agency, a component unit of the County. Funding to the Charlotte-Mecklenburg Schools is the primary Business Partner expenditure. Allocations to the Charlotte-Mecklenburg Schools for current operations and capital outlay have increased from \$266 million in fiscal year 2004 to \$346.5 million in fiscal year 2008 due to providing additional support to the schools for increased student enrollment. These costs represent 72.3% and 73.2%, respectively, of total Business Partners expenditures in each year. The per capita expenditures for the five year period has increased from \$510 in fiscal year 2004 to \$524 in fiscal year 2008, as the increase in expenditures has not been offset by the increase in population.

### **DEBT SERVICE**

Debt Service, which consists of principal and interest payments for debt used for County projects and debt issued for the Charlotte-Mecklenburg Schools, Central Piedmont Community College, and the Library, has increased from \$168.8 million in fiscal year 2004 to \$234.8 million in fiscal year 2008 as new debt has been added, primarily to meet the construction needs of the rapidly growing school system and to add new County buildings such as the Courthouse. Debt service as a percent of total governmental expenditures has increased from 15.9% in fiscal year 2004 to 17.0% in fiscal year 2008, reflecting the growing significance of debt service. These increases are also reflected in the debt service expenditures per capita that was \$234 in fiscal year 2004 and is now \$260 in fiscal year 2008.

# FACTS AND INFORMATION

*mecklenburg county, north carolina*

## COUNTY ADMINISTRATION AND OPERATIONS

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

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

Day to day operations of the County are the responsibility of the County Manager. In this capacity he is assisted by the Executive Team that includes four General Managers. Reporting directly to the Executive Team are 15 Department Directors. Major duties of the County Manager include:

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

The County had 4,597 full-time equivalent employees at June 30, 2008 to provide the services mandated by State statutes and to meet the needs identified by the Board. Table 19 in the Statistical Section presents the distribution of employees between the core service areas for the current year and the prior nine years for comparison.

## FISCAL CONTROL

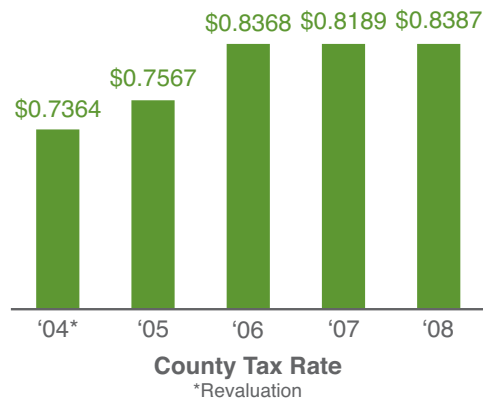
Once the annual budget is adopted each June by the Board, including setting the property tax rate at a level necessary to produce sufficient revenue to accommodate the budget, the Director of Finance is responsible for monitoring expenditures of the various County departments to prevent expenditures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

## TAX RATE

The tax rate is set each year by the Board when the budget ordinance is adopted. Exhibit 1 presents the County's tax rates since fiscal year 2004. The N.C. General Statutes require a real property revaluation at least once every eight years; however, the County has adopted a policy to revalue every four years, although the Board can extend the date. The next revaluation is scheduled to be effective in fiscal year 2010. Real property was revalued during calendar year 2003 and the tax rate was reduced for the fiscal year 2004 budget, since the reduced rate at the revalued assessments produced sufficient revenue to meet the fiscal year 2004 budget needs. Revenue needs for fiscal years 2005 and 2006 required tax rate increases. Tax increases for the last three fiscal years plus increases in the county's tax base produced revenues sufficient enough to allow a decrease in the tax rate to 81.89 cents per \$100 of assessed valuation for fiscal year 2007.

For fiscal year 2008, a tax rate increase of 1.98 cents to 83.87 cents per \$100 of assessed value was needed to meet funding increases to schools, provide necessary funds for debt service and continue to provide the many services to the County's expanding population.

Exhibit 1:



**PROPERTY TAXES**

Real property and automobiles, boats, trailers and income-producing personal property are subject to property tax unless specifically exempted by North Carolina statutes. Major property tax exemptions granted by the statutes include governmental organizations, charities, religious institutions, educational and cultural organizations, veterans' organizations and fraternal lodges. North Carolina statutes also exempt certain properties from listing for property taxes, including burial properties, solid waste disposal equipment, business inventory, cotton in storage (under certain conditions), and air and water pollution equipment. Reduced assessments are granted to owners of farms, historical properties, single residences of the elderly, and certain disabled veterans. For fiscal year 2008, the County's total exempted or reduced assessments were approximately \$10.3 billion in real and personal property valuation. Exhibit 2 shows the counties in the State with an assessed valuation exceeding \$8 billion, their tax levies and rates.

**Exhibit 2**

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

<b>County</b>	<b>Valuation</b>	<b>Levy</b>	<b>Revaluation</b>	<b>Tax Rate</b>
Alamance	\$ 10,628,150,861	\$ 61,599,662	2001	\$.5800
Brunswick	31,339,363,667	97,375,509	2007	.3050
Buncombe	27,241,629,859	143,092,640	2006	.5250
Cabarrus	16,260,119,680	102,427,161	2004	.6300
Carteret	18,624,543,772	43,832,006	2007	.2300
Catawba	14,261,245,788	76,073,131	2007	.5350
Cumberland	16,300,393,780	143,443,465	2003	.8800
Currituck	8,071,681,839	25,829,381	2005	.3200
Dare	17,261,617,941	44,880,225	2005	.2600
Davidson	12,531,767,648	67,671,544	2007	.5400
Durham	23,157,807,820	192,854,885	2001	.8340
Forsyth	30,657,283,958	212,592,243	2005	.6960
Gaston	14,039,366,707	118,333,141	2007	.8400
Guilford	43,194,573,034	297,899,135	2004	.6914
Henderson	12,478,721,519	58,276,229	2007	.4620
Iredell	18,996,373,630	84,727,741	2007	.4450
Johnston	10,870,368,692	84,788,876	2003	.7800
Macon	8,975,358,517	22,297,215	2007	.2450
<b>Mecklenburg</b>	<b>93,561,997,236</b>	<b>783,637,464</b>	<b>2003</b>	<b>.8387</b>
Moore	11,228,218,009	50,023,846	2007	.4450
New Hanover	32,790,806,076	141,129,810	2007	.4200
Onslow	11,212,337,238	56,398,057	2006	.5030
Orange	12,516,765,925	118,788,990	2005	.9500
Pitt	10,050,462,152	70,380,468	2004	.7100
Randolph	10,087,548,022	53,968,382	2007	.5350
Rowan	11,345,799,236	67,800,220	2007	.5950
Union	17,475,253,325	123,255,437	2004	.7111
Wake	83,045,634,904	560,539,590	2000	.6780
Watauga	8,343,937,556	26,116,525	2006	.3130

Note: Includes valuations of classified registered motor vehicles for which tax notices were issued in accordance with G.S. 105-330.5(a) on or before December 31, 2007, net of releases made by that date.  
Source: N. C. Department of Revenue, Tax Research Division

**COUNTY SERVICES**

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

**HEALTH AND HUMAN SERVICES**

This area includes Social Services, Health and Mental Health. The Board serves as the Board of Social Services, Board of Health and Area Mental Health Authority.

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. State and Federal agencies regulate the County's social services programs, and over half the DSS funding comes from these sources. DSS is charged with the countywide administration of all social services programs.



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The major divisions of DSS are Economic Services, Services for Adults and Youth and Family Services. Economic and temporary assistance programs are handled through Economic Services and include Work First, Food Stamps and Medicaid. Youth and Family Services addresses the special needs of families and children, providing protective services, foster care, adoption, and emergency assistance. The Services for Adults Division provides assistance for adults and individuals with disabilities, including Medicaid, adult protective services, senior congregate nutrition, home delivered meals, transportation, community social work and monitoring of adult group care homes. 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.

The Health Department 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, epidemiology and vital statistics. The County contracts with the Carolinas HealthCare System for an extensive range of these public health services.

The Area Mental Health, Developmental Disabilities and Substance Abuse Authority (Area Mental Health) administers, coordinates and monitors the delivery of substance abuse, mental health and developmental disabilities services and programs for County residents. A wide range of prevention, treatment and rehabilitation services are available in all three areas. Services for the severe and persistently mentally ill, including medication management and day programs, are directly provided through Area Mental Health's Case Management Services. Case management is also provided for severely and emotionally disturbed youth whose behavior brings them into conflict with their families, schools and the courts, as well as for individuals whose developmental disabilities include mental retardation and autism. Detoxification and residential rehabilitation services are provided to those residents experiencing the physical and psychological problems associated with alcohol and drug abuse, while education services aid in the prevention of substance abuse. Children's Developmental Services provides assessment, evaluation and treatment for developmentally delayed infants and toddlers through age five.

Area Mental Health oversees a wide range of services and interventions for children and adults that are contracted for by the County with numerous private agencies and practitioners, including those provided by the Carolinas HealthCare System through the Behavioral Health Center-Randolph. Inpatient and outpatient treatment and education services are available at the Behavioral Health Center-Randolph. This oversight ensures that treatment services offered deliver positive clinical outcomes cost-effectively.



## DETENTION AND COURT SUPPORT SERVICES

The Sheriff, Jails, Medical Examiner and coordination with the courts fall within this core service. The Sheriff is responsible for supervising all activities relating to the jails, providing bailiffs in courtrooms, serving court orders and papers and issuing handgun permits. A sentenced jail facility with a capacity of 614 prisoners is located in the northern part of the county, and Jail Central, located in downtown Charlotte, is a pre-trial facility with 1,904 beds. The Work Release Restitution Center, also located in downtown Charlotte, has 150 beds. 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.



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## LAND USE AND ENVIRONMENTAL SERVICES

The services provided by the Land Use and Environmental Services Agency include listing and appraising all real and personal property in the County and regulating the development of land and construction of residential, commercial and industrial facilities. Other services offered are regulating solid waste disposal, regulating sanitation of food and lodging establishments, regulating groundwater ordinances, monitoring air pollution and control of hazardous substances. Some staff members serve, by law, as agents of the Federal EPA in the enforcement of air quality programs. Also included in this area are Geospatial Information Services and The Register of Deeds office that handles deed filings, land transfers and vital records.

## COMMUNITY SERVICES

Included in this service area are the Public Libraries, Park and Recreation, Elections and Community Support Services. The Public Library, reported as a component unit in the basic financial statements, provides research services, access to reading and audio-visual materials as well as special programs for children and senior citizens at the Main Library, ImaginOn: The Joe & Joan Martin Center, and 23 branch libraries. Park and Recreation offers a variety of educational, cultural and recreational activities. This is accomplished through the programs offered to the residents of the County at the numerous parks, greenways, recreation centers and golf courses located on more than 17,700 acres of park land throughout the County. The Board of Elections supervises and manages all activities relating to elections, including voter registration and the operation of voting sites and services. There are over 579,000 registered voters in the County. Community Support Services provides guidance, counseling, education and vocational assistance to promote the well-being and productivity of women, and provides services to military veterans in the County.

## OTHER SERVICES AREAS

The four major service areas are supported by general operating departments organized into the three areas: Customer Satisfaction and Management Services, Administrative Services and Financial Services. Additionally, Business Partners contains expenditures to the various agencies the County funds under statutory regulations or contractual agreement: Charlotte-Mecklenburg Schools, Central Piedmont Community College, Mecklenburg Emergency Medical Services Agency, and WTVI. Also included are funds to other outside agencies that receive some County support.



## THE COUNTY'S ECONOMIC LANDSCAPE

### GENERAL DESCRIPTION

Mecklenburg County is located in south central North Carolina on the South Carolina border. Situated in the gently rolling Piedmont Region of the Appalachian Highlands, the County is approximately 180 miles from the Atlantic coast, 390 miles southwest of Washington, and 250 miles northeast of Atlanta. Mecklenburg's topography varies from a mean sea level measurement of 840 feet at the northern end to 532 feet at the southern boundary. The County has a landmass of 541 square miles which excludes approximately 26.5 square miles of water resources provided by Lake Wylie, Mountain Island Lake, Lake Norman, and the Catawba River. Mountain Island Lake is the primary source of usable water for the County. The lakes, all part of the Catawba River Basin, are utilized in the production of electricity and provide recreational areas for the County.

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The County has experienced steady population growth over the last five years, nearly 13%, as presented in the chart at Exhibit 3 and continues to be the most populous county in the State. The County enjoys a relatively comfortable year-round climate that makes it appealing to residents and industry alike. The weather includes sunny or partly sunny skies about eight months out of the year. Extreme temperatures and severe weather are rare. Winters are mild with a January average low temperature of 32 degrees. The average high temperature in July is 90 degrees. Average rainfall is 43 inches. The combination of moderate and reasonable humidity makes the County well suited for commerce and industry.

**Exhibit 3**

Mecklenburg County Population	
2008	902,803
2007	871,432
2006	850,178
2005	829,978
2004	801,137

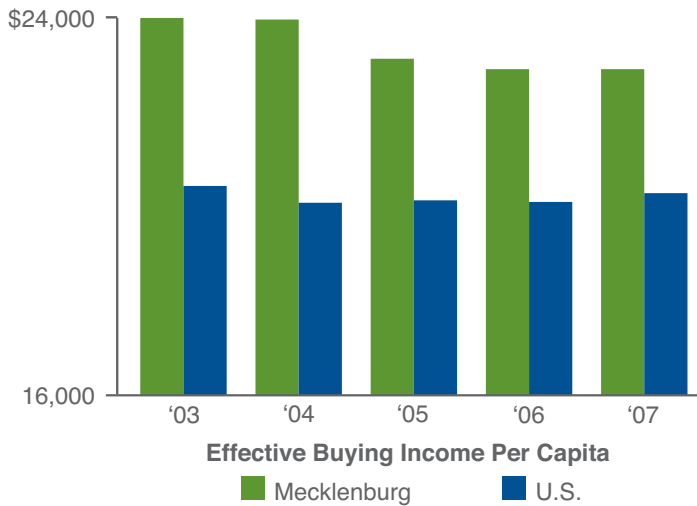
Source: Charlotte Chamber of Commerce

## GENERAL ECONOMIC INDICATORS

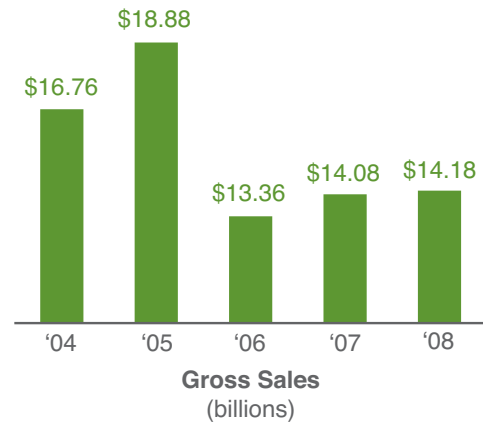
The County has avoided much of the economic turmoil that has affected other areas of the country, but has not been immune. Sales and Marketing Management's Survey of Buying Power for calendar year 2007, the most recent information available, indicates that the County's Effective Buying Income (EBI) decreased 8% over the last five years, with a 1% drop between calendar years 2006 and 2007. The County remains above the national average for EBI, which is an accepted economic indicator of income after subtracting mandatory taxes.

Exhibit 4 shows the EBI per capita for the County as compared with the United States' values. Both have been adjusted to account for inflation. Gross Retail Sales, generally accepted as a reliable indicator as to how well an economy is progressing, are shown in Exhibit 5 for the County. The data is provided by the North Carolina Department of Revenue. Fiscal year 2006 brought about a change in reporting and therefore is not comparable to previous years. The Streamlined Sales Tax Agreement required a change in the Sales & Use Tax return so that not all taxpayers reported Gross Retail Sales. Beginning with the report for Fiscal Year 2005-06, only Gross Collections and Taxable Sales are reported, which results in the drop noted in Exhibit 5. The County continues to experience relatively strong consumer spending as gross sales for fiscal year 2008 have remained comparable to the prior year.

**Exhibit 4:**



**Exhibit 5**



## GROWTH OF THE TAX BASE

Exhibit 6 shows the increase in the tax base over the last five years. The County's revaluation of property in January 2003 for tax billing in fiscal year 2004 resulted in a 20% increase in property assessments to \$83.5 billion and increased again for fiscal year 2005. Assessments for fiscal year 2006 reached \$88.3 billion, a 5% increase over the prior year and have continued to increase reaching \$95.1 billion, in 2008.

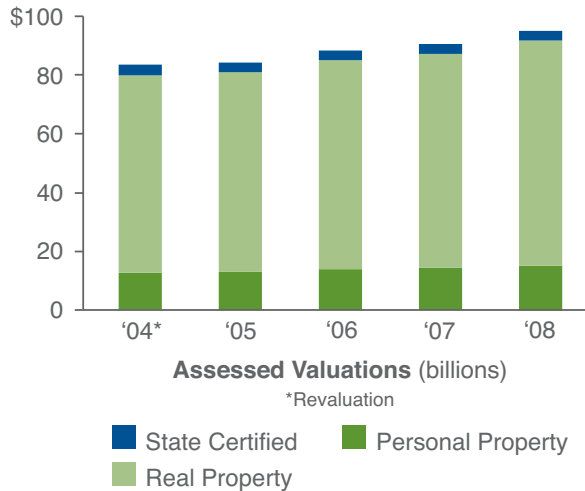
Between fiscal years 2004 and 2008, the general tax levy increased 29%. The Tax Levy Per Capita for this period is presented in Exhibit 7. This measure is achieved using the Implicit Price Deflator Index (Base Year 2000) to adjust the

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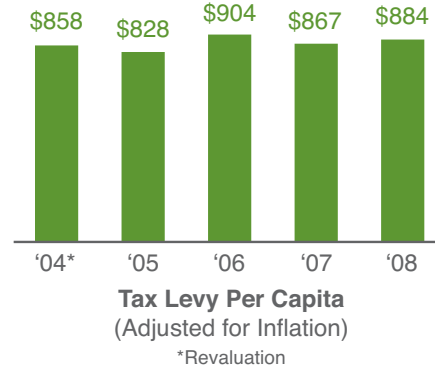
*mecklenburg county, north carolina*

tax levy for inflation and then applying the annual county population. The increase in the per capita amount from fiscal years 2007 and 2008 reflects the increase in the tax rate, and the growth in assessed valuations.

**Exhibit 6:**



**Exhibit 7:**



The County's ten principal taxpayers, as presented in Table 9 of the Statistical Section, contribute 5.7% of total assessed valuation and represent a wide range of industrial categories. Six of the 10 principal taxpayers in fiscal year 2008 have consistently been in this group for the past ten years.



## TRANSPORTATION

Availability of transportation alternatives is a major draw for attracting businesses to the County. The County is served by Interstate Highways 77 and 85, which intersect in Charlotte; by U.S. Highways 21, 29, 52, 74, 521 and 601; and by N.C. Highways 16, 24, 27, 49, 51, 73, 115 and 160. Over eighty percent of the 67-mile I-485 outerbelt freeway being built around the inside perimeter of the County has opened for traffic. Major expansion, maintenance and improvements of primary and secondary highways within the County are primarily the responsibility of the State. Each municipality within the County bears the primary responsibility for its local street system, therefore the County has no financial obligation with respect to the construction and maintenance of roads.

To help reduce automobile commuting into Charlotte, the LYNX Blue Line light rail service between downtown Charlotte and I-485 at the south end of the County began

service in November 2007 with an initial average daily ridership of 9,100. By June 30, 2008, the average daily ridership increased to 14,147, exceeding the first year estimates.

Rail and air service provide strong support for local commercial operations. The County established an Inland Port in 1984, a worldwide gateway linking importers and exporters globally. Charlotte also offers a Foreign Trade Zone and full U.S. Customs facilities. The County is served by Norfolk Southern Railway and CSX Transportation, the country's two major rail systems which link the County to 23 states, DC and Canada. Both main line railroads have junctions within the County and offer reciprocal switching among the lines as well as piggyback facilities that interface with 530 trucking companies in the area. Amtrak in Charlotte provides north and south passenger lines that can connect to access most of the United States.

Charlotte-Douglas International Airport, the country's 10th largest by aviation operations, is served by fifteen passenger carriers, including, USAirways, Delta, United, Northwest, American, Continental, Air Tran, Jet Blue and Lufthansa, as

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well as six major cargo carriers – ABX Air, Bax Global, Emery, Federal Express, DHL Worldwide Express and UPS. The airport, the largest hub of USAirways, averages over 670 daily departures and direct /nonstop flights to 129 destinations nationwide and around the world. An estimated total of 16.5 million passengers boarded flights at the airport and over 142,000 tons of domestic and international cargo were handled in calendar year 2007. The airport has acquired approximately 1,500 acres of land needed to build its fourth runway which has a scheduled completion date of early 2010. In addition, the airport is currently designing a communications project that will provide a wireless environment in the terminal building. Financial responsibility for airport operations rests with the City of Charlotte.

## EMPLOYMENT AND THE ECONOMY

Exhibit 8 highlights the economic and employment diversity in the County, and presents businesses headquartered in the County, as compiled by Dun and Bradstreet’s Million Dollar Directory for 2008.

### Exhibit 8

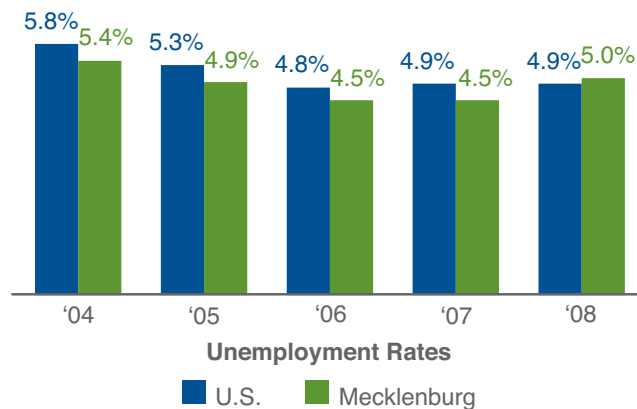
#### CORPORATIONS LISTED IN Million Dollar Directory

<u>Classification of Corporations</u>	<u>Number of Corporations</u>
Services	222
Wholesale Trade	173
Manufacturing	157
Retail Trade	115
Construction	106
Finance, Insurance, Real Estate	92
Transportation, Communication, Utilities	80
Other	14
<b>TOTAL</b>	<b>959</b>

Nine Fortune 500 companies are headquartered in the County – Duke Energy, Goodrich Corp., Nucor, Sonic Automotive, Family Dollar, SPX, Bank of America, Lowe’s, and Wachovia Corporation. In addition to the industries presented in Exhibit 8, the leisure and hospitality industry continues to expand.

The Greater Charlotte area gained 17,800 jobs in fiscal year 2008, an increase of 2.1% over the prior year. The major growth areas were Educational and Health Service (+3,400 jobs), leisure and hospitality (+3,700 jobs) and Government (+3,600 jobs). In spite of job gains, and after four years of declining unemployment rates, the County’s unemployment rate increased to 6.1% in June, 2008, that is comparable to the State rate of 6.2% and slightly higher than the national rate of 5.7%. Employment declines were in the financial sector, residential construction and construction manufacturing, as well as general manufacturing. Exhibit 9 presents the average fiscal year unemployment rates for the past five years, per the U.S. Department of Labor Benchmarked data.

### Exhibit 9:





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Overall, the construction industry in the County has been impacted less by the economy than other parts of the nation. Although the number of total building permits declined by 5.5% in fiscal year 2008, commercial construction permits increased 22.4% over fiscal year 2007 and the construction value of permits increased 3.8% over fiscal year 2007. Exhibit 10 provides five-year information about building permits. Exhibit 11 presents new residential construction by type, which shows that new construction starts are down 23.7% from calendar year 2006. With regard to existing residential housing, the sales of existing homes declined by 29% in June 2008 compared to June 2007, but the average sales price declined by only 6%. The average sales price of a home in the first six months of calendar year 2008 was \$221,497.

## Exhibit 10

### NUMBER AND VALUE OF BUILDING PERMITS Mecklenburg County, North Carolina

Calendar Year	Number Building Permits	Value (Millions)		
		Non-Residential	Residential	Total
2007	21,462	\$2,223.7	\$ 1,823.4	\$4,047.1
2006	24,250	2,709.5	1,560.9	4,270.4
2005	22,037	2,063.2	1,297.6	3,051.0
2004	19,243	1,730.7	1,326.0	3,056.7
2003	19,984	1,600.8	905.7	2,506.5

Source: Land Use and Environmental Services.  
Compiled by Charlotte Chamber of Commerce

## Exhibit 11

### NEW RESIDENTIAL CONSTRUCTION BY TYPE

Mecklenburg County, North Carolina

Calendar Year	Number of Units		
	Single-Family	Multi-Family	Total
2007	7,494	6,306	13,800
2006	10,215	7,874	18,089
2005	9,775	3,827	13,602
2004	8,730	3,960	12,690
2003	8,935	3,677	12,612

Source: Land Use and Environmental Services.  
Compiled by Charlotte Chamber of Commerce



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Exhibit 12 presents the firms employing over 2,000 persons in the County, as of December 31, 2006, the most recent available information:

## Exhibit 12

### Employers of 2,000 or More Persons

20,000 to 29,999 Employees	Carolinas Healthcare System* Wachovia Corporation*
10,000 to 19,999 Employees	Bank of America* Wal-Mart Stores, Inc.
5,000 to 9,999 Employees	Food Lion, Inc. Presbyterian Healthcare Regional Healthcare* Duke Energy Corporation* Charlotte-Mecklenburg Schools* State of North Carolina City of Charlotte* U.S. Postal Service Lowe's Adecco
2,000 to 4,999 Employees	US Airways Ruddick/Harris Teeter, Inc.* Mecklenburg County* AT&T North Carolina US Government Caromont Health Inc. Compass Group* Corestaff Services UNC Charlotte Belk Inc.* Labor Ready Inc. Bi-Lo LLC CVS Corp United Parcel Service Marriott International Target Stores Family Dollar Stores Inc.* Hilton Paramount's Carowinds TIAA-CREF Central Piedmont Community College JC Penny Corporation Inc. IBM Corp YMCA of Greater Charlotte

\*Headquartered in the County.

Source: Charlotte Chamber of Commerce

## EDUCATION

Public education in the County is provided by the Charlotte-Mecklenburg Schools, the 22nd largest school system in the nation, based on student enrollment as cited by the National Center for Education Statistics. Exhibit 13 details the enrollment in the Charlotte-Mecklenburg Schools for the last five years.



**Exhibit 13**

**CHARLOTTE-MECKLENBURG SCHOOL ENROLLMENT**

Year	Average Daily Memberships (ADM)				Total	Number Enrolled	Percent ADM Enrolled	Number of Schools
	K-5	6-8	9-12	Special				
2007-08	68,184	29,222	33,305	2,112	129,379	132,281	97.8	165
2006-07	62,881	28,056	34,621	1,842	127,400	129,011	98.8	161
2005-06	58,713	28,390	33,387	1,934	122,424	126,903	96.5	150
2004-05	55,970	27,438	31,774	1,828	117,010	121,640	96.2	143
2003-04	54,902	26,991	28,535	2,124	112,552	115,517	97.4	142

Source: Charlotte-Mecklenburg Board of Education

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



The Board of Education relies upon the County for local funds needed to support public school current expense and capital outlay needs. The total fiscal year 2008 school budget was approximately \$1.17 billion: 60% provided by the State, 32% by the County (mostly through property taxes) and 8% by the federal government. Approximately 84% of the budget is allocated to salaries and employee benefits. Most local funds are used to supplement regular State salaries, to hire extra teachers not provided for by the State and for operation and maintenance of school buildings.

The fiscal year 2008 budget included a \$341.4 million allocation from the County for operational expenses of the public school system. In accordance with the N.C. General Statutes, the Board of Education must present its current expense and capital outlay budget requests to the County by May 30 each year. Appropriations to the Board of Education are discussed in the County's budget hearings and the approved amount for the schools is appropriated in the County's operating budget adopted by July 1.

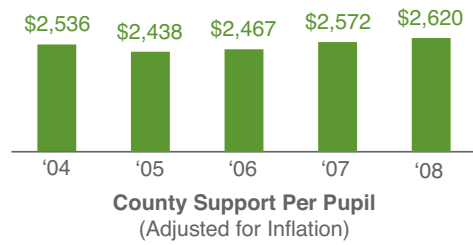
For the 2007-2008 school year, the Board of Education operated 94 elementary schools, 31 middle schools and 30 high schools. There is also a center for students who are mentally disabled, a school for teenage parents, a school for artistically talented students, a program for the emotionally handicapped, an alternative discipline program, five pre-school programs for four-year-olds with a total enrollment of 3,286, a program for children of the homeless and an alternative school for students benefiting from additional attention received in a smaller classroom environment.

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The County's support per student, exclusive of debt service and based on total enrollment, is shown in Exhibit 14. The operational costs are adjusted for inflation to 2008 current dollars using the Implicit Price Deflator Index.

**Exhibit 14:**



Charter schools in North Carolina were created through legislation passed in 1997 by the North Carolina General Assembly. Charter schools are separate entities and are not a component of the local public school system. As part of the funding for charter schools, the legislation requires a portion of the local County funds designated for education to be redirected by the Board of Education to charter schools. For the 2007-2008 school year, the portion of local education funds budgeted to be redirected to the eleven charter schools operating in the County was \$10.1 million for an enrollment totaling 4,256 students. In addition, approximately 64 private and parochial schools, with an enrollment of over 20,000 students, serve the County.

Over 91% of students graduating from the County's public schools continue their formal education. Colleges and universities located in the County offer a range of opportunities for further education. The area offers the opportunity to attend exceptional, small private colleges, church affiliated institutions, a community college or a large state university. Exhibit 15 presents the most recent enrollment data available for colleges and universities within the County.

**Exhibit 15**

	<u>Fall 2007 Enrollment</u>		<u>Fall 2006 Enrollment</u>	
	<u>Students</u>	<u>Faculty<sup>1</sup></u>	<u>Students</u>	<u>Faculty<sup>1</sup></u>
University of North Carolina at Charlotte	22,388	1,350	21,519	1,283
Central Piedmont Community College	18,321	796	17,942	802
Johnson & Wales University	2,569	200	2,350	105
Queens University of Charlotte	2,243	212	2,118	195
Davidson College	1,674	178	1,667	172
Johnson C. Smith University	1,570	102	1,470	98
Pfeiffer University – Charlotte Campus	1,189	77	1,352	67
The Art Institute of Charlotte	982	69	850	59
ECPI College of Technology	627	38	627	38
Kings College	570	25	562	24
Gordon-Conwell Theological Seminary	542	56	593	53
Carolina College of Health Sciences	484	60	484	60
Montreat College	422	66	367	60
Wingate University – Metro College	400	29	195	25
Gardner-Webb University – Charlotte Center	321	24	400	29
Brookstone College of Business	200	9	200	9
Reformed Theological Seminary	173	22	173	22
Wake Forest University – Babcock Graduate School of Management	160	25	150	25
Lee University	134	9	117	9
Union-PSCE at Charlotte	95	11	95	11
New Life Theological Seminary	60	15	49	15

<sup>1</sup>Includes part-time instructors.

Source: Individual Institutions

The University of North Carolina at Charlotte (UNC-Charlotte), part of the State university system of colleges, is one of the State's most progressive institutions of teaching, research and public service. UNC-Charlotte's doctoral programs include biology, information technology, electrical engineering, mechanical engineering and applied mathematics. It also is one of only three universities in North Carolina that offer degrees in business administration at the bachelor's, master's and doctoral levels.

# FACTS AND INFORMATION

*mecklenburg county, north carolina*



Central Piedmont Community College (CPCC) has been recognized nationally as one of the top three community colleges in America for teaching experience. Class instruction occurs at all six campus locations, the Corporate Training Center and at various other sites across the County. CPCC received \$25.2 million from the County in fiscal year 2008. County funding is used for operating expenses, salary supplements for professional and clerical employees and those items that are not funded by the State. The County also issues bonds and certificates of participation for CPCC projects that are included in the Capital Improvement Program and pays the debt service on those financings.

Johnson & Wales University, whose focus is culinary arts and related fields, opened its \$112 million Charlotte campus in September 2004 with a freshman enrollment of 1,200 and now enrolls over 2,500 students. The enrollment capacity of the schools is 5,000 students.

## MEDICAL

The medical facilities located in the County and their respective licensed bed capacities are shown in Exhibit 16.

### Exhibit 16

<u>Hospital</u>	<u>Number of Licensed Beds</u>
Carolinas Medical Center <sup>1</sup>	574
Presbyterian Hospital <sup>2</sup>	531
Levine Children's Hospital <sup>1</sup>	234
Carolinas Medical – Mercy <sup>1</sup>	185
Presbyterian Orthopedic Hospital <sup>2</sup>	156
Carolinas Medical –University <sup>1</sup>	130
Carolinas Rehabilitation <sup>1</sup>	119
Carolinas Medical – Pineville <sup>1</sup>	109
Presbyterian – Matthews <sup>2</sup>	102
Behavioral Health Center – CMC – Randolph <sup>1</sup>	66
Presbyterian – Huntersville <sup>2</sup>	50
Mercy Horizons <sup>1</sup>	11

<sup>1</sup>Part of Carolinas HealthCare System.

<sup>2</sup>Part of Novant Health, Inc.

Source: Individual Facilities

Additionally, there are 26 long-term care facilities in the County providing 3,040 beds as of September 2008.

**CULTURAL AND RECREATIONAL  
ACTIVITIES**

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



Concerts by nationally prominent groups and solo artists at the Time Warner Arena, Ovens Auditorium, Cricket Arena, Verizon Wireless Amphitheater, Memorial Stadium, Grady Cole Center and Paramount Carowinds Palladium draw thousands for musical entertainment. The Festival in the Park is an annual event featuring arts, crafts, food and music for the entire family. The Paramount Carowinds theme park is a popular destination for tourists seeking family entertainment. The diverse assortment of recreational and cultural activities helps make the County the most popular tourist destination in the State.

The County offers practically any sport or recreational endeavor one would like to pursue. ↪ Recreational pleasures can be enjoyed at any of the County's parks or one of its five public golf courses. County park facilities include tennis courts, swimming pools, spray grounds, community centers, bowling alleys, picnic areas, ball fields, fitness trails, dog parks, mountain biking, fishing, canoeing, soccer fields, disc golf courses, playground equipment, an equestrian center, a skate park, a dirt bike track and an indoor water park, Ray's Splash Planet. The County also operates a fully-equipped Aquatics Center. Located 10 minutes from downtown Charlotte, the U.S. National Whitewater Center opened for business on October 1, 2006. The facility is the official home of the U.S. Kayak Team and served as an official trial site for the 2008 Summer Olympics.

The area also offers many opportunities for spectator sports. The Carolina Panthers, an NFL franchise, play at Bank of America Stadium, which seats 73,250. The Charlotte Bobcats, an NBA expansion team, plays at the 19,026 seat Time-Warner Arena. The Arena hosted the CIAA, ACC, and NCAA basketball tournaments in 2007. Lowe's Motor Speedway, one of the few super speedways in the country, is host to three top NASCAR Nextel Cup events: The Nextel All-star Challenge, the Coca-Cola 600 and the UAW-GM 500. The annual Race Week preceding the Coca-Cola 600 draws thousands of tourists to the County, while the race is one of the largest single-day sporting events in the country. Work also continues on the \$158.5 million NASCAR Hall of Fame and convention center expansion in uptown Charlotte with a completion date of spring 2010. The County and surrounding areas are also home to the Charlotte Knights, a class AAA professional baseball team whose parent club is the Chicago White Sox, and the Charlotte Checkers, an East Coast Hockey League team affiliated with the National Hockey League's New York Rangers. The PGA's Wachovia Championship golf tournament is held at the Quail Hollow Country Club each May.

**SUMMARY**

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



## Board of County Commissioners



**Jennifer Roberts**  
Chairman  
At-Large



**Parks Helms**  
Vice-Chairman  
At-Large



**Dan Ramirez**  
At-Large



**Karen Bentley**  
District 1



**Norman A. Mitchell, Sr.**  
District 2



**Valerie C. Woodard**  
District 3



**Dumont Clarke**  
District 4



**J. Daniel Bishop**  
District 5



**Bill James**  
District 6



**Harry L. Jones, Sr.**  
County Manager



**Dena R. Diorio**  
Director of Finance

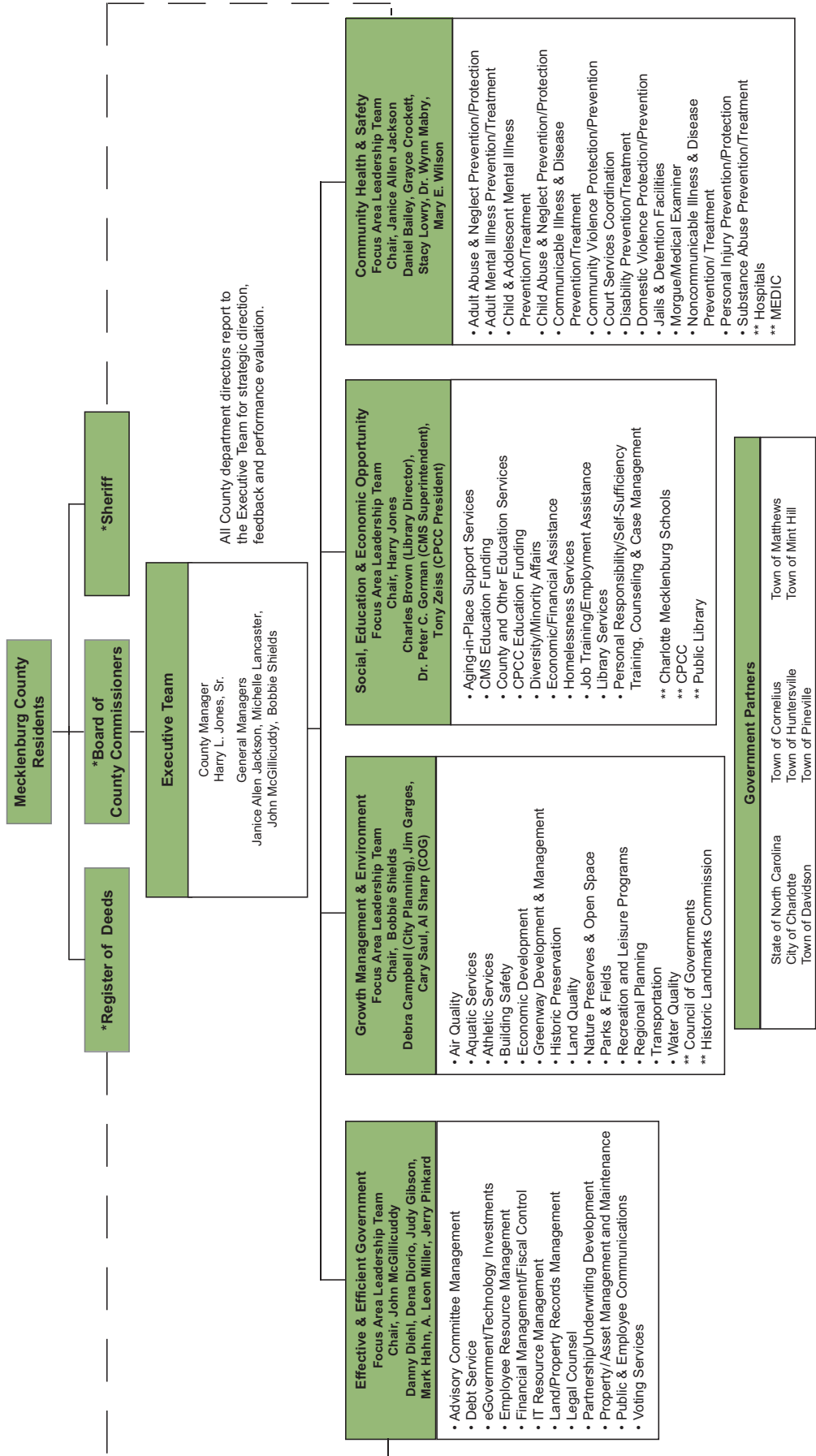
## Finance Department

Gail M. Murchison, Deputy Director of Finance  
Wanda F. Reeves, Senior Fiscal Administrator  
Shyry G. Greene, Senior Fiscal Administrator  
Ann Berry-Tyler, Senior Fiscal Analyst  
Terri H. Peters, Senior Fiscal Analyst  
Kenneth Myers, Senior Fiscal Analyst  
Stephanie Prioleau, Fiscal Analyst  
Tiffany Reese, Fiscal Analyst  
Ana M. Cutajar, Grants Administrator  
Alan R. McBrayer, Investment Officer  
Carolyn Bailey, Administrative Officer

# ORGANIZATIONAL CHARTS

mecklenburg county, north carolina

## Mecklenburg County Organizational Structure 2008-2009



\* Elected Officials  
\*\* Business Partners



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Mecklenburg County  
North Carolina

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Charles S. Cox*

President

*Jeffrey R. Emer*

Executive Director



MECKLENBURG COUNTY  
*mecklenburg county, north carolina*





# FINANCIAL SECTION

The Financial Section constitutes the core of the report. The independent auditors' report covers the basic financial statements and the notes to the statements. Management's Discussion and Analysis provides a narrative introduction, overview and analysis of the statements that follow.



MECKLENBURG COUNTY, NORTH CAROLINA





## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Mecklenburg County, North Carolina (the "County"), as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on the respective financial statements based on our audit. We did not audit the financial statements of Mecklenburg Emergency Medical Services Agency (the "Medic") or the Mecklenburg County Alcoholic Beverage Control Board (the "ABC Board"). Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Medic and the ABC Board, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the ABC Board were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.



In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2008, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.


As discussed in the notes to the financial statements, management discovered that certain capital assets were overstated in previous years. Accordingly, beginning net asset balances for June 30, 2007 have been restated to properly reflect the net decrease in net assets.

Management's Discussion and Analysis and the Required Supplementary Information listed in the accompanying Table of Contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining and Individual Fund Statements and Schedules as listed in the accompanying Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section, including the letter of transmittal, five year trends, and facts and information, and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

**CHERRY, BEKAERT & HOLLAND, L.L.P.**



Raleigh, North Carolina  
October 13, 2008

# MANAGEMENT'S DISCUSSION & ANALYSIS

*mecklenburg county, north carolina*

## INTRODUCTION

Management's Discussion and Analysis provides a narrative discussion of the County's financial activities as a whole for the year ended June 30, 2008 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 Assets (Deficit), liabilities exceed assets reflecting the County's legal responsibility to issue and pay for debt, primarily general obligation bonds, for the Charlotte-Mecklenburg Schools, Central Piedmont Community College, Public Library of Charlotte, and WTVI, the local public television station 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 Assets (Deficit).
- For the year ended June 30, 2008 the Statement of Activities reflects an increase in net assets of \$16.2 million as compared to an increase of net assets in the prior year of \$ 53.2 million, resulting from a 9.0% increase in operating expenses and only a 5.9% increase in revenues, both program and general.
- The governmental funds total fund balances increased \$131.2 million from the prior year total ending fund balance of \$612.4 million. The increase is the result of higher than expected property and sales tax revenues, increased investment income and reduced spending. Of the \$743.6 million of governmental fund balances, total fund balance of \$528.6 is available for future years' spending as unreserved fund balance.
- The unreserved fund balance of the General Fund at June 30, 2008 is \$265.3 million, which represents 20.7% of total General Fund expenditures or 75.5 days of operating balances. Of the unreserved fund balance, \$152.7 million is designated for specific purposes and \$112.6 million is undesignated.

## 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 Assets (Deficit) and the Statement of Activities. Both of these 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 Assets (Deficit) presents assets less liabilities equal net assets, thus presenting the County's financial position at the end of the fiscal year, while the Statement of Activities presents information showing how the County's net assets changed during the fiscal year.

The Statement of Net Assets (Deficit) and the Statement of Activities divide the County's operations into three types of activities:

- **Governmental activities** – those activities supported primarily by taxes and intergovernmental revenues. The following eight core service areas comprise the County's governmental activities: Customer Satisfaction and Management Services, Administrative Services, Financial Services, Land Use and Environmental Services, Community Services, Detention and Court Support Services, Health and Human Services, and Business Partners.
- **Business-type activities** – those activities that recover a significant portion of their costs through user fees and charges. The Solid Waste Enterprise Fund is the County's only business-type activity.
- **Component Units** – these are separate organizations for which the County provides financial support and/or appoints their governing board. The Public Library of Charlotte and Mecklenburg County, the Mecklenburg County Alcoholic Beverage Control Board and the Mecklenburg Emergency Medical Services Agency are each component units of the County.

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

# MANAGEMENT'S DISCUSSION & ANALYSIS

*mecklenburg county, north carolina*

## 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; nine Special Revenue Funds established under the provisions of the North Carolina General Statutes which account for revenues that are restricted for special purpose expenditures; and seventeen Capital Projects Funds, including the Certificates of Participation Fund, which account for the proceeds of bond issues and all other resources used for the purpose of constructing or purchasing all aspects of capital assets. The General Fund, the Certificates of Participation Fund and the 2008B Public Improvement Bond Fund are presented individually on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances, because each meets the Governmental Accounting Standards Board (GASB) definition of a major fund for reporting purposes. The remaining governmental funds are combined into a single, aggregated presentation titled Nonmajor Funds. Individual fund data for each of the Nonmajor governmental funds is provided in the section, Combining and Individual Fund *Financial Statements and Schedules*.

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

- Proprietary funds – The Solid Waste Enterprise Fund is the County's only proprietary fund and is presented in the business-type activities column of the government-wide financial statements, because it operates similar to a private business enterprise.
- Fiduciary funds – The County established the Post-employment Healthcare Benefit Fund to account for contributions and expenditures related to providing healthcare benefits to qualified retired County employees in accordance with the guidelines of Government Accounting Standards Board Statement 43. Also, the County holds certain resources for the benefit of employees and parties outside the government, which are accounted for as agency funds. Since the resources of these funds are not available to finance County programs, the funds are not included in the government-wide financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

The information reported in the notes to the financial statements provides additional disclosures necessary to 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 and the Post Employment Health Benefits. Required supplementary information follows the Notes to the Financial Statements.

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

# MANAGEMENT'S DISCUSSION & ANALYSIS

*mecklenburg county, north carolina*

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following summarizes Net Assets (Deficit) at June 30, 2008 and 2007:

	<b>NET ASSETS (DEFICIT)</b>					
	(in thousands)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
<b>Assets</b>						
Current and other assets	\$ 893,595	\$ 741,287	\$ 28,656	\$22,999	\$ 922,251	\$ 764,286
Capital assets, net	<u>880,266</u>	<u>920,032</u>	<u>46,096</u>	<u>46,723</u>	<u>926,362</u>	<u>966,755</u>
Total Assets	<u>1,773,861</u>	<u>1,661,319</u>	<u>74,752</u>	<u>69,722</u>	<u>1,848,613</u>	<u>1,731,041</u>
<b>Liabilities</b>						
Current and other Liabilities	104,104	92,325	388	875	104,492	93,200
Long-term liabilities						
Due within one year	163,249	155,609	1,281	1,535	164,530	157,144
Due after one year	<u>2,184,875</u>	<u>2,009,908</u>	<u>10,098</u>	<u>10,403</u>	<u>2,194,973</u>	<u>2,020,311</u>
Total Liabilities	<u>2,452,228</u>	<u>2,257,842</u>	<u>11,767</u>	<u>12,813</u>	<u>2,463,995</u>	<u>2,270,655</u>
<b>Net Assets (Deficit)</b>						
Invested in capital assets, net of related debt	304,152	356,615	43,086	42,316	347,238	398,931
Restricted	327,384	231,207	7,887	7,103	335,271	238,310
Unrestricted (Deficit)	<u>(1,309,903)</u>	<u>(1,184,345)</u>	<u>12,012</u>	<u>7,490</u>	<u>(1,297,891)</u>	<u>(1,176,855)</u>
Total Net Assets (Deficit)	<u>\$(678,367)</u>	<u>\$(596,523)</u>	<u>\$62,985</u>	<u>\$56,909</u>	<u>\$( 615,382)</u>	<u>\$( 539,614)</u>

While total net assets are often considered a useful indicator of a government's financial position, it does not adequately reflect the County's position. In accordance with the North Carolina General Statutes, the County is the issuer and payer of debt for capital purposes for the Charlotte-Mecklenburg Schools, Central Piedmont Community College, the Public Library of Charlotte and Mecklenburg County, and WTVI, the public television station in Mecklenburg County. This debt, which totals \$1.625 billion at June 30, 2008, is recorded in long-term liabilities with no offsetting capital assets recorded, as the assets are owned by the agencies. The agencies use the debt proceeds to acquire or construct capital assets. The effect of this accounting is to distort net assets of the County, creating a deficit in net assets. The County experienced an increase in the Net Assets deficit as total assets increased 6.8% while total liabilities increased 8.5% and the contribution to net assets from revenues and expenditures dropped from \$53.2 million at June 30, 2007 to \$16.2 million at June 30, 2008. Invested in capital assets, net of any related outstanding debt of those assets, decreased from \$398.9 million at June 30, 2007 to \$347.2 million at June 30, 2008. Capital assets include land, buildings, vehicles, equipment and other machinery used in providing services to residents. Also, net assets of \$238.3 million at June 30, 2007 and \$335.3 million at June 30, 2008 are reserved by law for specific purposes. The increase in the deficit unrestricted net assets is the result of increased debt with no asset offset, the decrease in invested in capital assets, net of debt, the increase in restricted net assets, and the reduced contribution to net assets of operations. Net assets do not present the County's position regarding spending, which is presented in the governmental funds statements.

The County's financial position has improved as indicated in the following table of changes in net assets for the year ended June 30, 2008, with comparison to the prior year, for both governmental and business-type activities.

# MANAGEMENT'S DISCUSSION & ANALYSIS

*mecklenburg county, north carolina*

	CHANGE IN NET ASSETS (DEFICIT)					
	(in thousands)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
<b>REVENUES</b>						
Program Revenues:						
Charges for services	\$ 123,666	\$ 122,250	\$ 18,404	\$ 17,332	\$ 142,070	\$ 139,582
Operating grants and contributions	202,019	178,316	-	-	202,019	178,316
Capital grants and Contributions	2,324	2,600	-	-	2,324	2,600
General Revenues:						
Property taxes	802,499	756,039	-	-	802,499	756,039
Sales taxes	247,551	244,422	-	-	247,551	244,422
Other taxes	9,210	8,133	-	-	9,210	8,133
Investment Income	29,576	26,466	1,138	1,067	30,714	27,533
Other	1,108	855	38	-	1,146	855
<b>TOTAL REVENUES</b>	<b>1,417,953</b>	<b>1,339,081</b>	<b>19,580</b>	<b>18,399</b>	<b>1,437,533</b>	<b>1,357,480</b>
<b>EXPENSES</b>						
Program Expenses:						
Customer Satisfaction And Management Services	9,432	9,387	-	-	9,432	9,387
Administrative Services	61,280	44,273	-	-	61,280	44,273
Financial Services	7,120	6,327	-	-	7,120	6,327
Land Use and Environmental Services	57,011	52,666	-	-	57,011	52,666
Community Services	81,126	72,095	-	-	81,126	72,095
Detention and Court Support Services	121,321	108,417	-	-	121,321	108,417
Health and Human Services	316,745	293,702	-	-	316,745	293,702
Business Partners	667,379	617,922	-	-	667,379	617,922
Interest Expense	86,449	86,970	-	-	86,449	86,970
Solid Waste Operations	-	-	13,504	12,491	13,504	12,491
<b>TOTAL EXPENSES</b>	<b>1,407,863</b>	<b>1,291,759</b>	<b>13,504</b>	<b>12,491</b>	<b>1,421,367</b>	<b>1,304,250</b>
<b>EXCESS IN NET ASSETS</b>	<b>10,090</b>	<b>47,322</b>	<b>6,076</b>	<b>5,908</b>	<b>16,166</b>	<b>53,230</b>
<b>NET ASSETS (DEFICIT)</b>						
- Beginning of year, as previously reported	(596,523)	(643,845)	56,909	51,001	(539,614)	(592,844)
- Prior period adjustment	(91,934)	-	-	-	(91,934)	-
<b>NET ASSETS (DEFICIT) - End of year</b>	<b>\$ (678,367)</b>	<b>\$ (596,523)</b>	<b>\$ 62,985</b>	<b>\$ 56,909</b>	<b>\$ (615,382)</b>	<b>\$ (539,614)</b>

## GOVERNMENTAL-TYPE ACTIVITIES

Program revenues covered 23.3% of County expenses at June 30, 2008 and 23.5% at June 30, 2007, with general revenues covering the balance of expenses. The excess of net assets for the year ended June 30, 2008 results from higher revenues – primarily property and sales taxes, grants, and higher investment income. Property tax revenues increased \$46.5 million (6.1%) from the prior year reflecting increases to the tax base the increase to the tax rate of 1.98 cents to \$.8387 per \$100 valuation for fiscal year 2008. Sales tax revenue increased \$3.1 million (1.3%) over fiscal year 2007 reflecting continued strong retail spending. Investment income increased \$3.1 million (11.5%) from the year ended June 30, 2007 due, primarily, to cash flow and mix of investments, as the County strives to maintain good cash management procedures. Charges to users of County services generated revenues that supported 8.7% of County governmental operations for fiscal 2008 and 9.5% for fiscal year 2007. The County continued its strategy to secure a maximum amount of grant funds provided by state and federal agencies, with revenues from grants increasing \$23.4 million (12.9%) in fiscal year 2008, as a result of new, higher dollar grants replacing completed smaller dollar grants.



# MANAGEMENT'S DISCUSSION & ANALYSIS

*mecklenburg county, north carolina*

The County covered 14.5% of expenses with grant revenues in fiscal year 2008 and 14% in fiscal year 2007. In previous years the County capitalized various property acquisitions for use by the Charlotte-Mecklenburg Schools and the Library being financed via certificates of participation. While the County holds legal title to the buildings as a result of holding the related debt, the Charlotte-Mecklenburg Schools and the Library have recorded the buildings under capital leases, therefore the County has removed the capital assets resulting in \$102.9 million prior period adjustment recorded to the entity-wide statements as described more fully in Note 6 to the Basic Financial Statements.

## BUSINESS-TYPE ACTIVITIES

The Solid Waste Enterprise Fund is the County's sole business-type activity and accounts for recycling programs and operation of the landfill. Revenues are generated from several sources: an annual residential solid waste disposal fee of \$12 per dwelling, landfill tipping fees for residential waste that increased from \$25 per ton for fiscal year 2007 to \$26 per ton for fiscal year 2008, with no increase in the \$35 per ton charge for commercial waste, disposal fees and recycling sales. The business-type activity contributed 1.4% to the primary government's total revenue for fiscal year 2008 and 1.3% for the fiscal year 2007. Change in net assets, also considered income, increased to \$6.1 million over the prior year's \$5.9 million primarily due to operating income being slightly higher than expected and a small increase in investment income. The \$6.1 million was retained by the activity for its future operations.

## 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. In particular, unreserved 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, 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 \$362.1 million, of which \$23.1 million is reserved for encumbrances, \$73.8 million is reserved by State statute, and \$265.3 million is unreserved. Of the General Fund's unreserved fund balance, \$152.7 million is designated for particular purposes, including \$75.6 million appropriated for fiscal year 2009, \$45.4 designated for future years' expenditures, and \$112.6 million undesignated. The General Fund total revenues exceeded budget by \$15.7 million, and revenues exceeded expenditures by \$18.7 million, as explained more fully below.

Revenues for the General Fund increased \$69.1 million, or 5.5% over fiscal 2007:

- Property tax revenues increased 6.9% from the prior year reflecting a combination of increases in assessed valuations along with a tax rate increase of 1.98 cents per \$100 of assessed valuation to 83.87 cents per \$100 of assessed valuation. For 2008, the collection rates were consistent with the prior year. Current year collections represented 97.5% of the current year levy, while total tax collections represented 99.9% of the current year's tax levy.
- Sales tax revenues reported in the General Fund were \$208.9 million, an increase of \$2.7 million over fiscal 2007, reflecting the County's relatively strong consumer spending.
- Intergovernmental revenues totaled \$193.1 million as compared to \$170.9 million for fiscal year 2007. The change in revenue levels results from the mix of grants. State and federal grant funds supported 200 service programs of varying size and complexity to help accommodate service needs of County residents while minimizing local costs. Grant programs are summarized in Exhibit 1.
- Charges for services revenue declined 2.1% from the prior year primarily due to the drop in construction permit revenue.

### Exhibit 1:

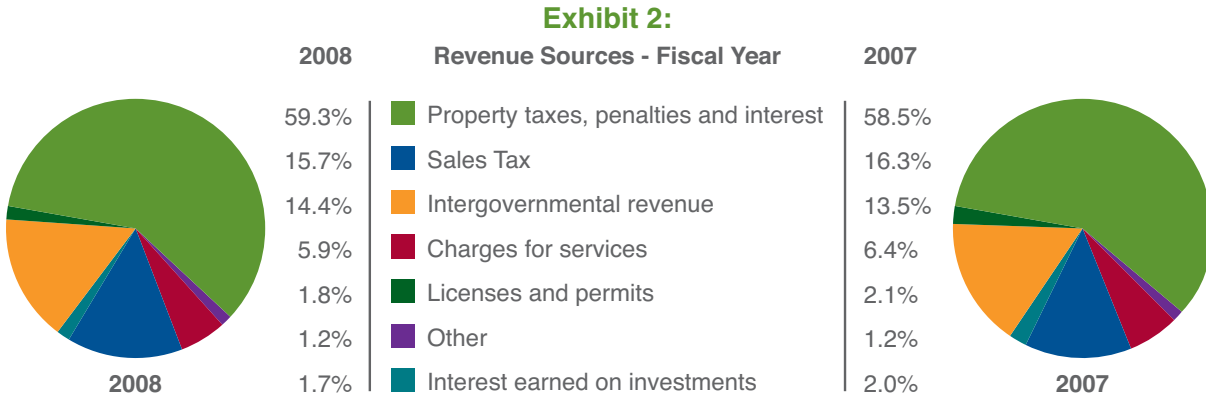
Grant Programs		
Program Category	Number	Revenue (Millions)
Social Services	60	\$102.8
Mental Health	48	38.4
Health	41	12.2
Other	<u>57</u>	<u>37.7</u>
Total	<u>206</u>	<u>\$191.1</u>

# MANAGEMENT'S DISCUSSION & ANALYSIS

*mecklenburg county, north carolina*

- Interest earned on investments declined 10.3% from the amount received in fiscal year 2007, to \$23.1 million. The decline results primarily from a decline in interest rates. 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 2008 and 2007 are illustrated in Exhibit 2.



General Fund expenditures increased \$93.8 million (7.9%) over those of last year. Exhibit 3 graphically illustrates the County's expenditure dollar for the two years.



Administrative Services expenditures increased \$14.8 million from the prior year, primarily from funding the annually required contribution for post-employment healthcare benefits. Health and Human services increased \$21.9 million to meet the increased needs of residents of the County. Debt service, which has two components, increased \$10.7 million over fiscal year 2007. General debt service, which covers the capital needs of the County, primarily libraries, courts and parks and recreation, increased \$4.1 million from the prior year. The second component, debt service related to education, both for the Charlotte-Mecklenburg public school system and Central Piedmont Community College, increased \$7.5 million, reflecting the continued necessity of debt to fund the capital needs of the schools and community college.

# MANAGEMENT'S DISCUSSION & ANALYSIS

*mecklenburg county, north carolina*

Current expenditures for education, both the Charlotte-Mecklenburg Schools and Central Piedmont Community College, as well as the County's contribution to the Mecklenburg Emergency Medical Services Agency and other outside agencies are included in Business Partners. Charlotte-Mecklenburg Schools and Central Piedmont Community College expenditures comprise 65.5% of Business Partners expenditures. Funds for the current operations of the Charlotte-Mecklenburg Schools were \$346.6 million, \$19.8 million more than the amount allocated for fiscal year 2007, reflecting additional moneys needed as a result of student population increases. Funding to Central Piedmont Community College was \$25.2 million, an increase of \$1.7 million over the prior year to offset inflationary increases. These changes, plus minor adjustments to other outside agencies resulted in an overall increase in expenditures to Business Partners of \$26.1 million from fiscal year 2007.

Other significant expenditure changes were:

- Detention and Court Support Services expenditures increased \$8.8 million, an 8.9% increase from fiscal year 2007 due to increased costs of jail management.
- Community Services increased \$7.2 million, a 10.1% increase over the prior year primarily due to increased park and recreation activities within the county.

## Major Capital Project Funds

The Certificates of Participation Fund and the 2008B Public Improvement Bond Fund meet the requirements for disclosure as major funds for fiscal year 2008. The funds were established by capital project ordinances with project authorizations of \$730.3 million. The funds account for the proceeds of the sales of Certificates of Participation by the Mecklenburg County Public Facilities Corporation and the proceeds from the 2008 bond sale. Proceeds are used for the express purpose of modernizing public facilities in the County via acquisition, construction, and renovation of court, library, park and recreation, community college, school and county building facilities. During the year ended June 30, 2008, \$172.8 million of these funds were expended for qualifying construction and renovation projects. Spending fluctuates from year to year due to the cycle of projects beginning and being completed.

The County had not recorded interest earned on unexpended Certificates of Participation proceeds held by the trustee. The use of the interest is restricted to the payment of principal on the debt. The \$10.9 million of interest related to prior years has been recorded as a prior period adjustment as explained in Note 23.

## Special Revenue Funds

Total revenues for the nine Special Revenue Funds increased \$8.5 million (11.8%) from the prior year. The change in revenue is primarily attributable to \$2.6 million increase in charges for services restricted to specific purposes, \$3.1 million increase in intergovernmental revenue related to storm water grants, and a \$2.7 million increase in other revenues, primarily rental revenue and sale of capital assets.

## Capital Projects Funds

For fiscal year 2008, capital projects expenditures, excluding the Certificates of Participation and 2008B Public Improvement Bond funds discussed above, totaled \$72.8 million as compared to \$115.9 million in fiscal year 2007. More than half of each year's expenditures were for construction, renovations and improvements to school facilities. The drop in expenditures between years simply reflects the cycle of projects being completed and others starting up. Funding for capital projects is supplied by proceeds from new bonds, unexpended bond proceeds, and reimbursement by the City of Charlotte for some Park and Recreation capital expenditures.

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

# MANAGEMENT'S DISCUSSION & ANALYSIS

*mecklenburg county, north carolina*

## 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 his 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 Finance 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 during the fiscal 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 added \$15.6 million to the budget primarily for new grants awarded to the County and reallocations by the State of federal pass-through grant funds, as well as increases to Charges for Services reflecting increased reimbursements.

General Fund revenues exceeded budget by \$15.7 million, a 1.19% variance from final budget, reflecting increased property tax collections (\$13.3 million), higher than anticipated sales tax distributions (\$6.0 million), and higher investment earning (\$4.1 million). Offsetting these increases over revenue budgets was a shortfall in charges for services (\$7.1 million), primarily land use/construction related revenues, reductions in licenses and permits (\$2.2 million), primarily building permits, and grant revenues under budget (\$1 million).

General Fund expenditures were under budget \$101.2 million, a variance of 7.3% from the final budget. All departments were conservative in their spending, considering the uncertainty of the economy, and consciously controlled spending by working toward more efficient operations. Some variances, such as Health and Human Services (\$56.2 million), result from grants where program spending did not reach expected levels; Land Use and Environmental Services expenditures (\$10.2 million) where expenditures were down as a result of the slowing of the new residential construction area, and debt service (\$12.9 million) as a result of budgeting very conservatively for variable rate debt. 14.2% (\$12.8 million) relates to grants received late in the year where spending was very low. Other variances relate to departments

## CAPITAL ASSETS

The County's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities at June 30, 2008 totals \$926.4 million. Capital assets include land, land improvements, buildings and improvements, vehicles and heavy equipment, furniture, machinery, and other equipment, and construction in progress. Capital assets are reported in the government-wide financial statements and in the enterprise fund 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, decreased 4.3% from last year for governmental activities while the business-type activities investment in capital assets, net of accumulated depreciation, decreased 1.4%. The change in governmental activities assets results from: 1) the acquisition of land for future use totaling \$14.8 million and land disposals of \$1.2 million, 2) increases to construction in progress totaling \$56.6 million offset by transfers to buildings from construction in progress of \$144.9 million as well as the removal of \$102 million in buildings for the schools and library leased to the Charlotte-Mecklenburg Schools and the Public Library of Charlotte, respectively under capital lease, and 3) depreciable asset acquisitions of \$157.5 million and asset reductions of \$3 million that resulted from the normal disposal of obsolete items. The \$.637 million decrease in business-type activities (enterprise fund) is the result of adding \$.6 million of depreciable assets offset by \$1.4 million of depreciation costs.

# MANAGEMENT'S DISCUSSION & ANALYSIS

*mecklenburg county, north carolina*

## CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION (in thousands)

Description	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$368,826	\$355,182	\$28,568	\$28,568	\$397,394	\$383,750
Construction in progress	110,265	274,258	5,216	5,090	115,481	279,348
Land Improvements	12,847	12,131	3,755	3,822	16,602	15,953
Buildings and Improvements	374,326	265,892	5,015	5,500	379,341	271,392
Vehicles and Heavy Equipment	9,894	9,714	3,339	3,590	13,233	3,304
Furniture, Machinery and Equipment	4,108	2,855	203	153	4,311	3,008
<b>Total</b>	<b>\$880,266</b>	<b>\$920,032</b>	<b>\$46,096</b>	<b>\$46,723</b>	<b>\$926,362</b>	<b>\$966,755</b>

### 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 to provide funding for school, library, community college, and County capital needs. At June 30, 2008 and 2007, general obligation bonds and certificates of participation consisted of:

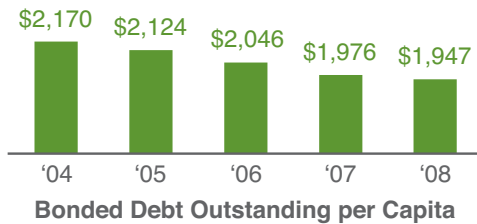
### GENERAL OBLIGATION BONDS AND CERTIFICATES OF PARTICIPATION (in thousands)

Description	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Public Improvement Bonds	\$1,757,831	\$1,722,134	\$2,353	\$3,509	\$1,760,184	\$1,725,643
Certificates of Participation	517,980	380,820	-	-	517,980	380,820

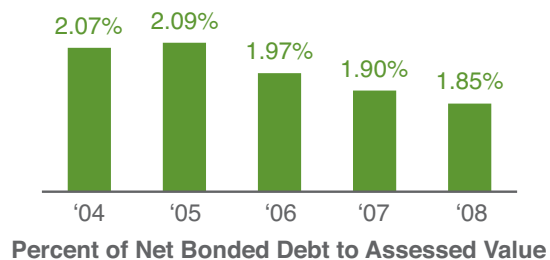
The County debt policy provides guidelines, parameters, and procedural requirements for the issuance and management of debt. Some of the guidelines used in managing debt issuance include debt per capita, debt as a percentage of assessed valuation and debt service as a percentage of the operational budget.

Exhibit 4 shows the County's net per capita outstanding bonded debt to be \$1,947, a decrease of 1.5% from the prior year which results from spreading the outstanding debt over a 3.4% increase in County population.

**Exhibit 4**



**Exhibit 5:**





# MANAGEMENT'S DISCUSSION & ANALYSIS

*mecklenburg county, north carolina*

The County's net bonded debt is 1.85% of assessed valuation, well below the 8% of assessed valuation legal debt limit of \$5.3 billion, authorized by N.C. General Statute Chapter 159. See Exhibit 5.

The County's strong financial management program continues to enhance its excellent financial position and enabled the County to maintain its Triple A 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 Triple A 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 and certificates of participation.

Note 9 to the Basic Financial Statements explains in detail the debt activities for the year ended June 30, 2008 and Note 24 discusses subsequent events related to the debt market affecting the County.

## OTHER POSTEMPLOYMENT BENEFITS

As a Phase One entity, the County has reported the annual cost and future obligations and commitments for other post employment benefits (OPEB) in accordance with the requirements of Governmental Accounting Standards Board Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions (OPEB). This new standard requires governments to account for and report any OPEB liability (asset) in the entity-wide financial statements. In anticipation of meeting the reporting standard for the healthcare benefits the County provides retired employees, the County entered into an actuarial study to determine the OPEB liability and determine required plan contributions to meet this obligation. Based on the results of the study, the Board of County Commissioners fully funded the annual required contribution of \$14.7 million for the year-ended June 30, 2008 and expects to fund the full annually required contribution (ARC) for fiscal year 2009.

## OUTLOOK FOR THE NEXT YEAR

The Board approved a \$1.41 billion annual budget for fiscal year 2009 that maintains the fiscal year 2008 tax rate of 83.87 cents per \$100 of assessed valuation. The adopted budget reflects a 2.9% increase over the prior year that attempts to balance the many needs of the community. It includes \$16.3 million of cost efficiencies and a \$19.3 million decrease in Medicaid spending. In response to community demand, the budget includes \$7.6 million of increases to improve the efficiency and effectiveness of the criminal justice system. The County also expects to fully fund the OPEB annual required contribution. The fiscal year 2009 budget provides \$36.5 million for technology, vehicle replacement, capital reserve and capital projects pay-as-you-go funding to sustain our ability to repair and maintain our facilities, to keep technology infrastructure current and to operate safe vehicles cost-effectively.

The budget includes increases of \$10 million for Charlotte-Mecklenburg Schools operating costs and \$19.5 million for its debt service. Additionally, the County funded an increase of \$2.8 million for Central Piedmont Community College operating costs and debt service.

At June 30, 2008 the County held \$35.8 million of tax-exempt bonds from the North Carolina State Education Assistance Agency considered to be illiquid. Further information is provided in the Note 1(e).

The financial challenges that have affected other parts of the country, such as rising unemployment, skyrocketing gas prices, food costs increases, healthcare and housing issues have just recently begun to affect the citizens of Mecklenburg County. This budget avoids the additional stress of a property tax increase while maintaining services to address the needs of the community.

## 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 Finance, Mecklenburg County, P.O. Box 34486, Charlotte, North Carolina 28234.

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MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF NET ASSETS (DEFICIT)  
JUNE 30, 2008

	Primary Government		Total	Component Units			
	Governmental Activities	Business-type Activities		Public Library of Charlotte and Mecklenburg County	Mecklenburg Emergency Medical Services Agency	Mecklenburg County Alcohol Beverage Control Board	
<b>ASSETS</b>							
Cash and investments	\$ 757,062,224	\$ 27,528,432	\$ 784,590,656	\$ 4,956,655	\$ 9,049,812	\$ 7,684,878	
Receivables, net	122,491,189	843,283	123,334,472	580,244	4,783,378	15,759	
Due from other governmental agencies	-	-	-	75,904	13,202	-	
Advances to other government agencies	1,838,560	-	1,838,560	-	-	-	
Prepaid expenses	-	-	-	-	-	-	
Inventories	4,960	-	4,960	202,313	-	210,255	
Restricted assets	-	284,263	284,263	25,419	-	8,281,518	
Deferred charges	-	-	-	-	-	-	
Capital assets	12,198,449	-	12,198,449	-	-	-	
Land	368,825,811	28,568,428	397,394,239	11,251,992	-	4,209,135	
Construction in progress	110,265,578	5,216,120	115,481,698	456,028	-	81,613	
Other capital assets, net of accumulated depreciation	401,174,474	12,311,320	413,485,794	71,746,987	5,766,124	19,300,470	
<b>TOTAL ASSETS</b>	<b>1,773,861,245</b>	<b>74,751,846</b>	<b>1,848,613,091</b>	<b>89,295,542</b>	<b>19,612,516</b>	<b>39,783,628</b>	
<b>LIABILITIES</b>							
Accounts payable and other accrued liabilities	102,593,569	388,234	102,981,803	1,353,929	2,140,855	7,832,749	
Unearned revenue	1,510,838	-	1,510,838	1,119,454	-	-	
Long-term liabilities	171,234,165	1,280,736	172,514,901	1,413,608	1,145,604	-	
Due within one year	2,176,889,553	10,097,661	2,186,987,214	4,557,694	1,919,411	-	
Due in more than one year	2,452,228,125	11,766,631	2,463,994,756	8,444,685	5,205,870	7,832,749	
<b>TOTAL LIABILITIES</b>	<b>5,353,916,147</b>	<b>13,432,261</b>	<b>5,367,348,408</b>	<b>15,729,366</b>	<b>8,261,730</b>	<b>15,665,498</b>	
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	304,151,869	43,086,496	347,238,365	82,005,674	5,766,124	23,591,218	
Restricted	274,509,144	284,263	274,793,407	-	-	-	
for Capital projects	52,875,430	7,603,090	60,478,520	1,199,917	-	4,359,957	
by law for specific purposes	(1,309,903,323)	12,011,366	(1,297,891,957)	(2,354,734)	8,640,522	3,999,704	
Unrestricted (deficit)	\$ (678,366,880)	\$ 62,985,215	\$ (615,381,665)	\$ 80,850,857	\$ 14,406,646	\$ 31,950,879	
<b>TOTAL NET ASSETS (DEFICIT)</b>	<b>\$ (678,366,880)</b>	<b>\$ 62,985,215</b>	<b>\$ (615,381,665)</b>	<b>\$ 80,850,857</b>	<b>\$ 14,406,646</b>	<b>\$ 31,950,879</b>	

The accompanying notes are an integral part of this statement.

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MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2008

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				Component Units		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Public Library of Charlotte and Mecklenburg County	Mecklenburg Emergency Medical Services Agency	Mecklenburg County Alcoholic Beverage Control Board
					Governmental Activities	Business-type Activities	Total			
<b>Primary Government</b>										
Governmental activities										
Customer Satisfaction and Management Services	\$ 9,432,409	\$ -	\$ 174,754	\$ -	\$ (9,257,655)	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Services	61,279,620	1,989,748	325,045	-	(68,964,827)	-	-	-	-	-
Financial Services	7,120,138	7,795	-	-	(7,112,343)	-	-	-	-	-
Land Use and Environmental Services	57,010,773	57,513,158	11,263,673	-	11,766,058	-	-	-	-	-
Community Services	81,126,150	5,108,761	2,903,856	187,836	(72,925,695)	-	-	-	-	-
Detention and Court Support Services	121,321,357	34,652,378	3,132,534	-	(83,536,445)	-	-	-	-	-
Health and Human Services	316,744,954	17,897,027	156,162,861	-	(142,685,066)	-	-	-	-	-
Business Partners	667,379,265	6,497,024	28,056,149	2,136,381	(630,689,711)	-	-	-	-	-
Interest on long-term debt										
General purpose	35,127,967	-	-	-	(35,127,967)	-	-	-	-	-
Public schools	51,320,375	-	-	-	(51,320,375)	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>1,407,863,008</b>	<b>123,665,891</b>	<b>202,018,874</b>	<b>2,324,217</b>	<b>(1,079,854,026)</b>	<b>-</b>	<b>(1,079,854,026)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business-type activities										
Solid Waste Operations	13,504,089	18,404,455	-	-	-	4,900,366	-	-	-	-
<b>Total Primary Government</b>	<b>\$ 1,421,367,097</b>	<b>\$ 142,070,346</b>	<b>\$ 202,018,874</b>	<b>\$ 2,324,217</b>	<b>(1,079,854,026)</b>	<b>4,900,366</b>	<b>(1,074,953,660)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Component Units</b>										
Public Library of Charlotte and Mecklenburg County										
Mecklenburg County	\$ 43,334,589	\$ 4,063,630	\$ 1,814,005	\$ 966,464	-	-	(36,490,490)	-	-	-
Mecklenburg Emergency Medical Services Agency	38,272,334	22,915,255	-	71,142	-	-	-	(15,285,937)	-	-
Mecklenburg County Alcoholic Beverage Control Board	71,215,969	74,120,912	-	-	-	-	-	-	-	2,904,943
<b>Total Component Units</b>	<b>\$ 152,822,892</b>	<b>\$ 101,099,797</b>	<b>\$ 1,814,005</b>	<b>\$ 1,037,606</b>	<b>-</b>	<b>-</b>	<b>(36,490,490)</b>	<b>(15,285,937)</b>	<b>2,904,943</b>	<b>2,904,943</b>
<b>General Revenues</b>										
Property taxes, levied for general purposes					790,150,824					
Property taxes, levied for Law Enforcement Service District					12,348,157					
Sales taxes					247,551,124					
Other taxes					9,209,619					
Investment earnings					29,575,757	1,137,666		130,733	233,625	280,188
Miscellaneous					1,108,328	37,953		264,739	87,548	453,511
Payment from primary government:										
Library										
Emergency Medical Services										
<b>Total General Revenues</b>					<b>1,089,943,809</b>	<b>1,175,609</b>		<b>33,966,355</b>	<b>16,437,290</b>	<b>743,699</b>
<b>Change in Net Assets</b>					<b>10,089,783</b>	<b>6,075,975</b>		<b>(2,524,135)</b>	<b>1,151,353</b>	<b>3,648,642</b>
Net Assets (Deficit), beginning of year as previously reported					(596,523,322)	56,908,240		75,086,443	13,255,293	28,302,237
Prior period adjustments					(91,933,341)	-		8,288,549	-	-
<b>Net Assets (Deficit), beginning of year as restated</b>					<b>(688,456,663)</b>	<b>56,908,240</b>		<b>83,374,992</b>	<b>13,255,293</b>	<b>28,302,237</b>
<b>Net Assets (Deficit), end of year</b>					<b>(678,366,880)</b>	<b>\$ 62,985,215</b>		<b>\$ 80,850,857</b>	<b>\$ 14,406,646</b>	<b>\$ 31,950,879</b>

The accompanying notes are an integral part of this statement.

A - 3  
MECKLENBURG COUNTY, NORTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2008

	General	Certificates of Participation Fund	2008B Public Improvement Bonds	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 356,284,111	\$ 172,795,073	\$ 91,436,001	\$ 136,547,039	\$ 757,062,224
Interest receivable	4,685,399	-	-	92,083	4,777,482
Accounts receivable	68,966,158	-	-	15,050,040	84,016,198
Accounts receivable - clinics	352,435	-	-	-	352,435
Less allowance for uncollectible claims	(322,478)	-	-	-	(322,478)
Taxes receivable	42,672,986	-	-	864,566	43,537,552
Less allowance for uncollectible taxes	(9,600,000)	-	-	(270,000)	(9,870,000)
Advances to other governmental agencies	61,122	221,085	-	1,556,353	1,838,560
Due from other funds	48,295	-	-	-	48,295
Inventory	4,960	-	-	-	4,960
<b>TOTAL ASSETS</b>	<b>\$ 463,152,988</b>	<b>\$ 173,016,158</b>	<b>\$ 91,436,001</b>	<b>\$ 153,840,081</b>	<b>\$ 881,445,228</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 66,425,500	\$ 17,435,292	\$ 4,509,065	\$ 14,223,712	\$ 102,593,569
Due to other funds	-	-	-	48,295	48,295
Deferred revenue	34,583,471	-	-	594,919	35,178,390
<b>Total Liabilities</b>	<b>101,008,971</b>	<b>17,435,292</b>	<b>4,509,065</b>	<b>14,866,926</b>	<b>137,820,254</b>
<b>Fund Balances</b>					
Reserved for encumbrances	23,067,756	60,367,168	6,910,741	34,144,211	124,489,876
Reserved by State Statute	73,790,931	-	-	16,698,476	90,489,407
Unreserved, reported in					
General Fund	265,285,330	-	-	-	265,285,330
Special Revenue Funds	-	-	-	28,301,001	28,301,001
Capital Projects Funds	-	95,213,698	80,016,195	59,829,467	235,059,360
<b>Total Fund Balances</b>	<b>362,144,017</b>	<b>155,580,866</b>	<b>86,926,936</b>	<b>138,973,155</b>	<b>743,624,974</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 463,152,988</b>	<b>\$ 173,016,158</b>	<b>\$ 91,436,001</b>	<b>\$ 153,840,081</b>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	880,265,863
Other long term assets are not available for current year expenditures and, therefore, deferred in the funds.	33,667,552
Certain bond expenditures are capitalized for future amortization over the life of the bonds	12,198,449
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(2,348,123,718)</u>
<b>Net (deficit) of governmental activities</b>	<b>\$ (678,366,880)</b>

The accompanying notes are an integral part of this statement.



A - 4  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2008

	General	Certificates of Participation Fund	2008B Public Improvement Bonds	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 1,002,132,382	\$ -	\$ -	\$ -	\$ 1,002,132,382
Law Enforcement Service District Taxes	-	-	-	12,348,157	12,348,157
Transit One-Half Cent Sales Tax	-	-	-	38,621,351	38,621,351
Licenses and permits	23,769,577	-	-	-	23,769,577
Intergovernmental	193,120,424	-	-	9,643,334	202,763,758
Charges for services	78,776,474	-	-	15,078,149	93,854,623
Interest earned on investments	23,088,034	5,857,794	-	629,929	29,575,757
Administrative charges	4,102,864	-	-	-	4,102,864
Other	8,138,490	-	-	7,653,083	15,791,573
Total Revenues	<u>1,333,128,245</u>	<u>5,857,794</u>	<u>-</u>	<u>83,974,003</u>	<u>1,422,960,042</u>
<b>EXPENDITURES</b>					
Current					
Customer Satisfaction and Management	9,335,137	-	-	-	9,335,137
Administrative Services	60,651,676	-	-	-	60,651,676
Financial Services	9,285,342	-	-	-	9,285,342
Land Use and Environmental Services	48,618,649	-	-	11,169,919	59,788,568
Community Services	78,353,413	-	-	-	78,353,413
Detention and Court Support Services	108,043,768	-	-	337,436	108,381,204
Health and Human Services	315,306,697	-	-	-	315,306,697
Business Partners	419,782,529	-	-	58,516,558	478,299,087
Debt Service					
Principal payments	147,120,925	-	-	1,269,065	148,389,990
Interest and fiscal charges	86,166,460	-	-	281,882	86,448,342
Capital Outlay	-	118,475,909	54,305,946	98,188,520	270,970,375
Total Expenditures	<u>1,282,664,596</u>	<u>118,475,909</u>	<u>54,305,946</u>	<u>169,763,380</u>	<u>1,625,209,831</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>					
	<u>50,463,649</u>	<u>(112,618,115)</u>	<u>(54,305,946)</u>	<u>(85,789,377)</u>	<u>(202,249,789)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	507,542	-	-	45,577,866	46,085,408
Transfers out	(45,577,866)	-	-	(507,542)	(46,085,408)
Premium on bonds issued	13,282,440	-	-	-	13,282,440
Public Improvement Bonds issued	-	-	148,500,000	12,000,000	160,500,000
Certificates of Participation issued	-	159,680,000	-	-	159,680,000
Total Other Financing Sources (Uses)	<u>(31,787,884)</u>	<u>159,680,000</u>	<u>148,500,000</u>	<u>57,070,324</u>	<u>333,462,440</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>18,675,765</u>	<u>47,061,885</u>	<u>94,194,054</u>	<u>(28,719,053)</u>	<u>131,212,651</u>
<b>FUND BALANCES (DEFICITS) - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED</b>					
	343,468,252	97,536,887	(7,267,118)	167,692,208	601,430,229
Prior Period Adjustment	-	10,982,094	-	-	10,982,094
<b>FUND BALANCES (DEFICITS) - BEGINNING OF YEAR RESTATE</b>					
	<u>343,468,252</u>	<u>108,518,981</u>	<u>(7,267,118)</u>	<u>167,692,208</u>	<u>612,412,323</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 362,144,017</u>	<u>\$ 155,580,866</u>	<u>\$ 86,926,936</u>	<u>\$ 138,973,155</u>	<u>\$ 743,624,974</u>

The accompanying notes are an integral part of this statement.

A - 5  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2008

Net change in fund balances - total governmental funds	\$	131,212,651
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.		84,067,400
Depreciation expense is reported in the Statement of Activities, but not in the fund statements.		(19,284,099)
Loss on disposal of assets and adjustment to accumulated depreciation is reported in the Statement of Activities, but not in the fund statements.		(1,634,357)
Bond and Certificate of Participation proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets, therefore, these proceeds do not appear in the Statement of Activities.		(320,180,000)
Bond premiums and deferred charges, respectively, for the governmental funds are deferred and amortized in the Statement of Activities.		(10,765,514)
Repayments of bond and capital lease principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Assets, so the expenses do not appear in the Statement of Activities.		148,702,939
Some revenues reported in the Statement of Activities do not represent current financial resources and therefore are not reported as revenue in the governmental funds.		527,238
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 the governmental funds.		<u>(2,556,475)</u>
Change in net assets of governmental activities	\$	<u>10,089,783</u>

The accompanying notes are an integral part of this statement.

A - 6  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance from Final Budget- Positive/(Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes				
General property - current	\$ 761,140,218	\$ 761,140,217	\$ 771,568,670	\$ 10,428,453
General property - prior	11,725,000	11,725,000	14,642,195	2,917,195
Interest on delinquent taxes	2,500,000	2,500,000	3,412,721	912,721
Sales	203,023,621	203,023,621	208,929,773	5,906,152
Room occupancy	750,000	750,000	669,476	(80,524)
Vehicle rental	3,000,000	3,000,000	2,863,679	(136,321)
Other	25,000	25,000	45,868	20,868
Total Taxes	<u>982,163,839</u>	<u>982,163,838</u>	<u>1,002,132,382</u>	<u>19,968,544</u>
Licenses and permits				
Business licenses	225,000	225,000	250,908	25,908
Inspection permits	25,362,070	25,640,806	23,394,329	(2,246,477)
Marriage licenses	109,000	109,000	124,340	15,340
Total Licenses and permits	<u>25,696,070</u>	<u>25,974,806</u>	<u>23,769,577</u>	<u>(2,205,229)</u>
Intergovernmental				
Federal	85,827,119	94,175,553	96,843,641	2,668,088
State	85,712,447	91,289,912	89,662,202	(1,627,710)
Local	7,364,166	7,788,459	6,614,581	(1,173,878)
Total Intergovernmental	<u>178,903,732</u>	<u>193,253,924</u>	<u>193,120,424</u>	<u>(133,500)</u>
Charges for services				
Customer Satisfaction and Management	5,000	5,000	-	(5,000)
Administrative Services	462,742	545,141	256,665	(288,476)
Financial Services	1,177,724	1,181,006	1,164,986	(16,020)
Land Use and Environmental Services	25,391,885	25,676,362	20,651,647	(5,024,715)
Community Services	3,076,574	3,246,877	2,965,810	(281,067)
Detention and Court Support Services	33,440,513	33,802,410	34,307,445	505,035
Health and Human Services	14,760,162	15,066,322	15,698,882	632,560
Business Partners	6,374,535	6,374,535	3,731,039	(2,643,496)
Total Charges for services	<u>84,689,135</u>	<u>85,897,653</u>	<u>78,776,474</u>	<u>(7,121,179)</u>
Interest earned on investments	19,000,000	19,000,000	23,088,034	4,088,034
Administrative charges	4,102,864	4,102,864	4,102,864	-
Other				
Rental	1,995,035	1,995,035	2,259,917	264,882
Sale of properties	1,188,054	1,188,054	1,557,178	369,124
Miscellaneous	4,109,701	3,890,960	4,321,395	430,435
Total Other	<u>7,292,790</u>	<u>7,074,049</u>	<u>8,138,490</u>	<u>1,064,441</u>
Total Revenues	<u>1,301,848,430</u>	<u>1,317,467,134</u>	<u>1,333,128,245</u>	<u>15,661,111</u>

(Continued)

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, 2008  
 (CONTINUED)

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance from Final Budget- Positive/(Negative)
	Original	Final		
Current				
Customer Satisfaction and Management				
County Commissioners	\$ 377,068	\$ 377,068	\$ 350,325	\$ (26,743)
Manager's Office	10,357,960	10,522,804	6,857,240	(3,665,564)
Public Service and Information	2,091,076	2,151,341	2,127,572	(23,769)
Total Customer Satisfaction and Management	<u>12,826,104</u>	<u>13,051,213</u>	<u>9,335,137</u>	<u>(3,716,076)</u>
Administrative Services				
Internal Audit	557,668	557,668	501,177	(56,491)
Human Resources	4,655,038	4,722,552	3,560,898	(1,161,654)
Information Services and Technology	19,419,607	19,703,395	18,780,721	(922,674)
Real Estate Services	12,508,657	13,991,671	11,825,194	(2,166,477)
General Services	8,972,352	8,941,463	5,887,737	(3,053,726)
Nondepartmental	17,796,340	20,100,324	20,095,949	(4,375)
Total Administrative Services	<u>63,909,662</u>	<u>68,017,073</u>	<u>60,651,676</u>	<u>(7,365,397)</u>
Financial Services				
Finance	3,192,885	3,194,450	2,963,789	(230,661)
Debt Service				
Principal retirement - bonds and loans	57,004,466	57,004,466	56,887,045	(117,421)
Interest and fiscal charges	30,394,911	30,134,958	29,160,912	(974,046)
Payment to City of Charlotte	684,018	918,971	918,971	-
Tax Collection	6,301,737	6,303,454	5,402,602	(900,852)
Total Financial Services	<u>97,578,017</u>	<u>97,556,299</u>	<u>95,333,319</u>	<u>(2,222,980)</u>
Land Use and Environmental Services				
Geospatial Information	3,876,764	3,876,764	3,725,631	(151,133)
Code Administration	29,716,573	31,407,211	27,275,961	(4,131,250)
Property Assessment and Land Records	7,718,398	8,369,864	6,688,818	(1,681,046)
Air Quality	2,478,200	5,579,466	2,716,730	(2,862,736)
Environmental Health	4,113,348	4,111,669	3,671,349	(440,320)
Water and Land Resource	1,878,213	1,878,213	1,332,813	(545,400)
Register of Deeds	3,616,590	3,619,690	3,207,347	(412,343)
Total Land Use and Environmental Services	<u>53,398,086</u>	<u>58,842,877</u>	<u>48,618,649</u>	<u>(10,224,228)</u>
Community Services				
Community Support Services	3,568,426	3,643,426	3,454,702	(188,724)
Public Libraries	34,100,189	34,100,189	32,961,799	(1,138,390)
Park and Recreation	40,825,526	41,003,978	37,320,613	(3,683,365)
Elections	4,450,935	4,890,935	4,616,299	(274,636)
Total Community Services	<u>82,945,076</u>	<u>83,638,528</u>	<u>78,353,413</u>	<u>(5,285,115)</u>
Detention and Court Support Services				
Medical Examiner	1,179,280	1,179,280	1,161,468	(17,812)
State Justice Services	3,993,101	3,993,101	2,882,785	(1,110,316)
Sheriff and Jail	104,992,367	106,111,378	103,999,515	(2,111,863)
Total Detention and Court Support Services	<u>110,164,748</u>	<u>111,283,759</u>	<u>108,043,768</u>	<u>(3,239,991)</u>

(Continued)

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, 2008  
 (CONCLUDED)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget- Positive/(Negative)
	Original	Final		
Health and Human Services				
Public Health				
Public Health Services	\$ 5,013,412	\$ 5,896,848	\$ 4,550,232	\$ (1,346,616)
Public Health-CHS Contract	27,535,686	27,598,351	27,378,396	(219,955)
Community Health	4,429,842	9,447,102	5,287,367	(4,159,735)
Mental Health				
Infant and Toddler Preschool Services	7,326,515	7,298,459	6,371,553	(926,906)
Child and Adolescent Services	19,274,550	17,864,292	8,998,877	(8,865,415)
Adult Services	28,871,498	36,434,270	22,355,977	(14,078,293)
Centralized Services	25,920,033	25,691,689	24,549,705	(1,141,984)
Developmental Disabilities Services	25,439,245	24,120,753	18,191,278	(5,929,475)
Administrative Services	4,361,280	4,518,777	3,696,727	(822,050)
Social Services				
Administration and Support Services	15,942,985	16,654,614	15,215,327	(1,439,287)
Grants	41,010,850	39,213,396	34,053,655	(5,159,741)
Childcare Operations	47,096,083	48,686,082	46,872,956	(1,813,126)
Services for Adults	35,050,938	35,149,803	33,039,032	(2,110,771)
Economic Services	22,547,519	23,022,108	20,210,427	(2,811,681)
Youth and Family Services	50,139,095	49,929,620	44,535,188	(5,394,432)
Total Health and Human Services	<u>359,959,531</u>	<u>371,526,164</u>	<u>315,306,697</u>	<u>(56,219,467)</u>
Business Partners				
Emergency Medical Services	15,306,328	15,306,238	15,306,238	-
City-County Departments	2,565,428	2,565,428	2,128,581	(436,847)
Board of Education:				
Current	341,366,786	341,366,786	341,366,786	-
Capital Outlay	5,200,000	5,200,000	5,200,000	-
Debt Service				
Principal retirement - bonds	64,618,934	64,618,934	64,615,329	(3,605)
Principal retirement - certificates of participation	14,871,724	14,871,724	14,856,289	(15,435)
Interest	62,242,406	62,242,406	51,320,375	(10,922,031)
Central Piedmont Community College				
Current	25,174,542	25,174,542	25,174,542	-
Debt Service				
Principal retirement - bonds	9,696,146	9,696,146	9,695,456	(690)
Principal retirement - certificates of participation	1,075,035	1,075,035	1,066,786	(8,249)
Interest	6,561,959	6,561,959	5,685,173	(876,786)
Hospitals	20,724,525	20,724,525	20,723,955	(570)
WTVI	475,000	475,000	475,000	-
Historic Landmarks Commission	160,415	160,415	128,157	(32,258)
Outside Agencies - Other	9,177,708	9,879,074	9,279,270	(599,804)
Total Business Partners	<u>579,216,936</u>	<u>579,918,212</u>	<u>567,021,937</u>	<u>(12,896,275)</u>
Total Expenditures	<u>1,359,998,160</u>	<u>1,383,834,125</u>	<u>1,282,664,596</u>	<u>(101,169,529)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(58,149,730)</u>	<u>(66,366,991)</u>	<u>50,463,649</u>	<u>116,830,640</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	507,542	507,542
Transfers out	(45,574,972)	(46,077,866)	(45,577,866)	500,000
Premium on bonds issued	-	-	13,282,440	13,282,440
Appropriated fund balance	103,724,702	112,444,857	-	(112,444,857)
Total other financing sources (uses)	<u>58,149,730</u>	<u>66,366,991</u>	<u>(31,787,884)</u>	<u>(98,154,875)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>18,675,765</u>	<u>\$ 18,675,765</u>
FUND BALANCE - BEGINNING OF YEAR			<u>343,468,252</u>	
FUND BALANCE - END OF YEAR			<u>\$ 362,144,017</u>	

The accompanying notes are an integral part of this statement.

A - 7  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF NET ASSETS  
 PROPRIETARY FUND  
 JUNE 30, 2008

	<u>Business</u>
	<u>Type Activities</u>
	Solid Waste
	<u>Enterprise Fund</u>
 ASSETS	
Current Assets	
Cash and investments	\$ 27,528,432
Interest receivable	222,914
Accounts receivable	620,369
Total Current Assets	<u>28,371,715</u>
 Noncurrent Assets	
Restricted cash and investments	284,263
Capital assets	
Land	28,568,428
Construction in progress	5,216,120
Land improvements	5,492,386
Buildings	10,241,592
Vehicles and heavy equipment	6,856,885
Furniture, machinery and equipment	284,254
Total capital assets	<u>56,659,665</u>
Less accumulated depreciation	<u>(10,563,797)</u>
Total Capital assets, net of accumulated depreciation	<u>46,095,868</u>
Total Noncurrent assets	<u>46,380,131</u>
TOTAL ASSETS	<u>74,751,846</u>
 LIABILITIES	
Current Liabilities	
Accounts payable and accrued liabilities	388,234
Compensated absences	42,634
Capital leases	253,507
Bonds payable	984,595
Total Current Liabilities	<u>1,668,970</u>
 Long-term Liabilities	
Compensated absences	439,038
Landfill development and postclosure care costs	7,603,090
Capital Lease	687,252
Bonds payable	1,368,281
Total Long-term Liabilities	<u>10,097,661</u>
TOTAL LIABILITIES	<u>11,766,631</u>
 NET ASSETS	
Invested in capital assets, net of related debt	43,086,496
Restricted net assets:	
Restricted for capital projects	284,263
Restricted for landfill development and postclosure care	7,603,090
Unrestricted	12,011,366
TOTAL NET ASSETS	<u>\$ 62,985,215</u>

The accompanying notes are an integral part of this statement.

A - 8  
MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2008

	Business Type Activities Solid Waste Enterprise Fund
<b>OPERATING REVENUES</b>	
Charges for services	\$ 14,176,094
Other	4,228,361
Total Operating Revenues	18,404,455
<b>OPERATING EXPENSES</b>	
Personal services and employee benefits	4,024,241
Utilities	144,821
Supplies	905,838
Depreciation	1,388,944
Maintenance and repairs	955,430
Rental and occupancy charges	659,751
Contractual services	4,270,860
Final development and postclosure costs	783,671
Total Operating Expenses	13,133,556
<b>OPERATING INCOME</b>	<b>5,270,899</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest income	1,137,656
Interest expense	(270,208)
Gain on disposal of capital assets	37,953
Amortization of refunding amount	(100,325)
Total Non-operating Revenues (Expenses)	805,076
<b>CHANGE IN NET ASSETS</b>	<b>6,075,975</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>56,909,240</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 62,985,215</b>

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, 2008

	Business Type Activities
	Solid Waste Enterprise Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from users	\$ 18,540,239
Cash paid to suppliers	(7,448,090)
Cash paid to employees	(3,944,823)
Net cash provided by operating activities	7,147,326
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Principal payments - bonds	(1,256,360)
Principal payments - capital leases	(242,212)
Interest paid	(270,208)
Acquisition of capital assets	(772,209)
Proceeds from sale of assets	48,827
Net cash used by capital and related financing activities	(2,492,162)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	1,062,735
Net cash provided by investing activities	1,062,735
<b>INCREASE IN CASH AND INVESTMENTS</b>	5,717,899
<b>CASH AND INVESTMENTS - BEGINNING OF YEAR</b>	22,094,796
<b>CASH AND INVESTMENTS - END OF YEAR</b>	<b>\$ 27,812,695</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating Income	\$ 5,270,899
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,388,944
Change in accounts receivable	135,783
Change in payroll accrual	25,146
Change in accounts payable	(511,390)
Change in compensated absences	54,273
Change in landfill reserve	783,671
Total adjustments	1,876,427
Net cash provided by operating activities	<b>\$ 7,147,326</b>
<b>Noncash investing, capital, and financing activities</b>	
Amortization of refunding amount	\$ 100,325
Capital asset trade-in	110,939

The accompanying notes are an integral part of this statement.

A - 10  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 JUNE 30, 2008

	Post-Employment Healthcare Benefit Trust Fund	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and investments	\$ 9,855,644	\$ 24,677,097
Accounts receivable	-	3,863
TOTAL ASSETS	<u>9,855,644</u>	<u>\$ 24,680,960</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	-	\$ 18,613,984
Due to other governmental agencies	-	6,004,271
Due to NC Department of Motor Vehicles	-	62,705
TOTAL LIABILITIES	<u>-</u>	<u>\$ 24,680,960</u>
<b>NET ASSETS</b>		
Held in trust for retiree healthcare benefits and related purposes	<u>\$ 9,855,644</u>	

The accompanying notes are an integral part of this statement.



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 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2008

	Post-Employment Healthcare Benefit Trust Fund
ADDITIONS	
Contributions Employer	\$ 14,700,000
Total Additions	14,700,000
DEDUCTIONS	
Claims paid	4,844,356
Total Deductions	4,844,356
NET CHANGE IN NET ASSETS	9,855,644
NET ASSETS - BEGINNING OF YEAR	-
NET ASSETS - END OF YEAR	\$ 9,855,644

The accompanying notes are an integral part of this statement.

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MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

**1. Summary of Significant Accounting Policies**

**(a) Reporting Entity**

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

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

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

The Mecklenburg Emergency Medical Services Agency (Medic Agency) was created by a joint agreement dated September 11, 1996, between Mecklenburg County and the Charlotte-Mecklenburg Hospital Authority 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 Carolinas Healthcare System, three by Presbyterian/Novant Health, 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  
P. O. Box 33894  
Charlotte, North Carolina 28233-3894

Mecklenburg Emergency Medical Services Agency  
4525 Statesville Road  
Charlotte, North Carolina 28269

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

**(b) Government-wide Financial Statements**

The Statement of Net Assets (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 Assets (Deficit) presents the difference between assets and liabilities at the end of the fiscal year, June 30, 2008. The difference, net assets (deficit), is subdivided into three categories: amounts invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets (deficit). Net assets are 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 assets, presents direct expenses offset by program revenues for each core service area. Program revenues include fees and charges to customers for specific services provided and grants and contributions restricted for use in specific operations of a core service area. Tax revenues, interest and other revenue items that benefit the entire primary government are considered general revenues.

**(c) Financial Presentation, Measurement Focus and Basis of Accounting**

Separate financial statements are provided for governmental funds, the proprietary fund and the fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements because the funds are held by the County in a trust capacity only. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government-wide financial statements and the proprietary fund are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period earned; expenses are recognized when a liability is incurred. Property taxes are recognized as revenues in the year in which they are levied. Grants and intergovernmental revenues are recognized as revenue when the eligibility requirements imposed by the grantor or other government agency have been met. Fees and charges of the proprietary funds are recognized as revenue when the services are provided.

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 to be available if they are collected within 60 days, except for sales tax revenue which is considered to be available if collected within 90 days, of the end of the current fiscal year. When both restricted and unrestricted resources are available for a use, it is the County's policy 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 receivable based upon the expenditures recorded. The other type provides moneys that are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to meet prescribed compliance requirements. These resources are reflected at the time of receipt or earlier if the susceptible to accrual criteria are met. Other governmental revenues which are susceptible to accrual are sales taxes collected and held by the State at year-end on behalf of the County, and investment earnings. Licenses and permits, charges for services, and

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

other revenues are recorded as revenues when received in cash, because they are generally not measurable until actually 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 required to be accounted for in another fund.

*Certificates of Participation Fund* – This Capital Projects Fund accounts for financial resources used for the acquisition or construction of major capital facilities for school and community college facilities, court and library facilities, park and recreation facilities, and for the purchase of land.

*2008B Public Improvement Bond Fund* – This Capital Projects Fund accounts for financial resources used for the acquisition or construction of major capital facilities for school, court and detention facilities, park and recreation facilities, and for the purchase of land.

The County reports the following major proprietary fund:

*Solid Waste Enterprise Fund* – This fund accounts for activities related to recycling and landfill facilities and is self-supporting through user fees and recycling sales.

Additionally, the County reports the following funds:

a. Nonmajor governmental funds are:

*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 Projects Funds* – Capital Projects Funds, other than the Certificates of Participation Fund, account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the Proprietary Fund).

b. Fiduciary Funds:

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

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

- individuals – employee flex spending, social service and jail clients
- private organizations – medical and dental claim funds
- other governmental units – collections due to municipalities, food and beverage tax and other collections due to the State of North Carolina, such as the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles. The funds are custodial in nature and do not involve measurement or operating results.

The County has elected to apply only applicable Financial Accounting Standards Board Statements and Interpretations issued before November 30, 1989 in both the government-wide and proprietary fund financial statements.

The County has eliminated the effect of interfund activity from the government-wide financial statements. The only exceptions are charges between the Solid Waste Enterprise Fund and the General Fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions involved.

The Solid Waste Enterprise Fund, a proprietary type fund, distinguishes between operating revenues and expenses and non-operating revenues and expenses. The principal operating revenues of the Solid Waste Enterprise Fund are landfill tipping fees, charges for recycling services and proceeds from the sale of



MECKLENBURG COUNTY, NORTH CAROLINA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2008

recycled items. Operating expenses consist of cost for services provided, administrative costs and depreciation of assets. All other revenues and expenses are classified as non-operating.

**(d) Budgetary Control**

As required by the North Carolina Budget and Fiscal Control Act (North Carolina General Statute 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 in January. Department budgets are prepared and combined into a county-wide budget between February and April. Public hearings are held in May and the budget is adopted by vote of the County Commissioners prior to July 1, to comply with the North Carolina General Statutes. The County Manager or designee is authorized to transfer budgeted amounts within any fund. However, any revisions that alter the total budget of any fund must be approved by the Board of County Commissioners. Except for certain continuing grants, any remaining annual appropriations lapse at each fiscal year-end.

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

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

	<u>Original Budget</u>	<u>Amendments</u>	<u>Final Budget June 30, 2008</u>
Special Revenue Funds	<u>\$73,204,039</u>	<u>\$36,721,715</u>	<u>\$109,925,754</u>

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

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

Appropriated budgets are adopted for all Library funds as required by the State. The Library's Board of Trustees approves their budget, and the Board of Trustees must also approve any changes in the budget. Expenditures may not legally exceed appropriations unless approved by the Board of Trustees.

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

**(e) Cash and Investments**

A cash and investments pool is maintained and used for all available funds except cash on hand of \$24,328 and funds held by others. A portion of the County's self-insurance funds in the amount of \$5,936,479 is held in one or more trusts administered by the City of Charlotte's Risk Management Division, \$60,000 is held by the building management company for operating needs, \$4,517 is held by the bank for solid waste operations, and interest and proceeds of \$645,228 and \$184,513,181, respectively, from certificates of participation are held by a trustee. Cash of \$9,855,644 in the Post-employment Healthcare Benefit is held by the North Carolina State Treasurer in the Other Post Employment Benefits Investment Trust, an irrevocable trust fund.

MECKLENBURG COUNTY, NORTH CAROLINA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2008

*Deposits*

The deposits of the County are governed by North Carolina General Statute 159. The County may establish official depositories with any bank or trust company or any savings and loan institution located in North Carolina or with a national bank located in another state with written permission of the Local Government Commission, a Division of the State Treasurer's Office. The County may also establish time deposits in the form of NOW accounts, SUPERNOW and money market accounts and certificates of deposit. Primary banking services for the County are provided through a five-year contract, currently with Wachovia Bank, N.A. All moneys are deposited in an interest-bearing depository checking account. At year-end, the cash balance of County deposits was \$65,837,628 and the bank balance was \$72,320,535. Included in these balances is a money market account with RBC-Centura Bank in the amount of \$10,014,684, a money market account in the amount of \$100,064 and a non-interest bearing certificate of deposit in the amount of \$2,194,199 held in lieu of compensating balances with Wachovia Bank, N.A., a non-interest bearing certificate of deposit totaling \$2,000,000 with Mechanics and Farmers Bancorp for investment purposes, a non-interest bearing certificate of deposit totaling \$2,459,566 held in lieu of lockbox service charges at Bank of America, two certificates of deposit totaling \$93,450 with Bank of Granite, and a certificate of deposit of \$52,578,306 with Branch Banking & Trust.

County deposits are maintained with financial institutions which collateralize excess deposits by a method which allows securing uninsured deposits through the pooling of collateral method established by the depository with the State Treasurer for the benefit of the State and the local participating units permitted under North Carolina Administrative Code, Title 20, Chapter 7. Each depository establishes an escrow account in the name of the State Treasurer to secure all of its public deposits. This option shifts monitoring responsibility from the local unit to the State Treasurer. Depositories using the pooling method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. 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. The total bank balance of \$72,320,535 was covered by collateral at June 30, 2008.

North Carolina General Statute 159 also governs the deposits of the Library, ABC Board and the Medic Agency. The Medic Agency collateralizes excess deposits by the pooling of collateral method. Deposits of the Library and 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 Library's or ABC Board's agent in their name or the pooling method. At June 30, 2008, the Medic Agency's deposits had a carrying value of \$6,140,654 and a bank balance of \$6,547,393 of which \$116,417 was covered by federal depository insurance and \$6,430,976 was covered by collateral under the pooling method. At June 30, 2008, the carrying amount of the Library's bank deposits was \$4,956,580 and the bank balance was \$5,417,625 of which \$679,159 was covered by federal depository insurance, \$4,241,656 was covered by collateral held under the pooling method and the remaining \$496,810 was uncollateralized. At June 30, 2008, the carrying amount of the ABC Board's bank deposits was \$7,619,072 and the bank balance was \$8,939,642. Of the bank balance at June 30, 2008, \$200,000 was covered by federal depository insurance and the remaining \$8,739,642 was covered by collateral under the pooling method.

*Investments*

At June 30, 2008, the County had the following investments and maturities:

Investment Type	Fair Value	Maturities		
		Less than 6 Months	6-12 Months	1 – 5 Years
U. S. Government Agencies	\$ 199,924,884	\$ -	\$ 7,997,188	\$191,927,697
Commercial Paper	159,227,169	39,943,333	119,283,836	-
Banker's Acceptances	9,951,238	9,951,238	-	-
NCSEAA Bonds	35,750,000	-	-	-
NC Capital Management Trust – Cash Portfolio	149,079,496	N/A	N/A	N/A
Total	\$ 553,932,787	\$49,894,571	\$127,281,024	\$191,927,697

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

*Interest Rate Risk*

The County's investment policy limits investments to those with a maturity of no more than 60 months and requires staggered maturity dates as a means of managing exposure to fair value losses arising from increasing interest rates.

At June 30, 2008 the County held \$35,750,000 of tax-exempt North Carolina State Education Assistance Agency bonds having final stated maturities between 2031 and 2037. Historically, the bonds could be redeemed at par and the interest rate reset every 7, 28 or 35 days, making the effective maturity date the next reset date. In February, 2008 the auctions began failing and the bonds became illiquid as there was no secondary market. The bonds comprise 6.45% of the total investment portfolio.

*Credit Risk*

The County has no formal policy regarding credit risk, but maintains internal management procedures that limit the County's investments to the provisions of North Carolina General Statute 159-30 that restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County invests in commercial paper bearing the highest credit rating, as determined by nationally recognized statistical rating organizations (NRSROs) and banker's acceptances where the accepting bank or its holding company are incorporated in North Carolina. As of June 30, 2008, the County's investments in commercial paper were rated A1 or A1+ by Standard & Poor's, F-1 by Fitch Ratings, and P-1 by Moody's Investors Service and the banker's acceptances were held by Wachovia Bank. The County's investments in the N.C. Capital Management Trust Cash Portfolio carried a credit rating of AAA by Standard & Poor's as of June 30, 2008. The County's investments in U.S. Government Agencies (Federal Home Loan Bank, Federal National Mortgage Association and Federal Farm Credit) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

*Concentration of Credit Risk*

The County's investment policy does not restrict the level of investment in federal agencies, but it restricts the combined total investment in commercial paper and bankers' acceptances to no more than fifty percent of the total portfolio, which includes money market accounts and certificates of deposit, and investment in commercial paper or bankers' acceptances of a single issuer to no more than ten million dollars or ten percent of the total portfolio at the time of investment. At June 30, 2008, the investment in commercial paper and bankers' acceptances is 30.54% of total investments and the investment in the largest single issuer is 1.8% of total investments.

All securities owned by the County at June 30, 2008, were in a segregated safekeeping account in the County's name in the Trust Department of Wachovia Bank, N.A. In accordance with State law, the County invests in callable securities and the first call date was July 22, 2008. These investments are stated at fair value on the County's financial statements.

The Library's investments consist of \$971,562 in money market accounts held at the Bank of Commerce which is unrated and the Bank of Granite which is unrated. The Library has no policy for managing interest rate risk or credit risk.

All Medic Agency investments, \$2,907,958, were invested in the N. C. Capital Management Trust Cash Portfolio at June 30, 2008.

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 investment in the N. C. Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of March 25, 2007.

*Custodial Credit Risk:* Medic Agency maintains a diversified investment portfolio to reduce custodial credit risk.

During 2008, the County recognized a gain of \$60,922 from the sale of investments. The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year

MECKLENBURG COUNTY, NORTH CAROLINA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2008

may have been recognized as an increase or decrease in the fair value of the investments reported in the prior year. The net decrease in the fair value of investments during 2008 for the County was \$1,314,420. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized loss on investments held at year-end for the County was \$1,545,314.

Interest 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 General Fund for debt service.

**(f) Inventory**

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

The ABC Board merchandise inventory is valued at cost which approximates the lower of first-in, first-out cost or market. Maintenance, office and operating supplies, except paper bags, are expensed when purchased.

**(g) Capital Assets**

Capital assets, which include land, land improvements, buildings and improvements, 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 initial, individual purchase price of \$5,000 or more and an estimated useful life of two years or more. Such assets are recorded at historical cost or estimated historical cost if the asset is purchased or constructed. Contributed capital assets are recorded at the estimated fair market value at the time received. The County owns only limited infrastructure assets, which are considered to be 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

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

Estimated useful lives for the ABC Board are as follows:

Buildings	40 years
Leasehold Improvements	5 -15 years
Equipment	5 -10 years
Vehicles	4 years

Library capital assets include land, buildings and improvements, and furniture and equipment. Assets which have an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year are capitalized for government-wide reporting. Purchased assets are recorded at historical cost, while donated capital assets are recorded at estimated fair market value at the date of donation. The costs of books are

MECKLENBURG COUNTY, NORTH CAROLINA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2008

considered expenditures and are not capitalized. Cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Buildings and improvements	40 years
Furniture and equipment	5 -10 years
Books	3 years

Medic Agency capital assets consist of vehicles, furniture and various categories of equipment, and buildings and improvements. Property and equipment acquisitions are reported at cost and the minimum capitalization cost is \$5,000. Normal maintenance and repairs that do not add value to the asset or materially extend the assets' lives are expensed.

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

Buildings and improvements	10 years
Vehicles	4 years
Furniture and equipment	3 -10 years

**(h) Compensated Absences**

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

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

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

**(i) 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 Assets. 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.



MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

**(j) Governmental Fund Equity**

Fund balances of the governmental funds include the following types of reservations and designations as allowed by State statute:

- Reserved for encumbrances – This represents commitments outstanding at fiscal year-end resulting from purchase orders and contracts.
- Reserved by State statute – This represents the amount of fund balance which cannot be appropriated by the governing board. North Carolina General Statute 159 limits the amount that each local government may commit for purposes of future expenditures to an amount not to exceed the sum of cash and investments, less the sum of liabilities, encumbrances and deferred revenues arising from cash receipts at the close of the fiscal year preceding the budget year.
- Designated for land use and environmental services, community services, detention and court support services, administrative services, health and human services, and business partners – These represent amounts approved by the Board of County Commissioners which are restricted to expenditures for the stated core service areas.
- Designated for capital projects – This represents proceeds of bond and certificate of participation sales and amounts accumulated in accordance with the North Carolina General Statutes, which are restricted to expenditures for capital items.
- Designated for self-insurance – This represents amounts that are restricted to expenditures for self-insurance.
- Designated for subsequent years' expenditures – This represents the \$75.6 million of fund balance appropriated by the Board of County Commissioners for Fiscal Year 2009 and the \$45.4 million of fund balance which exceeds 8% of the subsequent fiscal year budget that is designated for future years' appropriation in accordance with Board policy.
- Undesignated – This represents the amount of fund balance available for future appropriations.

The following table presents the reservations and designations of fund balances at June 30, 2008:

	General Fund	2008B Certificates of Participation Fund	2008B Public Improvement Bond Fund	<u>Nonmajor Funds</u>	
				Special Revenue Funds	Capital Projects Funds
Fund Balance:					
Reserved for encumbrances	\$ 23,067,756	\$ 60,367,168	\$ 6,910,741	\$ 9,460,465	\$ 24,683,746
Reserved by State Statute	73,790,931	-	-	15,113,964	1,584,512
Unreserved:					
Designations:					
Administrative Services	1,762,661		-	-	-
Land Use and Environmental Services	17,662,680	-	-	7,782,521	-
Community Services	1,006,943	-	-	-	-
Detention and Court Support Services	-	-	-	918,881	-
Health and Human Services	4,593,762	-	-	-	-
Business Partners	-	-	-	1,131,214	-
Capital Projects	-	95,213,698	80,016,195	24,571,367	59,829,467
Self-insurance	6,577,430	-	-	-	-
Subsequent Years' Expenditures	121,035,920	-	-	-	-
Undesignated	<u>112,645,934</u>	<u>-</u>	<u>-</u>	<u>(6,102,982)</u>	<u>-</u>
	<u>\$362,144,017</u>	<u>\$155,580,866</u>	<u>\$86,926,936</u>	<u>\$52,875,430</u>	<u>\$ 86,097,725</u>

MECKLENBURG COUNTY, NORTH CAROLINA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2008

**(k) Restricted Assets**

The unexpended bond proceeds of general 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.

**(l) 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, 2008, the County received \$18,000,000 from the North Carolina Lottery Fund that was used to reduce outstanding school debt.

**(m) Benefit Payments Issued by the State**

The following amounts were paid by the State on behalf of the County directly to individual recipients. The County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. These amounts, which disclose additional aid to County recipients, do not appear in the basic financial statements because they are not revenues and expenditures of the County:

Medicaid	\$644,314,749
Temporary Assistance to Needy Families	8,002,472
Domiciliary Care	7,420,146
Aid to the Blind	144,791
Supplemental Food Program	15,247,425
Low Income Energy Assistance	1,166,739
Refugee Assistance	113,708
Adoption Assistance	7,379,571
Foster Care	<u>8,570,057</u>
TOTAL	<u>\$692,359,658</u>

**(n) Deferred Revenues**

Revenues collected in advance of the fiscal year in which they are earned are recorded as deferred revenues in the government-wide and governmental fund financial statements. Deferred revenue in the governmental funds financial statements also includes revenues that are measurable but not available. The balances in deferred revenue at June 30, 2008 are composed of the following:

	<u>Government-wide Statements Governmental Activities</u>	<u>Governmental Fund Statements</u>
Taxes receivable (net)	\$ -	\$ 33,667,552
Prepaid taxes not yet earned	401,643	401,643
Grants	<u>1,109,195</u>	<u>1,109,195</u>
TOTAL	<u>\$1,510,838</u>	<u>\$ 35,178,390</u>

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

**(o) Deficit Unreserved Fund Balance**

Funding for the Scrap Tire Disposal Fund is reimbursement based; therefore the negative unreserved, undesignated fund balance of \$67,736 results from encumbrances issued prior to funds being received. The Transit One-half Cent Sales Tax Fund has a negative unreserved, undesignated fund balance of \$6,035,246 as all funds collected are remitted to the City of Charlotte.

**(p) Statement of Cash Flows**

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

**2. Accounts Receivable**

The following reflects the components of accounts receivable as reported in the government-wide Statement of Net Assets (Deficit) at June 30, 2008:

	Governmental Activities				Business- Type Activities	Total
	General Fund	Certificates of Participation Fund	2008B Public Improvement Bond Fund	Nonmajor Funds	Solid Waste Enterprise Fund	Receivables
General	\$ 16,707,592	\$ -	\$ -	\$ 6,185,844	\$620,369	\$ 23,513,805
State and Federal Government	52,258,566	-	-	8,864,196	-	61,122,762
Taxes	42,672,986	-	-	864,566	-	43,537,552
Less allowance for doubtful accounts	(9,600,000)	-	-	(270,000)	-	(9,870,000)
Clinic billings	352,435	-	-	-	-	352,435
Less allowance for doubtful accounts	(322,478)	-	-	-	-	(322,478)
Interest	<u>4,685,399</u>	<u>-</u>	<u>-</u>	<u>92,083</u>	<u>222,914</u>	<u>5,000,396</u>
Total Accounts Receivable	<u>\$106,754,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$15,736,689</u>	<u>\$843,283</u>	<u>\$123,334,472</u>

**3. Property Tax**

The County's property tax levy effective for fiscal year 2008, was based on the assessed values listed as of January 1, 2007, 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, 2007. The property tax rate for the 2008 fiscal year was \$.8387 per \$100 valuation. A revaluation of all real property is required to be performed at least every eight years, but the County has a policy to revalue property every four years. North Carolina General Statutes require that each County make annual appropriations to accumulate the moneys estimated to be required for such purpose.

In accordance with State law, the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due September 1, the lien date; however, penalties and interest do not accrue until the following January 6. The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year.

Also, as of January 1, 1993, State law altered procedures for the assessment and collection of property taxes on registered motor vehicles. Effective with this change, the County is responsible for billing and collecting property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the

MECKLENBURG COUNTY, NORTH CAROLINA  
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County. For those motor vehicles registered under the staggered system and for vehicles newly-registered under the annual system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2007 through February 2008 apply to the fiscal year ended June 30, 2008. Uncollected taxes which were billed during this period are shown as a receivable on these financial statements. For motor vehicles which are renewed and billed under the annual system, taxes are due on May 1 of each year and the uncollected taxes are reported as a receivable on the financial statements offset by deferred revenues because the due date and the date upon which the interest begins to accrue passed prior to June 30. The taxes for renewal vehicles registered annually that have already been collected as of year-end are also reflected as deferred revenues at June 30, 2008 because they are intended to finance the County's operations during the 2009 fiscal year.

**4. Taxes Collected for Municipalities**

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

**5. Capital Assets**

	Balance, as adjusted <u>July 1, 2007</u>	Primary Government		Balance <u>June 30, 2008</u>
		Additions	Deletions	
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$355,181,761	\$14,832,502	\$ (1,188,452)	\$368,825,811
Construction in progress	<u>198,569,027</u>	<u>56,568,231</u>	<u>(144,871,680)</u>	<u>110,265,578</u>
Total capital assets not being depreciated	<u>553,750,788</u>	<u>71,400,733</u>	<u>(146,060,132)</u>	<u>479,091,389</u>
<i>Capital assets being depreciated:</i>				
Land improvements	25,024,119	1,788,210	-	26,812,329
Buildings and improvements	411,014,372	150,773,525	-	561,787,897
Vehicles and Heavy Equipment	26,100,132	2,824,720	2,803,667	26,121,185
Furniture, Machinery and Equipment	<u>26,360,661</u>	<u>2,151,892</u>	<u>(74,088)</u>	<u>28,438,465</u>
Total capital assets being depreciated	<u>488,499,284</u>	<u>157,538,347</u>	<u>(2,877,755)</u>	<u>643,159,876</u>
Less accumulated depreciation:				
Land improvements	(12,892,676)	(1,072,852)	-	(13,965,528)
Buildings and improvements	(172,349,356)	(15,113,912)	-	(187,463,268)
Vehicles and Heavy Equipment	(16,385,928)	(2,198,728)	(2,357,762)	(16,226,894)
Furniture, Machinery and Equipment	<u>(23,505,193)</u>	<u>( 898,607)</u>	<u>(74,088)</u>	<u>(24,329,712)</u>
Total accumulated depreciation	<u>(225,133,153)</u>	<u>(19,284,099)</u>	<u>(2,431,850)</u>	<u>(241,985,402)</u>
Total capital assets being depreciated, net	<u>263,366,131</u>	<u>138,254,248</u>	<u>(445,905)</u>	<u>401,174,474</u>
Governmental activities capital assets, net	<u>\$817,116,919</u>	<u>\$209,654,981</u>	<u>\$ (146,506,037)</u>	<u>\$880,265,863</u>

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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	Balance July 1, 2007	Primary Government		Balance June 30, 2008
		Additions	Deletions	
Business-type activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 28,568,428	\$ -	\$ -	\$ 28,568,428
Construction in progress	<u>5,089,881</u>	<u>126,239</u>	<u>-</u>	<u>5,216,120</u>
Total capital assets not being depreciated	33,658,309	<u>126,239</u>	<u>-</u>	<u>33,784,548</u>
<i>Capital assets being depreciated:</i>				
Land improvements	5,344,851	147,535	-	5,492,386
Buildings and improvements	10,241,592	-	-	10,241,592
Vehicles and Heavy Equipment	6,512,723	416,653	(72,491)	6,856,885
Furniture, Machinery and Equipment	<u>202,470</u>	<u>81,784</u>	<u>-</u>	<u>284,254</u>
Total capital assets being depreciated	<u>22,301,636</u>	<u>645,972</u>	<u>(72,491)</u>	<u>22,875,117</u>
Less accumulated depreciation:				
Land improvements	(1,522,353)	(215,138)	-	(1,737,491)
Buildings and improvements	(4,742,007)	(484,184)	-	(5,226,191)
Vehicles and Heavy Equipment	(2,922,590)	(657,616)	(61,617)	(3,518,589)
Furniture, Machinery and Equipment	<u>(49,520)</u>	<u>(32,006)</u>	<u>-</u>	<u>( 81,526)</u>
Total accumulated depreciation	<u>(9,236,470)</u>	<u>(1,388,944)</u>	<u>(61,617)</u>	<u>(10,563,797)</u>
Total capital assets being depreciated, net	<u>13,065,166</u>	<u>(742,972)</u>	<u>(10,874)</u>	<u>12,311,320</u>
Business-type activities capital assets, net	\$ <u>46,723,475</u>	\$ <u>(616,734)</u>	\$ <u>(10,874)</u>	\$ <u>46,095,868</u>

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

Governmental activities:	
Customer Satisfaction and Management Services	\$ 18,484
Administrative Services	698,422
Financial Services	314,438
Land Use and Environmental Services	1,506,176
Community Services	3,312,465
Detention and Court Support Services	12,218,630
Health and Human Services	1,120,169
Business Partners	<u>95,315</u>
Total Governmental activities	<u>19,284,099</u>
Business-type activities:	
Solid Waste Enterprise Fund	<u>1,388,944</u>
Total depreciation expense	<u>\$20,673,043</u>

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

Project	Estimated Project Authorization	Expended to June 30, 2008	Costs to Complete
Park and Recreational Facilities	\$ 82,927,229	\$ 47,466,622	\$ 35,460,607
Law Enforcement/Court Facilities	45,761,000	14,100,156	31,660,844
County Facilities	<u>96,443,365</u>	<u>48,698,800</u>	<u>47,744,565</u>
TOTAL	<u>\$225,131,594</u>	<u>\$ 110,265,578</u>	<u>\$114,866,016</u>



MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

Activity in the Library's Capital assets for the year ended June 30, 2008 is as follows:

	Balance-as adjusted <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2008</u>
<i>Capital assets not being depreciated:</i>				
Land	\$ 11,251,992	\$ -	\$ -	\$ 11,251,992
Construction in progress	<u>75,669</u>	<u>380,359</u>	<u>-</u>	<u>456,028</u>
Total capital assets not being depreciated	<u>11,327,661</u>	<u>380,359</u>	<u>-</u>	<u>11,708,020</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	80,756,703	315,504	-	81,072,207
Books	16,239,336	2,805,441	-	19,044,777
Furniture and Equipment	<u>4,795,179</u>	<u>1,036,425</u>	<u>-</u>	<u>5,831,504</u>
Total Capital assets being depreciated	<u>101,791,118</u>	<u>4,157,370</u>	<u>-</u>	<u>105,948,488</u>
Less accumulated depreciation:				
Buildings	(14,462,195)	(2,021,264)	-	(16,483,459)
Books	(11,289,735)	(2,363,182)	-	(13,652,917)
Furniture and Equipment	<u>(3,746,658)</u>	<u>(318,467)</u>	<u>-</u>	<u>(4,065,125)</u>
Total accumulated depreciation	<u>(29,498,588)</u>	<u>(4,702,913)</u>	<u>-</u>	<u>(34,201,501)</u>
Total capital assets being depreciated, net	<u>72,292,530</u>	<u>(545,543)</u>	<u>-</u>	<u>71,746,987</u>
Total Capital assets, net	<u>\$ 83,620,191</u>	<u>\$ (165,184)</u>	<u>\$ -</u>	<u>\$ 83,455,007</u>

Activity in the Medic Agency's capital assets for the year ended June 30, 2008 is as follows:

	Balance <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2008</u>
<i>Capital assets being depreciated:</i>				
Vehicles	\$ 7,966,982	\$ 1,819,530	\$ (424,860)	\$ 9,361,652
Furniture and Equipment	2,040,340	8,729	-	2,049,069
Patient Equipment	1,340,924	-	-	1,340,924
Computer Equipment	2,451,685	425,071	-	2,876,756
Buildings and Improvements	<u>4,049,509</u>	<u>-</u>	<u>-</u>	<u>4,049,509</u>
Total Capital assets being depreciated	<u>17,849,440</u>	<u>2,253,330</u>	<u>(424,860)</u>	<u>19,677,910</u>
Less accumulated depreciation:				
Vehicles	(4,979,128)	(1,690,267)	398,030	(6,271,365)
Furniture and Equipment	(1,082,231)	(292,079)	-	(1,374,310)
Patient Equipment	(1,079,604)	(117,931)	-	(1,197,535)
Computer Equipment	(1,629,508)	(324,718)	-	(1,954,226)
Buildings and Improvements	<u>(2,709,399)</u>	<u>(404,951)</u>	<u>-</u>	<u>(3,114,350)</u>
Total accumulated depreciation	<u>(11,479,870)</u>	<u>(2,829,946)</u>	<u>398,030</u>	<u>(13,911,786)</u>
Total Capital assets, net	<u>\$ 6,369,570</u>	<u>\$ (576,616)</u>	<u>\$ (26,830)</u>	<u>\$ 5,766,124</u>

MECKLENBURG COUNTY, NORTH CAROLINA  
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FOR THE YEAR ENDED JUNE 30, 2008

Activity in the ABC Board's capital assets for the year ended June 30, 2008 is as follows:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
<i>Capital assets not being depreciated:</i>				
Land	\$ 3,132,021.	\$ 1,148,064.	\$ (70,950)	\$ 4,209,135
Construction in progress	<u>4,833,848.</u>	<u>-</u>	<u>(4,752,235)</u>	<u>81,613</u>
Total Capital assets not being depreciated	<u>7,965,869.</u>	<u>1,148,064.</u>	<u>(4,823,185)</u>	<u>4,290,748</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	14,770,046.	8,110,269.	(207,796)	22,672,519
Motor vehicles	739,375.	106,529.	(107,753)	738,151
Furniture, Machinery and Equipment	<u>2,655,227.</u>	<u>316,866.</u>	<u>(51,787)</u>	<u>2,920,306</u>
Total Capital assets being depreciated	<u>18,164,648.</u>	<u>8,533,664.</u>	<u>(367,336)</u>	<u>26,330,976</u>
<i>Less accumulated depreciation:</i>				
Buildings and Improvements	(3,949,634)	(704,693)	125,682.	(4,528,645)
Motor Vehicles	(610,873)	(90,607)	107,775.	(593,705)
Furniture, Machinery and Equipment	<u>(1,590,517)</u>	<u>(352,668)</u>	<u>35,029.</u>	<u>(1,908,156)</u>
Total accumulated depreciation	<u>(6,151,024)</u>	<u>(1,147,968)</u>	<u>268,486.</u>	<u>(7,030,506)</u>
Total Capital assets being depreciated, net	<u>12,013,624.</u>	<u>7,385,696.</u>	<u>(98,850)</u>	<u>19,300,470</u>
Total Capital assets, net	<u>\$19,979,493.</u>	<u>\$8,533,760.</u>	<u>\$(4,922,035)</u>	<u>\$23,591,218</u>

**6. Capital Asset Adjustment**

In previous fiscal years, the County capitalized various property acquisitions for use by Charlotte-Mecklenburg Board of Education and the Library financed by certificates of participation. The deeds of trust issued for the certificates of participation require legal title to remain with County as long as the debt is outstanding. The County has entered into leases with the Board of Education and the Library that call for nominal lease payments and contain bargain purchase options. Due to the economic substance of these transactions, the capital assets associated with the certificates of participation are capitalized and recorded by the Board of Education and the Library. An adjustment was made to remove the capitalized costs and bring the related net assets to the correct balance at June 30, 2007.

**7. Interfund Receivables and Payables**

Governmental Funds interfund receivables and payables of \$48,295 at June 30, 2008 consist of \$48,295 due to the General Fund from various nonmajor capital projects funds. This balance represents lending/borrowing arrangements resulting from the timing of expenditures versus the receipt of revenues.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**8. Accounts Payable and Accrued Liabilities**

The components of accounts payable and accrued liabilities at June 30, 2008 for the governmental activities and the business-type activities as reported in the Statement of Net Assets (Deficit) are as follows:

	Governmental Activities				Business- Type Activities	Total Accounts Payable and Accrued Liabilities
	General Fund	Certificates Of Participation	2008B Public Improvement Bond Fund	Nonmajor Funds	Solid Waste Enterprise Fund	
General payables	\$40,846,901	\$17,435,292	\$4,509,065	\$ 6,312,604	\$245,110	\$69,348,972
Salaries & benefits payable	15,018,927	-	-	145,392	143,124	15,307,443
Reserve for self-insurance	6,389,413	-	-	-	-	6,389,413
Other accrued liabilities	<u>4,170,259</u>	<u>-</u>	<u>-</u>	<u>7,765,716</u>	<u>-</u>	<u>11,935,975</u>
Total	<u>\$66,425,500</u>	<u>\$17,435,292</u>	<u>\$4,509,065</u>	<u>\$14,223,712</u>	<u>\$388,234</u>	<u>\$102,981,803</u>

**9. 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, Library, Charlotte-Mecklenburg Board of Education and Central Piedmont Community College. General obligation bonds are direct obligations and pledge the full faith and credit of the County. The County consolidates all debt issues, including schools, into the Public Improvement category. Repayment of general obligation bonds is funded from general property tax revenues. The general obligation bonded debt associated with the Solid Waste Enterprise Fund is reported in that fund and will be repaid from revenues generated by solid waste fees and charges.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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General obligation bonds outstanding at June 30, 2008:

	Issue Date	Due Serially To	Average Interest Rate %	Original Issue	Balance June 30, 2008
Refunding Bonds 1993	October 1, 1993	2012	4.6630	\$ 272,295,000	\$ 54,590,000
Variable Rate Demand Bonds 1996 - Series C	March 1, 1996	2015	Variable	50,000,000	50,000,000
Public Improvement 1998 - Series A	February 1, 1998	2016	4.4150	31,000,000	1,850,000
Public Improvement 1998 - Series B	February 1, 1998	2016	4.4150	257,050,000	15,650,000
Variable Rate Demand Bonds 1998 - Series C	February 1, 1998	2018	Variable	50,000,000	50,000,000
Public Improvement 2000 - Series A	February 1, 2000	2010	4.9827	34,000,000	10,200,000
Public Improvement 2000 - Series B	February 1, 2000	2010	4.9827	20,000,000	6,000,000
Variable Rate Demand Bonds 2000 - Series C	February 1, 2000	2020	Variable	50,000,000	50,000,000
Public Improvement 2000 - Series D	October 1, 2000	2010	4.9303	100,000,000	26,000,000
Variable Rate Demand Bonds 2000 - Series E	October 1, 2000	2020	Variable	50,000,000	50,000,000
Public Improvement 2001 - Series A	May 1, 2001	2018	4.6868	105,000,000	78,000,000
Variable Rate Demand Bonds 2001 - Series B	May 1, 2001	2021	Variable	25,000,000	25,000,000
Refunding Bonds 2001 - Series C	May 1, 2001	2013	4.3714	149,455,000	96,690,000
Public Improvement 2001 - Series D	December 1, 2001	2021	4.3102	56,000,000	44,900,000
Public Improvement 2002 - Series A	August 1, 2002	2018	3.9499	14,400,000	11,000,000
Public Improvement 2002 - Series B	August 1, 2002	2020	4.2070	139,000,000	120,000,000
Variable Rate Demand Bonds 2002 - Series C	August 1, 2002	2022	Variable	25,000,000	25,000,000
Public Improvement 2003 - Series A	February 1, 2003	2020	4.0699	193,000,000	170,000,000
Variable Rate Demand Bonds 2003 - Series B	February 1, 2003	2023	Variable	40,000,000	40,000,000
Refunding Bonds 2003 - Series C	February 1, 2003	2011	3.0951	12,160,000	6,770,000
Public Improvement 2004 - Series A	February 1, 2004	2020	3.4130	105,000,000	85,475,000
Variable Rate Demand Bonds 2004 - Series B	February 1, 2004	2024	Variable	100,000,000	100,000,000
Refunding Bonds 2004 - Series C	April 1, 2004	2013	3.0951	135,470,000	122,950,000
Public Improvement 2005 - Series A	February 1, 2005	2026	3.9849	32,300,000	30,685,000
Variable Rate Demand Bonds 2005 - Series B	February 1, 2005	2026	Variable	100,000,000	98,000,000
Refunding Bonds 2005 - Series C	May 1, 2005	2016	3.4368	172,125,000	170,835,000
Variable Rate Demand Bonds 2007 - Series A	February 1, 2006	2026	Variable	89,000,000	84,550,000
Public Improvement 2007 - Series A	February 1, 2007	2027	4.1690	102,000,000	102,000,000
Parks and Recreation Bonds 2008 - Series A	February 1, 2008	2028	3.6115	12,000,000	12,000,000
Public Improvement 2008 - Series B	February 1, 2008	2028	3.7954	<u>148,500,000</u>	<u>148,500,000</u>
<b>TOTAL</b>				<b><u>\$2,669,755,000</u></b>	<b><u>\$1,760,585,000</u></b>
The bonds are recorded as follows:					
Governmental Activities					\$1,757,830,836
Business-type Activities (Solid Waste Enterprise Fund)					<u>2,754,164</u>
<b>TOTAL</b>					<b><u>\$1,760,585,000</u></b>

The County has advance refunded particular public improvement bonds. These refundings achieve significant interest savings over the life of the bonds and defease the principal amount outstanding of the refunded bonds. The new proceeds were placed with an escrow agent in an irrevocable trust to provide for all future debt requirements of the refunded debt. The refunded debt is considered defeased and the applicable liabilities have been removed from the governmental activities.

In fiscal year 1994, the County refunded several public improvement bonds that have since been called. In the business-type activities Solid Waste Enterprise Fund, the new debt exceeded the amount of debt retired and will be amortized over the life of the refunding bonds. For the current year, \$100,325 was amortized. The unamortized amount remaining at June 30, 2008 was \$ 401,288.

In fiscal year 2005, the County issued \$172,125,000 General Obligation Refunding Bonds at a total interest cost of 3.44%. The purpose was to defease \$178,000,000 of the principal amount outstanding of the Public Improvements 1998 Series A and B bonds and 2000 Series D bonds. At June 30, 2008 \$36,000,000 in outstanding bonds is considered defeased. The balance of the bonds at June 30, 2008 is \$170,835,000.

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General obligation bonds are due serially and mature during the fiscal years 2009 to 2028 at average interest rates at date of issuance ranging from 3.09% to 4.98% for the fixed rate bonds. The effective rate of interest paid on the average principal balance of outstanding bonds during the year was 4.14%.

The County has \$572,550,000 outstanding in Variable Rate Demand Bonds. The County has Remarketing and Standby Purchase Agreements with banks related to these bonds. Under these agreements, the banks will remarket any bonds for which payment is demanded. If the bonds cannot be remarketed, the banks will purchase the bonds. The following schedule shows the expiration dates, which can be renewed, fees paid in fiscal year 2008 pursuant to these agreements, and the interest rate at year-end for these issues. Interest rates may change pursuant to the terms of the debt agreements based on market conditions and the London Interbank Offered Rate (LIBOR). The interest rates, per the Remarketing Agreements, cannot exceed 12%. The maximum interest required for these bonds through maturity would be \$724,636,440.

<u>Issue</u>	<u>Balance June 30, 2008</u>	<u>Agreement Expiration</u>	<u>Fees Paid Fiscal Year 2008</u>	<u>Interest Rate June 30, 2008</u>
1996C	\$ 50,000,000	August 1, 2009	\$ 90,460	1.52%
1998C	50,000,000	February 15, 2009	71,713	1.45
2000C	50,000,000	January 26, 2013	110,984	1.57
2000E	50,000,000	November 1, 2011	85,135	1.55
2001B	25,000,000	May 15, 2012	37,552	1.55
2002C	25,000,000	August 6, 2010	60,087	1.55
2003B	40,000,000	December 31, 2015	79,271	1.55
2004B	100,000,000	December 31, 2015	178,280	1.45
2005B	98,000,000	February 9, 2010	178,670	1.45
2006A	84,550,000	February 9, 2011	124,886	1.45

The following schedule shows annual requirements to amortize all bonded debt outstanding as of June 30, 2008. Interest on the variable rate bonds has been estimated using the rate in effect at June 30, 2008.

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Amortization</u>	<u>Interest</u>
2008-2009	\$ 132,295,405	\$ 63,714,327	\$ 984,595	\$100,325	\$155,165
2009-2010	133,556,545	57,906,095	583,455	100,325	105,484
2010-2011	133,474,457	51,660,043	580,543	100,325	70,927
2011-2012	134,412,444	45,593,392	577,556	100,313	36,545
2012-2013	123,651,985	39,496,300	28,015	-	2,342
2013-2018	538,240,000	130,953,221	-	-	-
2018-2023	405,450,000	54,334,925	-	-	-
2023-2028	<u>156,750,000</u>	<u>12,885,715</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$1,757,830,836</u>	<u>\$456,544,018</u>	<u>\$2,754,164</u>	<u>\$ 401,288</u>	<u>\$370,463</u>

The County is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt (exclusive of funding and refunding bonds, bonds issued for water, gas, or electric power purposes, and bonds issued for certain other specified purposes) the County may have outstanding to 8% of the appraised value of property subject to taxation. At June 30, 2008, such statutory limit for the County was \$7,607,981,310 providing a legal debt margin of \$5,268,256,310.

As of June 30, 2008, \$579,140,000 general obligation bonds were authorized but unissued.

**Certificates of Participation**

The Mecklenburg County Public Facilities Corporation (the Corporation) sold certificates of participation in the amount of \$34,720,000 on February 14, 2008, to provide funding for the Bryton project. Interest on these



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certificates is a fixed rate of 4.435%. The Corporation sold certificates of participation in the amount \$124,960,000 on February 21, 2008, to provide funding for court, library, detention, park and recreation, community college, school and county building facilities. Interest on these certificates is variable rate. The Corporation is a non-profit corporation organized for the purpose of encouraging the modernization of public facilities in the County of Mecklenburg, through the financing, acquisition, construction and operation and/or lease of real estate and improvements, facilities and equipment for the use and benefit of the general public including facilities for the County, Library, Charlotte-Mecklenburg Board of Education and Central Piedmont Community College.

Certificates of participation outstanding at June 30, 2008:

	<u>Issue Date</u>	<u>Due Serially To</u>	<u>Average Interest Rate%</u>	<u>Original Issue</u>	<u>Balance June 30, 2008</u>
2000 Certificates	April 1, 2000	2020	variable	\$ 25,000,000	\$ 15,000,000
2001 Certificates	November 1, 2001	2021	variable	29,000,000	20,300,000
2002 Certificates	August 1, 2002	2009	variable	5,420,000	1,545,000
2004 Certificates	February 1, 2004	2014	variable	18,155,000	10,920,000
2005 Certificates	February 1, 2005	2025	variable	113,365,000	96,355,000
2006 Certificates	February 1, 2006	2026	variable	108,000,000	97,200,000
2007 Certificates	February 1, 2007	2027	variable	123,135,000	116,980,000
2008A Certificates	February 1, 2008	2028	variable	124,960,000	124,960,000
2008B Certificates	February 1, 2008	2028	4.435	<u>34,720,000</u>	<u>34,720,000</u>
TOTAL				<u>\$ 581,755,000</u>	<u>\$517,980,000</u>

The Corporation has outstanding \$483,260,000 in variable rate and \$34,720,000 in fixed rate certificates of participation. The County has Remarketing and Standby Purchase Agreements with banks related to these certificates. Under these agreements, the banks will remarket any certificates for which payment is demanded. If the certificates cannot be remarketed, the banks will purchase the certificates. The following schedule shows the expiration dates, which can be renewed, fees paid in fiscal year 2008 pursuant to these agreements, and the interest rate at year-end for these issues. Interest rates may change pursuant to the terms of the debt agreements based on market conditions and the LIBOR rate. There have been significant changes in rates subsequent to fiscal year-end as described more fully in Note 23. The interest rates, per the Remarketing Agreements, cannot exceed 12%. The maximum interest, which cannot exceed 12%, required for these certificates through maturity would be \$510,592,284.

<u>Issue</u>	<u>Balance June 30, 2008</u>	<u>Agreement Expiration</u>	<u>Fees Paid Fiscal Year 2008</u>	<u>Interest Rate June 30, 2008</u>
2000	\$ 15,000,000	April 1, 2009	\$ 12,000	1.55%
2001	20,300,000	November 30, 2011	40,159	1.56
2002	1,545,000	August 1, 2009	4,028	1.55
2004	10,920,000	February 1, 2014	17,211	1.45
2005	96,355,000	February 9, 2010	224,352	1.45
2006	97,200,000	February 9, 2011	173,760	1.45
2007	116,980,000	February 8, 2012	206,244	2.10
2008A	124,960,000	February 21, 2013	60,037	1.61

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The following table shows the annual debt service requirements to maturity. Interest on the variable rate certificates have been estimated using the rate in effect at June 30, 2008.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2008-09	\$ 30,505,000	\$ 7,516,874	2012-13	\$ 29,730,000	\$ 7,211,777
2009-10	30,500,000	7,031,910	2013-18	141,370,000	28,738,482
2010-11	29,730,000	6,557,122	2018-23	134,340,000	16,230,086
2011-12	29,730,000	7,684,484	2023-28	92,075,000	4,490,682

**Interest Rate Swaps**

The County entered into interest rate swap agreements for the Public Improvement Series 2000C, Series 2001B and Series 2002C variable rate bonds effective September 17, 2003 with Merrill Lynch Capital Services, Bank of America N.A. and Wachovia Bank N.A. The synthetic fixed rate swap effectively changes these variable rate bonds to the fixed rate of 3.3122%.

The bonds and the related swap agreements mature on February 1, 2022. The swap notional amount of \$100 million matches the total of the three related variable rate bond issues. Beginning in February 2011, the notional amount of the swaps and the principal amount of the associated debt decline annually. Under the swap agreements the County pays the counterparties a fixed interest payment monthly at 3.3122% of the notional amount and receives a variable monthly interest payment computed at 64.7% of 1M LIBOR.

Because LIBOR swap rates have decreased, at June 30, 2008 the swap had a current negative fair value for the County of \$3,014,633. This mark-to-market valuation was established by market quotations obtained by the counterparties, representing estimates of the amounts that would be paid for replacement transactions.

The swap exposes the County to basis risk should the relationship between 1M LIBOR and the rate the County pays on its variable rate bonds diverge, thus in effect changing the synthetic rate on the bonds. The effect of this risk can be shown by the intended synthetic rate of 3.3122% and the synthetic rate as of June 30, 2008 of 3.2756%. At June 30, 2008, the rate on the County's bonds was 1.5567%, whereas 64.7% of 1M LIBOR was 1.5932%.

The County entered into interest rate swap agreements for the Public Improvement Series 2005B variable rate bonds effective February 9, 2005 with Bank of America N.A. and Wachovia Bank N.A. The synthetic fixed rate swap effectively changes these variable rate bonds to the fixed rate of 3.41336%.

The bonds and the related swap agreements mature on February 1, 2026. The swap notional amount of \$100 million matches that variable rate bond issue. Beginning in February 2007, the notional amount of the swap and the principal amount of the associated debt decline annually. Under the swap agreements the County pays the counterparties a fixed interest payment monthly at 3.41336% of the notional amount and receives a variable monthly interest payment computed at 67% of 1M LIBOR.

Because LIBOR swap rates have decreased, at June 30, 2008 the swap had a current negative fair value for the County of \$2,446,340. This mark-to-market valuation was established by market quotations obtained by the counterparties, representing estimates of the amounts that would be paid for replacement transactions.

The swap exposes the County to basis risk should the relationship between 1M LIBOR and the rate the County pays on its variable rate bonds diverge, thus in effect changing the synthetic rate on the bonds. The effect of this risk can be shown by the intended synthetic rate of 3.41336% and the synthetic rate as of June 30, 2008 of 3.2135%. At June 30, 2008, the rate on the County's bonds was 1.45%, whereas 67% of 1M LIBOR was 1.6499%.

The County entered into interest rate swap agreements for \$67.8 million of the Public Improvement Series 2006A variable rate bonds and \$82.2 million of the 2006 variable rate Certificates of Participation effective

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February 9, 2006 with Merrill Lynch Capital Services, Natixis Financial Products, Bank of America N.A. and Wachovia Bank N.A. The synthetic fixed rate swap effectively changes these variable rate obligations to the fixed rate of 3.093%.

The obligations and the related swap agreements mature on February 1, 2026. The swap notional amount of \$150 million corresponds with the related variable rate issues. Beginning in February 2007, the notional amount of the swap and the principal amount of the associated debt decline annually. Under the swap agreements the County pays the counterparties a fixed interest payment monthly at 3.093% of the notional amount and receives a variable monthly interest payment computed at 67% of 1M LIBOR.

Because LIBOR swap rates have decreased, at June 30, 2008 the swap had a current negative fair value for the County of \$763,417. This mark-to-market valuation was established by market quotations obtained by the counterparties, representing estimates of the amounts that would be paid for replacement transactions.

The swap exposes the County to basis risk should the relationship between 1M LIBOR and the rate the County pays on its variable rate bonds diverge, thus in effect changing the synthetic rate on the bonds. The effect of this risk can be shown by the intended synthetic rate of 3.093% and the synthetic rate as of June 30, 2008 of 2.8931%. At June 30, 2008, the rate on the County's bonds was 1.45%, whereas 67% of 1M LIBOR was 1.6499%.

For the 2003, 2005 and 2006 swaps, as of June 30, 2008 the County was exposed to counterparty risk in the amount of the swaps' fair values. The swaps' counterparties were rated as follows:

<u>Counterparty</u>	<u>Moody's</u>	<u>S&amp;P</u>	<u>Fitch</u>
Merrill Lynch Capital Services	A1	A	A+
Wachovia Bank N.A.	Aa1	AA	AA-
Bank of America N.A.	Aaa	AA+	AA
Natixis Financial Products	Aa2	AA-	AA-

To mitigate the potential for credit risk, if the counterparties' credit falls from A1 to A2 by Moody's, A+ to A by Fitch, or A+ to A by S&P and their exposure exceeds \$5,000,000, the counterparty is obligated to post collateral consisting of U.S. government securities. Collateral would be posted with a third party custodian. As of June 30, 2008, collateralization was not required. The County is not required to collateralize its obligation under the swap agreements.

The swaps may be terminated by the County or the counterparties if the other party fails to make payments when due, there is a material breach of representations and warranties, an event of illegality occurs, or failure to comply with any other provisions of the agreement after a specified notice period. An additional termination event occurs if the County's or the counterparties' ratings fall below Baa1 by Moody's or BBB+ by S&P or Fitch. If at the time of termination a swap has a negative fair value, the County would be liable to the counterparty for a payment equal to the swap's fair value.

Using rates at June 30, 2008 for the term of the bonds, debt service requirements of the variable rate debt and net swap payments for the swaps were as follows:

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Fiscal Year Ending June 30	Variable Rate Debt			Total
	Principal	Interest	Interest Rate Swap Net	
2009	\$ 9,500,000	\$ 4,860,709	\$ 5,312,771.	\$ 19,673,480
2010	9,500,000	4,722,959	5,169,266.	19,392,225
2011	14,500,000	4,559,524	4,997,399.	24,056,923
2012	14,500,000	4,343,941	4,767,947.	23,611,888
2013	14,500,000	4,128,358	4,538,495.	23,166,853
2014-2018	88,500,000	17,253,032	19,063,360.	124,816,392
2019-2023	133,500,000	8,385,678	9,292,022.	151,177,700
2024-2026	<u>46,500,000</u>	<u>1,125,998</u>	<u>(411,764)</u>	<u>48,875,057</u>
	<u>\$331,000,000</u>	<u>\$ 49,380,198</u>	<u>\$(9,731,358)</u>	<u>\$434,770,518</u>

**Changes in Long-Term Liabilities**

The following presents the changes in long-term liabilities for the year ended June 30, 2008:

	Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008	Due within One Year
Governmental activities:					
General obligation bonds	\$1,722,134,476	\$160,500,000	\$(124,803,640)	\$1,757,830,836	\$132,295,405
Bond premium	32,654,382	13,282,440	(4,710,035)	41,226,787	4,710,035
Capital leases	4,537,696	-	(1,379,299)	3,158,397	1,403,029
Compensated absences	22,839,486	20,231,194	(17,886,311)	25,184,369	2,320,696
Certificates of participation	380,820,000	159,680,000	(22,520,000)	517,980,000	30,505,000
Unfunded pension liability	<u>2,531,737</u>	<u>211,592</u>	<u>-</u>	<u>2,743,329</u>	<u>-</u>
Total Governmental Activities	<u>2,165,517,777</u>	<u>353,905,226</u>	<u>(171,299,285)</u>	<u>2,348,123,718</u>	<u>171,234,165</u>
Business-type activities:					
General obligation bonds	3,508,911	-	(1,156,035)	2,352,876	984,595
Capital leases	1,182,971	-	(242,212)	940,759	253,507
Compensated absences	427,399	352,607	(298,334)	481,672	42,634
Landfill development and postclosure care costs	<u>6,819,419</u>	<u>783,671</u>	<u>-</u>	<u>7,603,090</u>	<u>-</u>
Total Business-type Activities	<u>11,938,700</u>	<u>1,136,278</u>	<u>(1,696,581)</u>	<u>11,378,397</u>	<u>1,280,736</u>
Total Government-wide	<u>\$2,177,456,477</u>	<u>\$355,041,504</u>	<u>\$(172,995,866)</u>	<u>\$2,359,502,115</u>	<u>\$172,514,901</u>

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

The following presents the changes in long-term liabilities for the year ended June 30, 2008 for the Library:

	Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008	Due within One Year
Governmental activities:					
Capital leases	\$1,658,784	\$ -	\$ (209,451)	\$1,449,333	\$ 213,608
Compensated absences	2,257,732	1,706,294	(1,654,753)	2,309,273	1,200,000
OPEB Liability	<u>-</u>	<u>2,212,696</u>	<u>-</u>	<u>2,212,696</u>	<u>-</u>
Total Government-wide	<u>\$3,916,516</u>	<u>\$3,918,990</u>	<u>\$(1,864,204)</u>	<u>\$5,971,302</u>	<u>\$1,413,608</u>

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The \$1,145,604 of long-term liabilities due within one year for the Medic Agency represents compensated absences at June 30, 2008. The \$1,919,411 of long-term liabilities due in more than one year represents the unfunded liability for future post employment healthcare benefits.

**10. Leases**

The County leases certain equipment, primarily computer and heavy equipment, under agreements classified as capital leases according to provisions of Financial Accounting Standards Board Statement No. 13 "Accounting for Leases". Obligations of these lease agreements are accounted for in the governmental activities of the government-wide statements and in the business-type activities Enterprise Fund. The net book value of capitalized leases recorded in the governmental activities, capital assets – furniture, machinery, and equipment, of the government-wide statements is \$2,719,222 and the net book value of those assets recorded in the Enterprise Fund, capital assets – vehicles and heavy equipment, is \$1,265,727.

In addition, the County leases various types of office equipment under operating leases. Under terms of these leases, the County's obligation to continue payments is contingent upon continued annual funding by the Mecklenburg County Board of Commissioners. At June 30, 2008, future minimum lease payments due under capital leases and operating leases with initial or remaining non-cancelable lease terms in excess of one year are as follows:

<u>Year Ending June 30,</u>	<u>Capital Leases</u>		<u>Operating Leases</u>
	<u>Governmental Activities</u>	<u>Solid Waste Enterprise Fund</u>	
2009	\$1,529,393	\$ 293,987	\$ 9,040
2010	1,176,528	293,987	-
2011	667,404	293,987	-
2012	-	146,994	-
	<u>3,373,325</u>	<u>1,028,955</u>	<u>\$ 9,040</u>
Less: amount representing interest	<u>(214,928)</u>	<u>(88,196)</u>	
	<u>\$3,158,397</u>	<u>\$ 940,759</u>	

The Library leases certain branch facilities under lease agreements having initial terms of two to 50 years. These lease agreements include scheduled rent increases which management believes are intended to cover economic factors related to the underlying property such as property value appreciation and inflation. Certain lease agreements also provide for renewal option periods of five years. Two of the branch facility leases have been classified as capital leases. Monthly lease payments of \$6,097 and an annual rent payment of \$1,500 are required through September 2010. Beginning October 2010 through September 2045, the base annual lease payment is \$1,501. The second capital lease requires monthly payments, which are changed annually (ranging from \$21,152 to \$6,560), through June 2017. Beginning July 2017 through July 2051 the annual lease payment is \$1.

The following is a summary of the Library's future minimum lease payments under the capital lease together with the present value of net minimum lease payments, and approximate future minimum rental commitments under noncancelable operating leases with initial or remaining terms of one year or more as of June 30, 2008:



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Year Ending <u>June 30,</u>	Capital <u>Leases</u>	Operating <u>Leases</u>
2009	\$ 295,678	\$ 320,097
2010	287,074	270,212
2011	218,307	200,308
2012	198,013	200,308
2013	195,713	172,338
2014-2018	594,230	822,420
2019-2023	7,505	191,932
2024-2028	7,505	5
2029-2033	7,505	5
2034-2038	7,505	5
2039-2043	7,505	5
2044-2048	2,998	5
2049-2052	<u>4</u>	<u>-</u>
Total Minimum Payments	<u>8,829,542</u>	<u>\$2,177,640</u>
Less amount representing interest	(380,209)	
Present value of net minimum capital lease payments	<u>\$1,449,333</u>	

Total interest costs for the year ended June 30, 2008 were \$106,946, relating to the capital lease obligations.

The Medic Agency entered into a lease agreement on November 18, 1997, with Crescent Resources, Inc. and Mecklenburg County to lease space for a Central Operations Center, which allowed the Medic Agency to consolidate its operations into one location. The 10 year lease commenced September 2, 1998. A first amendment to the lease was executed on November 23, 2004 that added additional square footage and extends the agreement to August 31, 2011. The annual obligation for the amended lease is \$471,051. On November 23, 2004, the first amendment to the above lease agreement was terminated.

The schedule of future minimum lease payments under the lease as of June 30, 2008 follows:

Year Ending <u>June 30,</u>	<u>Amount</u>
2009	\$ 480,509
2010	497,106
2011	514,311
2012	<u>87,041</u>
	<u>\$1,578,967</u>

The ABC Board's minimum annual rentals on store properties and equipment leased, with lease terms extending to July 10, 2027, at June 30, 2008 are summarized as follows:

Year Ending <u>June 30,</u>	<u>Operating Leases</u>
2009	\$1,195,035
2010	1,154,357
2011	873,899
2012	884,825
2013-2017	3,667,050
2018-2022	1,782,239
2023-2027	<u>1,161,663</u>
	<u>\$10,719,068</u>

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For the year ended June 30, 2008 rent expense for operating leases for the County was \$25,462, for the Library was \$624,000, for the Medic Agency was \$527,295 and for the ABC Board was \$1,238,002.

**11. Transfers**

The General Fund transferred \$19,070,324 to the non-major Capital Reserve Special Revenue Fund and \$26,000,000 to the non-major Pay-As-You-Go Capital Projects fund. In accordance with the change in State Statute, a one-time transfer of \$507,542 was recorded to move the remaining balance of the local 911 Public Safety Emergency Telephone Fund to the General Fund. The Board of County Commissioners authorized transferring the \$507,542 to the Emergency Telephone Special Revenue Fund.

**12. Pension Plan Obligations**

**(a) North Carolina Local Governmental Employees' Retirement System**

Mecklenburg County contributes to 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 provides retirement and disability benefits to plan members and beneficiaries. Article 3 of N.C.G.S. 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 3512 Bush Street, Raleigh, North Carolina 27609, or by calling (919) 981-5454.

Plan members are required to contribute 6% of their annual covered salary. The County is required to contribute at an actuarially determined rate. The rate for fiscal year 2008 for employees not engaged in law enforcement and for law enforcement officers is 4.80% and 4.72%, respectively, of annual covered payroll. The contribution requirements of members and of Mecklenburg County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2008, 2007 and 2006 were \$10,102,678, \$9,434,660, and \$8,665,265, respectively. The contributions made by the County equaled the required contributions for the year.

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. The Library's contributions to LGERS for the years ended June 30, 2008, 2007, and 2006 were \$913,323, \$900,420 and \$816,589, respectively. The rate for fiscal year 2008 for employees is 4.88% of covered payroll. The Medic Agency's contributions to LGERS for the year ended June 30, 2008, 2007, and 2006 were \$823,795, \$768,630, and \$712,393, respectively, and the rate for fiscal year 2008 for employees is 4.84% of covered payroll. The ABC Board's contributions to LGERS for the years ended June 30, 2008, 2007 and 2006 were \$287,016, \$273,360 and \$275,058 respectively. The ABC Board's required contributions for employees not engaged in law enforcement and for law enforcement officers are 4.94% and 4.86% of covered payroll, respectively. The contributions made by the Library, Medic Agency and ABC Board equaled the required contributions for the year.

**(b) Law Enforcement Officers' Special Separation Allowance**

The County administers a public employee retirement system ("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. 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 N.C.G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

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All full-time County law enforcement officers are covered by the Separation Allowance; however, benefit eligibility is based on qualified and creditable service for unreduced retirement benefits. At December 31, 2007, the Separation Allowance's membership consisted of:

	<u>County</u>
Retirees receiving benefits	26
Active plan members	<u>305</u>
Total	<u>331</u>

The County has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures by the County, for which there is no separately issued financial report, of \$422,236 for the fiscal year ended June 30, 2008, were made from the General Fund, which is maintained on a modified accrual basis of accounting.

The County is required by Article 12D of N.C.G.S. 143 to provide these retirement benefits. The County obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The County's annual required contribution for the current year was determined as part of the December 31, 2006 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions include (a) 7.25% investment rate of return and (b) projected salary increases ranging from 4.5% to 12.3% per year, as well as an inflation component of 3.75%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was market value. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at December 31, 2006, was 24 years.

The County's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 605,848
Interest on net pension obligation	183,551
Adjustment to annual required contribution	<u>(155,571)</u>
Annual pension cost	633,828
Contributions made	<u>(422,236)</u>
Increase in net pension obligation	211,592
Net pension obligation beginning of year	<u>2,531,737</u>
Net pension obligation end of year	<u>\$2,743,329</u>

Three-Year Trend Information:

Fiscal Year <u>Ended</u>	Annual Pension <u>Cost (APC)</u>	<u>Percentage of APC Contributed</u>	Net Pension Obligation <u>End of Year</u>
2008	\$633,828	66.62%	\$2,743,329
2007	578,255	62.80	2,531,737
2006	605,850	40.01	2,316,628

**(c) Supplemental Retirement Income Plan**

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.

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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 contributes an additional 4% of each officer's salary. 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, 2008 was \$866,456 compared to \$800,950 for the year ended June 30, 2007. Contributions for the ABC Board for the year ended June 30, 2008, were \$105,263, which consisted of \$73,602 from the ABC Board and \$31,662 from the law enforcement officers' voluntary contributions and contributions for June 30, 2007 were \$104,783, which consisted of \$70,350 from the ABC Board and \$34,433 from law enforcement officers' voluntary contributions.

For non-law enforcement full-time employees, the ABC Board voluntarily contributes each month an amount equal to 6% of each employee's salary. Non-law enforcement employees, also, may make voluntary contributions to the plan. Total contributions for the years ended June 30, 2008 and 2007 were \$490,721 and \$443,315, respectively, which consisted of \$293,607 for 2008 and \$277,646 for 2007 from the ABC Board and \$197,114 for 2008 and \$165,669 for 2007 from the non-law enforcement employee's voluntary contributions.

**(d) Register of Deeds Supplemental Pension Fund**

The County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Governmental Employees' Retirement System 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.

On a monthly basis, the County remits to the Department of State Treasurer an amount equal to 1.5% of the monthly receipts collected pursuant to Article 1 of North Carolina General Statute 161. Immediately following January 1 of each year, the Department of State Treasurer divides 93% of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining 7% of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2008, the County's required and actual contributions were \$206,216.

**13. 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 401K 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 of the two 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 401K supplemental retirement income plan allows eligible participants to contribute up to the maximum allowable under the law as a percentage of base salary.

The County, Library and Medic Agency match 100% of the first 5% of each participant's total annual contribution. Total contributions to the plans by the County were \$6,936,794 and \$5,486,009, respectively, for years ended June 30, 2009 and 2007. The Library contributed \$444,158 and \$426,602, respectively, to the plans for years ended June 30, 2008 and 2007. Contributions by the Medic Agency for June 30, 2008 and 2007 were \$519,958 and \$487,196, respectively.

**14. Post-Employment Healthcare Benefit Plans**

The County pays the full cost of the health care insurance premiums for employees retiring with twenty or more years of creditable service with the County. Employees retiring with 10 through 19 years of creditable service with the County receive 50% of the costs of their health care insurance premium. Retirees must be members of the North Carolina Local Governmental Employees' Retirement System (System). Also, retirees can purchase coverage for their dependents at the County's group rate. Claims are paid at 100% until the retiree reaches

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Medicare eligibility. Authorization to amend the benefit program rests with the Board of County Commissioners. A separate report is not issued for the benefit program.

Membership in the program as of January 1, 2008, the date of the latest actuarial valuation was:

Retired employees	808
Spouses of retired employees	97
Active employees	<u>4,080</u>
Total	<u>4,985</u>

Contributions to be paid by members are established by the Board of County Commissioners, which also has the authority to amend the program. For 2008, retiree annual contribution rates are:

	Pre-Medicare Standard	Pre-Medicare Enhanced	Medicare Eligible Indemnity
20 or more years of service:			
Retiree	\$ -	\$ 300	\$ -
Spouse	3,502	4,609	3,011
10 to 19 years of service:			
Retiree	2,799	3,218	2,187
Spouse	3,654	5,130	3,774

As part of the annually adopted budget, the County funded the actuarially calculated annual required contribution (ARC) of \$14,700,000 for fiscal year 2008. The ARC is determined in accordance with the parameters of GASB Statement 45 and represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The County's contribution was deposited in the North Carolina State Treasurer's Local Government Other Post-Employment Benefit Trust Fund, an irrevocable trust fund.

As of January 1, 2008, the most recent actuarial valuation date, the plan was funded on the pay-as-you-go basis. The actuarially accrued liability for benefits was \$176,699,985 and the actuarial value of assets was \$8,770,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$167,929,985. The annual payroll of active employees covered by the plan was \$204,000,000 and the ratio of the UAAL to the covered payroll was 82.3%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about the actuarial value of plan assets and the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

At January 1, 2008, the actuarial valuation used the projected unit credit actuarial cost method. The assumptions included a 7.5% investment rate of return, which is the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date. Healthcare cost trends

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varied from 5% to 9% and salary projections assumed a 3.5% inflation rate. The remaining amortization period was 18.25 years.

The Library pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a plan funded on the pay as you go basis. Funding for these costs is included in budgeted appropriations in the annual budget. The cost of these benefits recognized as expenditure for the year ended June 30, 2008 was \$242,165 for the fifty-six qualified retirees. The current ARC rate is 3.5% of annual covered payroll and the Library contributed \$390,000 or 1.8% of covered payroll which leaves a net OPEB obligation of \$2,212,696 recorded to liabilities in the Statement of Net Assets. Complete information regarding the Library's plan appears in the separately issued June 30, 2008 Library financial statements.

Medic Agency provides the full cost of post employment healthcare benefits to qualified retirees with 30 years of credited service and 50% of the cost of post employment healthcare benefits to qualified retirees with 20 - 30 years of credited service. Medic Agency funded \$120,000 of the \$2,039,411 ARC with the \$1,919,411 remaining OPEB obligation recorded to liabilities in the Statement of Net Assets. The ARC rate is 11% of annual covered payroll and the contribution is .64% of annual covered payroll. Complete information regarding Medic Agency's post employment healthcare benefits appears in Medic Agency's separately issued June 30, 2008 financial statements.

The ABC Board provides retiree health benefits under the ABC Board Retiree Benefit Plan. The Plan covers major medical benefits for the twelve covered members up to a lifetime maximum benefit of \$1,000,000 per covered individual not eligible for Medicare and \$50,000 per covered individual who is Medicare eligible. The ABC Board funded \$90,814 of the \$473,880 ARC with the remaining OPEB obligation of \$383,066 recorded as a liability in the Statement of Net Assets. The current ARC rate is 8.8% of annual covered payroll and the contribution is 1.7% of annual covered payroll. Complete information regarding the ABC Board's post employment healthcare benefits appears in the ABC Board's separately issued June 30, 2008 financial statements.

**15. Other Employment Benefits**

Under the Consolidated Omnibus Budget and Reconciliation Act of 1985 (COBRA), the County and Medic Agency allow 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 or Medic Agency, and the terminated employee must pay the full premium amount plus a two percent administrative fee.

The County and the ABC Board have elected to provide death benefits to employees through the Death Trust Plan for members of the Local Governmental Employees' Retirement System (Death Trust Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. 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. All death benefit payments are made from the Death Trust Plan. Neither the County nor the ABC Board has 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 Trust Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2008, the County made contributions to the State for death benefits of \$179,007. The County's required contributions for covered employees represented .14% of covered payroll for law enforcement officers and .08% of covered payroll for employees not engaged in law enforcement. For the year ended June 30, 2008 and 2007, the ABC Board made contributions to the State for death benefits of \$8,153 and \$7,782, respectively.



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**16. Risk Management**

The County's Risk Management Program is a self-funded, risk-financing program administered by the City of Charlotte's Risk Management Division of the City Finance Department, as trustee for the County. As of June 30, 2008, the program covered the following areas of risk: Commercial Automobile Liability, Fidelity Bonds, Inland Marine, Commercial General Liability, Public Official Liability, Law Enforcement, Medical Professional Liability, Property, and Workers' Compensation. The fidelity bonds are maintained at the system levels for all applicable employees. The County will finance its own loss exposures up to the first \$1,500,000 per occurrence per year with a separate reserve held in trust for the County and current appropriations in the County budget except for property exposures and Workers' Compensation exposures as described below. Amounts in this reserve are specifically designated by entity. The Risk Management Division accrues for claims incurred but not reported based on prior historical data. This accrual reduces cash available in the separate trust. Property exposures over \$100,000 and Workers' Compensation exposures over \$500,000 are insured. Law Enforcement exposures over \$1,500,000 are insured up to \$4,000,000 and public official liability exposures over \$250,000 are insured up to \$4,750,000. The County has purchased excess insurance to cover automobile and general liability exposures in amounts up to \$20,000,000 above the trust coverage amount. There have been no significant reductions in insurance coverage from coverage levels in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

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

	<u>2008</u>	<u>2007</u>
Accounts payable and accrued liabilities - beginning of fiscal year	\$13,561,241	\$10,578,835
Additions	4,173,634	6,559,807
Payments	<u>(4,805,871)</u>	<u>(3,577,396)</u>
Accounts payable and accrued liabilities - end of fiscal year	<u>\$12,929,004</u>	<u>\$13,561,246</u>

The Library acquires its risk management services through the City of Charlotte's Risk Management Division. The Library has commercial general liability of \$1 million per occurrence, workers' compensation employer's liability coverage of \$500,000 and public officers' coverage of \$1 million per loss. 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.

The insurance coverage for the Medic Agency is provided through commercial carriers and the County. Coverage includes a general insurance policy, commercial automobile policy, commercial umbrella policy and coverage for workers compensation. The general insurance policy covers commercial property, general liability, crime, portable equipment and management liability. The commercial property policy covers business and personal property up to a limit of \$5,239,575 and includes flood insurance for building and contents. The general liability covers up to \$1,000,000 per occurrence and up to \$3,000,000 for general aggregate coverage. The crime policy covers up to \$250,000 for employee dishonesty, the portable equipment policy covers the guaranteed replacement cost of the item and the management liability policy provides \$3,000,000 of aggregate coverage. The commercial automobile policy covers up to \$1,000,000 per occurrence. The commercial umbrella policy includes a limit of \$5,000,000 for each occurrence and up to \$10,000,000 for general aggregate coverage. Workers compensation is provided by the County for claims over \$500,000 for each occurrence.

The ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The ABC Board has commercial property, general liability, auto liability, workers' compensation, and employee health coverage. The ABC Board also has liquor legal liability. 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.

**17. Closure and Postclosure 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 postclosure 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

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on the landfill capacity used as of the balance sheet date. The accrued landfill development and postclosure care costs totals \$7,603,090 and has two components. The cumulative amount reported, based on the use of 66% of the total estimated capacity of the landfill, for closure and postclosure care costs is \$7,242,297. The County will recognize the remaining estimated cost of closure and postclosure care of \$3.4 million as the remaining estimated capacity is filled. This amount is based on the current costs to perform closure and postclosure care in fiscal year 2008. The County expects to close the U.S.521 landfill in 2025. 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 that help determine if a unit is financially able to meet closure and postclosure care requirements. However, the County has also elected to establish a reserve fund to accumulate the resources for the payment of future use development costs. The cumulative amount reported in the future use reserve at June 30, 2008 is \$360,793. The County will recognize the remaining estimated cost of future use development of \$1,552,498 as the remaining capacity is filled. These funds are held in investments with a cost of \$360,793 (market value, \$360,793) at year-end. The County expects that future inflation costs will be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined, these costs may need to be covered by charges to future landfill users.

**18. Commitments and Contingencies**

- (a) 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, 2008, these programs were audited in accordance with the Single Audit Amendment of 1996 and the State Single Audit Act, N.C.G.S. 159-34, which report is issued separately. Any expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.
- (b) Unexpended funds of \$167,673,293 at June 30, 2008, are committed for various projects in accordance with related Capital Projects Ordinances. These funds are included in Restricted Net Assets and are included in designated fund balance of the appropriate capital projects funds.
- (c) The County is involved in various legal actions in the normal course of its business. In addition, the County has charges pending with the Equal Employment Opportunity Commission. The charges initiated by individuals alleging discriminatory hiring, promotion or termination practices, are not in litigation and there have been no class action threats. Although the outcome of the above claims and the ultimate amount of compensation or penalties which might be awarded are not presently determinable, in the opinion of County management and the County Attorney, the results of the claims and resolution of legal actions will not have a materially adverse impact on the financial position of the County.

**19. Jointly Governed Organization**

The County, in conjunction with seven other counties and 50 municipalities, established the Centralina Council of Governments (COG)(Region F). The participating governments established COG to coordinate funding received from various federal and state agencies. Each participating government appoints one member to COG's 58-member governing board. The County paid membership fees of \$234,983 to COG during fiscal year 2008.

**20. 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 also 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 \$25,174,542 for operations and \$7,762,455 for capital purposes during fiscal year 2008, and made debt service payments of \$16,447,415 in fiscal year

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2008 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 Charlotte-Mecklenburg Public Broadcasting Authority (CMPBA) was established in 1981 by an interlocal agreement between the Charlotte-Mecklenburg Schools and the County. The CMPBA holds the FCC license to operating WTVI, a non-commercial TV station. The CMPBA exercises control over station operations and programming. The County appoints ten of the 18 members of the CMPBA Board of Directors, but the County has no authority to dictate ownership or management of the station. The County owns the land and building in which WTVI is housed, but management and maintenance of the building is the responsibility of the CMPBA. The County is paying the debt service on \$10 million of debt issued for CMPBA to fund the purchase of digital/HDTV equipment for WTVI. The County has entered into an interlocal agreement with the CMPBA to provide an annual operating grant to WTVI, although no specific funding level is guaranteed. For the year-ended June 30, 2008, the County provided \$475,000 to WTVI. The County does not provide the majority of funding to WTVI. The County can also enter into an annual Service Contract with WTVI whereby WTVI provides production and/or programming airtime to the County in support of the County's public awareness goals in return for a specific level of funding to cover the cost of the productions. Complete financial statements of the CMPBA can be obtained from the following address:

Charlotte-Mecklenburg Public Broadcasting Authority  
3232 Commonwealth Avenue  
Charlotte, NC 28205

The County, in conjunction with Catawba, Iredell and Lincoln Counties participates in a joint venture to operate the Lake Norman Marine Commission (the Commission). Each participating government appoints one board member, except Catawba County which appoints two members. The Commission was established to make joint regulations for the safe operation of vessels and for safe recreational use of the water. Each County is obligated to contribute an equal amount appropriate to support the activities of the Commission. The County provided \$23,423 to the Commission in fiscal year 2008. 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, 2008. Complete financial statements for the Commission may be obtained from the following address:

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

In addition, the County, in conjunction with Gaston County and York County, South Carolina, participates in a joint venture to operate the Lake Wylie Marine Commission (the Commission). The County and York County each appoint two board members, and Gaston County appoints three members. The Commission was established to make joint regulations for preserving and protecting property and wildlife and promoting public safety. Each County is obligated to contribute an equal amount appropriate to support the activities of the Commission. The County provided \$23,675 to the Commission in fiscal year 2008. 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, 2008. Complete financial statements for the Commission may be obtained from the following address:

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

In addition, the County, in conjunction with Gaston and Lincoln Counties, participates in a joint venture to operate the Mountain Island Lake Marine Commission (the Commission). The County appoints three board members, Gaston County appoints three members and Lincoln County appoints one member. The Commission

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was established to make joint regulations for preserving and protecting property and wildlife and promoting public safety. Each County is obligated to contribute an amount based on its shoreline lying within each county to support the activities of the Commission. The County provided \$21,884 to the Commission in fiscal year 2008. 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, 2008. Complete financial statements for the Commission may be obtained from the following address:

Mountain Island Marine Commission  
P.O. Box 35008  
Charlotte, NC 28235

**21. Conduit Debt Obligation**

In December 2001, the County issued \$16,480,000 Multifamily Housing Revenue Bonds on behalf of Sycamore Green, LLC for the acquisition, construction and equipping of a low and moderate income multifamily rental housing development. These bonds are secured by rents from the property and a letter of credit. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for the repayment of these bonds. Accordingly, the outstanding bonds in the amount of \$15,875,000 at June 30, 2008 are not reported as liabilities in the accompanying financial statements.

In May 2003, the County issued \$9,390,000 Multifamily Housing Revenue Bonds on behalf of LR Charlotte Limited Partnership for the acquisition, rehabilitation and equipping of a low and moderate income multifamily rental housing development. These bonds are secured by rents from the property and a letter of credit. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for the repayment of these bonds. Accordingly, the outstanding bonds in the amount of \$8,995,000 at June 30, 2008 are not reported as liabilities in the accompanying financial statements.

In September 2003, the County issued \$4,640,000 Multifamily Housing Revenue Bonds on behalf of BARRINGTON OAKS, LLC for the acquisition, rehabilitation and equipping of a low and moderate income multifamily rental housing development. These bonds are secured by rents from the property and a letter of credit. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for the repayment of these bonds. Accordingly, the outstanding bonds in the amount of \$4,495,000 at June 30, 2008 are not reported as liabilities in the accompanying financial statements.

**22. Related Organization**

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

**23. Prior Period Adjustment**

In previous years, the interest earned on unused proceeds for the County's certificates of participation held by the trustees was not recorded as the funds are restricted to the payment of the related debt. An adjustment was made to record the interest income and reflect the correct amount in fund balance and net assets held at June 30, 2007.

The Library changed its policy in the current year to now capitalize books with lives greater than a year. A prior period adjustment of \$4,949,601 was recorded to capitalize the prior year cost of book additions and to bring the capital assets to the correct balance at June 30, 2007. Additionally, a prior period adjustment of \$3,338,948 was recorded to capitalize the value and accumulated depreciation of a library where the title to the property is owned by Mecklenburg County, but the building is leased to the Library under an agreement with a bargain purchase price of \$1.

MECKLENBURG COUNTY, NORTH CAROLINA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2008

**24. Subsequent Event**

Significant fluctuations occurred in the financial markets in September that impacted the County. The reset rates on the County's variable rate debt have experienced significant swings. The rates rose from approximately 1.5% at June 30, 2008 to approximately 5.5% at September 30, 2008 with increases to a high of 8% occurring in the middle of September.

Changes in the financial markets have also affected the ratings of the County's swap counterparties, which were downgraded as follows:

<u>Counterparty</u>	<u>Moody's</u>	<u>S&amp;P</u>	<u>Fitch</u>
Merrill Lynch Capital Services	A1 to A2		
Wachovia Bank N.A.	Aa1 to Aa2	AA to AA-	AA- to A+
Bank of America N.A.		AA+ to AA	AA to AA-
Natixis Financial Products	Aa2 to Aa3		AA- to A+

The provisions of the swap agreements did not require the counterparties to provide collateral after a ratings downgrade, since the threshold requirement as defined in the Credit Support Annex were not met. The County is not required to collateralize its obligation under the swap agreements.

# REQUIRED SUPPLEMENTARY INFORMATION

Additional required data regarding the Law Enforcement Special  
Separation Allowance and Other Post Employment Benefits.



MECKLENBURG COUNTY, NORTH CAROLINA





B - 1  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 SEPARATION ALLOWANCE FOR LAW ENFORCEMENT OFFICERS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 ANALYSIS OF FUNDING PROGRESS  
 LAST TEN FISCAL YEARS  
 UNAUDITED

Year Ended Dec. 31,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
2007	-	\$6,404,425	\$6,404,425	0.00 %	\$16,818,600	38.08 %
2006	-	5,512,805	5,512,805	0.00	15,391,588	35.82
2005	-	4,809,650	4,809,650	0.00	14,732,103	32.65
2004	-	5,024,704	5,024,704	0.00	14,288,288	35.17
2003	-	4,488,172	4,488,172	0.00	13,446,175	33.38
2002	-	4,218,231	4,218,231	0.00	13,353,602	31.59
2001	-	3,867,434	3,867,434	0.00	12,611,197	30.67
2000	-	3,652,320	3,652,320	0.00	12,211,385	29.91
1999	-	2,290,374	2,290,374	0.00	11,818,111	19.38
1998	-	2,086,864	2,086,864	0.00	12,605,093	16.56

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 SEPARATION ALLOWANCE FOR LAW ENFORCEMENT OFFICERS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 UNAUDITED

Fiscal Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2008	\$605,848	66.70 %
2007	548,936	66.15
2006	576,425	42.05
2005	517,795	46.71
2004	488,383	46.16
2003	448,383	46.81
2002	419,239	50.86
2001	340,724	61.16
2000	318,467	69.30
1999	284,944	75.59

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	12/31/2007
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	24 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases*	4.5% - 12.3%
Cost-of-living adjustments	None

\* Includes inflation at 3.75%.

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 POST EMPLOYMENT BENEFIT HEALTHCARE PLAN  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 UNAUDITED

Actuarial Valuation Date January 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
2008	\$ 8,770,000	\$ 176,699,985	\$ 167,929,985	4.96 %	\$ 204,000,000	82.32 %
2007	-	141,825,529	141,825,529	-	196,700,000	72.10

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 POST EMPLOYMENT BENEFIT HEALTHCARE PLAN  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 UNAUDITED

Fiscal Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contribution
2008	\$14,696,388	\$14,700,000	100.02 %

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	01/01/2008
Actuarial cost method	Projected Unit Credit
Amortization method	Level Percent of Pay, Open
Remaining amortization period	18.26 years
Asset valuation method	5-Year Smooth Market
Actuarial assumptions:	
Investment rate of return*	7.50%
Projected salary increases*	3.50%
Healthcare Cost Trend Rate*	9% Initial 5% Ultimate
Cost-of-living adjustments	None

\* Includes an inflation assumption of 2.5%.

# COMBINING INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Provides detailed statements for the nonmajor Special Revenue and Capital Projects Funds and the Agency Fiduciary Funds, budget to actual schedules for the Special Revenue Funds having annual budgets and the Enterprise Fund, and other supporting statements and schedules.



MECKLENBURG COUNTY, NORTH CAROLINA





## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Special Revenue Funds account for proceeds of revenue sources that are restricted to expenditures for specific purposes. These funds are established under the provisions of the North Carolina General Statutes:

- CAPITAL RESERVE: Accounts for expenditures from current appropriations and certain park entrance fees for capital outlay and improvements.
- STORM WATER MANAGEMENT: Accounts for fees and expenditures designated for flood control, drainage, and storm water management.
- LAW ENFORCEMENT SERVICE DISTRICT: Accounts for the ad valorem taxes for the law enforcement service district which are levied in the unincorporated areas of the County.
- TRANSIT ONE-HALF CENT SALES TAX: Accounts for revenue from a one-half cent sales tax levied to fund transit projects which are part of the 2025 Integrated Transit/Land Use Plan for Charlotte-Mecklenburg.
- SCRAP TIRE DISPOSAL: Accounts for funds designated for the disposal of scrap tires.
- DISCARDED WHITE GOODS: Accounts for funds designated for the management of discarded white goods.
- SHERIFF: Accounts for funds received from concealed weapons permits and commissary revenues which are designated for use by the Sheriff.
- REGISTER OF DEEDS: Accounts for the 10% of collected fees required which are required by law to be expended for computer and imaging technology for the Register of Deeds office.
- EMERGENCY TELEPHONE SERVICE: Accounts for the County's share of the monthly 911 surcharge allocated by the State to be used for the lease, purchase or maintenance of emergency telephone equipment, including necessary computer hardware, software and database provisions.

### **CAPITAL PROJECTS FUNDS**

Capital Projects Funds account for proceeds of bond issues and all other resources used for the purpose of constructing, reconstructing or acquiring permanent or semi-permanent capital improvements. These funds are used to provide a formal mechanism to ensure that designated revenues are applied only for the purposes intended.

#### **MANAGEMENT SERVICES**

- COUNTY BUILDINGS: Accounts for construction of and renovations to various County buildings.
- LAND: Accounts for acquisition of land for County purposes.

#### **LAND USE AND ENVIRONMENTAL SERVICES**

- FLOOD CONTROL: Accounts for flood control, storm water and detention projects.
- CLEAN WATER MANAGEMENT: Accounts for funds used for watershed pollution control.
- HISTORIC PRESERVATION: Accounts for acquisition and renovation of various historic facilities.

#### **COMMUNITY SERVICES**

- PARK AND RECREATIONAL FACILITIES: Accounts for park projects including greenways, neighborhood parks, district parks, purchase of land, park construction, restoration and improvements to various parks.
- LIBRARY FACILITIES: Accounts for construction, installation of furnishings and equipment and the acquisition of land for library facilities.

#### **DETENTION AND COURT SUPPORT SERVICES**

- COURTHOUSE: Accounts for construction of jail and detention facilities.
- JAIL/DETENTION FACILITIES: Accounts for construction of jail and detention facilities.

#### **BUSINESS PARTNERS**

- COMMUNITY COLLEGE FACILITIES: Accounts for construction of Central Piedmont Community College facilities.
- SCHOOL FACILITIES: Accounts for construction and renovation of school facilities, including acquisition and installation of furnishings and equipment and the acquisition of land.

C - 1  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2008

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash and investments	\$ 48,057,478	\$ 88,489,561	\$ 136,547,039
Accrued interest receivable	92,083	-	92,083
Accounts receivable	15,021,881	28,159	15,050,040
Taxes receivable	864,566	-	864,566
Less allowance for uncollectible taxes	(270,000)	-	(270,000)
Advances to other governmental agencies	-	1,556,353	1,556,353
<b>TOTAL ASSETS</b>	<u><u>\$ 63,766,008</u></u>	<u><u>\$ 90,074,073</u></u>	<u><u>\$ 153,840,081</u></u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and other accrued liabilities	\$ 10,295,659	\$ 3,928,053	\$ 14,223,712
Due to other funds	-	48,295	48,295
Deferred revenue	594,919	-	594,919
Total Liabilities	<u>10,890,578</u>	<u>3,976,348</u>	<u>14,866,926</u>
<b>Fund Balances</b>			
Reserved for encumbrances	9,460,465	24,683,746	34,144,211
Reserved by state statute	15,113,964	1,584,512	16,698,476
<b>Unreserved:</b>			
Designated for capital projects	24,571,367	59,829,467	84,400,834
Designated for land use and environmental services	7,782,521	-	7,782,521
Designated for detention and court support services	918,881	-	918,881
Designated for business partners	1,131,214	-	1,131,214
Undesignated	(6,102,982)	-	(6,102,982)
Total Fund Balances	<u>52,875,430</u>	<u>86,097,725</u>	<u>138,973,155</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 63,766,008</u></u>	<u><u>\$ 90,074,073</u></u>	<u><u>\$ 153,840,081</u></u>

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Law Enforcement Service District taxes	\$ 12,348,157	\$ -	\$ 12,348,157
Transit one-half cent sales tax	38,621,351	-	38,621,351
Intergovernmental	9,615,176	28,158	9,643,334
Charges for services	15,078,149	-	15,078,149
Interest earned on investments	629,929	-	629,929
Other	3,809,477	3,843,606	7,653,083
Total Revenues	<u>80,102,239</u>	<u>3,871,764</u>	<u>83,974,003</u>
<b>EXPENDITURES</b>			
Land Use and Environmental Services	11,169,919	-	11,169,919
Detention and Court Support Services	337,436	-	337,436
Business Partners	58,516,558	-	58,516,558
Debt Service			
Principal	1,269,065	-	1,269,065
Interest	281,882	-	281,882
Capital Outlay	25,392,563	72,795,957	98,188,520
Total Expenditures	<u>96,967,423</u>	<u>72,795,957</u>	<u>169,763,380</u>
REVENUES UNDER EXPENDITURES	(16,865,184)	(68,924,193)	(85,789,377)
<b>OTHER FINANCING SOURCES</b>			
Transfers to other funds	(507,542)	-	(507,542)
Transfers from other funds	19,077,866	26,500,000	45,577,866
Bonds issued	-	12,000,000	12,000,000
Total Other Financing Sources	<u>18,570,324</u>	<u>38,500,000</u>	<u>57,070,324</u>
NET CHANGE IN FUND BALANCE	1,705,140	(30,424,193)	(28,719,053)
FUND BALANCES - BEGINNING OF YEAR	51,170,290	116,521,918	167,692,208
FUND BALANCES - END OF YEAR	<u>\$ 52,875,430</u>	<u>\$ 86,097,725</u>	<u>\$ 138,973,155</u>

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING BALANCE SHEET  
 SPECIAL REVENUE FUNDS  
 JUNE 30, 2008

	Capital Reserve	Storm Water Management	Law Enforcement Service District	Transit One-Half Cent Sales Tax	Scrap Tire Disposal	Discarded White Goods	Sheriff	Register of Deeds	Emergency Telephone Fund	Total Special Revenue Funds
<b>ASSETS</b>										
Cash and investments	\$ 32,548,769	\$ 10,123,802	\$ 835,626	\$ -	\$ 86,158	\$ 1,303,731	\$ 1,010,995	\$ 1,816,149	\$ 332,248	\$ 48,057,478
Accrued interest receivable	664	81,341	6,679	-	700	-	-	-	2,699	92,083
Accounts receivable	1,519	8,864,197	-	6,035,246	-	-	3,193	47	117,679	15,021,881
Taxes receivable	-	-	864,566	-	-	-	-	-	-	864,566
Less allowance for uncollectible taxes	-	-	(270,000)	-	-	-	-	-	-	(270,000)
<b>TOTAL ASSETS</b>	<b>\$ 32,550,952</b>	<b>\$ 19,069,340</b>	<b>\$ 1,436,871</b>	<b>\$ 6,035,246</b>	<b>\$ 86,858</b>	<b>\$ 1,303,731</b>	<b>\$ 1,014,188</b>	<b>\$ 1,816,196</b>	<b>\$ 452,626</b>	<b>\$ 63,766,008</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities</b>										
Accounts payable and accrued liabilities	\$ 3,043,736	\$ 1,085,841	\$ 23,457	\$ 6,035,246	\$ 20,600	\$ 3,184	\$ 22,171	\$ 48,221	\$ 13,203	\$ 10,295,659
Deferred revenue - taxes	-	-	594,566	-	-	-	-	-	-	594,566
Deferred revenue - other	353	-	-	-	-	-	-	-	-	353
<b>Total Liabilities</b>	<b>3,044,089</b>	<b>1,085,841</b>	<b>618,023</b>	<b>6,035,246</b>	<b>20,600</b>	<b>3,184</b>	<b>22,171</b>	<b>48,221</b>	<b>13,203</b>	<b>10,890,578</b>
<b>Fund Balances (Deficits)</b>										
Reserved for encumbrances	4,933,313	4,159,503	-	-	133,294	-	69,942	164,413	-	9,460,465
Reserved by State Statute	2,183	8,945,538	6,679	6,035,246	700	-	3,193	47	120,378	15,113,964
Unreserved:										
Designated for capital projects	24,571,367	-	-	-	-	-	-	-	-	24,571,367
Designated for land use and environmental services	-	4,878,458	-	-	-	1,300,548	-	1,603,515	-	7,782,521
Designated for detention and court support services	-	-	-	-	-	-	918,881	-	-	918,881
Designated for business partners	-	-	812,169	-	-	-	-	-	319,045	1,131,214
Undesignated	-	-	-	(6,035,246)	(67,736)	-	-	-	-	(6,102,982)
<b>Total Fund Balances</b>	<b>29,506,863</b>	<b>17,983,499</b>	<b>818,848</b>	<b>-</b>	<b>66,258</b>	<b>1,300,548</b>	<b>992,016</b>	<b>1,767,975</b>	<b>439,423</b>	<b>52,875,430</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 32,550,952</b>	<b>\$ 19,069,340</b>	<b>\$ 1,436,871</b>	<b>\$ 6,035,246</b>	<b>\$ 86,858</b>	<b>\$ 1,303,731</b>	<b>\$ 1,014,188</b>	<b>\$ 1,816,196</b>	<b>\$ 452,626</b>	<b>\$ 63,766,008</b>

MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2008

	Capital Reserve	Storm Water Management	Law Enforcement Service District	Transit One-Half Cent Sales Tax	Scrap Tire Disposal	Discarded White Goods	Sheriff	Register of Deeds	Emergency Telephone Fund	Total Special Revenue Funds
<b>REVENUES</b>										
Law Enforcement Service District taxes	\$ -	\$ -	\$ 12,348,157	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,348,157
Transit one-half cent sales tax	-	-	-	38,621,351	-	-	-	-	-	38,621,351
Intergovernmental	374,293	7,071,772	-	-	1,087,995	324,967	-	-	756,149	9,615,176
Charges for services	407,885	13,681,785	-	-	-	-	265,118	723,361	-	15,078,149
Interest earned on investments	-	596,650	23,427	-	2,016	-	-	-	7,836	629,929
Other	3,054,309	24,229	-	-	102,321	266,049	362,569	-	-	3,809,477
<b>Total Revenues</b>	<b>3,836,487</b>	<b>21,374,436</b>	<b>12,371,584</b>	<b>38,621,351</b>	<b>1,192,332</b>	<b>591,016</b>	<b>627,687</b>	<b>723,361</b>	<b>763,985</b>	<b>80,102,239</b>
<b>EXPENDITURES</b>										
Land Use and Environmental Services	-	9,690,258	-	-	1,126,414	353,247	-	-	-	11,169,919
Detention and Court Support Services	-	-	-	-	-	-	337,436	-	-	337,436
Business Partners	-	-	12,548,543	45,073,639	-	-	-	-	894,376	58,516,558
Debt Service										
Principal	-	1,269,065	-	-	-	-	-	-	-	1,269,065
Interest	-	281,882	-	-	-	-	-	-	-	281,882
Capital Outlay	16,062,473	8,685,885	-	-	-	-	-	644,205	-	25,392,563
<b>Total Expenditures</b>	<b>16,062,473</b>	<b>19,927,090</b>	<b>12,548,543</b>	<b>45,073,639</b>	<b>1,126,414</b>	<b>353,247</b>	<b>337,436</b>	<b>644,205</b>	<b>894,376</b>	<b>96,967,423</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(12,225,986)</b>	<b>1,447,346</b>	<b>(176,959)</b>	<b>(6,452,288)</b>	<b>65,918</b>	<b>237,769</b>	<b>290,251</b>	<b>79,156</b>	<b>(130,391)</b>	<b>(16,865,184)</b>
<b>OTHER FINANCING SOURCES</b>										
Transfers to other funds	-	-	-	-	-	-	-	-	(507,542)	(507,542)
Transfers from other funds	18,570,324	-	-	-	-	-	-	-	507,542	19,077,866
<b>Total Financing Sources</b>	<b>18,570,324</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,570,324</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES</b>	<b>6,344,338</b>	<b>1,447,346</b>	<b>(176,959)</b>	<b>(6,452,288)</b>	<b>65,918</b>	<b>237,769</b>	<b>290,251</b>	<b>79,156</b>	<b>(130,391)</b>	<b>1,705,140</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>23,162,525</b>	<b>16,536,153</b>	<b>995,807</b>	<b>6,452,288</b>	<b>340</b>	<b>1,062,779</b>	<b>701,765</b>	<b>1,688,819</b>	<b>569,814</b>	<b>51,170,290</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 29,506,863</b>	<b>\$ 17,983,499</b>	<b>\$ 818,848</b>	<b>\$ -</b>	<b>\$ 66,258</b>	<b>\$ 1,300,548</b>	<b>\$ 992,016</b>	<b>\$ 1,767,975</b>	<b>\$ 439,423</b>	<b>\$ 52,875,430</b>



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 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING BALANCE SHEET  
 CAPITAL PROJECTS FUNDS  
 JUNE 30, 2008

	1993 Public Improvement	2000A Public Improvement	2002A Public Improvement	2002B Public Improvement	2003A Public Improvement
<b>ASSETS</b>					
Cash and Investments	\$ 2,043	\$ 126,506	\$ 51,832	\$ 80,329	\$ 2,079,431
Accounts receivable	-	-	-	-	-
Advances to other governmental agencies	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 2,043</u>	<u>\$ 126,506</u>	<u>\$ 51,832</u>	<u>\$ 80,329</u>	<u>\$ 2,079,431</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 11,361
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,361</u>
Fund Balances					
Reserved for encumbrances	1,688	104,005	51,832	79,885	299,805
Reserved by State statute	-	-	-	-	-
Unreserved:					
Designated	355	22,501	-	444	1,768,265
<b>Total Fund Balances</b>	<u>2,043</u>	<u>126,506</u>	<u>51,832</u>	<u>80,329</u>	<u>2,068,070</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,043</u>	<u>\$ 126,506</u>	<u>\$ 51,832</u>	<u>\$ 80,329</u>	<u>\$ 2,079,431</u>

(Continued)

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING BALANCE SHEET  
 CAPITAL PROJECTS FUNDS  
 JUNE 30, 2008  
 (CONTINUED)

	2004A Public Improvement	2004B Variable Rate	2005A Public Improvement	2006A Variable Rate
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
ASSETS				
Cash and Investments	\$ 545,077	\$ 4,000,675	\$ 790,131	\$ 4,587,570
Accounts receivable	-	-	-	-
Advances to other governmental agencies	-	727,647	828,706	-
TOTAL ASSETS	<u>\$ 545,077</u>	<u>\$ 4,728,322</u>	<u>\$ 1,618,837</u>	<u>\$ 4,587,570</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 3,251	\$ 360,536	\$ 1,718	\$ 180,559
Due to other funds	-	-	-	-
Total Liabilities	<u>3,251</u>	<u>360,536</u>	<u>1,718</u>	<u>180,559</u>
Fund Balances				
Reserved for encumbrances	541,809	-	641,709	727,883
Reserved by State statute	-	727,647	828,706	-
Unreserved:				
Designated	17	3,640,139	146,704	3,679,128
Total Fund Balances	<u>541,826</u>	<u>4,367,786</u>	<u>1,617,119</u>	<u>4,407,011</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 545,077</u>	<u>\$ 4,728,322</u>	<u>\$ 1,618,837</u>	<u>\$ 4,587,570</u>

(Continued)

C - 5  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING BALANCE SHEET  
 CAPITAL PROJECTS FUNDS  
 JUNE 30, 2008  
 (CONCLUDED)

	2007A Public Improvement	2008A Park and Recreation	Other Capital Funding	Total Capital Funding
<b>ASSETS</b>				
Cash and Investments	\$ 25,241,854	\$ 9,962,512	41,021,601	\$ 88,489,561
Accounts receivable	-	-	28,159	28,159
Advances to other governmental agencies	-	-	-	1,556,353
<b>TOTAL ASSETS</b>	<b>\$ 25,241,854</b>	<b>\$ 9,962,512</b>	<b>\$ 41,049,760</b>	<b>\$ 90,074,073</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,192,621	\$ 18,085	\$ 1,159,922	\$ 3,928,053
Due to other funds	-	-	48,295	48,295
<b>Total Liabilities</b>	<b>2,192,621</b>	<b>18,085</b>	<b>1,208,217</b>	<b>3,976,348</b>
Fund Balances				
Reserved for encumbrances	7,320,369	889,930	14,024,831	24,683,746
Reserved by State statute	-	-	28,159	1,584,512
Unreserved:				
Designated	15,728,864	9,054,497	25,788,553	59,829,467
<b>Total Fund Balances</b>	<b>23,049,233</b>	<b>9,944,427</b>	<b>39,841,543</b>	<b>86,097,725</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 25,241,854</b>	<b>\$ 9,962,512</b>	<b>\$ 41,049,760</b>	<b>\$ 90,074,073</b>

C - 6  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)  
 CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2008

	1993 Public <u>Improvement</u>	1998A Public <u>Improvement</u>	2000A Public <u>Improvement</u>	2002A Public <u>Improvement</u>
Project Authorization	\$ 18,400,000	\$ 31,000,000	\$ 34,000,000	\$ 14,400,000
Prior Years' Revenues	18,400,000	31,000,000	34,000,000	14,400,000
Prior Years' Expenditures	<u>18,378,519</u>	<u>30,178,005</u>	<u>33,851,324</u>	<u>14,199,376</u>
Fund Balances (Deficits) - Beginning of Year	<u>21,481</u>	<u>821,995</u>	<u>148,676</u>	<u>200,624</u>
<b>REVENUES</b>				
Intergovernmental				
Federal	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Management Services				
County Buildings	19,438	821,995	12,648	148,792
Land	-	-	-	-
Land Use and Environmental Services				
Scattered Site				
Historic Preservation	-	-	-	-
Community Services				
Park and Recreational Facilities	-	-	9,522	-
Library Facilities	-	-	-	-
Detention and Court Support Services				
Courthouse Facilities	-	-	-	-
Jail/Detention Facilities	-	-	-	-
Business Partners				
Community College Facilities	-	-	-	-
School Facilities	-	-	-	-
Total Expenditures	<u>19,438</u>	<u>821,995</u>	<u>22,170</u>	<u>148,792</u>
REVENUES UNDER EXPENDITURES	(19,438)	(821,995)	(22,170)	(148,792)
<b>OTHER FINANCING SOURCES</b>				
Transfer from Other Funds	-	-	-	-
Bonds issued	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,043</u>	<u>\$ -</u>	<u>\$ 126,506</u>	<u>\$ 51,832</u>

(Continued)

MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)  
 CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2008  
 (CONTINUED)

	2002B Public Improvement	2003A Public Improvement	2004A Public Improvement	2004B Variable Rate
Project Authorization	\$ 139,000,000	\$ 193,000,000	\$ 105,000,000	\$ 100,000,000
Prior Years' Revenues	139,000,000	193,000,000	105,000,000	100,000,000
Prior Years' Expenditures	138,791,543	190,173,023	104,113,124	91,812,935
Fund Balances (Deficits) - Beginning of Year	<u>208,457</u>	<u>2,826,977</u>	<u>886,876</u>	<u>8,187,065</u>
<b>REVENUES</b>				
Intergovernmental				
Federal	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Management Services				
County Buildings	-	-	-	-
Land	-	179,732	-	-
Land Use and Environmental Services				
Scattered Site				
Historic Preservation	-	-	-	-
Community Services				
Park and Recreational Facilities	128,128	579,175	344,891	-
Library Facilities	-	-	-	-
Detention and Court Support Services				
Courthouse Facilities	-	-	159	-
Jail/Detention Facilities	-	-	-	-
Business Partners				
Community College Facilities	-	-	-	-
School Facilities	-	-	-	3,819,279
Total Expenditures	<u>128,128</u>	<u>758,907</u>	<u>345,050</u>	<u>3,819,279</u>
REVENUES UNDER EXPENDITURES	(128,128)	(758,907)	(345,050)	(3,819,279)
<b>OTHER FINANCING SOURCES</b>				
Transfer from Other Funds	-	-	-	-
Bonds issued	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 80,329</u>	<u>\$ 2,068,070</u>	<u>\$ 541,826</u>	<u>\$ 4,367,786</u>

(Continued)

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)  
 CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2008  
 (CONTINUED)

	2005A Public Improvement	2005B Variable Rate	2006A Variable Rate	2007A Public Improvement
Project Authorization	\$ 32,300,000	\$ 100,000,000	\$ 89,000,000	\$ 102,000,000
Prior Years' Revenues	32,300,000	100,000,000	89,000,000	102,000,000
Prior Years' Expenditures	<u>27,807,932</u>	<u>99,950,878</u>	<u>76,583,222</u>	<u>47,273,565</u>
Fund Balances (Deficits) - Beginning of Year	<u>4,492,068</u>	<u>49,122</u>	<u>12,416,778</u>	<u>54,726,435</u>
<b>REVENUES</b>				
Intergovernmental				
Federal	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Management Services				
County Buildings	-	-	-	-
Land	-	-	4,783,425	-
Land Use and Environmental Services				
Scattered Site				
Historic Preservation	-	-	-	-
Community Services				
Park and Recreational Facilities	445,134	-	5,960	13,772,436
Library Facilities	-	-	-	-
Detention and Court Support Services				
Courthouse Facilities	9,921	-	-	-
Jail/Detention Facilities	-	-	530,847	63,159
Business Partners				
Community College Facilities	2,419,894	49,122	2,689,535	717,214
School Facilities	-	-	-	17,124,393
Total Expenditures	<u>2,874,949</u>	<u>49,122</u>	<u>8,009,767</u>	<u>31,677,202</u>
REVENUES UNDER EXPENDITURES	(2,874,949)	(49,122)	(8,009,767)	(31,677,202)
		-	-	-
<b>OTHER FINANCING SOURCES</b>				
Transfer from Other Funds	-	-	-	-
Bonds issued	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		-		
FUND BALANCES - END OF YEAR	<u>\$ 1,617,119</u>	<u>\$ -</u>	<u>\$ 4,407,011</u>	<u>\$ 23,049,233</u>

(Continued)



## MECKLENBURG COUNTY, NORTH CAROLINA

## COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)

## CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(CONCLUDED)

	2008A Park and Recreation	Other Capital Funding	Total Capital Projects
Project Authorization	\$ 12,000,000	\$ 255,717,574	\$ 1,225,817,574
Prior Years' Revenues		186,626,143	1,144,726,143
Prior Years' Expenditures	-	155,090,779	1,028,204,225
Fund Balances (Deficits)- Beginning of Year	-	31,535,364	116,521,918
<b>REVENUES</b>			
Intergovernmental			
Federal	-	28,158	28,158
Other	-	3,843,606	3,843,606
Total Revenues	-	3,871,764	3,871,764
<b>EXPENDITURES</b>			
Management Services			
County Buildings	-	18,106,863	19,109,736
Land	-	-	4,963,157
Land Use and Environmental Services			
Scattered Site	-	28,159	28,159
Historic Preservation	-	199,148	199,148
Community Services			
Park and Recreational Facilities	2,055,573	(229,716)	17,111,103
Library Facilities	-	97,912	97,912
Detention and Court Support Services			
Courthouse Facilities	-	418,605	428,685
Jail/Detention Facilities	-	2,945,525	3,539,531
Business Partners			
Community College Facilities	-	499,089	6,374,854
School Facilities	-	-	20,943,672
Total Expenditures	2,055,573	22,065,585	72,795,957
REVENUES UNDER EXPENDITURES	(2,055,573)	(18,193,821)	(68,924,193)
<b>OTHER FINANCING SOURCES</b>			
Transfers from Other Funds	-	26,500,000	26,500,000
Bonds issued	12,000,000	-	12,000,000
Total Other Financing Sources	12,000,000	26,500,000	38,500,000
FUND BALANCES - END OF YEAR	\$ 9,944,427	\$ 39,841,543	\$ 86,097,725

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF ASSETS AND LIABILITIES  
 AGENCY FIDUCIARY FUNDS  
 JUNE 30, 2008

	Municipalities' Taxes	Employees' Insurance	Fee Collection for State	Food and Beverage Tax	Other	Total
<b>ASSETS</b>						
Cash and investments	\$ 2,915,928	\$ 18,412,048	\$ 3,110,864	\$ 40,184	\$ 198,073	\$ 24,677,097
Accounts receivable	-	3,863	-	-	-	3,863
<b>TOTAL ASSETS</b>	<u>\$ 2,915,928</u>	<u>\$ 18,415,911</u>	<u>\$ 3,110,864</u>	<u>\$ 40,184</u>	<u>\$ 198,073</u>	<u>\$ 24,680,960</u>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ -	\$ 18,415,911	\$ -	\$ -	\$ 198,073	\$ 18,613,984
Due to other governmental agencies	2,915,928	-	3,048,159	40,184	-	6,004,271
Due to NC Department of Motor Vehicles	-	-	62,705	-	-	62,705
<b>TOTAL LIABILITIES</b>	<u>\$ 2,915,928</u>	<u>\$ 18,415,911</u>	<u>\$ 3,110,864</u>	<u>\$ 40,184</u>	<u>\$ 198,073</u>	<u>\$ 24,680,960</u>

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<b>Municipalities' Taxes</b>				
Assets				
Cash and investments	\$ 1,223,996	\$ 496,531,082	\$ 494,839,150	\$ 2,915,928
Liabilities				
Due to other governmental agencies	\$ 1,223,996	\$ 489,874,187	\$ 488,182,255	\$ 2,915,928
<b>Employees' Insurance</b>				
Assets				
Cash and investments	\$ 10,373,867	\$ 62,336,900	\$ 54,298,719	\$ 18,412,048
Accounts receivable	58,853	93,435	148,425	3,863
Total assets	<u>\$ 10,432,720</u>	<u>\$ 62,430,335</u>	<u>\$ 54,447,144</u>	<u>\$ 18,415,911</u>
Liabilities				
Accounts payable and accrued liabilities	<u>\$ 10,432,720</u>	<u>\$ 119,602,798</u>	<u>\$ 111,619,607</u>	<u>\$ 18,415,911</u>
<b>Fee Collection for State</b>				
Assets				
Cash and investments	\$ 3,339,787	\$ 13,133,008	\$ 13,361,931	\$ 3,110,864
Liabilities				
Due to other governmental agencies	\$ 3,270,023	\$ 34,337,094	\$ 34,558,958	\$ 3,048,159
Due to NC Department of Motor Vehicles	69,764	914,517	921,576	62,705
	<u>\$ 3,339,787</u>	<u>\$ 35,251,611</u>	<u>\$ 35,480,534</u>	<u>\$ 3,110,864</u>
<b>Food and Beverage Tax</b>				
Assets				
Cash and investments	\$ 113,303	\$ 19,891,639	\$ 19,964,758	\$ 40,184
Liabilities				
Due to other governmental agencies	<u>\$ 113,303</u>	<u>\$ 19,891,639</u>	<u>\$ 19,964,758</u>	<u>\$ 40,184</u>
<b>Other</b>				
Assets				
Cash and investments	\$ 272,166	\$ 1,852,217	\$ 1,926,310	\$ 198,073
Liabilities				
Accounts payable and accrued liabilities	<u>\$ 272,166</u>	<u>\$ 1,852,217</u>	<u>\$ 1,926,310</u>	<u>\$ 198,073</u>
<b>Totals - All Agency Funds</b>				
Assets				
Cash and investments	\$ 15,323,119	\$ 593,744,846	\$ 584,390,868	\$ 24,677,097
Accounts receivable	58,853	93,435	148,425	3,863
Total assets	<u>\$ 15,381,972</u>	<u>\$ 593,838,281</u>	<u>\$ 584,539,293</u>	<u>\$ 24,680,960</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 10,704,886	\$ 121,455,015	\$ 113,545,917	\$ 18,613,984
Due to other governmental agencies	4,607,322	544,102,920	542,705,971	6,004,271
Due to NC Department of Motor Vehicles	69,764	914,517	921,576	62,705
Total liabilities	<u>\$ 15,381,972</u>	<u>\$ 666,472,452</u>	<u>\$ 657,173,464</u>	<u>\$ 24,680,960</u>

E - 1  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 GRANTS PROJECT FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Project Authorization Balance
<b>U.S. Department of Housing and Urban Development</b>					
<b>Passed through N.C. Department of Commerce</b>					
<b>Community Development Block Grant</b>					
<b>Block Grant #07-C-1664</b>					
REVENUES					
Grant Proceeds	\$ 400,000	\$ -	\$ 28,159	\$ 28,159	\$ 371,841
EXPENDITURES					
Rehabilitation	343,500	-	1,872	1,872	341,628
Administration	56,500	-	26,287	26,287	30,213
Total Expenditures	400,000	-	28,159	28,159	371,841
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>North Carolina Clean Water Management Trust</b>					
<b>Little Sugar Creek Restoration Phase IV</b>					
<b>Project 2002B-703</b>					
REVENUES					
Grant Proceeds	\$ 1,200,000	136,798	-	136,798	\$ 1,063,202
City of Charlotte	325,000	-	-	-	325,000
Mecklenburg County	100,000	-	-	-	100,000
Total Revenues	1,625,000	136,798	-	136,798	1,488,202
EXPENDITURES					
Construction	1,625,000	136,798	-	136,798	1,488,202
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>McDowell Creek Watershed BMP Construction</b>					
<b>Project 2005A-401</b>					
REVENUES					
Grant Proceeds	\$ 639,000	-	180,821	180,821	\$ 458,179
Mecklenburg County	639,000	-	281,760	281,760	357,240
Total Revenues	1,278,000	-	462,581	462,581	815,419
EXPENDITURES					
Construction	1,278,000	-	462,581	462,581	815,419
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

Continued

E - 1  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 GRANTS PROJECT FUND  
 FOR THE YEAR ENDED JUNE 30, 2008  
 (CONTINUED)

	Project Authorization	Actual		Total to Date	Project Authorization Balance
		Prior Year	Current Year		
<b>North Carolina Clean Water Management Trust</b>					
<b>Little Sugar Creek - Phase VII</b>					
<b>Project 2005B-704</b>					
REVENUES					
Grant Proceeds	\$ 280,000	\$ -	\$ 570	\$ 570	\$ 279,430
Mecklenburg County	575,000	-	339,972	339,972	235,028
Total Revenues	<u>855,000</u>	<u>-</u>	<u>340,542</u>	<u>340,542</u>	<u>514,458</u>
EXPENDITURES					
Construction	<u>855,000</u>	<u>-</u>	<u>340,542</u>	<u>340,542</u>	<u>514,458</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>Little Sugar Creek - Phase 9 (Midtown)</b>					
<b>Project 2007-404</b>					
REVENUES					
Grant Proceeds	\$ 615,000	-	363,068	363,068	\$ 251,932
Mecklenburg County	662,000	-	375,742	375,742	286,258
Total Revenues	<u>1,277,000</u>	<u>-</u>	<u>738,810</u>	<u>738,810</u>	<u>538,190</u>
EXPENDITURES					
Construction	<u>1,277,000</u>	<u>-</u>	<u>738,810</u>	<u>738,810</u>	<u>538,190</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>Little Sugar Creek - Phase VIII</b>					
<b>Project 2006-404</b>					
REVENUES					
Grant Proceeds	\$ 1,000,000	-	30,979	30,979	\$ 969,021
Mecklenburg County	300,000	11,247	(11,247)	-	300,000
Total Revenues	<u>1,300,000</u>	<u>11,247</u>	<u>19,732</u>	<u>30,979</u>	<u>1,269,021</u>
EXPENDITURES					
Construction	<u>1,300,000</u>	<u>11,247</u>	<u>19,732</u>	<u>30,979</u>	<u>1,269,021</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

Continued

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 GRANTS PROJECT FUND  
 FOR THE YEAR ENDED JUNE 30, 2008  
 (CONCLUDED)

	Project Authorization	Actual			Project Authorization Balance
		Prior Year	Current Year	Total to Date	
<b>North Carolina Clean Water Management Trust</b>					
<b>Four Mile Creek Stream Restoration</b>					
<b>Project 2005B-702</b>					
REVENUES					
Grant Proceeds	\$ 542,000	\$ 56,088	\$ -	\$ 56,088	\$ 485,912
Mecklenburg County	558,445	56,088	-	56,088	502,357
Total Revenues	<u>1,100,445</u>	<u>112,176</u>	<u>-</u>	<u>112,176</u>	<u>988,269</u>
EXPENDITURES					
Construction	<u>1,100,445</u>	<u>112,176</u>	<u>-</u>	<u>112,176</u>	<u>988,269</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>U.S. Department of Environmental Protection</b>					
<b>Passed through N.C. Department of Environment and Natural Resources</b>					
<b>McDowell Creek BMP Construction</b>					
<b>Project EW7035</b>					
REVENUES					
Grant Proceeds	\$ 287,050	-	195,789	195,789	\$ 91,261
Mecklenburg County	191,366	-	806	806	190,560
Total Revenues	<u>478,416</u>	<u>-</u>	<u>196,595</u>	<u>196,595</u>	<u>281,821</u>
EXPENDITURES					
Construction	<u>478,416</u>	<u>-</u>	<u>196,595</u>	<u>196,595</u>	<u>281,821</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE - BEGINNING OF YEAR					
		<u>-</u>	<u>-</u>	<u>-</u>	
FUND BALANCE - END OF YEAR		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	



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 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - CAPITAL RESERVE SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual
REVENUES		
Intergovernmental	\$ -	\$ 374,293
Charges for services	364,865	407,885
Other	1,503,632	3,054,309
Total Revenues	1,868,497	3,836,487
 EXPENDITURES		
Capital outlay	20,438,821	16,062,473
Total Expenditures	20,438,821	16,062,473
 REVENUES UNDER EXPENDITURES	(18,570,324)	(12,225,986)
 OTHER FINANCING SOURCES		
Transfers from other funds	18,570,324	18,570,324
 REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	\$ -	6,344,338
 FUND BALANCE - BEGINNING OF YEAR		23,162,525
FUND BALANCE - END OF YEAR		\$ 29,506,863

MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - STORM WATER MANAGEMENT SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual
REVENUES		
Intergovernmental		
Federal	\$ 2,791,513	\$ 6,903,887
State	376,396	100,085
Local	1,000,000	67,800
Charges for services	13,968,050	13,681,785
Interest earned on investments	-	596,650
Other	131,390	24,229
Total Revenues	18,267,349	21,374,436
EXPENDITURES		
Land Use and Environmental Services		
Storm Water Services	15,113,879	9,690,258
Capital Outlay	8,685,885	8,685,885
Debt Service		
Principal retirement - bonds	1,270,361	1,269,065
Interest	281,882	281,882
Total Expenditures	25,352,007	19,927,090
REVENUES OVER (UNDER) EXPENDITURES	(7,084,658)	1,447,346
OTHER FINANCING SOURCES:		
Appropriated fund balance	7,084,658	-
REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	\$ -	1,447,346
FUND BALANCE - BEGINNING OF YEAR		16,536,153
FUND BALANCE - END OF YEAR		\$ 17,983,499

F - 3  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - LAW ENFORCEMENT SERVICE DISTRICT SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual
REVENUES		
Law Enforcement Service District taxes	\$ 12,548,543	\$ 12,348,157
Interest earned on investments	-	23,427
Total Revenues	12,548,543	12,371,584
EXPENDITURES		
Business Partners:		
Law Enforcement Services	12,548,543	12,548,543
Total Expenditures	12,548,543	12,548,543
REVENUES UNDER EXPENDITURES	\$ -	(176,959)
FUND BALANCE - BEGINNING OF YEAR		995,807
FUND BALANCE - END OF YEAR		\$ 818,848

MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - TRANSIT ONE-HALF CENT SALES TAX SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Transit one-half cent sales tax	\$ 45,075,000	\$ 38,621,351
EXPENDITURES		
Business Partners	<u>45,075,000</u>	<u>45,073,639</u>
REVENUES UNDER EXPENDITURES	<u>\$ -</u>	(6,452,288)
FUND BALANCE - BEGINNING OF YEAR		<u>6,452,288</u>
FUND BALANCE - END OF YEAR		<u>\$ -</u>

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - SCRAP TIRE DISPOSAL SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual
REVENUES		
Intergovernmental - State	\$ 957,194	\$ 1,087,995
Interest earned on investment	-	2,016
Other Revenue	169,326	102,321
Total Revenues	1,126,520	1,192,332
EXPENDITURES		
Land Use and Environmental Services	1,126,520	1,126,414
REVENUES OVER EXPENDITURES	\$ -	65,918
FUND BALANCE - BEGINNING OF YEAR		340
FUND BALANCE - END OF YEAR		\$ 66,258

MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - DISCARDED WHITE GOODS SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Intergovernmental - State	\$ 363,933	\$ 324,967
Other	<u>411,781</u>	<u>266,049</u>
	775,714	591,016
 EXPENDITURES		
Land Use and Environmental Services	<u>775,714</u>	<u>353,247</u>
 REVENUES OVER EXPENDITURES	<u>\$ -</u>	237,769
 FUND BALANCE - BEGINNING OF YEAR		<u>1,062,779</u>
FUND BALANCE - END OF YEAR		<u>\$ 1,300,548</u>



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 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - SHERIFF SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual
REVENUES		
Charges for Services - Licenses and Permits	\$ 198,416	\$ 265,118
Other	386,541	362,569
Total Revenues	584,957	627,687
EXPENDITURES		
Detention and Court Support Services	584,957	337,436
REVENUES OVER EXPENDITURES	\$ -	290,251
FUND BALANCE - BEGINNING OF YEAR		701,765
FUND BALANCE - END OF YEAR		\$ 992,016

F - 8  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - REGISTER OF DEEDS SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual
REVENUES		
Charges for services	\$ 723,500	\$ 723,361
EXPENDITURES		
Capital outlay	723,500	644,205
REVENUES OVER EXPENDITURES	\$ -	79,156
FUND BALANCE - BEGINNING OF YEAR		1,688,819
FUND BALANCE - END OF YEAR		\$ 1,767,975

MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - EMERGENCY TELEPHONE SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Intergovernmental - Local	\$ 700,000	\$ 756,149
Interest		7,836
Total Revenue	<u>700,000</u>	<u>763,985</u>
EXPENDITURES		
Business Partners	<u>1,174,100</u>	<u>894,376</u>
REVENUES UNDER EXPENDITURES	(474,100)	(130,391)
OTHER FINANCING SOURCES		
Transfer to General Fund	-	(507,542)
Transfer from General Fund	-	507,542
Appropriated Fund Balance	<u>474,100</u>	<u>-</u>
REVENUE UNDER EXPENDITURES AND OTHER FINANCING SOURCES	<u>\$ -</u>	(130,391)
FUND BALANCE - BEGINNING OF YEAR		<u>569,814</u>
FUND BALANCE - END OF YEAR		<u>\$ 439,423</u>

G-1  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - CERTIFICATES OF PARTICIPATION FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

PROJECT AUTHORIZATION	\$ 581,755,000
	<u>581,755,000</u>
Prior Year's Revenues	\$ 422,075,000
Prior Year's Expenditures	324,538,113
FUND BALANCE - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	97,536,887
Prior Period Adjustment	10,982,094
FUND BALANCE - BEGINNING OF YEAR, RESTATED	<u>108,518,981</u>
REVENUES	-
Interest on investments	5,857,794
EXPENDITURES	
Management Services	
County Buildings	17,513,807
Community Services	
Park and Recreation Facilities	543,153
Library Facilities	54,473
Detention and Court Support Services	
Court House	1,403,382
Jail/Detention Facilities	4,534,902
Community College Facilities	873,601
School Facilities	93,552,591
Total Expenditures	<u>118,475,909</u>
REVENUES UNDER EXPENDITURES	(112,618,115)
OTHER FINANCING SOURCES	
Certificates of participation issued	<u>159,680,000</u>
FUND BALANCE - END OF YEAR	<u>\$ 155,580,866</u>

G-2  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - 2008B PUBLIC IMPROVEMENT BOND FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

PROJECT AUTHORIZATION		<u>\$ 148,500,000</u>
Prior Year's Revenues	\$	-
Prior Year's Expenditures		<u>7,267,118</u>
FUND BALANCE - BEGINNING OF YEAR		<u>(7,267,118)</u>
REVENUES		-
EXPENDITURES		
Management Services		
County Buildings		
Land		6,138
Community Services		
Park and Recreation Facilities		445,558
Library Facilities		
Detention and Court Support Services		
Court House		
Jail/Detention Facilities		3,380,171
Community College Facilities		
School Facilities		<u>50,474,079</u>
Total Expenditures		<u>54,305,946</u>
REVENUES UNDER EXPENDITURES		(54,305,946)
OTHER FINANCING SOURCES		
Public Improvement Bonds issued		<u>148,500,000</u>
FUND BALANCE - END OF YEAR		<u>\$ 86,926,936</u>

H - 1  
MECKLENBURG COUNTY, NORTH CAROLINA  
SCHEDULE OF REVENUES AND EXPENSES - BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL  
SOLID WASTE OPERATING FUND  
FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual
Operating Revenues		
Charges for services	\$ 14,395,119	\$ 14,176,094
Other	1,631,115	4,228,361
Total Operating Revenues	16,026,234	18,404,455
Operating Expenses		
Personal services and employee benefits	4,024,506	4,024,241
Utilities	167,806	144,821
Supplies	761,850	905,838
Maintenance and repairs	681,620	718,064
Rental and occupancy charges	673,653	659,751
Contractual services	4,571,652	4,270,860
Postclosure reserve contribution	783,671	783,671
Total Operating Expenses	11,664,758	11,507,246
Operating Income	4,361,476	6,897,209
Non-operating Revenues (Expenses)		
Interest Income	300,000	599,359
Interest expense	(270,433)	(270,208)
Transfer to other funds	(2,817,544)	(2,817,544)
Capital outlay	(316,818)	-
Total Non-operating Revenues (Expenses)	(3,104,795)	(2,488,393)
Net income - Modified accrual basis	\$ 1,256,681	4,408,816
Reconciliation to full accrual basis		
Depreciation		(1,388,944)
Loss on sale of capital assets		(10,874)
Amortization of refunding amount		(100,325)
Net Income - Full Accrual Basis		\$ 2,908,673

H - 2  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 LANDFILL CONSTRUCTION, FINAL DEVELOPMENT AND POSTCLOSURE RESERVE FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

	Project Authorization	Prior Years'	Actual Current Year	Total to Date
<b>REVENUES</b>				
Fees and charges	\$ 3,100,000	\$ 3,100,000	\$ -	\$ 3,100,000
<b>EXPENDITURES</b>				
Landfill construction	1,755,188	782,203	13,400	795,603
Land improvements	2,286,511	1,810,020	79,607	1,889,627
Final development and postclosure costs	10,669,587	6,995,430	-	6,995,430
Total expenditures	<u>14,711,286</u>	<u>9,587,653</u>	<u>93,007</u>	<u>9,680,660</u>
REVENUES OVER (UNDER) EXPENDITURES	(11,611,286)	(6,487,653)	(93,007)	(6,580,660)
<b>OTHER FINANCING SOURCES</b>				
Interest earned on investments	583,910	1,482,911	538,297	2,021,208
Operating transfer from Solid Waste Enterprise Fund	<u>11,027,376</u>	<u>11,027,376</u>	<u>-</u>	<u>11,027,376</u>
Total other financing sources	<u>11,611,286</u>	<u>12,510,287</u>	<u>538,297</u>	<u>13,048,584</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 6,022,634</u>	<u>\$ 445,290</u>	<u>\$ 6,467,924</u>



# STATISTICAL

The tables in this section provide additional information regarding the County's financial performance and position over time.



MECKLENBURG COUNTY, NORTH CAROLINA



## Statistical Section

The Statistical Section presents detailed information for the primary government in the following areas, as a context for understanding what the information in the Financial Section presents about the County's overall financial health:

**FINANCIAL TRENDS – Tables 1 through 5:** Information to help the reader understand how the County's financial performance and well-being have changed over time.

**REVENUE CAPACITY – Tables 6 through 10:** Information to help the reader assess the County's most significant local revenue sources.

**DEBT CAPACITY – Tables 11 through 16:** Information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

**DEMOGRAPHIC AND ECONOMIC DATA – Tables 17 and 18:** Indicators to help the reader understand the environment within which the County's financial activities take place.

**OPERATIONAL INFORMATION – Tables 19 through 21:** Service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Where possible, the tables cover ten years of data, and any data presented that is taken from outside the County's financial records notes the source of that data.

TABLE 1

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

	2008	2007	2006	2005	2004	2003	2002
<b>Governmental Activities</b>							
Invested in capital assets, net of related debt	\$ 304,151,869	\$ 356,614,648	\$ 310,896,185	\$ 213,635,383	\$ 127,817,905	\$ 77,069,836	\$ 128,024,766
Restricted	327,384,574	231,207,128	182,178,629	236,984,909	169,123,657	80,047,571	90,060,935
Unrestricted	(1,309,903,323)	(1,184,345,098)	(1,136,920,390)	(1,181,459,138)	(1,002,264,062)	(805,386,293)	(753,444,087)
Total Governmental Activities	<u>(678,366,880)</u>	<u>(596,523,322)</u>	<u>(643,845,576)</u>	<u>(730,838,846)</u>	<u>(705,322,500)</u>	<u>(648,268,886)</u>	<u>(535,358,386)</u>
<b>Business-type Activities</b>							
Invested in capital assets, net of related debt	43,086,496	42,315,856	38,801,651	34,801,339	31,603,515	26,493,191	24,238,063
Restricted	7,887,353	7,103,682	6,136,846	4,633,253	3,633,177	2,772,021	1,475,353
Unrestricted	12,011,366	7,489,702	6,062,071	6,313,736	5,508,645	8,721,469	10,565,570
Total Business-type Activities	<u>62,985,215</u>	<u>56,909,240</u>	<u>51,000,568</u>	<u>45,748,328</u>	<u>40,745,337</u>	<u>37,986,681</u>	<u>36,278,986</u>
<b>Primary Government</b>							
Invested in capital assets, net of related debt	347,238,365	398,930,504	349,697,836	248,436,722	159,421,420	103,563,027	152,262,829
Restricted	335,271,927	238,310,810	188,315,475	241,618,162	172,756,834	82,819,592	91,536,288
Unrestricted	(1,297,891,957)	(1,176,855,396)	(1,130,858,319)	(1,175,145,402)	(996,755,417)	(796,664,824)	(742,878,517)
Total Primary Government	<u>(615,381,665)</u>	<u>(539,614,082)</u>	<u>(592,845,008)</u>	<u>(685,090,518)</u>	<u>(664,577,163)</u>	<u>(610,282,205)</u>	<u>(499,079,400)</u>

GASB Statement 34, presenting Statement of Net Assets, was implemented for the year ended June 30, 2002.

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

	2008	2007	2006	2005	2004	2003	2002
<b>Expenses:</b>							
<b>Governmental Activities:</b>							
Management Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,004,729
Customer Satisfaction and Communication	9,432,409	9,386,599	8,036,587	5,071,173	4,713,506	4,030,103	912,818
Customer Satisfaction and Management Services	61,279,620	44,273,000	40,844,068	43,750,891	39,279,980	38,725,174	-
Administrative Services	7,120,138	6,326,773	5,567,686	5,180,393	3,800,229	3,256,165	16,384,192
Financial Services	57,010,773	52,666,060	48,392,098	47,169,106	44,964,169	43,001,664	42,826,310
Land Use and Environmental Services	81,126,150	72,095,240	69,986,542	60,041,146	55,180,957	66,611,979	31,032,651
Community Services	121,321,357	108,416,665	100,440,768	91,010,118	90,163,414	88,349,286	82,703,642
Detention and Court Support Services	316,744,954	293,701,918	302,912,035	295,466,889	284,575,085	272,484,300	270,190,779
Health and Human Services	667,379,265	617,922,536	525,689,223	544,344,802	535,387,248	562,530,240	589,699,683
Business Partners	35,127,967	34,636,394	34,393,453	27,162,389	37,554,279	34,545,455	34,756,244
Interest on long term debt: general purpose schools	51,320,375	52,334,543	47,444,414	47,180,788	39,134,034	27,373,405	20,479,823
Total Governmental Activities Expenses	1,407,863,008	1,291,758,728	1,183,707,874	1,166,377,695	1,134,752,901	1,140,907,777	1,130,890,871
Business-type Activities:							
Solid Waste Operations	13,504,089	12,491,152	11,840,983	10,222,626	10,137,235	10,279,190	9,131,738
Total Primary Government Expenses	1,421,367,097	1,304,249,880	1,195,548,857	1,176,600,321	1,144,890,136	1,151,186,967	1,140,122,609
<b>Program Revenues:</b>							
<b>Governmental Activities:</b>							
Charges for services	-	-	-	-	-	-	-
Management Services	-	4,425	-	-	-	-	1,606,517
Customer Satisfaction and Communication	-	-	-	-	-	-	12,318
Customer Satisfaction and Management Service	1,989,748	1,432,914	2,416,970	2,351,459	2,786,765	646,439	-
Administrative Services	7,795	9,536	25,784	322,643	801,132	512,201	443,938
Financial Services	57,513,158	62,589,961	52,333,602	50,788,661	48,230,572	44,582,852	40,725,734
Land Use and Environmental Services	5,108,761	4,834,221	4,226,162	4,094,909	3,871,825	3,629,118	3,119,345
Community Services	34,652,378	34,443,731	31,401,913	26,582,127	21,663,604	20,577,110	21,478,200
Detention and Court Support Services	17,897,027	14,392,646	30,306,153	23,087,794	25,028,176	22,600,616	20,853,459
Health and Human Services	6,497,024	4,542,827	4,549,316	5,851,361	3,547,264	2,970,388	3,682,423
Business Partners	202,018,874	178,316,481	161,050,616	163,656,851	157,802,215	170,004,106	179,062,472
Operating grants and contributions	2,324,217	2,599,824	625,975	152,290	1,367,318	1,330,408	779,440
Capital grants and contributions	328,008,982	303,166,566	286,941,481	276,891,383	265,098,873	268,132,465	271,763,846
Total Governmental Activities Program Revenues	18,404,455	17,332,509	16,400,768	14,919,683	12,746,983	11,135,681	9,328,159
Charges for services	-	-	-	-	-	-	-
Operating grants and contributions	18,404,455	17,332,509	16,400,768	14,919,683	12,746,983	11,135,681	9,328,159
Total Business-type activities Program Revenues	346,413,437	320,499,075	303,342,259	291,851,066	277,845,856	280,953,244	281,092,005
<b>Net Expense</b>	(1,079,854,026)	(988,592,162)	(896,766,383)	(899,486,312)	(869,854,028)	(872,775,372)	(899,227,025)
<b>Governmental activities</b>	4,900,366	4,841,357	4,559,785	4,737,957	2,609,748	1,641,649	196,421
<b>Business-type activities</b>	(1,074,953,660)	(983,750,805)	(892,206,598)	(884,749,255)	(867,044,280)	(871,133,723)	(899,030,604)
<b>General Revenues</b>							
<b>Governmental Activities</b>							
Property taxes, general purpose	790,150,824	743,452,736	725,530,314	630,063,242	606,101,525	576,929,663	571,543,862
Property taxes, Law Enforcement Service District	12,348,157	12,585,852	12,251,561	13,441,010	12,946,398	11,390,346	10,667,516
Sales taxes	247,551,124	244,421,759	218,196,848	201,685,317	180,631,909	158,308,798	143,533,620
Other taxes	9,209,619	8,132,918	7,805,251	6,571,325	5,652,083	4,523,350	21,574,284
Investment earnings	29,575,757	26,466,482	17,883,110	11,109,807	5,337,180	7,054,650	13,735,418
Miscellaneous	1,108,328	854,669	2,092,569	1,047,340	1,729,319	1,510,628	2,225,759
Total Governmental Activities General Revenues	1,089,943,609	1,035,914,416	983,759,653	863,923,041	812,600,414	759,717,435	763,280,459
Business-type Activities	1,137,656	1,067,315	692,455	312,859	148,908	213,483	645,803
Investment earnings	37,953	-	-	-	-	-	191,166
Miscellaneous	1,175,609	1,067,315	692,455	312,859	148,908	213,483	836,969
Total Business-type Activities General Revenues	1,091,119,418	1,036,981,731	984,452,108	864,235,900	812,749,322	759,930,918	764,117,428
<b>Change in Net Assets</b>	10,089,783	47,322,254	86,993,270	(25,663,271)	(57,053,614)	(113,057,937)	(95,946,566)
<b>Governmental Activities</b>	6,075,975	5,908,672	5,252,240	5,049,916	2,758,656	1,855,132	1,033,390
<b>Business-type Activities</b>	16,165,758	53,230,926	92,245,510	(20,513,355)	(64,294,958)	(111,202,805)	(94,913,176)
<b>Total Primary Government Change in Net Assets</b>	\$ 16,165,758	\$ 53,230,926	\$ 92,245,510	\$ (20,513,355)	\$ (64,294,958)	\$ (111,202,805)	\$ (94,913,176)

NOTES: (A) FEMA revenue from ice storm clean-up.  
(B) State reimbursements were eliminated for years after 2002.

TABLE 3

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

June 30	General Fund			All Other Governmental Funds				All Governmental Funds Total		
	Reserved for Encumbrances	Reserved by State Statute	Unreserved	Total	Reserved for Encumbrances	Reserved by State Statute	Special Revenue Funds Unreserved		Capital Projects Funds Unreserved	
2008	\$ 23,067,756	\$ 73,790,931	\$ 265,285,330	\$ 362,144,017	\$ 101,422,120	\$ 16,698,476	\$ 28,301,001	\$ 235,059,360	\$ 381,480,957	\$ 743,624,974
2007	21,626,933	77,459,022	244,382,297	343,468,252	36,133,168	11,083,386	34,144,388	176,601,035	257,961,977	601,430,229
2006	25,594,209	71,727,868	194,232,627	291,554,704	32,175,939	9,050,935	31,337,721	152,167,587	224,732,182	516,286,886
2005	15,868,220	75,378,590	149,048,699	240,295,509	54,824,194	10,548,021	19,046,705	168,920,112	253,339,032	493,634,541
2004	13,349,881	90,196,834	106,511,731	210,058,446	101,131,886 (A)	11,424,512	6,416,518	132,562,611	251,535,527	461,593,973
2003	11,978,650	59,731,407	94,082,288	165,792,345	19,710,606	25,993,028	20,866,532	206,889,877	273,460,043	439,252,388
2002	10,336,702	60,023,680	107,609,896	177,970,278	16,778,218	36,026,684	13,366,089	12,174,126 (B)	78,345,117	256,315,395
2001	9,048,022	61,210,113	109,589,642	179,847,777	29,319,975	19,951,579	10,849,378	208,843,117	268,964,049	448,811,826
2000	10,213,632	67,617,506	99,355,436	177,186,574	34,721,688	10,225,919	14,323,176	175,692,450	234,963,233	412,149,807
1999	15,226,984	48,224,435	95,973,920	159,425,339	50,244,687	745,561 (C)	11,211,430	146,810,795	209,012,473	368,437,812

NOTES: (A) Increase in reserve for encumbrance reflects start-up of capital projects.

(B) Low level reflects cycle of capital projects.

(C) Minimal level of accounts receivable resulted in low level of reserved by state statute.

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

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Revenues</b>										
Taxes	\$ 1,002,132,382	\$ 948,779,819	\$ 916,447,749	\$ 801,413,253	\$ 757,942,982	\$ 709,402,473	\$ 676,576,410	\$ 581,919,919	\$ 543,967,974	\$ 486,528,094
Law Enforcement Service District Taxes	12,348,157	12,585,852	12,251,561	13,441,010	12,948,398	11,390,346	10,667,516	4,867,709	5,196,753	7,452,099
Transit One-Half-Cent Sales Tax	38,621,351	38,167,932	35,410,866	32,094,987	29,235,677	27,272,168	27,726,072	29,571,603	32,870,856	17,911,117
License and permits	23,769,577	26,667,640	25,435,596	22,250,864	20,810,125	18,202,231	18,834,892	19,246,088	17,911,117	16,086,280
Intergovernmental	202,763,758	177,779,577	158,813,796	163,916,973	159,880,651	168,436,791	191,005,441	205,805,746	200,148,524	150,512,935
Charges for Services	93,854,623	92,926,023	96,750,617	86,897,555	80,854,424	75,453,642	70,044,344	53,645,929	53,282,317	53,270,060
Interest earned on investments	29,575,757	26,466,482	17,883,110	11,109,807	5,337,180	7,064,650	13,735,418	29,140,334	23,524,592	21,653,385
Administrative charges	4,102,864	3,812,899	3,003,655	2,119,573	2,868,492	3,827,673	3,957,040	3,737,835	3,664,596	3,469,017
Other	15,791,573	11,052,022	13,503,610	8,649,858	8,035,568	11,868,431	8,344,108	6,327,552	4,418,193	4,481,011
<b>Total Revenues</b>	<b>1,422,960,042</b>	<b>1,338,238,246</b>	<b>1,279,500,360</b>	<b>1,141,893,880</b>	<b>1,077,913,497</b>	<b>1,032,908,405</b>	<b>1,020,891,241</b>	<b>934,262,715</b>	<b>884,984,922</b>	<b>743,452,881</b>
<b>Expenditures</b>										
Current										
Customer Satisfaction and Management	9,335,137	9,345,322	7,933,172	4,996,350	4,625,991	3,956,605	41,515,761	-	-	-
Management Services	-	-	-	-	-	-	-	18,394,545	15,029,630	12,883,226
Policy Development and Management Support	-	-	-	-	-	-	-	14,222,443	14,193,760	13,618,487
Corporate Support Services	60,651,676	45,881,538	40,684,412	41,561,961	37,377,104	35,273,845	6,321,146	-	-	-
Administrative Services	9,285,342	7,392,488	6,757,139	5,828,781	5,343,695	5,117,608	906,866	-	-	-
Customer Satisfaction and Communication	59,788,568	55,319,765	50,845,010	47,229,852	46,404,385	44,749,116	50,947,149	50,048,795	36,244,290	33,135,349
Land use and Environmental Services	78,353,413	71,197,222	67,668,009	58,294,732	53,533,773	54,995,316	52,236,240	51,612,904	47,981,045	43,183,812
Community Services	108,381,204	99,542,545	91,453,555	82,636,365	81,525,311	79,871,042	74,084,024	75,970,041	70,522,123	67,079,637
Detention and Court Support Services	315,306,697	293,423,556	301,585,511	293,523,030	283,596,456	272,272,635	269,324,679	285,241,702	243,535,524	225,327,910
Health and Human Services	-	-	-	-	-	-	-	307,661,160	283,956,136	235,836,010
Government Relations	478,299,087	444,142,474	402,885,075	373,999,218	367,724,761	362,949,449	358,244,788	-	-	-
Business Partners	-	-	-	-	-	-	-	-	-	-
Debt Service	148,389,980	136,698,950	124,519,648	107,184,279	92,128,738	85,933,382	75,427,084	64,884,716	58,210,861	57,034,187
Principal payments	86,448,342	87,443,865	81,837,867	76,155,339	76,688,313	61,918,860	65,634,225	58,728,289	51,017,121	53,554,014
Interest and fiscal charges	270,970,375	234,148,772	277,678,617	264,557,921	239,833,978	260,268,835	303,927,878	281,353,028	157,205,470	131,057,532
Capital Outlay	1,625,209,831	1,484,536,497	1,453,848,015	1,355,967,828	1,288,782,505	1,267,306,693	1,298,569,840	1,188,117,623	977,895,960	872,710,164
<b>Total Expenditures</b>	<b>(202,249,789)</b>	<b>(146,298,251)</b>	<b>(174,347,655)</b>	<b>(214,073,948)</b>	<b>(210,869,008)</b>	<b>(234,398,288)</b>	<b>(277,678,599)</b>	<b>(253,854,908)</b>	<b>(92,911,038)</b>	<b>(129,257,283)</b>
<b>DEFICIENCY OF REVENUES</b>										
<b>UNDER EXPENDITURES</b>										
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	46,085,408	29,583,692	38,992,801	7,769,837	23,980,299	3,068,095	7,452,795	8,487,318	8,032,982	4,415,945
Transfers out	(46,085,408)	(29,583,692)	(38,992,801)	(7,722,912)	(23,980,299)	(2,920,658)	(7,452,795)	(6,333,175)	(5,791,411)	(3,798,051)
Refunding bonds issued	-	-	-	172,125,000	135,470,000	12,160,000	30,531,136	148,692,780	-	-
Payment to refunded bond escrow agent	-	-	-	(188,732,416)	(148,763,086)	(13,145,339)	(30,531,136)	(148,692,780)	-	-
Bond and other debt issues	320,180,000	225,135,000	197,000,000	245,665,000	223,155,000	416,820,000	85,000,000	280,000,000	129,000,000	-
Capitalized Lease	-	-	-	1,426,923	104,260	246,670	5,545,928	-	-	-
Premium on bonds issued	13,282,440	6,306,594	-	17,010,007	21,921,756	1,246,923	-	-	-	1,757,296
Total Other Financing Sources	333,462,440	231,441,594	197,000,000	246,114,516	233,210,593	417,335,281	85,246,670	287,700,071	136,241,571	2,374,190
<b>NET CHANGE IN FUND BALANCES</b>	<b>131,212,651</b>	<b>85,143,343</b>	<b>22,652,345</b>	<b>32,040,568</b>	<b>22,341,565</b>	<b>182,936,993</b>	<b>(192,431,929)</b>	<b>33,845,163</b>	<b>43,330,533</b>	<b>(126,883,093)</b>
<b>FUND BALANCES-BEGINNING OF YEAR</b>	<b>601,430,229</b>	<b>516,286,886</b>	<b>493,634,541</b>	<b>461,593,973</b>	<b>439,252,388</b>	<b>256,315,395</b>	<b>448,811,826</b>	<b>412,149,807</b>	<b>368,285,357</b>	<b>493,894,130</b>
<b>RESIDUAL EQUITY TRANSFER</b>	-	-	-	-	-	-	-	2,816,856	1,000,000	1,274,320
<b>RECLASSIFICATION</b>	10,982,094	-	-	-	-	-	(64,502)	-	(466,083)	-
<b>FUND BALANCES-END OF YEAR</b>	<b>\$ 743,624,974</b>	<b>\$ 601,430,229</b>	<b>\$ 516,286,886</b>	<b>\$ 493,634,541</b>	<b>\$ 461,593,973</b>	<b>\$ 439,252,388</b>	<b>\$ 256,315,395</b>	<b>\$ 448,811,826</b>	<b>\$ 412,149,807</b>	<b>\$ 368,285,357</b>
Debt Service as a percent of non-capital expenditures	15.24%	16.00%	15.06%	14.57%	16.15%	14.71%	14.39%	13.63%	13.31%	14.91%



TABLE 5  
MECKLENBURG, NORTH CAROLINA  
GOVERNMENTAL TAX REVENUE BY SOURCE  
LAST TEN FISCAL YEARS

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Tax Revenues</b>										
General Property	\$ 789,623,586	\$ 738,775,024	\$ 729,765,134	\$ 627,924,349	\$ 602,098,773	\$ 575,430,471	\$ 555,919,512	\$ 460,936,248	\$ 434,642,910	\$ 385,203,274
Sales	208,929,773	206,253,827	182,786,182	169,590,330	151,396,232	119,021,487	115,807,548	115,997,743	107,109,132	98,800,802
Room Occupancy	669,476	993,378	1,356,706	1,162,122	1,230,086	1,174,765	1,189,818	1,333,592	868,039	1,083,285
Vehicle Rental	2,863,679	2,724,891	2,510,499	1,979,056	1,801,182	1,739,114	1,655,111	1,681,005 (C)	-	-
Other	45,868	32,699	29,228	27,371	45,707	21,493	72,858	68,679	90,893	38,235
	<u>\$1,002,132,382</u>	<u>\$948,779,819</u>	<u>\$916,447,749</u>	<u>\$800,683,228</u>	<u>\$756,571,980</u>	<u>\$697,387,330</u>	<u>\$674,644,847</u>	<u>\$580,017,267</u>	<u>\$542,710,974</u>	<u>\$485,125,596</u>

## NOTES:

- (A) Revaluation.  
 (B) Additional 1/2 cent sales tax levied.  
 (C) Vehicle rental tax was adopted and collected by Tax Collector's Office.

TABLE 6

MECKLENBURG COUNTY, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY  
FOR THE YEAR ENDED JUNE 30, 2008

	Countywide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 86,744,925,836	\$ 0.8387	\$ 727,529,693	\$ 727,529,693	\$ -
Motor vehicles taxed at current year's rate	4,939,233,814	0.8387	41,425,354	-	41,425,354
Motor vehicles taxed at prior year's rate	<u>2,643,608,743</u>	0.8189	<u>21,648,512</u>	<u>-</u>	<u>21,648,512</u>
Total	<u>94,327,768,393</u>		<u>790,603,559</u>	<u>727,529,693</u>	<u>63,073,866</u>
Discoveries:					
Prior year taxes	771,998,017	Various	6,189,740	6,189,740	-
Penalties	<u>-</u>		<u>1,441,799</u>	<u>1,441,799</u>	<u>-</u>
Total	<u>771,998,017</u>		<u>7,631,539</u>	<u>7,631,539</u>	<u>-</u>
Rebates	<u>(835,763,676)</u>		<u>(7,224,321)</u>	<u>(5,950,647)</u>	<u>(1,273,674)</u>
Total net property valuation	<u>\$ 94,264,002,734</u>				
Net levy			791,010,777	729,210,585	61,800,192
Uncollected taxes at June 30, 2008			<u>(19,431,222)</u>	<u>(10,757,518)</u>	<u>(8,673,705)</u>
Current year's taxes collected			<u>\$ 771,579,555</u>	<u>\$ 718,453,067</u>	<u>\$ 53,126,487</u>
Current net levy collection percentage			<u>97.54%</u>	<u>98.52%</u>	<u>85.96%</u>

TABLE 7  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)  
 LAST TEN FISCAL YEARS  
 (IN MILLIONS)

Fiscal Year Ended June 30,	Real Property	Personal Property	State Certifications	Less Elderly Exemption	Total Assessed Valuation(2)	Direct Tax Rate
2008	\$ 76,671.4	\$ 15,312.1	\$ 3,287.1	\$ (170.9)	\$ 95,099.7	\$ 0.8387
2007	72,755.0	14,454.9	3,676.1	(167.3)	90,718.7	0.8189
2006	71,019.8	13,965.6	3,560.0	(185.7)	88,359.7	0.8368
2005	67,762.8	13,111.9	3,595.3	(167.7)	84,302.3	0.7567
2004	67,121.9	12,880.2	3,642.7	(157.2)	83,487.6	0.7364
2003	53,292.3	12,890.8	3,434.3	(1,123.3)	68,494.1	0.8397
2002	51,009.3	12,870.0	4,063.4	(47.4)	67,895.3	0.8397
2001	48,090.1	12,341.0	3,828.0	(48.9)	64,210.2	0.7300
2000	44,993.6	11,735.6	3,723.3	(50.6)	60,401.9	0.7300
1999	42,925.1	10,611.9	3,595.3	(51.9)	57,080.4	0.6850

Notes:

(1) Assessed valuations are established by the Board of County Commissioners at 100% of estimated market value for real property and 100% of actual value for all other property. A revaluation of real property is required by North Carolina General Statutes at least every eight years. Revaluations were completed for fiscal years 2004 and 1999.

(2) Assessed valuations equals estimated actual value, which approximates market value.

TABLE 8

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

Fiscal Year Ended June 30,	Mecklenburg County	Charlotte	Cornelius	Davidson	Huntersville	Matthews	Mint Hill	Pineville
2008	\$ .8387	\$ 4586	\$ .275	\$ .345	\$ .290	\$ .3075	\$ .275	\$ .30
2007	.8189	.4586	.275	.345	.290	.3075	.275	.30
2006	.8368	.420	.26	.345	.280	.3075	.275	.30
2005	.7567	.420	.26	.345	.280	.3075	.275	.30
2004 (A)	.7364	.420	.26	.325	.280	.30	.275	.30
2003	.8397	.467	.29	.355	.312	.32	.29	.30
2002	.8397	.467	.26	.335	.26	.27	.25	.21
2001	.73	.467	.26	.315	.26	.23	.235	.21
2000	.73	.467	.26	.315	.26	.23	.235	.21
1999 (A)	.685	.472	.26	.315	.26	.23	.235	.21

NOTES: (A) Revaluation

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

TABLE 9

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

Taxpayer	Enterprise	2008			1999		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy	Utility	\$ 1,784,713,879	1	1.88% %	\$ 2,299,475,597	1	4.03 %
Wachovia Corporation/First Union National Bank	Financial Services	1,011,797,513	2	1.06%	605,647,782	2	1.06
A T & T	Utility	551,299,942	3	.58	-	-	-
Bank of America/Nations Bank	Financial Services	500,299,249	4	.53	591,952,621	3	1.04
Teachers Insurance	Insurance	314,707,031	5	.33	-	-	-
Piedmont Natural gas Company	Utility	304,417,756	6	.32	222,468,961	7	.39
U S Airways, Incorporated	Transportation	260,302,098	7	.27	321,405,386	5	.56
C/O Colonial Realty LTD	Real Estate	252,406,691	8	.27	-	-	-
Southpark Mall	Retail	216,012,400	9	.23	-	-	-
Bellsouth Telecommunications	Utility	209,496,221	10	.22	579,912,870	4	1.02
International Business Machines Corporation	Data Processing	-	-	-	257,099,756	6	.45
CK / Childress Klein	Property Management	-	-	-	198,154,510	8	.34
Carolina Stadium	Football Stadium	-	-	-	168,360,730	9	.29
Summit Properties	Property Management	-	-	-	135,088,660	10	.24
		<u>\$ 5,405,452,780</u>		<u>5.69% %</u>	<u>\$ 5,379,566,873</u>		<u>9.42 %</u>

TABLE 10

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

Fiscal Year Ended June 30,	Tax Year	Total Tax Levy (A)	Collected within Fiscal Year of Levy	Percent of Levy Collected	Collections and Credits in Subsequent Years	Total Tax Collections and Credits To Date	Percent of Total Tax Collections to Tax Levy
2008	2007	\$ 798,235,098	\$ 778,803,875	97.57 %	\$ -	\$ 778,803,875	97.57 %
2007	2006	744,389,072	726,036,272	97.53	11,729,445	737,765,717	99.11
2006	2005	737,016,999	719,159,556	97.58	13,650,985	732,810,541	99.43
2005	2004	638,233,219	621,013,346	97.30	14,999,690	636,013,036	99.65
2004 (B)	2003	618,204,112	600,442,660	97.13	14,585,856	615,028,516	99.49
2003	2002	584,218,432	563,710,798	96.49	17,460,920	581,171,718	99.48
2002	2001	567,874,819	551,873,811	97.18	14,519,856	566,393,667	99.74
2001	2000	469,522,916	456,774,995	97.28	11,595,675	468,370,670	99.75
2000	1999	440,731,629	429,493,650	97.45	10,488,395	439,982,045	99.83
1999 (B)	1998	392,471,397	381,520,070	97.21	10,364,854	391,884,924	99.85

Notes:  
(A) Includes discoveries and excludes the Law Enforcement Service District.  
(B) Revaluation.

TABLE 11

MECKLENBURG COUNTY, NORTH CAROLINA  
SCHEDULE OF BONDS PAYABLE  
June 30, 2008

Description	Issue Date	Due Serially To	Average Interest Rate	Original Issue	Balance July 1, 2007	Sold	Retired	Balance June 30, 2008	Interest Paid in Current Year
Public Improvements Refunding Bonds 1993	October 1, 1993	2012	4.6630	\$ 272,295,000	\$ 54,590,000	\$ -	\$ 18,025,000	\$ 36,565,000	\$ 2,956,900
Variable Rate Demand Bonds 1996	March 1, 1996	2015	Variable	50,000,000	50,000,000	-	-	50,000,000	1,529,395
Public Improvements 1998A	February 1, 1998	2016	4.4150	31,000,000	1,850,000	-	1,850,000	-	81,400
Public Improvements 1998B	February 1, 1998	2016	4.4150	257,050,000	15,650,000	-	15,650,000	-	688,600
Variable Rate Demand Bonds 1998	February 1, 1998	2018	Variable	50,000,000	50,000,000	-	-	50,000,000	1,525,614
Public Improvements 2000A	February 1, 2000	2010	4.9827	34,000,000	10,200,000	-	-	6,800,000	510,000
Public Improvements 2000B	February 1, 2000	2010	4.9827	20,000,000	6,000,000	-	-	4,000,000	300,000
Variable Rate Demand Bonds 2000C	February 1, 2000	2020	Variable	50,000,000	50,000,000	-	-	50,000,000	1,768,689
Public Improvements 2000D	October 1, 2000	2014	4.9303	100,000,000	26,000,000	-	-	18,000,000	1,280,000
Variable Rate Demand Bonds 2000E	October 1, 2000	2020	Variable	50,000,000	50,000,000	-	-	50,000,000	1,537,086
Public Improvements 2001A	May 1, 2001	2018	4.6868	105,000,000	78,000,000	-	-	71,000,000	3,650,000
Variable Rate Demand Bonds 2001B	May 1, 2001	2021	Variable	25,000,000	25,000,000	-	-	25,000,000	898,217
Refunding 2001C	May 1, 2001	2013	4.3714	149,455,000	96,690,000	-	-	79,015,000	5,317,950
Public Improvements 2001D	December 1, 2001	2021	4.3102	56,000,000	44,900,000	-	-	42,600,000	1,917,600
Public Improvements 2002A	August 1, 2002	2018	3.9499	14,400,000	11,000,000	-	-	10,000,000	437,000
Public Improvements 2002B	August 1, 2002	2020	4.2070	139,000,000	120,000,000	-	-	114,000,000	5,028,000
Variable Rate Demand Bonds 2002C	August 1, 2002	2022	Variable	25,000,000	25,000,000	-	-	25,000,000	898,217
Public Improvements 2003A	February 1, 2003	2020	4.0699	193,000,000	170,000,000	-	-	161,000,000	6,917,500
Variable Rate Demand Bonds 2003B	February 1, 2003	2023	Variable	40,000,000	40,000,000	-	-	40,000,000	1,229,669
Refunding 2003C	February 1, 2003	2011	3.0684	12,160,000	6,770,000	-	-	4,865,000	338,500
Public Improvement 2004A	February 1, 2004	2020	3.4130	105,000,000	85,475,000	-	-	78,900,000	3,747,750
Variable Rate Demand Bonds 2004B	February 1, 2004	2024	Variable	100,000,000	100,000,000	-	-	100,000,000	3,043,618
Refunding 2004C	April 1, 2004	2013	3.0951	135,470,000	122,950,000	-	-	107,335,000	6,147,500
Public Improvements 2005A	February 1, 2005	2026	3.9849	32,300,000	30,685,000	-	-	29,070,000	1,173,298
Variable Rate Demand Bonds 2005B	February 1, 2005	2026	Variable	100,000,000	98,000,000	-	-	96,000,000	3,354,940
Refunding 2005C	May 1, 2005	2016	3.4368	172,125,000	170,835,000	-	-	170,835,000	8,541,750
Variable Rate Demand Bonds 2006A	February 1, 2006	2026	Variable	89,000,000	84,550,000	-	-	80,100,000	2,612,653
Public Improvements 2007A	February 1, 2007	2027	4.1690	102,000,000	102,000,000	-	-	100,000,000	4,803,534
Parks and Recreation Bonds 2008A	February 1, 2008	2028	3.6115	12,000,000	-	12,000,000	-	12,000,000	-
Public Improvements 2008B	February 1, 2008	2028	3.7954	148,500,000	-	148,500,000	-	148,500,000	-
				<u>\$ 2,669,755,000</u>	<u>\$ 1,726,145,000</u>	<u>\$ 160,500,000</u>	<u>\$ 126,060,000</u>	<u>\$ 1,760,585,000</u>	<u>\$ 72,235,380</u>



TABLE 12

MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF CERTIFICATES OF PARTICIPATION PAYABLE  
 JUNE 30, 2008

Description	Issue Date	Due Serially To	Average Interest Rate	Original Issue	Balance July 1, 2007	Issued	Retired	Balance June 30, 2008	Interest Paid Current Year
2000 Certificates of Participation	April 1, 2000	2020	Variable	\$ 25,000,000	\$ 16,250,000	\$ -	\$ 1,250,000	\$ 15,000,000	\$ 494,372
2001 Certificates of Participation	November 1, 2001	2021	Variable	29,000,000	21,750,000	-	1,450,000	20,300,000	651,506
2002 Certificates of Participation	August 1, 2002	2009	Variable	5,420,000	2,320,000	-	775,000	1,545,000	52,228
2004 Certificates of Participation	February 1, 2004	2014	Variable	18,155,000	12,740,000	-	1,820,000	10,920,000	377,107
2005 Certificates of Participation	February 1, 2005	2025	Variable	113,365,000	102,025,000	-	5,670,000	96,355,000	3,073,978
2006 Certificates of Participation	February 1, 2006	2026	Variable	108,000,000	102,600,000	-	5,400,000	97,200,000	3,170,965
2007 Certificates of Participation	February 1, 2007	2027	Variable	123,135,000	123,135,000	-	6,155,000	116,980,000	3,477,933
2008A Certificates of Participation	February 1, 2008	2028	Variable	124,960,000	-	124,960,000	-	124,960,000	809,543
2008B Certificates of Participation	February 1, 2008	2028	4.435	34,720,000	-	34,720,000	-	34,720,000	-
				<u>\$ 561,755,000</u>	<u>\$ 380,820,000</u>	<u>\$ 159,680,000</u>	<u>\$ 22,520,000</u>	<u>\$ 517,980,000</u>	<u>\$ 12,107,632</u>

TABLE 13  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 RATIOS OF OUTSTANDING DEBT BY TYPE  
 LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	General Certificates of Participation	Capital Leases	General Obligation Bonds	Capital Leases				
2008	\$ 1,757,830,836	\$ 517,980,000	\$ 3,158,397	\$ 2,754,164	\$ 940,759	\$ 2,282,664,156	N/A	\$ 2,528	
2007	1,722,134,476	380,820,000	4,537,696	4,010,524	1,182,972	2,112,685,668	N/A	2,424	
2006	1,739,419,853	274,055,000	6,515,686	5,280,147	153,731	2,025,424,417	9.68	2,382	
2005	1,762,947,787	177,025,000	8,592,716	7,102,213	304,332	1,955,972,048	9.72	2,357	
2004	1,738,467,066	68,900,000	10,562,343	9,432,938	626,242	1,827,988,589	9.78	2,282	
2003	1,624,650,804	54,220,000	11,141,620	11,889,196	945,202	1,702,846,822	9.49	2,202	
2002	1,296,873,163	51,500,000	13,137,004	14,391,837	1,261,220	1,377,163,224	7.93	1,845	
2001	1,316,548,704	23,750,000	15,077,792	17,061,296	697,703	1,373,135,495	7.14	1,906	
2000	1,104,050,745	25,000,000	12,429,130	19,334,255	872,129	1,161,686,259	7.66	1,670	
1999	1,059,452,511	-	10,757,956	21,527,489	-	1,091,737,956	7.67	1,612	

Note: Details regarding the County's outstanding debt can be found in the Notes to the Basic Financial Statements.  
 TABLE 17 presents personal income and population data used to prepare the above ratios.

TABLE 14

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

Fiscal Year Ended June 30,	General		Payable from Enterprise Fund	Net General Bonded Debt		Percent of Assessed Value		Per Capita
	Bonded Debt				Bonded Debt		%	
2008	\$ 1,760,585,000	\$ 2,754,164	\$ 1,757,830,836	1.85	%	\$ 1,947		
2007	1,726,145,000	4,010,524	1,722,134,476	1.90		1,976		
2006	1,744,700,000	5,280,147	1,739,419,853	1.97		2,046		
2005	1,770,050,000	7,102,213	1,762,947,787	2.09		2,124		
2004	1,747,900,000	9,432,938	1,738,467,062	2.07		2,170		
2003	1,636,540,000	11,889,196	1,624,650,804	2.34		2,101		
2002	1,311,265,000	14,391,837	1,296,873,163	1.91		1,737		
2001	1,333,610,000	17,061,296	1,316,548,704	2.05		1,827		
2000	1,123,385,000	19,334,255	1,104,050,745	1.83		1,588		
1999	1,080,980,000	21,527,489	1,059,452,511	1.86		1,565		

NOTES: Assessed valuations used to prepare the above percentages appear in TABLE 16.  
 Population data used to prepare the above data appears in TABLE 17.

TABLE 15

MECKLENBURG COUNTY, NORTH CAROLINA  
COMPUTATION OF DIRECT AND OVERLAPPING  
GOVERNMENTAL ACTIVITIES DEBT  
FOR THE YEAR ENDED JUNE 30, 2008

<u>Mecklenburg County:</u>	<u>Assessed Valuation (1)</u>	<u>Percent of Countywide Total</u>	<u>Pro Rata Share of Governmental Activities Debt</u>	<u>Municipalities' Debt (2)</u>	<u>Total Overlapping Debt</u>
Charlotte	\$ 71,484,764,196	76.44 %	\$ 1,742,044,080	\$ 618,223,800	\$ 2,360,267,880
Cornelius	3,601,984,969	3.85	87,740,315	-	87,740,315
Davidson	1,124,476,908	1.20	27,347,631	-	27,347,631
Huntersville	4,411,920,939	4.72	107,567,348	-	107,567,348
Matthews	2,870,324,182	3.07	69,964,355	4,365,000	74,329,355
Mint Hill	1,822,953,710	1.95	44,439,900	-	44,439,900
Pineville	1,210,267,267	1.29	29,398,703	-	29,398,703
Unincorporated Areas	<u>6,992,170,009</u>	<u>7.48</u>	<u>170,466,898</u>	<u>-</u>	<u>170,466,898</u>
Countywide Totals	<u>\$ 93,518,862,180</u>	<u>100.00 %</u>	<u>\$ 2,278,969,231</u>	<u>\$ 622,588,800</u>	<u>\$ 2,901,558,031</u>

## Notes:

- (1) Provided by N.C. Department of Revenue, Tax Research Division. Includes valuations of classified registered motor vehicles for which tax notices were issued in accordance with G.S. 105-330.5(a) on or before December 31, 2006 net of releases made by that date.
- (2) Provided by Department of State Treasurer.

TABLE 16

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

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Assessed Value	\$ 95,099,766,372	\$ 90,718,949,214	\$ 88,359,891,735	\$ 84,302,416,591	\$ 83,487,630,734	\$ 69,505,170,341	\$ 67,895,358,854	\$ 64,210,268,149	\$ 60,401,969,125	\$ 57,080,405,642
Debt Limit 8% of Assessed Value	x.08	x.08	x.08	x.08	x.08	x.08	x.08	x.08	x.08	x.08
Debt Limit	7,607,981,310	7,257,515,937	7,068,791,339	6,744,193,327	6,679,010,459	5,560,413,627	5,431,628,708	5,136,821,452	4,832,157,530	4,566,432,451
Amount of Debt Applicable to Debt Limit:										
Total Bonded Debt	1,760,585,000	1,726,145,000	1,744,700,000	1,770,050,000	1,747,900,000	1,636,540,000	1,311,265,000	1,333,610,000	1,123,385,000	1,080,980,000
Bonds Authorized and Unissued	579,140,000	146,000,000	248,000,000	276,000,000	339,300,000	544,300,000	717,300,000	773,300,000	977,800,000	361,000,000
Refunding Bonds Authorized	-	-	-	-	-	-	-	-	(200,000,000)	(A)
Total Amount of Debt Applicable to Debt Limit	2,339,725,000	1,872,145,000	1,992,700,000	2,046,050,000	2,087,200,000	2,180,840,000	2,028,565,000	2,106,910,000	1,901,185,000	1,441,980,000
Legal Debt Margin	\$ 5,268,256,310	\$ 5,385,370,937	\$ 5,076,091,339	\$ 4,698,143,327	\$ 4,591,810,459	\$ 3,379,573,627	\$ 3,403,063,708	\$ 3,029,911,452	\$ 2,930,972,530	\$ 3,124,452,451

NOTE (A): North Carolina General Statutes allow Authorized Refunding Bonds to be excluded from Bonds Authorized and Unissued for debt margin calculations.

TABLE 17

MECKLENBURG COUNTY, NORTH CAROLINA  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS

Year	Population	Total Personal Income	Per Capita Income	Median Age	School Enrollment	Unemployment Rate	
2008	902,803	N/A	N/A	N/A	132,281	5.4%	(A)
2007	871,432	\$ 21,657,699,496	\$ 24,853	35.1	129,011	4.5	
2006	850,178	20,933,932,894	24,623	34.4	126,903	4.3	
2005	829,978	20,127,796,478	24,251	34.7	121,640	5.0	
2004	801,137	18,684,117,114	23,322	33.4	115,517	5.2	
2003	773,299	17,941,310,099	23,201	33.4	109,605	5.8	
2002	746,427	17,354,427,750	23,250	33.4	106,192	5.9	
2001	720,490	19,225,555,160	26,684	33.3	103,086	4.1	
2000	695,454	15,149,074,482	21,783	33.1	100,368	2.4	
1999	677,051	14,216,039,847	20,997	34.3	98,542	1.9	

N/A: Data not available.

Note (A): Monthly average for the January to June period only.

Data provided by the Charlotte Chamber of Commerce, the North Carolina Office of State Planning, and the Charlotte-Mecklenburg School System.

TABLE 18

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

<u>Employer</u>	2008			1999		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Carolinas HealthCare System	26,283	1	6.22 %	11,566	3	3.12 %
Wachovia Corporation/First Union National Bank	20,000	2	4.73	15,000	1	4.05
Bank of America Corporation/NationsBank	13,960	3	3.30	11,495	4	3.1
Wal-Mart Stores, Inc.	12,918	4	3.06	-	-	-
Food Lion, Inc.	8,658	5	2.00	-	-	-
Presbyterian Healthcare/Novant Health	7,800	6	1.85	6,700	6	1.81
Duke Energy Corporation	7,500	7	1.77	7,161	5	1.93
Charlotte-Mecklenburg Schools	7,500	8	1.77	12,383	2	3.34
State of North Carolina	7,479	9	1.76	5,777	8	1.56
City of Charlotte	5,896	10	1.39	4,745	9	1.28
US Airways, Incorporated	-	-	-	6,000	7	1.62
U.S. Government	-	-	-	4,662	10	1.26

Data per Charlotte Chamber of Commerce and the NC Employment Securities Commission  
Most recent data per Charlotte Chamber of Commerce publication, Charlotte's Largest  
Employers, dated August, 2007.



TABLE 19

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

Function/Program	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Customer Satisfaction & Management Service	76	61	59	52	48	39	-	-	-	-
Management Services	-	-	-	-	-	-	298	-	-	-
Customer Satisfaction & Communications	-	-	-	-	-	-	11	-	-	-
Administrative Service	285	293	283	288	292	270	-	-	-	-
Corporate Support Services	-	-	-	-	-	-	-	396	349	378
Financial Services	83	84	81	80	80	82	87	-	-	-
Policy Development & Management Support	-	-	-	-	-	-	-	105	126	117
Land Use & Environmental Services	642	619	590	581	567	563	565	447	431	406
Community Services	650	635	565	559	550	568	560	577	618	916
Detention & Court Support Services	1,294	1,197	1,189	1,136	1,132	1,089	1,136	1,059 (A)	914	955
Health & Human Services	1,567	1,515	1,515	1,541	1,674	1,671	1,742	1,715	1,525	1,555
Total Full-time Equivalent County Employees	<u>4,597</u>	<u>4,404</u>	<u>4,282</u>	<u>4,237</u>	<u>4,343</u>	<u>4,282</u>	<u>4,399</u>	<u>4,299</u>	<u>3,963</u>	<u>4,327</u>

Notes: (A) Reflects the opening of the 900 bed jail addition.

TABLE 20

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

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Governmental Activities</b>										
<b>Land Use and Environmental Services</b>										
Residential Permits Issued	45,093	44,740	44,935	42,592	38,958	36,812	33,323	33,047	-	-
Commercial Permits issued	38,748	44,079	37,866	32,305	29,842	27,044	38,603	38,203	-	-
Inspections Performed	315,885	376,678	354,008	321,984	318,630	315,267	321,017	333,469	-	-
Inspection Response Time	1.06 days	1.07 days	1.31 days	1.78 days	1.69 days	1.20 days	1.11 days	1.17 days	-	-
Deeds and Real Estate documents indexed	247,105	281,814	280,875	256,015	318,543	289,686	-	-	-	-
Volunteer firemen	690	644	672	630	630	630	620	641	640	640
Fire marshal and assistants	8	8	8	9	9	9	9	9	8	8
<b>Community Services</b>										
Registered voters	579,000	536,000	518,000	501,000	446,000	424,000	439,000	433,761	446,235	430,179
Library customers	21,685,405	19,900,021	15,419,416	11,971,217	-	-	-	-	-	-
Volume of library books	1.4 million	1.4 million	1.6 million	1.8 million	1.7 million	1.6 million	1.6 million	1.6 million	1.6 million	1.6 million
Participants using park athletic facilities	3,513,873	4,214,571	1,090,131	253,759	-	-	-	-	-	-
Park recreation program participants	481,145	719,292	512,168	486,676	-	-	-	-	-	-
Users of park pools -indoor and outdoor	283,432	261,607	255,707	219,892	-	-	-	-	-	-
Park visitors	5,377,905	4,831,170	4,214,303	3,391,511	-	-	-	-	-	-
<b>Detention and Court Support Services</b>										
Booked inmates	44,583	43,046	41,663	35,021	35,233	34,705	34,251	-	-	-
Civil processes served	126,788	108,981	122,871	43,591	-	-	-	-	-	-
Hand gun permits processed	9,447	7,965	7,589	8,064	-	-	-	-	-	-
Average daily jail population	2,610	2,647	2,335	2,047	2,008	1,955	1,908	1,833	1,612	1,527
<b>Health and Human Services</b>										
<b>Area Mental Health</b>										
Children receiving mental health services	4,878	4,332	5,777	7,242	-	-	-	-	-	-
Adults receiving mental health services	120	147	584	2,755	-	-	-	-	-	-
Clients receiving developmental disabilities services	90	84	81	2,346	-	-	-	-	-	-
<b>Social Services</b>										
Avg mthy # children receiving subsidized childcare	7,850	8,111	6,927	8,054	-	-	-	-	-	-
Number of transportation trips provided by Services for Adults Division	499,686	562,346	608,341	556,787	-	-	-	-	-	-
Senior Nutrition meals served	350,823	358,034	397,142	477,449	-	-	-	-	-	-
<b>Health Department</b>										
Patient visits	195,139	177,041	174,549	-	-	-	-	-	-	-
Food Service Inspections	9,836	8,086	5,999	7,505	-	-	-	-	-	-
<b>Business Partners</b>										
Public school full-time teachers	8,860	8,432	8,682	7,739	7,354	7,122	6,799	7,978	7,227	6,987
Students attending public school	132,281	129,011	126,903	121,640	115,517	109,605	106,192	103,086	100,368	98,542
Community college faculty	796	802	733	1,129	1,494	1,543	1,318	1,543	1,267	716
Community college students	18,321	17,942	16,772	16,400	16,215	16,215	15,752	15,531	14,862	14,775
<b>Business-type Activities</b>										
<b>Solid Waste Enterprise Fund</b>										
Tons of Solid Waste Processed	1,543,924	1,500,194	1,315,356	1,282,489	1,280,888	1,278,129	1,279,090	1,233,824	1,282,179	1,214,764
Tons of Yard Waste Processed	79,012	81,504	75,404	71,424	80,223	129,051	48,722	53,352	49,924	47,646
Tons of Recyclables Processed	59,202	54,911	53,257	55,489	52,065	51,554	52,908	49,830	53,585	48,068

A Includes physical and virtual visitors  
B Large tournaments excluded from prior years

TABLE 21

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

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Governmental Activities</b>										
Land Use and Environmental Services										
Volunteer Fire Stations	18	18	16	16	20	20	20	18	18	18
<b>Community Services</b>										
Libraries	24	24	24	23	23	23	23	23	22	22
Voting Machines	1,522	1,512	1,000	-	-	-	-	-	-	-
Parks and Greenways	238	231	128	126	123	123	123	123	122	121
Golf Courses	5	5	5	5	5	5	5	5	5	5
Parks and Greenway Acreage	17,753	17,896	17,480	16,000	16,000	16,000	14,797	14,797	-	-
<b>Detention and Court Support Services</b>										
Jail Beds	2,668	2,668	2,668	2,668	2,668	2,668	2,668	1,768	1,768	1,768
<b>Business Partners</b>										
Public Schools	167	161	150	143	142	144	144	142	143	142
Historic Sites	4	4	4	4	4	4	4	4	4	5
<b>Business-type Activities</b>										
Solida Waster Enterprise Fund	1	1	1	1	1	1	1	1	1	-
Landfills	59	29	29	28	26	25	23	18	14	12
Recycling and Yard Waste Processing Facilities	1	2	2	2	2	2	2	2	2	2
Material/Metal/Tire Recovery Facilities										





MECKLENBURG COUNTY, NORTH CAROLINA