



Comprehensive Annual Financial Report

For the year ended June 30, 2009

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,

www.charmeck.org/departments
(select “finance - county”)



The background of the top half of the page features a large, semi-circular seal of Mecklenburg County, North Carolina. The seal is rendered in a light blue color against a darker blue background. It depicts an eagle with its wings spread, perched atop a shield. The shield is divided into four quadrants, each containing a different symbol: a plow, a sheaf of wheat, a bundle of cotton, and a bundle of tobacco. Above the eagle's head, the date "MAY 20, 1775" is inscribed. The words "MECKLENBURG" and "NORTH CAROLINA" are written in a semi-circle around the top and bottom of the seal, respectively.

Comprehensive Annual Financial Report

For the year ended June 30, 2009

Mecklenburg County, North Carolina
Prepared by the Finance Department

Dena R. Diorio
Director of Finance

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STATISTICAL

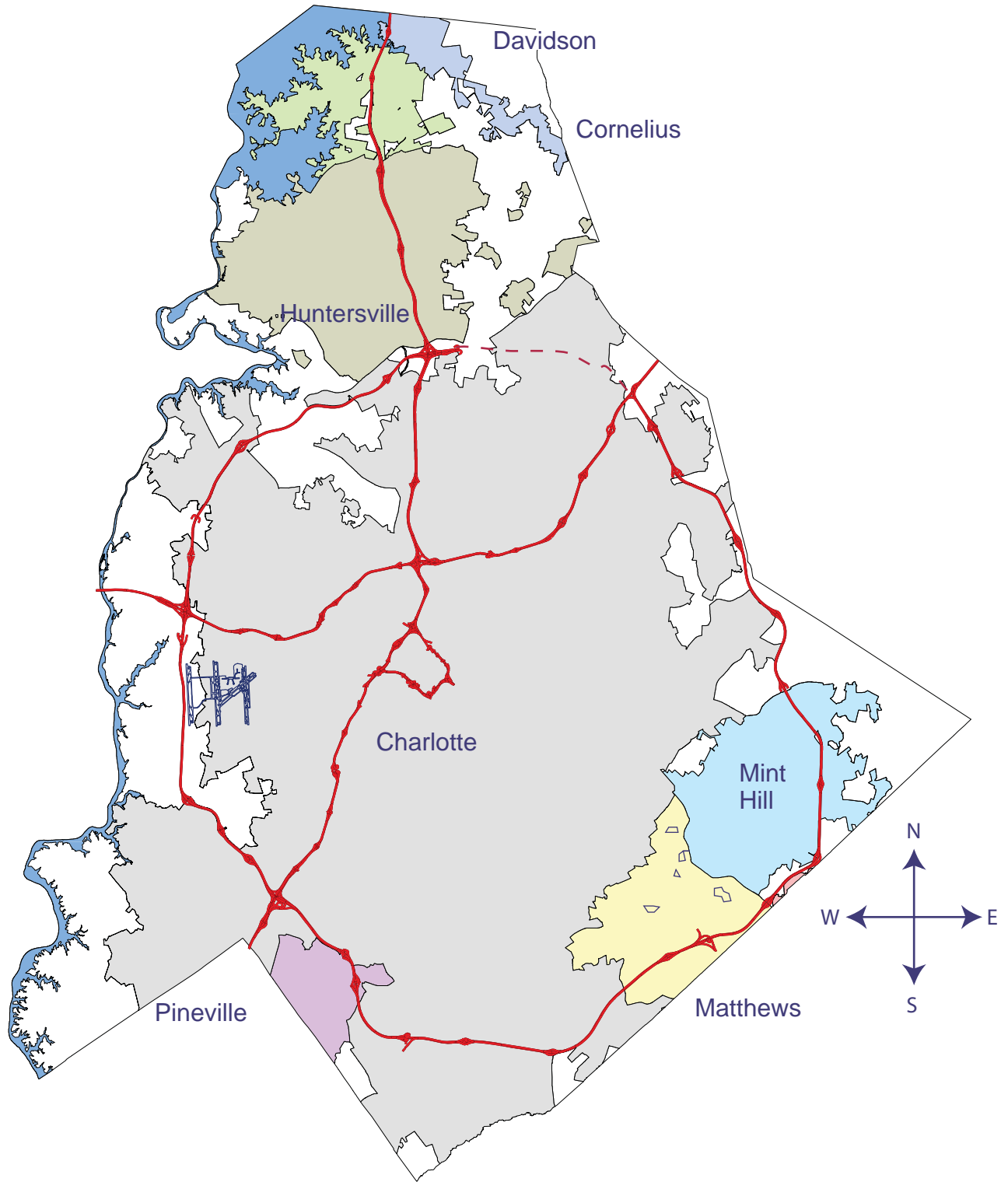
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Introduction

The Introduction provides background and general information about the County.





Mecklenburg County

Dena R. Diorio
Director of Finance

October 13, 2009



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, 2009 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.

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 continues to be the second largest financial center in the United States and the center of the nation's sixth largest urban region, with Charlotte, a mid-sized city, as the largest city. The financial sector includes the headquarters for Bank of America, a branch of the Federal Reserve, and Wells Fargo/Wachovia Bank, as well as mortgage banks, commercial finance and factoring institutions, leasing companies, credit unions and 18 other banks.

The County has been affected by the economic downturn that has touched all of the United States. While 12,800 new jobs per year were created in the County during the five years ended December 31, 2008, primarily in health services and education, leisure and hospitality, and government, the County has experienced job losses during fiscal year 2009. Losses have occurred in construction and allied manufacturing and trades, the services sector, transportation and distribution, and the financial area.



These job losses contributed to the change in the unemployment rate for the County that increased from a low of 6.0% in June, 2008 to 11.5% at June 30, 2009. The rate at June, 2008 was comparable to the North Carolina state rate of 6.2%, but slightly higher than the national rate of 5.7%. By June 30, 2009, the County jobless rate of 11.5% exceeded the North Carolina rate of 11.0% and the U.S. rate of 9.5%.

The downturn in the economy has significantly impacted home sales in the County which dropped 58% in the year. While the market for existing home sales has dropped, the County has experienced only a 9.3% drop in home sales prices. The County experienced only 3,136 recorded foreclosures in calendar year 2008, a 10% increase over the previous year. For the first half of calendar year, the number of recorded foreclosures is 1,135. Building permits were also affected by the construction slump, as permits issued in calendar year 2008 dropped 24.3%, from calendar year 2007.

General governmental revenues have increased 55.6% over the last ten years. Taxes and assessment revenues have increase 82.8% for the same period, and the contribution to total revenue has increased from 62.0% in fiscal year 2000 to 73.1% in fiscal year 2009 reflecting the growth in population and assessed valuations. Additionally, governmental expenditures covered by tax revenues has remained approximately the same, 56.2% in fiscal year 2000 and 56.4% in fiscal year 2009. The contribution of fee based revenues, licenses and permits as well as charges for services, to

total revenues has declined over the ten years from 8.0% in fiscal year 2000 to 6.8% in fiscal year 2008 as non-fee based programs of the County have increased. Intergovernmental revenues, primarily grants, contributed 22.6% to total revenues in fiscal year 2000, but the contribution to total revenue has dropped to 15.5% in fiscal year 2009 as the pool of available grant funds has not increased as fast as the County's budget.

General governmental expenditures have increased 82.6% in the last ten years as the cost of services has increased along with the growth in populations served. This is particularly true for Detention and Court Support Services where costs have increased 64.7% and Health and Human Services where costs have increased 27.7%. Business Partners costs have increased 65% over the ten year period reflecting the increased contributions for public education. Debt service has increased 127.7% 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 xxi.

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 did not consider a bond referendum during fiscal year 2009.

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 2009, excess undesignated fund balance at June 30, 2008 of \$75.6 million was appropriated for general expenditures with \$41.5 million used for debt service and \$34.1 million for general expenditures. At June 30, 2009, \$45.7 million of unreserved fund balance has been appropriated for fiscal year 2010, with \$22.7 million to be used for debt service, \$22.7 million for pay-as-you-go capital projects and \$.3 million for general operations, and \$85.3 million is available for future years' expenditures.



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 2009 highlight some of the activities County departments have pursued toward Mecklenburg Vision 2015:

- Financial:
 - A new integrated tax processing system that ties property tax assessment, listing and billing, the North Carolina Property Tax System, was implemented to provide a more efficient tax revenue system.
 - The Finance Department restructured certain debt issues to reduce future cost to the County.
- Land Use and Environmental Services
 - The County's ozone monitoring system received exemplary ratings from the North Carolina Department of Environment and Natural Resources.
 - Code Enforcement implemented the Trade Internet Permit process, making trade permits as easy to obtain as buying a book on the internet.
 - Recycling centers expanded the days of operation from five days per week to six days per week and extended the daily operation by one hour to better serve customers.
 - Air Quality was awarded a \$1.1 million EPA stimulus grant to replace aging diesel engines for qualifying companies in a 13 county region to help reduce air pollution.
 - 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. This has resulted in 96 gas lawnmowers being replaced by electric mowers.
- Health and Human Services:
 - The Department of Social Services opened offices at the new Valerie C. Woodard Complex to provide services to customers in the western part of the County and utilized Community Social Workers to provide services to 58 homeless households at Hall House.
 - To meet the increase in customer demand, the Department of Social Services extended service hours via telephone and open offices on Saturday mornings.
 - The Department of Social Services partnered with the Charlotte-Mecklenburg Schools to insure that children in households who receive food stamps were enrolled in the free and reduced lunch program through the schools so that they would receive lunch at school.
 - The Health Department established a mobile unit to go into the community to certify newborn infants for the Women's Infants and Children's assistance program so that proper nutrition can be obtained.
 - The Health Department activated the pandemic influenza plan to reduce and prevent the spread of the H1N1 virus. The plan includes education of the public, monitoring reports of influenza like illnesses, and obtaining antiviral medications through the Strategic National Stockpile and distributing them to healthcare systems in the County.

- The Health Department worked with the Sheriff's Office to provide HIV testing at the Jail and treatment for cases that tested positive.
- Area Mental Health introduced the Community Support Team program that is a Medicaid billable service consisting of intensive mental health and substance abuse rehabilitation services and supports necessary to assist adults in achieving rehabilitative and recovery goals. The initial program was provided to 16 consumers.
- Area Mental Health initiated the Recovery Solutions Transition Housing with Supports program, a jail diversion program that works with consumers with identified mental health issues, that opened with a 14 bed capacity that has expanded to 36 beds.
- Area Mental Health housed 42 individuals in the Shelter-Plus Care Program and assisted 132 consumers to prevent the loss of housing.
- Detention and Court Support Services
 - The Medical Examiner moved into a new LEED certified facility that incorporates new technologies to improve efficiencies, safety and client service.
 - A new pretrial case management web-based system was implemented that provides case managers with advanced tools to manage their case loads and provides a self service component that allows defendants to report in through kiosks deployed in the Sheriff's Office.
- Administrative Services
 - An enterprise-wide document imaging system project was initiated, which when complete and operational, will allow remote field workers, teleworkers and customers to access documents where accessible.
 - Employee Learning Services provided educational programs to 1,630 employees in various management topics, thus saving the County the cost of off-site training.
 - The Valerie C. Woodard Center, a conversion of the Freedom Drive Mall via sustainable design ("green") environmental features opened to the public. Real Estate Services, Information Technologies and an office of the Department of Social Services are located in the facility.
- Community Services
 - Community Support Services continued its focus on domestic violence prevention and protection via seminars, information for community resource via its data warehouse and various partnerships and collaborations with other community service groups.
 - The Veterans Services Division of Community Support Services partnered with the Sheriff's Office to provide outreach to incarcerated veterans for mental health, medical treatment or other veteran services.
 - Community Support Services partnered with the City of Charlotte to coordinate the Mayor's Summer Youth Employment Program to provide meaningful paid summer internships in key areas of County departments to qualified at-risk students.
 - Park and Recreation introduced several new programs such as TRACES to improve social skills opportunities and community inclusion for persons with developmental disabilities and live in group homes, and the Teen Environmental Project to increase environmental awareness.



- Race Playce Accessible Playground at Nevin Park, a NASCAR themed playground accessible to all children, regardless of disability, opened with the help of 4,000 volunteers who contributed time to build the components.
- The South Prong Rocky River and Four Mile Creek Greenways opened.
- The Elon Park Sports Complex, Clanton Park, the First Tee Golf Academy and the Frazier Park Dog Park are a few of the 16 park construction projects completed during the year.
- The Public Library launched a community-wide literacy awareness event, "Big Read", that was very successful.

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, 2008. This was the 33rd 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 2009 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 2009 budget document dated June 17, 2008. 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,



Dena R. Diorio
Director of Finance



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 three 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 4,647 full-time equivalent employees at June 30, 2009 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 service areas for the current year and the prior nine years.

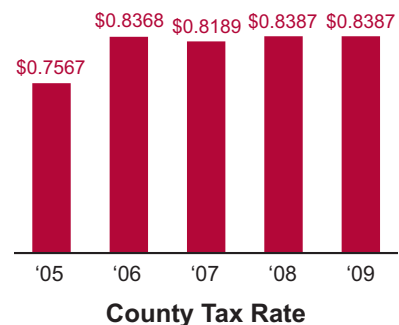
FISCAL CONTROL

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 2005. The tax rate was increased between fiscal years 2005 and 2006 to meet the operating needs of the County. Increases in the county's tax base produced revenues sufficient 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. The rate was maintained for fiscal year 2009. The N.C. General Statutes require a real property revaluation at least once every eight years. The County revalued real property in calendar year 2003 and the next revaluation will be effective for fiscal year 2012.

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 2009, the County's total exempted or reduced assessments were approximately \$10.6 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

<u>County</u>	<u>Valuation</u>	<u>Levy</u>	<u>Revaluation</u>	<u>Tax Rate</u>
Alamance	\$ 10,915,081,406	\$ 63,307,422	2001	\$.5800
Brunswick	33,032,250,195	100,748,415	2007	.3050
Buncombe	28,222,084,911	148,165,946	2006	.5250
Cabarrus	20,694,366,037	131,718,485	2008	.6300
Carteret	19,098,744,009	43,927,111	2007	.2300
Catawba	14,757,448,541	78,952,350	2007	.5350
Cumberland	16,850,081,580	145,197,385	2003	.8600
Currituck	8,184,365,948	26,189,970	2005	.3200
Dare	17,436,070,798	45,335,869	2005	.2600
Davidson	12,833,495,842	69,300,878	2007	.5400
Durham	28,640,039,397	204,205,384	2008	.7081
Forsyth	31,424,999,658	218,717,998	2005	.6960
Gaston	14,527,251,609	121,353,476	2007	.8350
Guilford	44,456,558,200	326,680,040	2004	.7374
Henderson	12,956,188,752	59,857,592	2007	.4620
Iredell	20,023,644,695	89,314,124	2007	.4450
Jackson	10,836,829,566	30,519,875	2008	.2800
Johnston	11,411,632,608	89,010,735	2003	.7800
Lincoln	8,474,912,508	48,505,046	2008	.5700
Macon	9,092,125,993	23,967,098	2007	.2461
Mecklenburg	97,583,445,429	818,432,357	2003	.8387
Moore	11,489,434,268	54,836,392	2007	.4790
New Hanover	33,519,385,076	151,248,018	2007	.4525
Onslow	11,655,731,066	58,628,327	2006	.5030
Orange	12,842,578,016	128,014,157	2005	.9980
Pitt	11,302,208,548	75,524,905	2008	.6650
Randolph	10,208,399,990	56,479,789	2007	.5550
Rowan	11,687,977,791	69,543,468	2007	.5950
Union	22,516,019,910	150,372,922	2008	.6650
Wake	116,720,558,630	631,570,721	2008	.5340
Watauga	8,638,107,274	27,037,275	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, 2008, 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 on the next page.

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 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.

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 service area. 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.

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 Library, 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 17,900 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 588,521 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.

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	
2009	935,304
2008	902,803
2007	871,432
2006	850,178
2005	829,978

Source: Charlotte Chamber of Commerce

GENERAL ECONOMIC INDICATORS

The County has been affected by the economic turmoil that has affected other areas of the country. Sales and Marketing Management's Survey of Buying Power for calendar year 2008, the most recent information available, indicates that the County's Effective Buying Income (EBI) increased 1.9% over calendar year 2007. The County remained above the national average for EBI for calendar year 2008. EBI 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. Although total EBI has increased over the past five years, per capita is dropping as population expanded faster than the increases occurred. The decline has been 6.4% over the five calendar years 2004 to 2008.

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 2005 is not comparable to the other years presented. The Streamlined Sales Tax Agreement resulted in a change in the Sales & Use Tax return so that not all taxpayers reported Gross Retail Sales. Beginning with the report for Fiscal Year 2006, only Gross Collections and Taxable Sales are reported, which results in the drop noted in Exhibit 5. The County

continued to experience relatively strong consumer spending through fiscal year 2008, but the economic downturn in the past year has caused a 14% drop in gross sales for fiscal year 2009.

Exhibit 4:

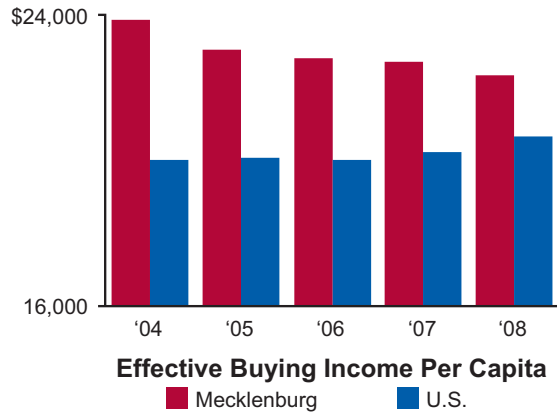
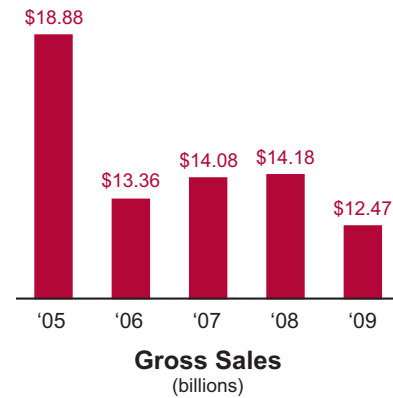


Exhibit 5:



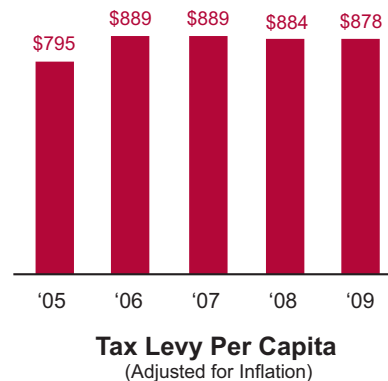
GROWTH OF THE TAX BASE

Exhibit 6 shows the increase in the tax base over the last five years. Assessments have increased over the fiscal years 2005 to 2009. Assessments for fiscal year 2005 reached \$84.3 billion, and have continued to increase reaching \$97.6 billion, in 2009, a 16% increase, reflecting growth in the County. Between fiscal years 2005 and 2009, the general tax levy increased 28.7%. 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 tax levy for inflation and then applying the annual county population. The levy per capita amount has declined from fiscal years 2007 through 2009 reflecting a population increase that has expanded faster than the growth in assessed valuations, since the tax rate increased only 2.4% between fiscal years 2007 and 2008 and remained unchanged for fiscal year 2009.

Exhibit 6:



Exhibit 7:



The County's ten principal taxpayers, as presented in Table 9 of the Statistical Section, contribute 7.9% of total assessed valuation and represent a wide range of industrial categories. Six of the 10 principal taxpayers in fiscal year 2009 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(I-277) and 85 (I-485), which intersect in Charlotte; by U.S. Highways 21, 29, 52, 74, 521 and 601; and by N.C. Highways 16, 24, 27, 49, 51, 73, 115 and 160. All but five miles 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, 2009, the average daily ridership increased to 14,891, a 5.3% increase from the prior year.

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 8th largest nationwide in operations, is served by fifteen passenger carriers, including, USAirways, Delta, United, Northwest, American, Continental, Air Tran, Jet Blue and Lufthansa, as 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 2009.

Exhibit 8

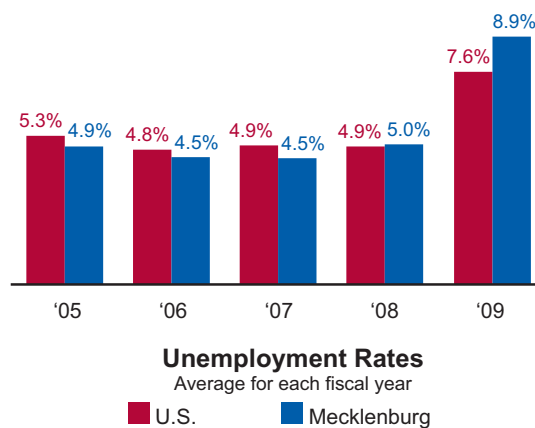
**CORPORATIONS LISTED IN
Million Dollar Directory**

<u>Classification of Corporations</u>	<u>Number of Corporations</u>
Services	238
Wholesale Trade	165
Manufacturing	152
Retail Trade	116
Construction	114
Finance, Insurance, Real Estate	93
Transportation, Communication, Utilities	77
Other	<u>2</u>
TOTAL	957

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

The Greater Charlotte area gained an average of 12,800 jobs in calendar year 2008, in the areas of increase were educational and health service, leisure and hospitality, and government. There was also significant loss of jobs in the areas of construction and construction manufacturing, professional services and transportation as the County experienced the downturn in the economy. The job losses contributed to the County’s unemployment rate of 11.5% by June 30, 2009, higher than the State rate of 11.0% and the national rate of 9.5%. Exhibit 9 presents the averaged monthly unemployment rates for each of the past five fiscal years, per the U.S. Department of Labor Benchmarked data.

Exhibit 9:



Overall, the construction industry in the County has been impacted by the economy as in other parts of the nation. The number of total building permits declined in calendar year 2008 by 24.7%, from the prior calendar year. 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, Charlotte ranks second in retaining home value since prices have peaked, according to the S&P Case-Shiller Home Prices by Metro Area, March 2009. Existing home prices have declined only 9.3% from the prior year.

Exhibit 10

NUMBER AND VALUE OF BUILDING PERMITS
Mecklenburg County, North Carolina

Calendar Year	Number Building Permits	<u>Value (Millions)</u>		
		Residential	Non-Residential	Total
2008	16,243	\$1,473.1	\$2,240.2	\$3,713.2
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	3,360.8
2004	19,243	1,730.7	1,326.0	3,056.7

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	<u>Number of Units</u>		
	Single-Family	Multi-Family	Total
2008	3,758	6,747	10,505
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

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



Exhibit 12 presents the firms employing over 2,000 persons in the County, as of December 31, 2008, the most recent available information:

Exhibit 12

Employers of 2,000 or More Persons

20,000 to 29,999 Employees	Carolinas Healthcare System* Wells Fargo/Wachovia Corporation* Bank of America*
10,000 to 19,999 Employees	Wal-Mart Stores, Inc. Charlotte-Mecklenburg Schools*
5,000 to 9,999 Employees	Food Lion, Inc. Presbyterian Healthcare Regional Healthcare* Duke Energy Corporation* U.S. Airways State of North Carolina City of Charlotte* U.S. Postal Service Lowe's Adecco
2,000 to 4,999 Employees	Freightliner Corp L.L.C. Ruddick/Harris Teeter, Inc.* Mecklenburg County* Parkdale Mills Inc US Government BB&T. Compass Group* Corestaff Services UNC Charlotte Belk Inc.* Labor Ready Inc. Bi-Lo LLC CVS Corp United Parcel Service Bojangles Restaurants, Inc. Target Stores Family Dollar Stores Inc.* Carolina Restaurant Group Inc. Carowinds TIAA-CREF Central Piedmont Community College Home Depot Inc.. IBM Corp YMCA of Greater Charlotte Invista Microsoft Corp Ross Stores Inc. Time Warner Cable Windstream Communications

*Headquartered in the County.
Source: Charlotte Chamber of Commerce

EDUCATION

Public education in the County is provided by the Charlotte-Mecklenburg Schools, the 23rd 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	Percent Number Enrolled	ADM Enrolled	Number of Schools
	K-5	6-8	9-12	Special				
2008-09	65,609	29,243	33,968	2,049	130,869	134,060	97.7	172
2007-08	64,740	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

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.

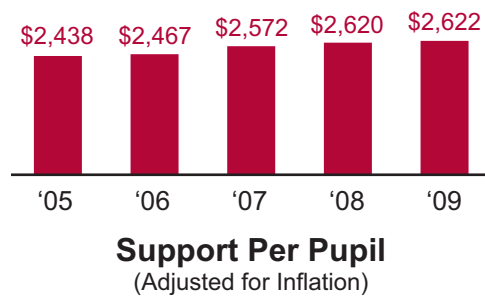


The Board of Education relies upon the County for local funds needed to support public school current expense and capital outlay needs. The total fiscal year 2009 school budget was approximately \$1.1 billion: 55.7% provided by the State, 27.8% by the County (mostly through property taxes) and 14.5% 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 County's fiscal year 2009 adopted budget included a \$351.4 million allocation 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 during the County's budget hearings and the approved amount for the schools is appropriated in the County's operating budget adopted by July 1. Due to reduced revenues received by the County, the operating funds paid to the Charlotte-Mecklenburg Schools were reduced to \$346.4 million before year-end.

For the 2008-2009 school year, the Board of Education operated 99 elementary schools, 32 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 3,225, a program for children of the homeless and an alternative school for students benefiting from additional attention received in a smaller classroom environment.

Exhibit 14:



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 2009 current dollars using the Implicit Price Deflator Index.

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 2008-2009 school year, the portion of local education funds budgeted to be redirected to the eleven charter schools operating in the County was \$13.0 million for an enrollment totaling 5,210 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 2009 Enrollment</u>		<u>Fall 2008 Enrollment</u>	
	<u>Students</u>	<u>Faculty¹</u>	<u>Students</u>	<u>Faculty¹</u>
University of North Carolina at Charlotte	23,000	1,410	22,388	1,350
Central Piedmont Community College	19,254	845	18,321	796
Johnson & Wales University	2,696	180	2,569	200
Queens University of Charlotte	2,300	103	2,243	212
Davidson College	1,756	177	1,674	178
Johnson C. Smith University	1,573	270	1,570	102
Pfeiffer University – Charlotte Campus	2,019	87	1,189	77
The Art Institute of Charlotte	982	69	982	69
ECPI College of Technology	982	37	627	38
Kings College	570	25	570	25
Gordon-Conwell Theological Seminary	542	56	542	56
Carolina College of Health Sciences	484	60	484	60
Montreat College	422	66	422	66
Wingate University – Metro College	1128	35	400	29
Gardner-Webb University – Charlotte Center	321	24	400	29
Brookstone College of Business	200	9	200	9
Reformed Theological Seminary	174	22	173	22
Wake Forest University – Babcock Graduate School of Management	174	9	150	25
Lee University	89	12	117	9
Union-PSCE at Charlotte	77	9	95	11
New Life Theological Seminary	60	15	49	15

¹Includes 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.

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. The adopted budget for fiscal year 2009 approved \$27.0 million for CPCC, but due to reduced revenues, this was changed to \$26.3 million before year-end. 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 2,600 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

Hospital	Number of Licensed Beds
Carolinas Medical Center ¹	574
Presbyterian Hospital ²	531
Levine Children's Hospital ¹	234
Carolinas Medical – Mercy ¹	156
Presbyterian Orthopedic Hospital ²	156
Carolinas Medical –University ¹	130
Carolinas Rehabilitation ¹	119
Carolinas Medical – Pineville ¹	109
Presbyterian – Matthews ²	102
Behavioral Health Center – CMC – Randolph ¹	66
Presbyterian – Huntersville ²	60
Mercy Horizons ¹	11

¹Part of Carolinas HealthCare System.

²Part of Novant Health, Inc.

Source: Individual Facilities

Additionally, there are 26 long-term care facilities in the County providing 3,064 beds as of August 2009.

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 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 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 the 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 Cable 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 Quail Hollow Championship (formerly known as the Wachovia Championship) golf tournament is held at the Quail Hollow Country Club each May.

SUMMARY

Mecklenburg County is a vibrant 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.

Exhibit 1:

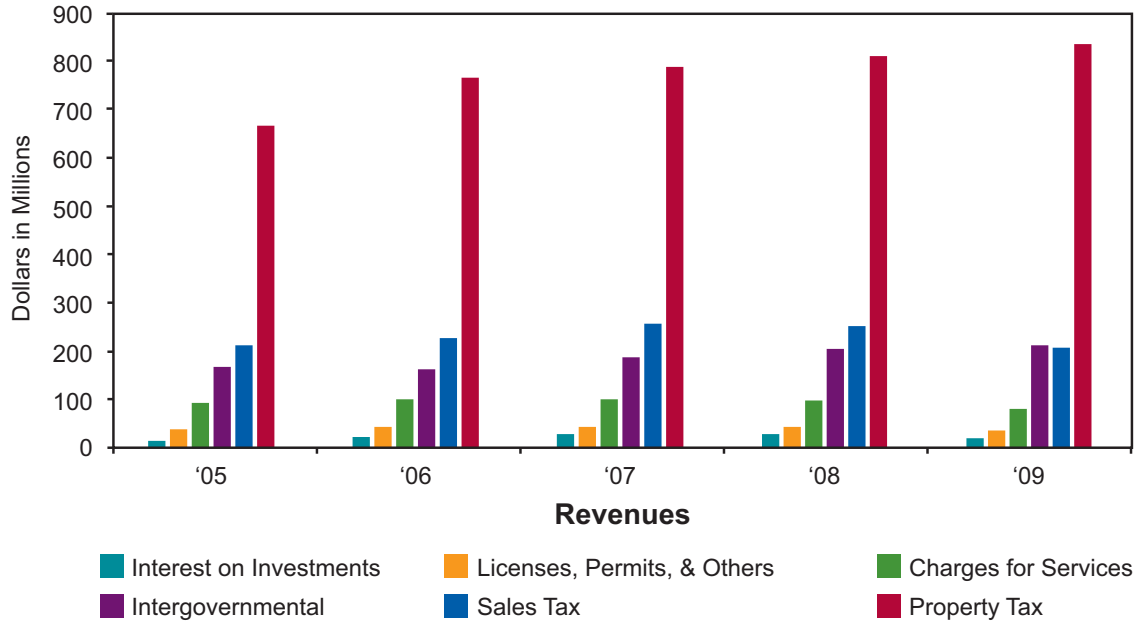
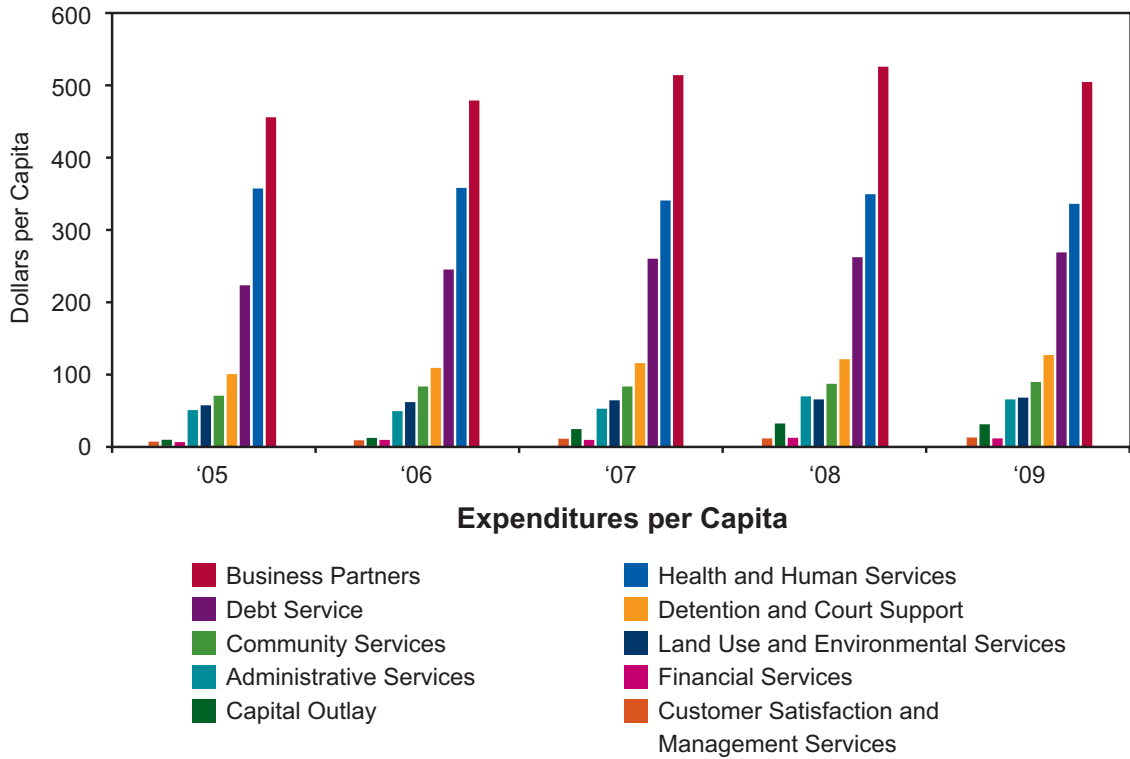


Exhibit 2:



Five-year trend analysis is provided for the County's governmental activities, excluding capital project revenues and expenditures. Exhibits 1 and 2 present revenues and expenditures, respectively for the five fiscal years 2005 through 2009. 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 2009 dollar.

REVENUES

Property taxes are the most significant source of revenue during the five-year period presented by Exhibit 1. Approximately 60.5% of total revenue in fiscal year 2009 came from property taxes, which is greater than the five year average contribution to total revenue of 57.9%. Property tax revenues increased 29% over the five year period from fiscal year 2005 to fiscal year 2009. For fiscal years 2005 and 2006, the \$100.6 million in increased tax revenues resulted from an 8.01 cents per \$100 of assessed valuation rate increase as well as increases in the tax base. 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, which resulted in property tax revenues remaining at a level comparable to the prior year. 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. With the beginning of an economic slow down at the end of fiscal year 2008, no tax increase was budgeted for fiscal year 2009. The \$26.8 million increase in property tax revenues is due to increases in assessed valuation.

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 15.2% of revenue in fiscal year 2009, reflecting the changes in grant awards to the County during the period and the impact of other revenue changes. Between fiscal years 2008 and 2009, the change in intergovernmental dollars was only \$5.3 million (2.6%), but the contribution to total revenue increased because the County saw other revenues decline due to the economy. The County continues to actively seek available grant funds.

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. Between fiscal years 2005 and 2008, the County's governmental funds experienced continuous increases in sales tax revenues, from \$201.7 million in fiscal year 2005 to \$247.6 million in fiscal year 2008 that reflected the strong retail sales and the relatively good economy of the area. The County experienced a \$49.6 million drop in sales tax revenues for fiscal year 2009, as retail sales dropped and the economy stagnated. The contribution to total governmental revenues was 14.9% for fiscal year 2009.

Charges for services generally contribute approximately 7.2% to total revenues and this was true for fiscal years 2005 through 2008. For fiscal year 2009, charges for services dropped to 5.7% of total revenue. These reductions resulted from reduced fee revenues for Land Use and Environmental Services, the Register of Deeds, and other fee based services tied to the construction and real estate industries that have suffered extreme downturns in the last year.

Similarly licenses, permit and other revenues contributed approximately 2.8% to total revenues for fiscal years 2005 through 2008. For fiscal year 2009, the contribution to total revenue dropped to 2.4%. This category includes all construction and inspection permits that were affected by the significant downturn in the building trades.

Over the five-year period, the contribution of interest income to total County revenues gradually increased from 1.0% in fiscal year 2005 to 2.0% of total County revenues for fiscal year 2007 then declined to 1.7% in fiscal year 2008 and 1.3% in fiscal year 2009. 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.

EXPENDITURES

CUSTOMER SATISFACTION AND MANAGEMENT SERVICES

This service area includes the County Commissioners, Manager's Office, and Public Service and Information. It represents .5% of total expenditures for governmental activities for fiscal year 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 remained constant at .7% of total expenditures through fiscal year 2009.

Inflation adjusted expenditures on a per capita basis for this service area were \$6.04 in fiscal year 2005 to increasing to \$10.77 in fiscal year 2007 and remaining at that level through fiscal year 2009 reflecting a consistent level of spending in this area from year to year and minimal impact from changes in inflation and population growth.

LAND USE AND ENVIRONMENTAL SERVICES

Land Use and Environmental Services represent 4.3% of expenditures for governmental activities for fiscal years 2004 through 2008 increasing to 4.5% of total expenditures in fiscal year 2009. 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 increased from \$57.44 in fiscal year 2005 to \$66.23 for fiscal year 2008. These expenditures reflected a need to cover the strong construction industry that flourished in the County. For fiscal year 2009, code enforcement and building inspections dropped and these areas reduced spending. Offsetting this drop in expenditures was a 21% increase in storm water spending as storm water control activities are not tied to the construction industry. In total, Land Use spending increased 4%, and the increase in population resulted in only a \$.27 increase in cost per capita.

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 5.9% of total expenditures for governmental activities in fiscal year 2009, which is .2% higher than the prior year. For fiscal years 2005 through 2008 cost per capita for this service area has ranged from a low of \$70.48 in fiscal year 2005 to the current year \$88.30, with an average of \$81.48 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 \$293.5 million in fiscal year 2005 to \$315.3 million in fiscal year 2008 with fiscal year spending dropping to \$311 million in fiscal year 2009. The fiscal year 2009 decline results primarily from the Department of Social Services where spending dropped \$9.5 million due to cost containment measures resulting from an uncertainty about State revenue reimbursements. As a percent of total expenditures, this functional area has dropped from 26.7% in fiscal year 2005 to 22.4% of total expenditures for governmental activities in fiscal year 2009, as other functional areas have grown more. Inflation-adjusted expenditures in Health and Human Services on a per capita basis have declined from \$380.71 in fiscal year 2005 to \$344.46 in fiscal year 2009, 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 2009 would have been \$1,116.

DETENTION AND COURT SUPPORT SERVICES

Detention and Court Support Services includes the Medical Examiner and Sheriff's Office, which is responsible for jail operations and coordination with the courts. This service area has averaged 7.8% of expenditures for governmental activities for fiscal years 2005 through 2009, and expenditures have increased 40.6% during the period, resulting primarily from growth of jail operations. Detention and Court Support Services inflation-adjusted expenditures on a per capita basis have increased from \$99.90 in fiscal 2005 to \$124.18 in fiscal year 2009. as the costs of activities in this core service increased more than the increase in population of the County over the five year period.

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, 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

\$52.87 in fiscal year 2007 to \$67.19 in fiscal year 2008 as a result of the initial funding of the post employment benefits annual required contribution to comply with GASB Statement 45. The cost per capita has declined to \$64.93 in fiscal year 2009 primarily due to the increase in population as the expenditure level remained constant between fiscal years 2008 and 2009 at \$60.7 million.

FINANCIAL SERVICES

Resource management is the focus of this service area that consists of Finance and Tax Collection. Expenditures for this service area represent .5% of expenditures for governmental activities in fiscal year 2005 and grows to only .7% in fiscal years 2008 and 2009. Expenditures increased from \$5.8 million in fiscal year 2005 to \$9.0 million in fiscal year 2009, with \$1.9 million of the difference occurring between fiscal years 2007 and 2008 that reflects costs related to implementing a new tax billing and collection system. Expenditures per capita increased from \$7.05 in fiscal year 2005 to \$9.72 in fiscal year 2009 reflecting the effect of inflation and population growth on the increase in expenditures.

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), the hospitals 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 \$275.5 million in fiscal year 2005 to \$351.6 million in fiscal year 2009 due to providing additional support to the schools for increased student enrollment. These costs represent 63.1% and 61.4%, respectively, of total Business Partners expenditures in each year. The per capita expenditures for the five year period have increased from \$452 in fiscal year 2005 to \$501 in fiscal year 2009, 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 issued for County projects and debt issued for the Charlotte-Mecklenburg Schools, Central Piedmont Community College, and the Library, has increased from \$183.3 million in fiscal year 2005 to \$248.7 million in fiscal year 2009 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 16.7% in fiscal year 2005 to 17.8% in fiscal year 2009, reflecting the growing significance of debt service. These increases are also reflected in the debt service expenditures per capita of \$221.65 in fiscal year 2005 and \$265.88 in fiscal year 2009.



Board of County Commissioners



Jennifer Roberts
Chairman
At-Large



Harold Cogdell, Jr.
Vice-Chairman
At-Large



Dan Murrey
At-Large



Karen Bentley
District 1



Vilma Leake
District 2



George Dunlap
District 3



Dumont Clarke
District 4



Neil Cooksey
District 5



Bill James
District 6

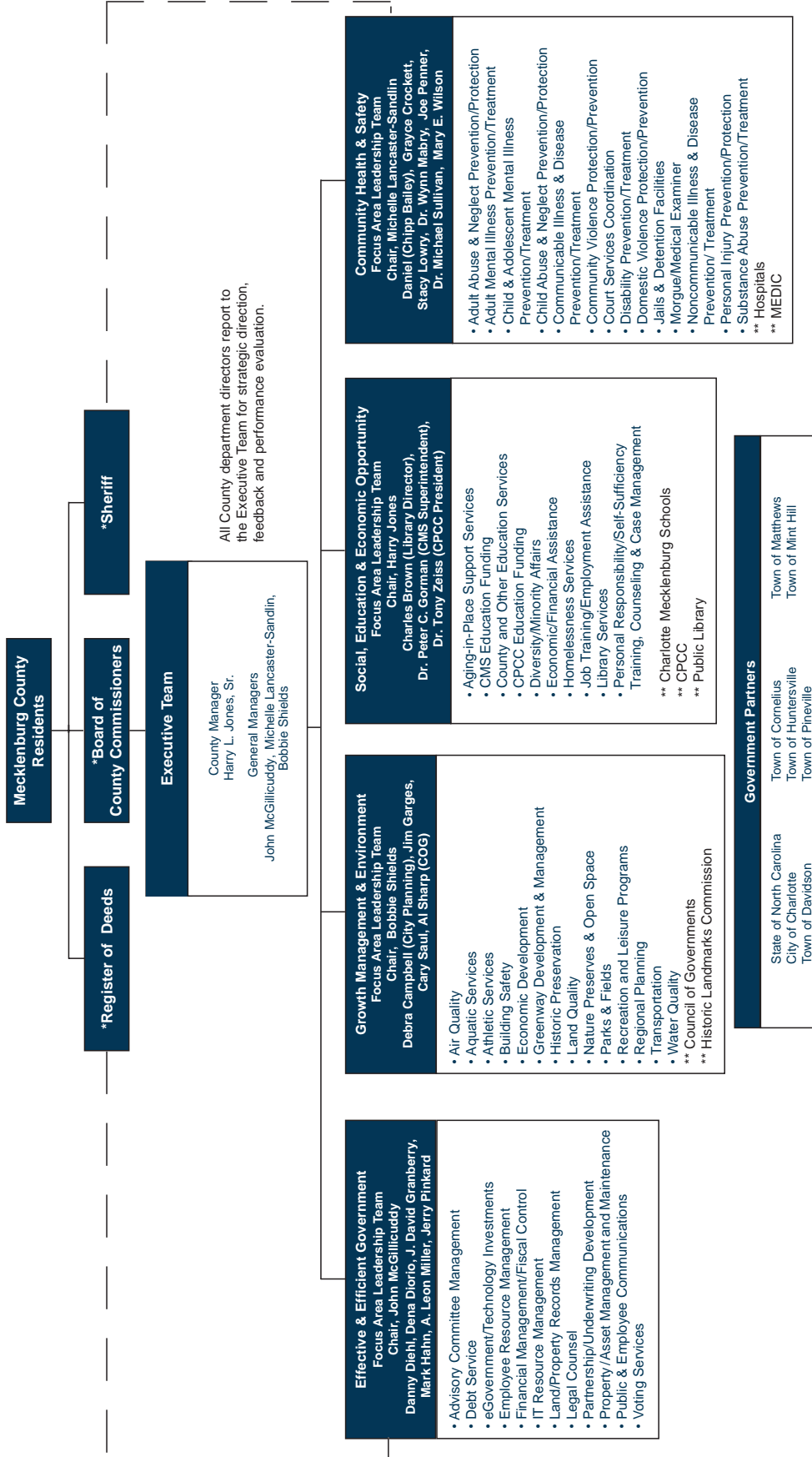


Harry L. Jones, Sr.
County Manager



Dena R. Diorio
Director of Finance

Mecklenburg County Organizational Structure 2009-2010



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, 2008

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.



A handwritten signature in black ink, appearing to read "M. L. R. R.", written in a cursive style.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", written in a cursive style.

Executive Director

Mecklenburg County Finance Department





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.





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, 2009, 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 opinions, 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 Medic and 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, 2009, 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 12, 2009, 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.

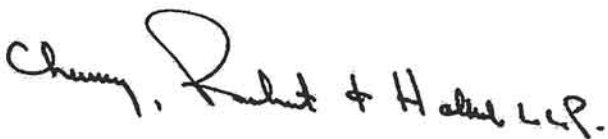
As discussed in the notes to the financial statements, management discovered that sales tax revenues that were subject to accrual had been omitted in previous years. Additionally, issuance costs for County debt were recorded as expenditures rather than amortized. Accordingly, beginning net assets and fund balance for June 30, 2008 have been restated to properly reflect the increase in net assets and fund balance.

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 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.

A handwritten signature in cursive script that reads "Cherry, Bekaert & Holland L.L.P." The signature is written in dark ink and is positioned below the printed name of the firm.

Raleigh, North Carolina
October 12, 2009

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, 2009 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, 2009, the Statement of Activities reflects a decrease in net assets of \$169.5 million as compared to an increase of net assets in the prior year of \$16.2 million, resulting from a 9.5% increase in operating expenses and a decline of 3.4% in revenues, both program and general.
- The governmental funds total fund balances decreased by \$314.6 million from the prior year total ending fund balance of \$761.3 million. The decrease is the result of lower than expected sales tax revenues, construction permits, tax revenues and a decrease in investment income. Of the \$446.8 million of governmental fund balances, total fund balance of \$297.4 is available for future years' spending as unreserved fund balance.
- The unreserved fund balance of the General Fund at June 30, 2009 is \$260.8 million, which represents 19.4% of fiscal year 2010 budgeted General Fund expenditures or 69.7 days of operating balances. Of the unreserved fund balance, \$153.2 million is designated for specific purposes and \$107.6 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.

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 2009B 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following summarizes Net Assets (Deficit) at June 30, 2009 and 2008:

	NET ASSETS (DEFICIT)					
	(in thousands)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
<u>Assets</u>						
Current and other assets	\$ 607,915	\$ 893,595	\$ 32,577	\$28,656	\$ 640,492	\$ 922,251
Capital assets, net	<u>972,876</u>	<u>880,266</u>	<u>46,390</u>	<u>46,096</u>	<u>1,019,266</u>	<u>926,362</u>
Total Assets	<u>1,580,791</u>	<u>1,773,861</u>	<u>78,967</u>	<u>74,752</u>	<u>1,659,758</u>	<u>1,848,613</u>
<u>Liabilities</u>						
Current and other						
Liabilities	104,580	104,104	305	388	104,885	104,492
Long-term liabilities						
Due within one year	180,759	163,249	1,169	1,281	181,928	164,530
Due after one year	<u>2,119,973</u>	<u>2,184,875</u>	<u>11,206</u>	<u>10,098</u>	<u>2,131,179</u>	<u>2,194,973</u>
Total Liabilities	<u>2,405,312</u>	<u>2,452,228</u>	<u>12,680</u>	<u>11,767</u>	<u>2,417,992</u>	<u>2,463,995</u>
<u>Net Assets (Deficit)</u>						
Invested in capital assets, net of related debt	531,275	304,152	43,153	43,086	574,428	347,238
Restricted	91,392	327,384	8,618	7,887	100,010	335,271
Unrestricted (Deficit)	<u>(1,447,188)</u>	<u>(1,309,903)</u>	<u>14,516</u>	<u>12,012</u>	<u>(1,432,497)</u>	<u>(1,297,891)</u>
Total Net						
Assets (Deficit)	<u>\$ (824,521)</u>	<u>\$ (678,367)</u>	<u>\$66,287</u>	<u>\$62,985</u>	<u>\$ (758,059)</u>	<u>\$ (615,382)</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 \$1,602.9 billion at June 30, 2009, 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 deficit in Net Assets increased from \$615.4 million to \$758.2 million, a change of 23.2% resulting from a total assets decrease of 10.2% while total liabilities decreased 1.9% and the contribution to net assets from revenues and expenditures dropped from \$16.2 million at June 30, 2008 to (\$172.9) million at June 30, 2009. These changes all relate to contraction of activities due to the downturn in the economy. Invested in capital assets, net of any related outstanding debt of those assets relates to County only activities. This amount increased from \$347.2 million at June 30, 2008 to \$574.4 million at June 30, 2009 as new assets were acquired and the associated debt declined. Capital assets include land, buildings, vehicles, equipment and other machinery used in providing services to residents. Also, net assets of \$335.3 million at June 30, 2008 and \$100 million at June 30, 2009 are restricted by law for specific purposes. The increase in the deficit unrestricted net assets is the result of the drop in 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 experienced a use of net assets this year, as indicated in the following table of changes in net assets for the year ended June 30, 2009, with comparison to the prior year, for both governmental and business-type activities.

	CHANGES IN NET ASSETS (DEFICIT)					
	(in thousands)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
REVENUES						
Program Revenues:						
Charges for services	\$ 96,147	\$123,666	\$ 13,373	\$ 18,404	\$ 109,520	\$ 142,070
Operating grants and contributions	209,249	202,019	-	-	209,249	202,019
Capital grants and Contributions	562	2,324	-	-	562	2,324
General Revenues:						
Property taxes	834,449	802,499	-	-	834,449	802,499
Sales taxes	199,788	247,551	-	-	199,788	247,551
Other taxes	8,989	9,210	-	-	8,989	9,210
Investment Income	18,000	29,576	829	1,138	18,829	30,714
Other	<u>1,785</u>	<u>1,108</u>	<u>2,911</u>	<u>38</u>	<u>4,696</u>	<u>1,146</u>
TOTAL REVENUES	<u>1,368,969</u>	<u>1,417,953</u>	<u>17,113</u>	<u>19,580</u>	<u>1,386,082</u>	<u>1,437,533</u>
EXPENSES						
Program Expenses:						
Customer Satisfaction And Management Services	10,140	9,432	-	-	10,140	9,432
Administrative Services	64,375	61,280	-	-	64,375	61,280
Financial Services	25,160	7,120	-	-	25,160	7,120
Land Use and Environmental Services	58,732	57,011	-	-	58,732	57,011
Community Services	88,288	81,126	-	-	88,288	81,126
Detention and Court Support Services	129,925	121,321	-	-	129,925	121,321
Health and Human Services	313,324	316,745	-	-	313,324	316,745
Business Partners	767,838	667,379	-	-	767,838	667,379
Interest Expense	84,080	86,449	-	-	84,080	86,449
Solid Waste Operations	-	-	<u>13,811</u>	<u>13,504</u>	<u>13,811</u>	<u>13,504</u>
TOTAL EXPENSES	<u>1,541,862</u>	<u>1,407,863</u>	<u>13,811</u>	<u>13,504</u>	<u>1,555,673</u>	<u>1,421,367</u>
EXCESS (DEFICIT) IN NET ASSETS						
NET ASSETS (DEFICIT)	(172,893)	10,090	3,302	6,076	(169,591)	16,166
NET ASSETS (DEFICIT)						
Beginning of year, as previously reported	(678,367)	(596,523)	62,985	56,909	(615,382)	(539,614)
Prior period adjustment	<u>26,739</u>	<u>(91,934)</u>	<u>-</u>	<u>-</u>	<u>26,739</u>	<u>(91,934)</u>
NET ASSETS (DEFICIT)	\$ (824,521)	\$ (678,367)	\$ 66,287	\$ 62,985	\$ (758,234)	\$ (615,382)

GOVERNMENTAL-TYPE ACTIVITIES

Program revenues covered 19.8% of County expenses at June 30, 2009 and 23.5% at June 30, 2008, with general revenues covering the balance of expenses. The deficit of net assets for the year ended June 30, 2009 results from lower revenues, primarily sales taxes, charges for services and investment income. Property tax revenues increased \$31.9 million (4%) from the prior year, primarily due to increases in the tax base as the tax rate did not change between years. Sales tax revenue decreased \$47.8 million (19.3%) from fiscal year 2008 reflecting a drop in retail spending. Investment income decreased \$11.8 million (39.9%) from the year ended June 30, 2008 due to the decline in the investment market. Charges to users of County services generated revenues that supported 6.2% of County governmental operations for fiscal 2009 and 8.7% for fiscal year 2008. The County continued its strategy to secure a maximum amount of grant funds provided by state and federal agencies, with revenues from grants increasing \$5.5 million (2.7%) in fiscal year 2009, as a result of the fluctuations in grant programs. The County covered 13.5% of expenses with grant revenues in fiscal year 2009 and 14.5% in fiscal year 2008.

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 \$15 per dwelling, reflecting an increase of \$3 over fiscal year 2008, landfill tipping fees for residential waste are \$26 per ton for fiscal year 2009, with no increase in the \$35 per ton charge for commercial waste, disposal fees and recycling sales. The business-type activity contributed 1.2% to the primary government's total revenue for fiscal year 2009 and 1.4% for the fiscal year 2008. Change in net assets, also considered income, decreased \$2.8 million from the prior year's \$6.1 million primarily due to operating income being lower than expected and a decrease in investment income due to the decline in the economy. The \$3.3 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 \$359.5 million, of which \$19.4 million is reserved for encumbrances, \$79.3 million is reserved by State statute, and \$260.8 million is unreserved. Of the General Fund's unreserved fund balance, \$152.7 million is designated for particular purposes, including \$22.2 million for specific purposes, \$45.7 million for fiscal year 2010, \$85.3 million for future years expenditures, and \$107.6 million undesignated. The General Fund total revenues were less than budget by \$52.4 million, and expenditures exceeded revenues by \$14.8 million, as explained more fully below.

Revenues for the General Fund decreased \$37.8 million, or 2.8% over fiscal 2008:

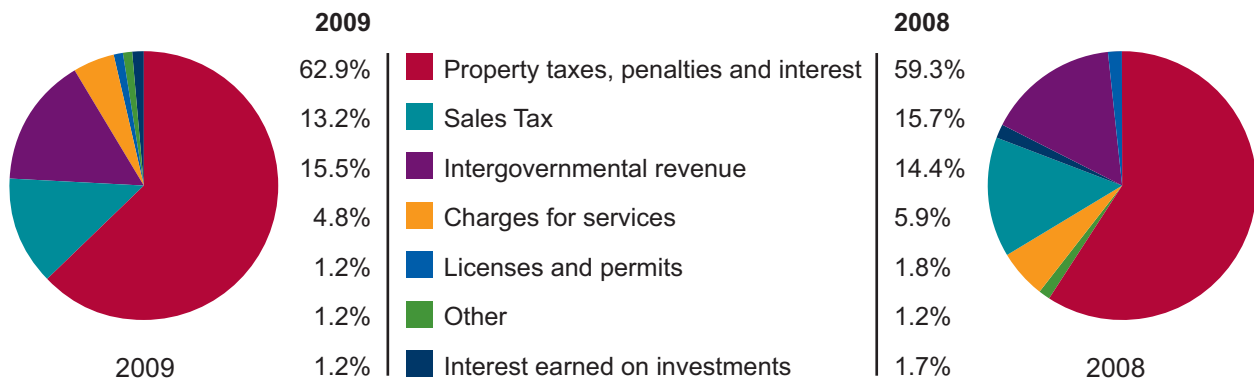
- Property tax revenues increased by 3.9% from the prior year. For 2009, the collection rates were consistent with the prior year. Current year collections represented 97.6% of the current year levy, while total tax collections represented 99.2% of the current year's tax levy.
- Sales tax revenues reported in the General Fund were \$166 million, a decrease of \$42.9 million as compared to fiscal 2008, reflecting the drop in consumer spending.
- Intergovernmental revenues totaled \$202.2 million as compared to \$193.1 million for fiscal year 2008. The change in revenue levels results from the mix of grants. State and federal grant funds supported 205 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 20.7% from the prior year and licenses and permit fees dropped 37.3%. Fees in both categories were severely impacted by the construction industry stagnation.
- Interest earned on investments declined 32.9% from the amount received in fiscal year 2008, to \$15.5 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.

Exhibit 1:

Grant Programs		
Program Category	Number	Revenue (Millions)
Social Services	60	\$112.1
Mental Health	48	36.2
Health	40	12.0
Other	<u>57</u>	<u>36.7</u>
Total	<u>205</u>	<u>\$197.0</u>

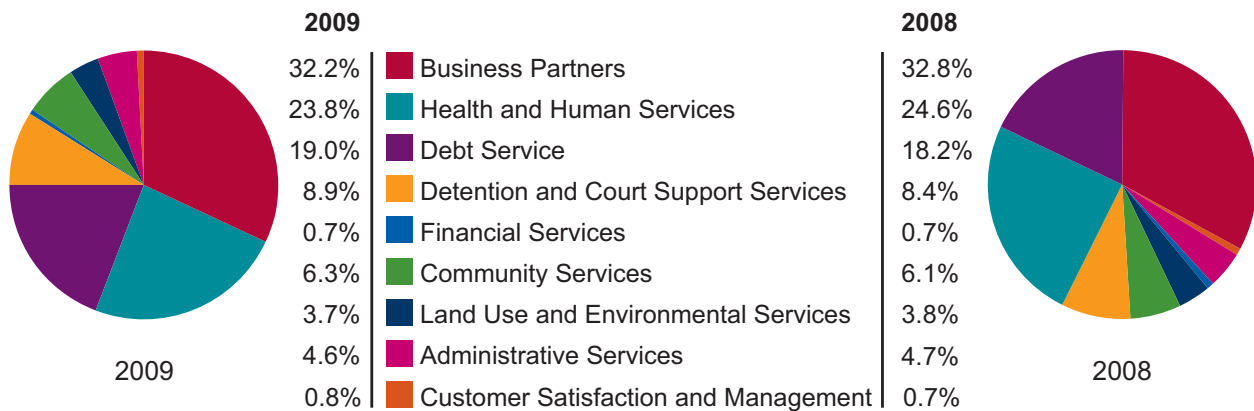
The composition of the General Fund revenue dollar for fiscal years 2009 and 2008 are illustrated in Exhibit 2.

**Exhibit 2:
Revenue Sources - Fiscal Year**



General Fund expenditures increased \$23.5 million (1.83%) over those of last year. Exhibit 3 graphically illustrates the County's expenditure dollar for the two years.

**Exhibit 3:
Expenditures by Core Service - Fiscal Year**



Fiscal year 2009 resulted in minimal expenditure changes from the prior year. The County consciously reduced spending where possible because of declining revenue. Administrative Services, Financial Services and Land Use and Environmental Services expenditures remained comparable to the prior year. Health and Human services decreased by \$4.3 million. Detention and Court Support Services increased \$7.7 million (7.1%) and Community Support Services, which includes Parks and Recreation, increased \$4.2 million (5.4%). Debt service, which has two components, increased \$13.1 million over fiscal year 2008. General debt service, which covers the capital needs of the County, primarily libraries, courts and parks and recreation, increased \$8.7 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 \$4.4 million, reflecting the continued necessity of debt to fund the capital needs of the schools and community college.

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 66% of Business Partners expenditures. Funds for the current operations of the Charlotte-Mecklenburg Schools were \$351.5 million, \$5 million more than the amount allocated for fiscal year 2008. Funding to Central Piedmont Community College was \$26.3 million, an increase of \$1.1 million. The minimal increases reflect cost containment measure put in place during the year as operating revenue of the County declined. These changes, plus minor adjustments to other outside agencies resulted in an overall increase in expenditures to Business Partners of \$1.2 million from fiscal year 2008.

Major Capital Project Funds

The Certificates of Participation Fund and the 2009B Public Improvement Bond Fund meet the requirements for disclosure as major funds for fiscal year 2009. The funds were established by capital project ordinances with project authorizations totaling \$762.5 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 2009 bond sale. Proceeds are used for the express purpose of modernizing public facilities in the County via acquisition, construction, and renovation of park and recreation, community college, school and county building facilities. During the year ended June 30, 2009, \$231.5 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.

Special Revenue Funds

Total revenues for the nine Special Revenue Funds decreased \$7.5 million (9.4%) from the prior year. The change in revenue is primarily attributable to \$4.9 million decrease in revenues from the transit one-half cent sales tax and \$3.7 million decrease in intergovernmental revenue related to storm water grants, a drop in interest revenue of \$.3 million and a decline in other revenues of \$.8 million. These were decreases offset by a \$1.3 million increase in law enforcement service district taxes and a \$.7 million increase in fee based storm water revenue.

Capital Projects Funds

For fiscal year 2009, capital projects expenditures, excluding the Certificates of Participation and 2009B Public Improvement Bond funds discussed above, totaled \$159.7 million as compared to \$72.8 million in fiscal year 2008. More than half of each year's expenditures were for construction, renovations and improvements to school facilities. The increase 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.

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 \$20.9 million to the budget primarily for new grants awarded to the County and reallocations by the State of federal pass-through in state grant funds.

General Fund revenues were less than budget by \$52.4 million (3.9%) variance from final budget, reflecting increased property tax collections (\$5.4 million) but lower than anticipated sales tax distributions (\$30.4), and lower than expected inspection permits (\$7.8 million). In addition, a shortfall in charges for services (\$22.1 million), resulted primarily from land use/construction related activities, reduced federal reimbursements and other fee based activities. These negative budget to actual variances were offset by a \$.5 million positive variance in other revenue.

General Fund expenditures were under budget \$129.7 million, a variance of 9.03% from the final budget. All departments and business partners were required to reduce spending, considering the uncertainty of the economy. These cost controls resulted in the large variance for budget. Some variances, such as Health and Human Services (\$45.7 million), result from grants where program spending did not reach expected levels; Land Use and Environmental Services expenditures (\$10.9 million) where expenditures were down as a result of the slowing of the construction industry, and debt service (\$24.7 million) as a result of low interest rates in the short term bond market.

CAPITAL ASSETS

The County's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities at June 30, 2009 totals \$1.01 billion. Capital assets include land, land improvements, buildings and improvements, vehicles and heavy equipment, furniture, machinery, and other equipment, antiques and artifacts, 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, increased 10.1% from last year for governmental activities while the business-type activities investment in capital assets, net of accumulated depreciation, increased .6%. The change in governmental activities assets results from: 1) the acquisition of land for future use totaling \$39.4 million 2) increases to construction in progress totaling \$69.4 million and 3) depreciable asset acquisitions of \$7.2 million and asset reductions of \$4.7 million that resulted from the normal disposal of obsolete items. The \$.295 million increase in business-type activities (enterprise fund) is the result of adding \$1.931 million of depreciable assets, disposing of \$.446 million of assets, and recording \$1.190 million of depreciation costs.

CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION (in thousands)

Description	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$408,977	\$368,826	\$28,568	\$28,568	\$ 437,545	\$397,394
Construction in progress	181,855	110,265	5,593	5,216	187,448	115,481
Land Improvements	13,557	12,847	3,492	3,755	17,049	16,602
Buildings and Improvements	355,712	374,326	4,535	5,015	360,247	379,341
Vehicles and Heavy Equipment	9,501	9,894	2,913	3,339	12,414	13,233
Furniture, Machinery and Equipment	3,274	4,108	1,289	203	4,563	4,311
Total	<u>\$972,876</u>	<u>\$880,266</u>	<u>\$46,390</u>	<u>\$46,096</u>	<u>\$1,019,266</u>	<u>\$926,362</u>

Detailed capital assets information is presented in Note 5 of the Notes to the Basic Financial Statements.

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, 2009 and 2008, general obligation bonds and certificates of participation consisted of:

Description	GENERAL OBLIGATION BONDS AND CERTIFICATES OF PARTICIPATION (in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Public Improvement Bonds	\$1,615,700	\$1,757,831	\$1,770	\$2,353	\$1,617,470	\$1,760,184
Certificates of Participation	578,240	517,980	-	-	578,240	517,980

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 \$1,727, a decrease of 11.3% from the prior year which results from spreading the outstanding debt over a 3.6% increase in County population.

Exhibit 4:

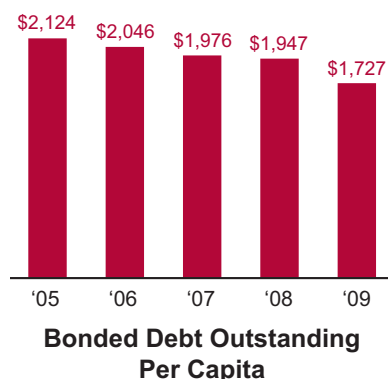
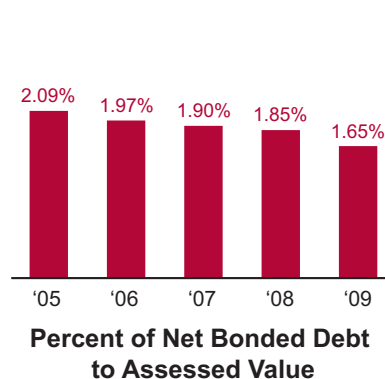


Exhibit 5:



The County's net bonded debt is 1.65% 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, 2009 and Note 24 discusses subsequent events related to the debt activities through September 1, 2009.

OTHER POSTEMPLOYMENT BENEFITS

The County reports 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 standard requires governments to account for and report any OPEB liability (asset) in the entity-wide financial statements. The County has had an actuarial study to determine the OPEB liability and determine required plan contributions to meet this obligation for both fiscal year 2009 and 2008. The Board of County Commissioners fully funded the annual required contribution of \$16.7 million at June 30, 2009, but a liability of \$.6 million is recorded in the entity-wide statements as the full amount of the annually required contribution was not invested. For fiscal year 2010, the Board budgeted \$15.7million of the annually required contribution (ARC) of \$16.7 million .

OUTLOOK FOR THE NEXT YEAR

The Board approved a \$1.42 billion annual budget for fiscal year 2010 that maintains the fiscal year 2009 tax rate of 83.87 cents per \$100 of assessed valuation. The adopted budget reflects a 5.01% decrease (\$75.6 million) over the prior year as a result of expected revenue contractions due to the slowed economy. Budget reductions presented significant challenges that the County chose to address by meeting four basic principles: maintain the progress toward the Board's long-term goals, where feasible; focus on core mission and priorities; retain jobs and employees when possible; and make data-driven decisions.

The broad categories and levels of funding as compared to the fiscal year 2009 are:

■	Debt Service, funded at 130.6% of the fiscal year 2009 budget
■	County Services, funded at 91.7% of the fiscal year 2009 budget
■	Charlotte-Mecklenburg Schools, funded at 90.3% of the fiscal 2009 budget
■	Central Piedmont, funded at 90.8% of the fiscal 2009 budget

Because of the financial challenges affecting the residents of the County, the budget avoids the additional stress of a property tax increase while maintaining services to address the needs of the community with the resources available.

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, 2009

	Primary Government		Component Units			
	Governmental Activities	Business-type Activities	Total	Public Library of Charlotte and Mecklenburg County	Mecklenburg Emergency Medical Services Agency	Mecklenburg County Alcoholic Beverage Control Board
ASSETS						
Cash and investments	\$ 462,835,772	\$ 31,604,074	\$ 494,439,846	\$ 6,170,357	\$ 10,624,194	\$ 8,082,763
Receivables, net	122,743,797	688,249	123,432,046	465,161	5,368,052	16,766
Due from other governmental agencies	-	-	-	258,178	122,308	-
Advances to other government agencies	1,463,086	-	1,463,086	-	-	-
Prepaid expenses	-	-	-	126,636	-	279,373
Inventories	4,960	-	4,960	23,349	-	8,396,243
Restricted assets	-	284,263	284,263	-	-	-
Deferred charges	-	-	-	-	-	-
Capital assets	20,867,818	-	20,867,818	-	-	-
Land						
Construction in progress	408,977,007	28,568,428	437,545,435	11,889,993	-	4,209,135
Other capital assets, net of accumulated depreciation	181,855,052	5,593,605	187,448,657	1,369,212	-	279,219
TOTAL ASSETS	382,043,672	12,228,329	394,272,001	70,740,775	5,789,792	20,028,053
	1,580,791,164	78,966,948	1,659,758,112	91,043,661	21,904,346	41,291,552
LIABILITIES						
Accounts payable and other accrued liabilities	102,610,502	305,266	102,915,768	1,965,076	2,928,357	9,824,341
Unearned revenue	1,969,380	-	1,969,380	1,087,696	-	-
Long-term liabilities						
Due within one year	180,759,232	1,168,989	181,928,221	1,415,069	1,237,243	-
Due in more than one year	2,119,972,801	11,205,739	2,131,178,540	7,015,795	3,969,296	-
TOTAL LIABILITIES	2,405,311,915	12,679,994	2,417,991,909	11,483,636	8,134,896	9,824,341
	531,275,904	43,152,758	574,428,662	82,761,531	5,789,792	24,516,407
NET ASSETS						
Invested in capital assets, net of related debt	42,492,704	284,263	42,776,967	-	-	-
Restricted	48,899,061	8,334,202	57,233,263	1,807,897	-	2,882,360
for Capital projects by law for specific purposes	(1,447,188,420)	14,515,731	(1,432,672,689)	(5,009,403)	7,979,658	4,068,444
Unrestricted (deficit)	\$ (824,520,751)	\$ 66,286,954	\$ (758,233,797)	\$ 79,560,025	\$ 13,769,450	\$ 31,467,211
TOTAL NET ASSETS (DEFICIT)						

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, 2009

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets								
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units					
					Governmental Activities	Business-type Activities	Total	Public Library of Mecklenburg County	Mecklenburg County Alcohollic Beverage Control Board				
Primary Government													
Governmental activities													
Customer Satisfaction and Management Services	\$ 10,140,258	\$ 400	\$ 239,335	\$ -	\$ (9,900,523)	\$ -	\$ (9,900,523)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Services	64,375,308	1,413,531	1,353,188	-	(61,608,589)	-	(61,608,589)	-	-	-	-	-	-
Financial Services	25,160,033	482,146	856,357	-	(23,821,530)	-	(23,821,530)	-	-	-	-	-	-
Land Use and Environmental Services	58,732,377	42,341,007	8,496,724	-	(7,894,646)	-	(7,894,646)	-	-	-	-	-	-
Community Services	88,287,519	5,031,383	3,465,062	562,247	(79,228,827)	-	(79,228,827)	-	-	-	-	-	-
Detention and Court Support Services	129,925,222	26,829,284	3,748,523	-	(99,347,415)	-	(99,347,415)	-	-	-	-	-	-
Health and Human Services	313,323,869	16,423,520	163,590,001	-	(133,310,348)	-	(133,310,348)	-	-	-	-	-	-
Business Partners	787,838,393	3,625,969	27,500,000	-	(736,712,424)	-	(736,712,424)	-	-	-	-	-	-
Interest on long-term debt													
General purpose	38,561,238	-	-	-	(38,561,238)	-	(38,561,238)	-	-	-	-	-	-
Public schools	45,518,250	-	-	-	(45,518,250)	-	(45,518,250)	-	-	-	-	-	-
Total Governmental Activities	1,541,862,467	96,147,240	209,249,190	562,247	(1,235,903,790)	-	(1,235,903,790)	-	-	-	-	-	-
Business-type activities													
Solid Waste Operations	13,811,272	13,372,703	-	-	-	(438,569)	(438,569)	-	-	-	-	-	-
Total Primary Government	\$ 1,555,673,739	\$ 109,519,943	\$ 209,249,190	\$ 562,247	(1,235,903,790)	(438,569)	(1,236,342,359)	-	-	-	-	-	-
Component Units													
Public Library of Charlotte and Mecklenburg County	\$ 43,929,328	\$ 2,825,608	\$ 2,218,727	\$ 3,508,027	-	-	-	(35,376,966)	-	-	-	-	-
Mecklenburg Emergency Medical Services Agency	41,160,014	26,089,543	-	-	-	-	-	-	(15,060,471)	-	-	-	-
Mecklenburg County Alcohollic Beverage Control Board	75,978,124	75,229,658	-	-	-	-	-	-	-	-	-	-	(748,466)
Total Component Units	\$ 161,067,466	\$ 104,154,809	\$ 2,218,727	\$ 3,508,027	-	-	-	(35,376,966)	(15,060,471)	(15,060,471)	(15,060,471)	(15,060,471)	(748,466)
General Revenues													
Property taxes, levied for general purposes					820,787,407	-	820,787,407	-	-	-	-	-	-
Property taxes, levied for Law Enforcement Service District					13,660,948	-	13,660,948	-	-	-	-	-	-
Sales taxes					199,787,001	-	199,787,001	-	-	-	-	-	-
Other taxes					8,989,608	-	8,989,608	-	-	-	-	-	-
Investment earnings					18,000,502	829,411	18,829,913	58,534	90,920	90,920	104,123	104,123	104,123
Miscellaneous					1,785,466	2,910,897	4,696,363	374,869	130,646	130,646	160,675	160,675	160,675
Payment from primary government:													
Library					-	-	-	33,652,731	-	-	-	-	-
Emergency Medical Services					-	-	-	-	14,201,709	14,201,709	-	-	-
Total General Revenues					1,063,010,932	3,740,308	1,066,751,240	34,086,134	14,423,275	14,423,275	264,798	264,798	264,798
Change in Net Assets					(172,892,858)	3,301,739	(169,591,119)	(1,290,832)	(637,196)	(637,196)	(483,668)	(483,668)	(483,668)
Net Assets (Deficit), beginning of year, as restated					(651,627,893)	62,985,215	(588,642,678)	80,850,857	14,406,646	14,406,646	31,950,879	31,950,879	31,950,879
Net Assets (Deficit), end of year					\$ (824,520,751)	\$ 66,286,954	(758,233,797)	\$ 79,560,025	\$ 13,769,450	\$ 13,769,450	\$ 31,467,211	\$ 31,467,211	\$ 31,467,211

The accompanying notes are an integral part of this statement.

A - 3
 MECKLENBURG COUNTY, NORTH CAROLINA
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2009

	General	Certificates of Participation Fund	2009B Public Improvement Bond	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 342,191,703	\$ 34,751,120	\$ -	\$ 85,892,949	\$ 462,835,772
Interest receivable	2,195,928	-	-	87,354	2,283,282
Accounts receivable	77,043,778	-	-	7,661,675	84,705,453
Accounts receivable - clinics	627,986	-	-	-	627,986
Less allowance for uncollectible claims	(587,007)	-	-	-	(587,007)
Taxes receivable	48,304,942	-	-	667,141	48,972,083
Less allowance for uncollectible taxes	(13,000,000)	-	-	(258,000)	(13,258,000)
Advances to other governmental agencies	379,332	195,048	-	888,706	1,463,086
Due from other funds	48,295	-	-	12,048,250	12,096,545
Inventory	4,960	-	-	-	4,960
TOTAL ASSETS	\$ 457,209,917	\$ 34,946,168	\$ -	\$ 106,988,075	\$ 599,144,160
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued liabilities	\$ 60,456,319	\$ 3,917,680	\$ 21,706,619	\$ 16,529,884	\$ 102,610,502
Due to other funds	-	-	12,048,250	48,295	12,096,545
Deferred revenue	37,204,746	-	-	478,716	37,683,462
Total Liabilities	97,661,065	3,917,680	33,754,869	17,056,895	152,390,509
Fund Balances (Deficits)					
Reserved for encumbrances	19,427,882	17,448,501	-	25,480,987	62,357,370
Reserved by State Statute	79,280,685	-	-	7,749,028	87,029,713
Unreserved, reported in					
General Fund	260,840,285	-	-	-	260,840,285
Special Revenue Funds	-	-	-	32,950,716	32,950,716
Capital Projects Funds	-	13,579,987	(33,754,869)	23,750,449	3,575,567
Total Fund Balances (Deficits)	359,548,852	31,028,488	(33,754,869)	89,931,180	446,753,651
TOTAL LIABILITIES AND FUND BALANCES	\$ 457,209,917	\$ 34,946,168	\$ -	\$ 106,988,075	

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.	972,875,731
Other long term assets are not available for current year expenditures and, therefore, deferred in the funds.	20,867,818
Certain bond expenditures are capitalized for future amortization over the life of the bonds	(36,076,400)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(2,228,941,551)

Net (deficit) of governmental activities \$ (824,520,751)

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, 2009

	General	Certificates of Participation Fund	2009B Public Improvement Bond	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 988,355,276	\$ -	\$ -	\$ -	\$ 988,355,276
Law Enforcement Service District Taxes	-	-	-	13,660,948	13,660,948
Transit One-Half Cent Sales Tax	-	-	-	33,766,238	33,766,238
Licenses and permits	14,896,152	-	-	-	14,896,152
Intergovernmental	202,165,091	-	-	6,103,392	208,268,483
Charges for services	62,476,985	-	-	15,846,916	78,323,901
Interest earned on investments	15,499,677	2,121,182	-	379,643	18,000,502
Administrative charges	4,186,330	-	-	-	4,186,330
Other	7,721,422	-	-	4,464,296	12,185,718
Total Revenues	<u>1,295,300,933</u>	<u>2,121,182</u>	<u>-</u>	<u>74,221,433</u>	<u>1,371,643,548</u>
EXPENDITURES					
Current					
Customer Satisfaction and Management	10,040,369	-	-	-	10,040,369
Administrative Services	60,733,760	-	-	-	60,733,760
Financial Services	9,094,428	-	-	-	9,094,428
Land Use and Environmental Services	48,669,900	-	-	13,535,828	62,205,728
Community Services	82,584,269	-	-	-	82,584,269
Detention and Court Support Services	115,756,213	-	-	390,558	116,146,771
Health and Human Services	310,977,979	-	-	-	310,977,979
Business Partners	421,001,656	-	-	47,607,617	468,609,273
Debt Service					
Principal payments	163,205,635	-	-	1,082,788	164,288,423
Interest and fiscal charges	84,113,746	-	-	278,691	84,392,437
Capital Outlay	-	197,759,801	33,754,869	185,215,406	416,730,076
Total Expenditures	<u>1,306,177,955</u>	<u>197,759,801</u>	<u>33,754,869</u>	<u>248,110,888</u>	<u>1,785,803,513</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	<u>(10,877,022)</u>	<u>(195,638,619)</u>	<u>(33,754,869)</u>	<u>(173,889,455)</u>	<u>(414,159,965)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	19,678,759	-	-	37,920,544	57,599,303
Transfers out	(37,788,854)	(19,678,759)	-	-	(57,467,613)
Premium on bonds issued	38,993,762	-	-	-	38,993,762
Refunding bonds issued	243,965,000	-	-	-	243,965,000
Certificates of Participation	-	90,765,000	-	-	90,765,000
Capital lease	2,500,000	-	-	-	2,500,000
Payment to Escrow Agent for Refunding bonds	(276,841,503)	-	-	-	(276,841,503)
Total Other Financing Sources (Uses)	<u>(9,492,836)</u>	<u>71,086,241</u>	<u>-</u>	<u>37,920,544</u>	<u>99,513,949</u>
NET CHANGE IN FUND BALANCES					
	(20,369,858)	(124,552,378)	(33,754,869)	(135,968,911)	(314,646,016)
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED					
	379,918,710	155,580,866	-	225,900,091	761,399,667
FUND BALANCES (DEFICITS) - END OF YEAR					
	<u>\$ 359,548,852</u>	<u>\$ 31,028,488</u>	<u>\$ (33,754,869)</u>	<u>\$ 89,931,180</u>	<u>\$ 446,753,651</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, 2009

Net change in fund balances - total governmental funds	\$ (314,646,016)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
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.	118,411,267
Depreciation expense is reported in the Statement of Activities, but not in the fund statements.	(25,949,804)
Loss on disposal of assets and adjustment to accumulated depreciation is reported in the Statement of Activities, but not in the fund statements.	(1,324,793)
Bond, Certificate of Participation and capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets, therefore, these proceeds do not appear in the Statement of Activities.	(337,230,000)
Bond premiums and deferred charges, respectively, for the governmental funds are deferred and amortized in the Statement of Activities.	(34,074,612)
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.	418,401,372
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.	3,519,728
Change in net assets of governmental activities	\$ (172,892,858)

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, 2009

	Budgeted Amounts		Actual Amounts	Variance from Final Budget- Positive/(Negative)
	Original	Final		
REVENUES				
Taxes				
General property - current	\$ 796,659,833	\$ 796,659,833	\$ 801,482,574	\$ 4,822,741
General property - prior	13,175,000	13,175,000	13,741,612	566,612
Interest on delinquent taxes	2,700,000	2,700,000	3,516,691	816,691
Sales	202,200,000	202,200,000	166,020,763	(36,179,237)
Room occupancy	750,000	750,000	927,151	177,151
Vehicle rental	3,250,000	3,250,000	2,526,632	(723,368)
Other	25,000	25,000	139,853	114,853
Total Taxes	<u>1,018,759,833</u>	<u>1,018,759,833</u>	<u>988,355,276</u>	<u>(30,404,557)</u>
Licenses and permits				
Business licenses	225,000	225,000	252,180	27,180
Inspection permits	22,254,474	22,271,974	14,515,458	(7,756,516)
Marriage licenses	122,000	122,000	128,514	6,514
Total Licenses and permits	<u>22,601,474</u>	<u>22,618,974</u>	<u>14,896,152</u>	<u>(7,722,822)</u>
Intergovernmental				
Federal	89,047,952	102,818,130	104,986,448	2,168,318
State	86,584,828	88,395,934	88,329,102	(66,832)
Local	7,186,800	8,664,875	8,849,541	184,666
Total Intergovernmental	<u>182,819,580</u>	<u>199,878,939</u>	<u>202,165,091</u>	<u>2,286,152</u>
Charges for services				
Customer Satisfaction and Management	5,000	5,000	-	(5,000)
Administrative Services	133,147	205,531	154,709	(50,822)
Financial Services	1,161,211	1,161,211	957,802	(203,409)
Land Use and Environmental Services	20,855,829	21,388,891	12,518,824	(8,870,067)
Community Services	3,024,477	3,134,210	2,881,038	(253,172)
Detention and Court Support Services	34,390,838	35,289,349	26,402,100	(8,887,249)
Health and Human Services	16,163,508	17,641,408	16,032,361	(1,609,047)
Business Partners	5,777,705	5,777,705	3,530,151	(2,247,554)
Total Charges for services	<u>81,511,715</u>	<u>84,603,305</u>	<u>62,476,985</u>	<u>(22,126,320)</u>
Interest earned on investments	14,555,000	14,555,000	15,499,677	944,677
Administrative charges	4,186,330	4,186,330	4,186,330	-
Other				
Rental	2,214,490	2,214,490	2,294,650	80,160
Sale of properties	1,249,698	1,249,698	1,174,492	(75,206)
Miscellaneous	4,535,169	5,252,457	4,252,280	(1,000,177)
Total Other	<u>7,999,357</u>	<u>8,716,645</u>	<u>7,721,422</u>	<u>(995,223)</u>
Total Revenues	<u>1,332,433,289</u>	<u>1,353,319,026</u>	<u>1,295,300,933</u>	<u>(58,018,093)</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, 2009
 (CONTINUED)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget- (Positive)/Negative
	Original	Final		
EXPENDITURES				
Current				
Customer Satisfaction and Management				
County Commissioners	\$ 424,950	\$ 403,679	\$ 341,475	\$ (62,204)
Manager's Office	11,374,373	11,138,565	7,177,087	(3,961,478)
Public Service and Information	2,775,495	2,677,064	2,521,807	(155,257)
Total Customer Satisfaction and Management	<u>14,574,818</u>	<u>14,219,308</u>	<u>10,040,369</u>	<u>(4,178,939)</u>
Administrative Services				
Internal Audit	573,674	562,957	494,983	(67,974)
Human Resources	4,935,961	4,868,852	4,637,626	(231,226)
Information Services and Technology	20,516,331	20,047,831	19,823,993	(223,838)
Real Estate Services	16,896,306	16,852,573	13,472,322	(3,380,251)
General Services	31,721	31,721	-	(31,721)
Nondepartmental	31,836,864	43,009,498	22,304,836	(20,704,662)
Total Administrative Services	<u>74,790,857</u>	<u>85,373,432</u>	<u>60,733,760</u>	<u>(24,639,672)</u>
Financial Services				
Finance	3,430,806	3,388,794	3,202,767	(186,027)
Debt Service				
Principal retirement - bonds and loans	61,287,648	61,805,965	61,805,965	-
Interest and fiscal charges	31,829,705	37,829,705	33,108,011	(4,721,694)
Payment to City of Charlotte	696,865	729,209	729,209	-
Tax Collection	6,662,718	6,597,303	5,891,661	(705,642)
Total Financial Services	<u>103,907,742</u>	<u>110,350,976</u>	<u>104,737,613</u>	<u>(5,613,363)</u>
Land Use and Environmental Services				
Geospatial Information	4,095,245	3,991,746	3,835,732	(156,014)
Code Administration	30,258,761	31,208,767	26,884,868	(4,323,899)
Property Assessment and Land Records	8,351,620	8,860,518	7,105,949	(1,754,569)
Air Quality	4,995,323	5,919,202	2,522,962	(3,396,240)
Environmental Health	4,337,671	4,340,522	3,701,776	(638,746)
Water and Land Resource	1,889,667	1,857,228	1,351,770	(505,458)
Register of Deeds	3,546,370	3,439,759	3,266,843	(172,916)
Total Land Use and Environmental Services	<u>57,474,657</u>	<u>59,617,742</u>	<u>48,669,900</u>	<u>(10,947,842)</u>
Community Services				
Community Support Services	5,294,542	5,501,909	5,230,113	(271,796)
Public Libraries	35,766,544	35,016,544	33,303,765	(1,712,779)
Park and Recreation	44,937,698	43,385,261	40,079,697	(3,305,564)
Elections	3,562,746	3,974,387	3,970,694	(3,693)
Total Community Services	<u>89,561,530</u>	<u>87,878,101</u>	<u>82,584,269</u>	<u>(5,293,832)</u>
Detention and Court Support Services				
Medical Examiner	1,274,496	1,284,851	1,282,236	(2,615)
State Justice Services	5,523,168	7,688,857	3,596,783	(4,092,074)
Sheriff and Jail	117,872,182	113,573,518	110,877,194	(2,696,324)
Total Detention and Court Support Services	<u>124,669,846</u>	<u>122,547,226</u>	<u>115,756,213</u>	<u>(6,791,013)</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, 2009
 (CONCLUDED)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget- (Positive)/Negative
	Original	Final		
Health and Human Services				
Public Health				
Public Health Services	\$ 5,188,956	\$ 4,735,353	\$ 3,863,327	\$ (872,026)
Public Health-CHS Contract	29,054,803	29,017,004	28,941,145	(75,859)
Community Health	4,572,079	11,028,550	4,818,246	(6,210,304)
Mental Health				
Infant and Toddler Preschool Services	7,022,635	6,860,563	6,467,812	(392,751)
Child and Adolescent Services	14,635,408	13,277,112	10,537,290	(2,739,822)
Adult Services	19,111,699	24,370,782	20,654,644	(3,716,138)
Centralized Services	26,474,658	26,210,996	25,309,510	(901,486)
Developmental Disabilities Services	19,052,853	19,767,834	18,031,995	(1,735,839)
Administrative Services	4,439,680	3,971,049	3,522,936	(448,113)
Grants and other	16,370,098	16,370,098	4,448,918	(11,921,180)
Social Services				
Administration and Support Services	17,419,156	14,630,206	12,690,529	(1,939,677)
Grants	22,077,157	24,087,373	21,136,873	(2,950,500)
Childcare Operations	49,935,169	51,257,603	49,186,295	(2,071,308)
Services for Adults	37,350,670	40,955,024	38,822,827	(2,132,197)
Economic Services	21,974,231	23,214,745	21,890,223	(1,324,522)
Youth and Family Services	50,764,583	46,893,655	40,655,409	(6,238,246)
Total Health and Human Services	<u>345,443,835</u>	<u>356,647,947</u>	<u>310,977,979</u>	<u>(45,669,968)</u>
Business Partners				
Emergency Medical Services	15,806,328	13,806,328	13,806,328	-
City-County Departments	3,058,439	3,058,439	2,650,632	(407,807)
Board of Education:				
Current	351,366,785	351,366,785	346,366,785	(5,000,000)
Capital Outlay	5,200,000	5,200,000	5,199,151	(849)
Debt Service				
Principal retirement - bonds	69,228,528	69,238,456	69,238,456	-
Principal retirement - certificates of participation	20,303,262	20,303,262	20,287,686	(15,576)
Interest	69,878,914	63,868,986	45,518,319	(18,350,667)
Central Piedmont Community College				
Current	26,974,542	27,033,969	26,327,542	(706,427)
Debt Service				
Principal retirement - bonds	10,487,866	10,487,866	10,487,342	(524)
Principal retirement - certificates of participation	1,394,538	1,394,538	1,386,186	(8,352)
Interest	6,419,917	6,360,490	4,758,207	(1,602,283)
Hospitals	20,724,525	18,624,525	18,616,368	(8,157)
WTVI	1,075,000	1,075,000	1,025,000	(50,000)
Historic Landmarks Commission	169,300	169,300	168,060	(1,240)
Outside Agencies - Other	7,175,345	7,225,880	6,841,790	(384,090)
Total Business Partners	<u>609,263,289</u>	<u>599,213,824</u>	<u>572,677,852</u>	<u>(26,535,972)</u>
Total Expenditures	<u>1,419,686,574</u>	<u>1,435,848,556</u>	<u>1,306,177,955</u>	<u>(129,670,601)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(87,253,285)</u>	<u>(82,529,530)</u>	<u>(10,877,022)</u>	<u>71,652,508</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	19,678,759	19,678,759
Transfers out	(26,068,338)	(37,857,192)	(37,788,854)	68,338
Refunding bonds issued	-	-	243,965,000	243,965,000
Premium on bonds issued/Other debt issues	-	-	38,993,762	38,993,762
Payment to Escrow Agent for Refunding bonds	-	-	(276,841,503)	(276,841,503)
Capital Lease	-	-	2,500,000	2,500,000
Appropriated fund balance	113,321,623	-	-	-
Total other financing sources (uses)	<u>87,253,285</u>	<u>(37,857,192)</u>	<u>(9,492,836)</u>	<u>28,364,356</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(20,369,858)</u>	<u>\$ (20,369,858)</u>
FUND BALANCE - BEGINNING OF YEAR, AS RESTATED			379,918,710	
FUND BALANCE - END OF YEAR			<u>\$ 359,548,852</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, 2009

	Business Type Activities Solid Waste Enterprise Fund
ASSETS	
Current Assets	
Cash and investments	\$ 31,604,074
Interest receivable	173,852
Accounts receivable	514,397
Total Current Assets	<u>32,292,323</u>
Noncurrent Assets	
Restricted cash and investments	284,263
Capital assets	
Land	28,568,428
Construction in progress	5,593,605
Land improvements	5,492,386
Buildings	10,241,592
Vehicles and heavy equipment	6,762,158
Furniture, machinery and equipment	1,486,166
Total Capital assets	<u>58,144,335</u>
Less accumulated depreciation	<u>(11,753,973)</u>
Total Capital assets, net of accumulated depreciation	<u>46,390,362</u>
Total Noncurrent assets	<u>46,674,625</u>
TOTAL ASSETS	<u>78,966,948</u>
LIABILITIES	
Current Liabilities	
Accounts payable and accrued liabilities	305,266
Compensated absences	35,617
Capital lease	549,917
Bonds payable	583,455
Total Current Liabilities	<u>1,474,255</u>
Long-term Liabilities	
Compensated absences	483,041
Landfill development and postclosure care costs	8,334,202
Capital Lease	1,503,345
Bonds payable	885,151
Total Long-term Liabilities	<u>11,205,739</u>
TOTAL LIABILITIES	<u>12,679,994</u>
NET ASSETS	
Invested in capital assets, net of related debt	43,152,758
Restricted net assets:	
Restricted for capital projects	284,263
Restricted for landfill development and postclosure care	8,334,202
Unrestricted	14,515,731
TOTAL NET ASSETS	<u>\$ 66,286,954</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, 2009

	Business Type Activities
	Solid Waste Enterprise Fund
OPERATING REVENUES	
Charges for services	\$ 13,372,703
Other	2,910,897
Total Operating Revenues	16,283,600
OPERATING EXPENSES	
Personal services and employee benefits	4,423,771
Utilities	165,844
Supplies	794,218
Depreciation	1,517,719
Maintenance and repairs	820,108
Rental and occupancy charges	654,068
Contractual services	4,234,274
Final development and postclosure costs	731,112
Total Operating Expenses	13,341,114
OPERATING INCOME	2,942,486
NON-OPERATING REVENUES (EXPENSES)	
Interest income	829,411
Interest expense	(218,657)
Loss on disposal of capital assets	(19,486)
Amortization of refunding amount	(100,325)
Transfer to other fund	(131,690)
Total Non-operating Revenues	359,253
CHANGE IN NET ASSETS	3,301,739
NET ASSETS - BEGINNING OF YEAR	62,985,215
NET ASSETS - END OF YEAR	\$ 66,286,954

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, 2009

	Business Type Activities Solid Waste Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from users	\$ 16,389,572
Cash paid to suppliers	(6,904,957)
Cash paid to employees	(4,364,997)
Net cash provided by operating activities	<u>5,119,618</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payments - bonds	(984,595)
Principal payments - capital leases	(396,497)
Interest paid	(218,657)
Proceeds from capital lease	1,509,000
Acquisition of capital assets	(1,931,053)
Proceeds from sale of assets	99,353
Net cash used by capital and related financing activities	<u>(1,922,449)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>878,473</u>
Net cash provided by investing activities	<u>878,473</u>
INCREASE IN CASH AND INVESTMENTS	4,075,642
CASH AND INVESTMENTS - BEGINNING OF YEAR	<u>27,812,695</u>
CASH AND INVESTMENTS - END OF YEAR	<u><u>\$ 31,888,337</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$ 2,810,796
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,517,719
Change in accounts receivable	105,972
Change in payroll accrual	21,787
Change in accounts payable	(104,755)
Change in compensated absences	36,987
Change in landfill reserve	731,112
Total adjustments	<u>2,308,822</u>
Net cash provided by operating activities	<u><u>\$ 5,119,618</u></u>
Noncash investing, capital, and financing activities	
Amortization of refunding amount	\$ 100,325

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, 2009

	Post-Employment Healthcare Benefit Trust Fund	Agency Funds
ASSETS		
Cash and investments	\$ 17,258,791	\$ 30,014,142
Accounts receivable	-	12,334
TOTAL ASSETS	17,258,791	\$ 30,026,476
LIABILITIES		
Accounts payable and accrued liabilities	-	\$ 22,861,705
Due to other governmental agencies	-	7,099,928
Due to NC Department of Motor Vehicles	-	64,843
TOTAL LIABILITIES	-	\$ 30,026,476
NET ASSETS		
Held in trust for retiree healthcare benefits and related purposes	\$ 17,258,791	

The accompanying notes are an integral part of this statement.

A - 11
 MECKLENBURG COUNTY, NORTH CAROLINA
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	Post-Employment Healthcare Benefit Trust Fund
ADDITIONS	
Employer Contributions	\$ 16,102,222
Interest	576,376
Total Additions	16,678,598
DEDUCTIONS	
Management Fee	14,718
Claims paid	5,321,208
Total Deductions	5,335,926
ADDITIONS over DEDUCTIONS	11,342,672
OTHER FINANCING SOURCES (USES)	
Unrealized Loss	(3,939,525)
CHANGE IN NET ASSETS	7,403,147
NET ASSETS - BEGINNING OF YEAR	9,855,644
NET ASSETS - END OF YEAR	\$ 17,258,791

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, 2009

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, 2009

(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, 2009. 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 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, 2009

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.

2009B Public Improvement Bond Fund – This Capital Projects Fund accounts for financial resources used for the acquisition or construction of major capital facilities for school 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 and the 2009B Public Improvement Bonds, 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 retirees who have met the requirements to receive the benefit upon retirement.

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

- individuals – employee flex spending, social service and jail clients
- private organizations – medical and dental claim funds
- other governmental units – collections due to municipalities, food and beverage tax and other collections due to the State of North Carolina, 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.

MECKLENBURG COUNTY, NORTH CAROLINA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2009

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 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, 2009</u>
Special Revenue Funds	<u>\$70,918,173</u>	<u>\$33,053,366</u>	<u>\$103,971,539</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 \$25,003 and funds held by others. A portion of the County's self-insurance funds in the amount of \$6,267,191 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, \$182,107 is held by the bank for solid waste operations, and interest and proceeds of \$1,295,886 and \$47,118,681, respectively, from certificates of

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

participation are held by a trustee. Cash of \$17,258,791 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. Funds of \$2,419,708 are held by the bank for a capital lease.

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 \$165,816,205 and the bank balance was \$181,539,068. Included in these balances is a money market account in the amount of \$5,000,736 and four certificates of deposit totaling \$35,000,000 with RBC-Centura Bank; a money market account in the amount of \$89,363,366, a non-interest bearing certificate of deposit in the amount of \$1,500,000, and eight certificates of deposit totaling \$38,086,334 with Branch Banking & Trust; 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.; one certificate of deposit totaling \$2,000,000 with Mechanics and Farmers Bancorp; a non-interest bearing certificate of deposit in the amount of \$2,459,566 held in lieu of lockbox service charges at Bank of America; and two certificates of deposit totaling \$98,231 with Bank of Granite.

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 \$181,539,068 was covered by collateral at June 30, 2009.

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, 2009, the Medic Agency's deposits had a carrying value of \$5,342,420 and a bank balance of \$5,780,156 of which \$278,403 was covered by federal depository insurance and \$5,501,753 was covered by collateral under the pooling method. At June 30, 2009, the carrying amount of the Library's bank deposits was \$6,170,282 and the bank balance was \$6,719,130 of which \$250,000 was covered by federal depository insurance, \$6,107,854 was covered by collateral held under the pooling method and the remaining \$361,276 was uncollateralized. At June 30, 2009, the carrying amount of the ABC Board's bank deposits was \$8,020,317 and the bank balance was \$8,032,636. Of the bank balance at June 30, 2009, \$500,000 was covered by federal depository insurance and the remaining \$7,532,636 was covered by collateral under the pooling method.

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

Investments

At June 30, 2009, 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	\$ 121,056,466	\$ 2,999,875	\$ 3,258,023	\$ 114,798,567
NCSEAA Bonds	33,250,000	-	-	-
NC Capital Management Trust – Cash Portfolio	<u>123,968,748</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total	<u>\$ 278,275,214</u>	<u>\$ 2,999,875</u>	<u>\$ 3,258,023</u>	<u>\$ 114,798,567</u>

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, 2009 the County held \$33,250,000 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 12.02% 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 it's holding company are incorporated in North Carolina. As of June 30, 2009, 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, 2009. 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, 2009, there were no investments in commercial paper and bankers' acceptances.

All securities owned by the County at June 30, 2009, 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 \$995,108 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, \$5,280,368, were invested in the N. C. Capital Management Trust Cash Portfolio at June 30, 2009.

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

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.

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

During 2009, no gains from the sale of investments by the County were recognized as no investments were sold. The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. The net increase in the fair value of investments during 2009 for the County was \$3,086,609. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized gain on investments held at year-end for the County was \$1,541,295.

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.

MECKLENBURG COUNTY, NORTH CAROLINA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2009

Estimated useful lives for the ABC Board are as follows:

Buildings	40 years
Leasehold Improvements	5 -15 years
Equipment	3 -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 or constructed assets are recorded at cost or historical cost, while donated capital assets are recorded at estimated fair market value at the date of donation. The Library capitalizes all library books with a useful life greater than one year. Certain books that are considered historical treasures are not capitalized and are recorded as expenditures in the year of acquisition. The costs of normal maintenance and repairs that do not add to the value of 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, 2009

(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 customer satisfaction & management, land use and environmental services, detention and court support 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 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.
- Designated for self-insurance – This represents amounts that are restricted to expenditures for self-insurance.
- Designated for subsequent years' expenditures – This represents the \$45.7 million of fund balance appropriated by the Board of County Commissioners for Fiscal Year 2010 and the \$85.3 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, 2009:

	General Fund	Certificates of Participation Fund	2009B Public Improvement Bond Fund	Special Revenue Funds	Capital Projects Funds
				<u>Nonmajor Funds</u>	
Fund Balance:					
Reserved for encumbrances	\$ 19,427,882	\$ 17,448,501	\$ -	\$ 8,371,963	\$ 17,109,024
Reserved by State Statute	79,280,685	-	-	7,576,382	172,646
Unreserved:					
Designations:					
Customer Satisfaction & Management	1,311,876	-	-	-	-
Land Use and Environmental Services	12,988,720	-	-	7,979,827	-
Detention and Court Support Services	-	-	-	1,224,321	-
Health and Human Services	4,180,039	-	-	-	-
Business Partners	-	-	-	1,576,802	-
Capital Projects	-	13,579,987	-	26,792,600	23,750,449
Self-insurance	3,774,623	-	-	-	-
Subsequent Years' Expenditures	130,986,011	-	-	-	-
Undesignated	<u>107,599,016</u>	<u>-</u>	<u>(33,754,869)</u>	<u>(4,622,834)</u>	<u>-</u>
	<u>\$359,548,852</u>	<u>\$ 31,028,488</u>	<u>\$(33,754,869)</u>	<u>\$48,899,061</u>	<u>\$ 41,032,119</u>

MECKLENBURG COUNTY, NORTH CAROLINA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2009

(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, 2009, 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 - ARRA	\$ 24,692,669
Medicaid	687,665,013
Temporary Assistance to Needy Families	9,930,348
Domiciliary Care	7,240,762
Aid to the Blind	150,234
Supplemental Food Program	17,699,662
Low Income Energy Assistance	3,110,328
Refugee Assistance	245,755
Adoption Assistance	8,765,919
Foster Care	<u>7,603,212</u>
 TOTAL	 <u>\$ 767,103,902</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, 2009 are composed of the following:

	<u>Government-wide Statements</u>	<u>Governmental Fund Statements</u>
	<u>Governmental Activities</u>	
Taxes receivable (net)	\$ -	\$ 35,714,082
Prepaid taxes not yet earned	442,245	442,245
Grants	<u>1,527,135</u>	<u>1,527,135</u>
 TOTAL	 <u>\$1,969,380</u>	 <u>\$ 37,683,462</u>

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

(o) Stewardship, Compliance and Accountability

A. Deficit Unreserved Fund Balance

Funding for the Scrap Tire Disposal Fund is reimbursement based; therefore the negative unreserved, undesignated fund balance of \$327,929 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 \$4,294,905 resulting from the offset of the reserve by state statute for the receivable as all funds collected are remitted to the City of Charlotte and there is no total fund balance. The 2009B Public Improvement Bond Fund has a negative unreserved undesignated fund balance of \$33,754,869 resulting from expenditures paid after adoption of the capital projects ordinance but prior to the bond sale in July 2009.

B. Noncompliance with North Carolina General Statutes

Checks without dual signatures were issued by the County in violation of North Carolina General Statute 159-25(b). This Statute requires that all checks, or drafts, on an official depository be signed by the finance officer or a properly designated deputy finance officer and countersigned by another official of the local government as designated for this purpose by the governing board.

Additionally, the County spent funds that were not properly budgeted and appropriated in the fund where the expenditures were recorded. This is in violation of North Carolina General Statute 159-28(b). The Statute requires that before a finance officer, or designee, approves a claim for a program function, or activity accounted for in a fund included in the budget ordinance or a capital project or a grant project authorized by a project ordinance they determine that the amount to be payable, determine that the budget ordinance or project ordinance included an appropriation authorizing the expenditure and either (1) an encumbrance be created for the transaction or (2) an unencumbered balance remains in the appropriation to pay the amount to be disbursed.

The County inappropriately disbursed operating funds from a checking account designated for a fiduciary purpose. The funds spent were reimbursed at the end of each month by a transfer from the general fund to the fiduciary fund.

The practices described in the comments above, which relate to a specific department, were discontinued in March, 2009. The County requires dual signatures on checks; all disbursements are recorded to the appropriate fund and encumbrances are required, and the fiduciary bank account is used only for the purpose intended.

(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.

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

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, 2009:

	Governmental Activities			Business-type Activities	Total Receivables
	General Fund	2009A Public Improvement Bond	Nonmajor Funds	Solid Waste Enterprise Fund	
General	\$ 15,260,737	\$ -	\$ 4,519,697	\$514,397	\$ 20,294,831
State and Federal Government	61,783,041	-	3,141,978		64,925,019
Taxes	48,304,942	-	667,141	-	48,972,083
Less allowance for doubtful accounts	(13,000,000)	-	(258,000)	-	(13,258,000)
Clinic billings	627,986	-	-	-	627,986
Less allowance for doubtful accounts	(587,007)	-	-	-	(587,007)
Interest	<u>2,195,928</u>	<u>-</u>	<u>87,354</u>	<u>173,852</u>	<u>2,457,134</u>
Total Accounts Receivable	<u>\$114,585,627</u>	<u>\$ -</u>	<u>\$ 8,158,170</u>	<u>\$688,249</u>	<u>\$123,432,046</u>

3. Property Tax

The County's property tax levy effective for fiscal year 2009, was based on the assessed values listed as of January 1, 2008, 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, 2008. The property tax rate for the 2009 fiscal year was \$.8387 per \$100 valuation. A revaluation of all real property is required to be performed at least every eight years. The County's next revaluation will be in fiscal year 2012. 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 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 2008 through February 2009 apply to the fiscal year ended June 30, 2009. 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, 2009 because they are intended to finance the County's operations during the 2010 fiscal year.

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

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 and NC Department of Revenue. These amounts are recorded for in the two Agency Funds, Municipalities' Taxes and Food and Beverage Tax, respectively.

5. Capital Assets

	Primary Government			
	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$368,825,811	\$ 40,151,196	\$ -	\$408,977,007
Construction in progress	<u>110,265,578</u>	<u>71,589,474</u>	<u>-</u>	<u>181,855,052</u>
Total capital assets not being depreciated	<u>479,091,389</u>	<u>111,740,670</u>	<u>-</u>	<u>590,832,059</u>
<i>Capital assets being depreciated:</i>				
Land improvements	26,812,329	465,720	-	27,278,049
Buildings and improvements	561,787,897	3,655,450	-	565,443,347
Vehicles and Heavy Equipment	26,121,185	2,335,415	(1,635,044)	26,821,556
Furniture, Machinery and Equipment	<u>28,438,465</u>	<u>1,442,955</u>	<u>(3,029,520)</u>	<u>26,851,900</u>
Total capital assets being depreciated	<u>643,159,876</u>	<u>7,899,540</u>	<u>(4,664,564)</u>	<u>646,394,852</u>
Less accumulated depreciation:				
Land improvements	(13,965,528)	-	244,255	(13,721,273)
Buildings and improvements	(187,463,268)	(22,267,819)	-	(209,731,087)
Vehicles and Heavy Equipment	(16,226,894)	(2,468,501)	1,374,733	(17,320,662)
Furniture, Machinery and Equipment	<u>(24,329,712)</u>	<u>(1,213,484)</u>	<u>1,965,038</u>	<u>(23,578,158)</u>
Total accumulated depreciation	<u>(241,985,402)</u>	<u>(25,949,804)</u>	<u>3,584,026</u>	<u>(264,351,180)</u>
Total capital assets being depreciated, net	<u>401,174,474</u>	<u>(18,050,264)</u>	<u>(1,080,538)</u>	<u>382,043,672</u>
Governmental activities capital assets, net	<u>\$880,265,863</u>	<u>\$ 93,690,406</u>	<u>\$ (1,080,538)</u>	<u>\$972,875,731</u>

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

	Balance <u>July 1, 2008</u>	Primary Government		Balance <u>June 30, 2009</u>
		<u>Additions</u>	<u>Deletions</u>	
Business-type activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 28,568,428	\$ -	\$ -	\$ 28,568,428
Construction in progress	<u>5,216,120</u>	<u>377,485</u>	<u>-</u>	<u>5,593,605</u>
Total capital assets not being depreciated	<u>33,784,548</u>	<u>377,485</u>	<u>-</u>	<u>34,162,033</u>
<i>Capital assets being depreciated:</i>				
Land improvements	5,492,386	-	-	5,492,386
Buildings and improvements	10,241,592	-	-	10,241,592
Vehicles and Heavy Equipment	6,856,885	351,655	(446,382)	6,762,158
Furniture, Machinery and Equipment	<u>284,254</u>	<u>1,201,912</u>	<u>-</u>	<u>1,486,166</u>
Total capital assets being depreciated	<u>22,875,117</u>	<u>1,553,567</u>	<u>(446,382)</u>	<u>23,982,302</u>
Less accumulated depreciation:				
Land improvements	(1,737,491)	(263,243)	-	(2,000,734)
Buildings and improvements	(5,226,191)	(480,481)	-	(5,706,672)
Vehicles and Heavy Equipment	(3,518,589)	(658,326)	327,543	(3,849,372)
Furniture, Machinery and Equipment	<u>(81,526)</u>	<u>(115,669)</u>	<u>-</u>	<u>(197,195)</u>
Total accumulated depreciation	<u>(10,563,797)</u>	<u>(1,517,719)</u>	<u>327,543</u>	<u>(11,753,973)</u>
Total capital assets being depreciated, net	<u>12,311,320</u>	<u>35,848</u>	<u>(118,839)</u>	<u>12,228,329</u>
Business-type activities capital assets, net	<u>\$ 46,095,868</u>	<u>\$ 413,333</u>	<u>\$ (118,839)</u>	<u>\$ 46,390,362</u>

Governmental activities:

Customer Satisfaction and Management Services	\$ 20,766
Administrative Services	3,075,470
Financial Services	1,120,441
Land Use and Environmental Services	907,777
Community Services	5,748,213
Detention and Court Support Services	12,981,420
Health and Human Services	2,009,020
Business Partners	<u>86,697</u>
Total Governmental activities	<u>25,949,804</u>

Business-type activities:

Solid Waste Enterprise Fund	<u>1,517,719</u>
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Total depreciation expense \$27,467,523

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

<u>Project</u>	<u>Estimated Project Authorization</u>	<u>Expended to June 30, 2009</u>	<u>Costs to Complete</u>
Governmental funds:			
Park and Recreational Facilities	\$ 82,927,229	\$ 68,078,340	\$ 14,848,889
Law Enforcement/Court Facilities	46,761,000	39,020,693	7,740,307
County Facilities	<u>89,237,875</u>	<u>74,756,019</u>	<u>14,481,856</u>
Total Governmental funds	218,926,104	181,855,052	37,101,052
Business-type activities/ Solid Waste Enterprise Fund	<u>24,545,706</u>	<u>5,593,605</u>	<u>18,952,099</u>
Total	<u>\$243,471,810</u>	<u>\$187,448,657</u>	<u>\$56,023,153</u>

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

Activity in the Library's Capital assets for the year ended June 30, 2009 is as follows:

	Balance <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2009</u>
<i>Capital assets not being depreciated:</i>				
Land	\$ 11,251,992	\$ 638,001	\$ -	\$ 11,889,993
Construction in progress	<u>456,028</u>	<u>2,628,765</u>	<u>(1,715,581)</u>	<u>1,369,212</u>
Total capital assets not being depreciated	<u>11,708,020</u>	<u>3,266,766</u>	<u>(1,715,581)</u>	<u>13,259,205</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	81,072,207	1,227,730	-	82,299,937
Books	19,044,777	2,206,924	-	21,251,701
Furniture and Equipment	<u>5,831,504</u>	<u>516,768</u>	<u>(28,789)</u>	<u>6,319,483</u>
Total Capital assets being depreciated	<u>105,948,488</u>	<u>3,951,422</u>	<u>(28,789)</u>	<u>109,871,121</u>
Less accumulated depreciation:				
Buildings	(16,483,459)	(2,039,719)	-	(18,523,178)
Books	(13,652,917)	(2,482,705)	-	(16,135,622)
Furniture and Equipment	<u>(4,065,125)</u>	<u>(435,210)</u>	<u>28,789</u>	<u>(4,471,546)</u>
Total accumulated depreciation	<u>(34,201,501)</u>	<u>(4,957,634)</u>	<u>28,789</u>	<u>(39,130,346)</u>
Total Capital assets being depreciated, net	<u>71,746,987</u>	<u>(1,006,212)</u>	<u>-</u>	<u>70,740,775</u>
Total Capital assets, net	<u>\$ 83,455,007</u>	<u>\$ 2,260,554</u>	<u>\$ (1,715,581)</u>	<u>\$ 83,999,980</u>

Activity in the Medic Agency's capital assets for the year ended June 30, 2009 is as follows:

	Balance <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2009</u>
<i>Capital assets being depreciated:</i>				
Vehicles	\$ 9,361,652	\$ 703,311	\$ (743,565)	\$ 9,321,398
Furniture and Equipment	2,049,069	157,491	-	2,206,560
Patient Equipment	1,340,924	1,096,325	-	2,437,249
Computer Equipment	2,876,756	656,736	-	3,533,492
Buildings and Improvements	<u>4,049,509</u>	<u>7,910</u>	<u>-</u>	<u>4,057,419</u>
Total Capital assets being depreciated	<u>19,677,910</u>	<u>2,621,773</u>	<u>(743,565)</u>	<u>21,556,118</u>
Less accumulated depreciation:				
Vehicles	(6,271,365)	(1,452,356)	743,565	(6,980,156)
Furniture and Equipment	(1,374,310)	(315,545)	-	(1,689,855)
Patient Equipment	(1,197,535)	(209,105)	-	(1,406,640)
Computer Equipment	(1,954,226)	(402,944)	-	(2,357,170)
Buildings and Improvements	<u>(3,114,350)</u>	<u>(218,155)</u>	<u>-</u>	<u>(3,332,505)</u>
Total accumulated depreciation	<u>(13,911,786)</u>	<u>(2,598,105)</u>	<u>743,565</u>	<u>(15,766,326)</u>
Total Capital assets, net	<u>\$ 5,766,124</u>	<u>\$ 23,668</u>	<u>\$ -</u>	<u>\$ 5,789,792</u>

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

Activity in the ABC Board's capital assets for the year ended June 30, 2009 is as follows:

	Balance <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2009</u>
<i>Capital assets not being depreciated:</i>				
Land	\$ 4,209,135	\$ -	\$ -	\$ 4,209,135
Construction in progress	<u>81,613</u>	<u>200,306</u>	<u>(2,700)</u>	<u>279,219</u>
Total Capital assets not being depreciated	<u>4,290,748</u>	<u>200,306</u>	<u>(2,700)</u>	<u>4,488,354</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	22,672,519	2,049,079	(435,963)	24,285,635
Furniture, Machinery and Equipment	2,920,306	155,647	(68,264)	3,007,689
Motor vehicles	<u>738,151</u>	<u>101,886</u>	<u>(102,110)</u>	<u>737,927</u>
Total Capital assets being depreciated	<u>26,330,976</u>	<u>2,306,612</u>	<u>(606,337)</u>	<u>28,031,251</u>
Less accumulated depreciation:				
Buildings and Improvements	(4,528,645)	(943,765)	231,847	(5,240,563)
Furniture, Machinery and Equipment	(1,908,156)	(339,860)	62,790	(2,185,226)
Motor Vehicles	<u>(593,705)</u>	<u>(81,185)</u>	<u>97,481</u>	<u>(577,409)</u>
Total accumulated depreciation	<u>(7,030,506)</u>	<u>(1,364,810)</u>	<u>392,118</u>	<u>(8,003,198)</u>
Total Capital assets being depreciated, net	<u>19,300,470</u>	<u>941,802</u>	<u>(214,219)</u>	<u>20,028,053</u>
Total Capital assets, net	<u>\$23,591,218</u>	<u>\$1,142,108</u>	<u>\$ (216,919)</u>	<u>\$24,516,407</u>

7. Interfund Receivables and Payables

Governmental Funds interfund receivables and payables of \$12,096,545 at June 30, 2009 consist of \$48,295 due to the General Fund from various nonmajor capital projects funds and \$12,048,250 due to various bond funds from the 2009A Public Improvement Fund. This balance represents lending/borrowing arrangements resulting from the timing of expenditures versus the receipt of revenues.

8. Accounts Payable and Accrued Liabilities

The components of accounts payable and accrued liabilities at June 30, 2009 for the governmental activities and the business-type activities as reported in the Statement of Net Assets (Deficit) are as follows:

	<u>Governmental Activities</u>				<u>Business- Type Activities</u>	<u>Total Accounts Payable and Accrued Liabilities</u>
	<u>General Fund</u>	<u>Certificates Of Participation</u>	<u>2009A Public Improvement Bond Fund</u>	<u>Nonmajor Funds</u>	<u>Solid Waste Enterprise Fund</u>	
General payables	\$34,065,622	\$3,917,680	\$21,706,619	\$ 10,026,395	\$140,355	\$69,856,671
Salaries & benefits payable	15,757,761	-	-	173,871	164,911	16,096,543
Reserve for self-insurance	6,551,984	-	-	-	-	6,551,984
Other accrued liabilities	<u>4,080,952</u>	<u>-</u>	<u>-</u>	<u>6,329,618</u>	<u>-</u>	<u>10,410,570</u>
Total	<u>\$60,456,319</u>	<u>\$3,917,680</u>	<u>\$21,706,619</u>	<u>\$16,529,884</u>	<u>\$305,266</u>	<u>\$102,915,768</u>

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

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.

General obligation bonds outstanding at June 30, 2009:

	Issue Date	Due Serially To	Average Interest Rate %	Original Issue	Balance June 30, 2009
Refunding Bonds 1993	October 1, 1993	2012	4.6630	\$ 272,295,000	\$ 22,740,000
Variable Rate Demand Bonds 1996 - Series C	March 1, 1996	2015	Variable	50,000,000	50,000,000
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	3,400,000
Public Improvement 2000 - Series B	February 1, 2000	2010	4.9827	20,000,000	2,000,000
Variable Rate Demand Bonds 2000 – Series C	February 1, 2000	2020	Variable	50,000,000	50,000,000
Public Improvement 2000 – Series D	November 1, 2000	2010	4.9303	100,000,000	9,000,000
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	16,000,000
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	61,345,000
Public Improvement 2001 – Series D	December 1, 2001	2021	4.3102	56,000,000	9,500,000
Public Improvement 2002 - Series A	August 1, 2002	2018	3.9499	14,400,000	3,000,000
Public Improvement 2002 - Series B	August 1, 2002	2020	4.2070	139,000,000	27,000,000
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	56,000,000
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	2,960,000
Public Improvement 2004 - Series A	February 1, 2004	2020	3.4130	105,000,000	72,325,000
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	91,880,000
Public Improvement 2005 - Series A	February 1, 2005	2026	3.9849	32,300,000	27,455,000
Variable Rate Demand Bonds 2005 – Series B	February 1, 2005	2026	Variable	100,000,000	94,000,000
Refunding Bonds 2005 – Series C	May 1, 2005	2016	3.4368	172,125,000	154,350,000
Variable Rate Demand Bonds 2006 – Series A	February 1, 2006	2026	Variable	89,000,000	75,650,000
Public Improvement 2007 - Series A	February 1, 2007	2027	4.1690	102,000,000	98,000,000
Parks and Recreation Bonds 2008 – Series A	February 1, 2008	2028	3.6115	12,000,000	11,400,000
Public Improvement 2008 – Series B	February 1, 2008	2028	3.7954	148,500,000	145,500,000
Refunding Bonds 2009 – Series A	March 10, 2009	2021	2.2523	<u>243,965,000</u>	<u>243,965,000</u>
TOTAL				<u>\$2,625,670,000</u>	<u>\$1,617,470,000</u>
The bonds are recorded as follows:					
Governmental Activities					\$1,615,700,430
Business-type Activities (Solid Waste Enterprise Fund)					<u>1,769,570</u>
TOTAL					<u>\$1,617,470,000</u>

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.

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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, 2009 was \$ 300,963.

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, 2009 \$36,000,000 in outstanding bonds is considered defeased. The balance of the bonds at June 30, 2009 is \$154,350,000.

In fiscal year 2009, the County issued \$243,965,000 General Obligation Refunding Bonds at a total interest cost of 2.25%. The purpose was to defease \$253,800,000 of the principal amounts outstanding of the Public Improvement 2001 Series A and D; 2002 Series A and B; and 2003 Series A bonds. At June 30, 2009 \$253,800,000 in outstanding bonds is considered defeased. The refunding transaction will result in an average debt service savings of approximately \$12,391,983 with net present value \$7,923,276. The balance of the bonds at June 30, 2009 is \$243,965,000.

General obligation bonds are due serially and mature during the fiscal years 2010 to 2028 at average interest rates at date of issuance ranging from 2.25% 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 4.04%.

The County has \$559,650,000 outstanding in Variable Rate Demand Bonds. For the period from December 18, 2008 until November 4, 2009, interest on the 2006A issue has been fixed at 2%, eliminating the Standby Purchase Agreement for that issue during the Long-term Interest Rate Period. The County has Remarketing and Standby Purchase Agreements with banks related to the remainder of 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 2009 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 \$656,959,860.

<u>Issue</u>	<u>Balance June 30, 2009</u>	<u>Agreement Expiration</u>	<u>Fees Paid Fiscal Year 2009</u>	<u>Interest Rate June 30, 2009</u>
1996C	\$ 50,000,000	October 1, 2009	\$118,022	.30%
1998C	50,000,000	February 15, 2010	93,598	.27
2000C	50,000,000	January 26, 2013	129,305	.30
2000E	50,000,000	November 1, 2011	83,212	.32
2001B	25,000,000	May 15, 2012	42,474	.32
2002C	25,000,000	August 6, 2010	59,695	.32
2003B	40,000,000	December 31, 2015	106,964	.32
2004B	100,000,000	December 31, 2015	177,789	.27
2005B	94,000,000	February 9, 2010	111,888	.27
2006A	75,650,000	None	57,349	2.00

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The following schedule shows annual requirements to amortize all bonded debt outstanding as of June 30, 2009. Interest on the variable rate bonds has been estimated using the rate in effect at June 30, 2009.

Fiscal Year	Governmental Activities		Business-type Activities		
	Principal	Interest	Principal	Amortization	Interest
2010	\$ 133,556,545	\$ 50,840,956	\$ 583,455	\$100,325...	\$105,484
2011	133,474,457	45,862,409	580,543	100,325	70,927
2012	133,077,444	39,781,539	577,556	100,313	36,545
2013	122,571,984	33,545,027	28,016	-	2,342
2014	114,175,000	27,875,855	-	-	-
2015-2019	502,490,000	88,841,833	-	-	-
2020-2024	376,905,000	34,519,503	-	-	-
2025-2028	<u>99,450,000</u>	<u>7,573,258</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$1,615,700,430</u>	<u>\$328,840,380</u>	<u>\$1,769,570</u>	<u>\$300,963</u>	<u>\$215,298</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, 2009, such statutory limit for the County was \$7,825,084,110 providing a legal debt margin of \$5,378,474,110.

As of June 30, 2009, \$829,140,000 of 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 \$90,765,000 on February 10, 2009 to provide funds which would include the constructing, renovating and equipping of various County school facilities and improvements to certain County government facilities. The average interest on these certificates is a fixed rate of 4.224%.

Certificates of participation outstanding at June 30, 2009:

	Issue Date	Due Serially To	Average Interest Rate%	Original Issue	Balance June 30, 2009
2000 Certificates	April 1, 2000	2020	variable	\$ 25,000,000	\$ 13,750,000
2001 Certificates	November 1, 2001	2021	variable	29,000,000	18,850,000
2002 Certificates	August 1, 2002	2009	variable	5,420,000	770,000
2004 Certificates	February 1, 2004	2014	variable	18,155,000	9,100,000
2005 Certificates	February 1, 2005	2025	variable	113,365,000	90,685,000
2006 Certificates	February 1, 2006	2026	variable	108,000,000	91,800,000
2007 Certificates	February 1, 2007	2027	variable	123,135,000	110,825,000
2008A Certificates	February 1, 2008	2028	variable	124,960,000	116,975,000
2008B Certificates	February 1, 2008	2028	4.435	34,720,000	34,720,000
2009A Certificates	February 1, 2009	2029	4.224	<u>90,765,000</u>	<u>90,765,000</u>
			TOTAL	<u>\$672,520,000</u>	<u>\$578,240,000</u>

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Certificates of participation are due serially and mature during the fiscal years 2010 to 2029 at average interest rates at date of issuance ranging from 4.22% to 4.43% for the fixed rate certificates. The effective rate of interest paid on the average principal balance of outstanding certificates during the year was 1.97%.

The Corporation has outstanding \$452,755,000 in variable 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 2009 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. 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 \$453,861,162.

<u>Issue</u>	<u>Balance June 30, 2009</u>	<u>Agreement Expiration</u>	<u>Fees Paid Fiscal Year 2009</u>	<u>Interest Rate June 30, 2009</u>
2000	\$ 13,750,000	April 1, 2010	\$ 11,000	.32%
2001	18,850,000	November 30, 2011	32,605	.33
2002	770,000	August 1, 2009	2,066	.32
2004	9,100,000	February 1, 2014	21,037	.32
2005	90,685,000	February 9, 2010	135,537	.27
2006	91,800,000	January 21, 2010	545,957	.27
2007	110,825,000	February 8, 2012	176,172	.32
2008A	116,975,000	February 21, 2013	155,881	2.35

The following table shows the annual debt service requirements to maturity. Interest on the variable rate certificates has been estimated using the rate in effect at June 30, 2009.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2010	\$34,930,000	\$ 8,080,871	2014	\$ 34,275,000	\$ 6,714,242
2011	34,275,000	7,839,120	2015-19	162,265,000	27,904,496
2012	34,275,000	7,461,182	2020-24	154,370,000	16,777,652
2013	34,275,000	7,107,444	2025-29	89,575,000	94,873,510

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, 2009 the swap had a current negative fair value for the County of \$7,539,594 in addition to accrued payments on the swap of \$250,561. This mark-to-market

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valuation was established by market quotations obtained by the County's independent swap advisor, 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, 2009 of 3.421%. At June 30, 2009, the average rate on the County's bonds was 0.313%, whereas 64.7% of 1M LIBOR was 0.2046%.

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. 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, 2009 the swap had a current negative fair value for the County of \$7,361,100 in addition to accrued payments on the swap of \$242,423. This mark-to-market valuation was established by market quotations obtained by the County's independent swap advisor, 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, 2009 of 3.471%. At June 30, 2009, the rate on the County's bonds was .27%, whereas 67% of 1M LIBOR was 0.2119%.

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 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. 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, 2009 the swap had a current negative fair value for the County of \$6,519,102 in addition to accrued payments on the swap of \$296,212. This mark-to-market valuation was established by market quotations obtained by the County's independent swap advisor, 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, 2009 of 3.929%. At June 30, 2009, the weighted average rate on the County's bonds was 1.05%, whereas 67% of 1M LIBOR was 0.2119%.

For the 2003, 2005 and 2006 swaps, as of June 30, 2009 the County was exposed to counterparty risk in the amount of the swaps' fair values. The swaps' counterparties were rated as follows:

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

To mitigate the potential for credit risk, if the counterparties' credit falls to A1 by Moody's Investors Service (Moody's), A+ by Fitch Ratings (Fitch), or A+ by Standard & Poor's (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, 2009, 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. The County has the option to terminate the swaps at any time. In the event a swap is terminated, a termination payment may be owed by either party. The termination amount would be based on the swap's fair value on the termination date. Based on the current market conditions, the termination payment may be owed or received by the County.

Using rates at June 30, 2009 for the term of the bonds, debt service requirements of the variable rate debt and net swap payments for the swaps were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Variable Rate Debt</u>		<u>Interest Rate Swap Net</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>		
2010	\$ 9,500,000	\$ 1,876,238	\$ 9,697,952	\$ 21,074,190
2011	14,500,000	1,787,031	9,366,564	25,653,595
2012	14,500,000	1,687,327	8,931,071	25,118,398
2013	14,500,000	1,587,623	8,495,579	24,583,202
2014	14,500,000	1,487,918	8,060,087	24,048,005
2015-2019	101,500,000	5,860,999	32,819,204	140,180,203
2020-2024	121,500,000	2,579,368	13,394,501	137,473,869
2025-2026	<u>31,000,000</u>	<u>234,556</u>	<u>1,104,951</u>	<u>32,339,507</u>
	<u>\$321,500,000</u>	<u>\$17,101,060</u>	<u>\$91,869,909</u>	<u>\$430,470,969</u>

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Changes in Long-Term Liabilities

The following presents the changes in long-term liabilities for the year ended June 30, 2009:

	Balance July 1, 2008	Additions	Reductions	Balance June 30, 2009	Due within One Year
Governmental activities:					
General obligation bonds	\$1,757,830,836	\$243,965,000	\$(386,095,406)	\$1,615,700,430	\$133,556,545
Bond premium	41,226,787	38,993,762	(8,430,067)	71,790,482	7,771,912
Capital leases	3,158,397	2,500,000	(1,800,966)	3,857,431	1,932,743
Compensated absences	25,184,369	21,132,073	(18,772,868)	27,543,574	2,568,032
Certificates of participation	517,980,000	90,765,000	(30,505,000)	578,240,000	34,930,000
Unfunded OPEB liability	-	606,502	-	606,502	-
Unfunded pension liability	<u>2,743,329</u>	<u>250,285</u>	<u>-</u>	<u>2,993,614</u>	<u>-</u>
Total Governmental Activities	<u>2,348,123,718</u>	<u>398,212,622</u>	<u>(445,604,307)</u>	<u>2,300,732,033</u>	<u>180,759,232</u>
Business-type activities:					
General obligation bonds	2,352,876	-	(884,269)	1,468,607	583,455
Capital leases	940,759	1,509,000	(396,497)	2,053,262	549,917
Compensated absences	481,672	349,257	(312,272)	518,657	35,617
Landfill development and postclosure care costs	<u>7,603,090</u>	<u>731,112</u>	<u>-</u>	<u>8,334,202</u>	<u>-</u>
Total Business-type Activities	<u>11,378,397</u>	<u>2,589,369</u>	<u>(1,593,038)</u>	<u>12,374,728</u>	<u>1,168,989</u>
Total Government-wide	<u>\$2,359,502,115</u>	<u>\$400,801,991</u>	<u>\$(447,197,345)</u>	<u>\$2,313,106,761</u>	<u>\$181,928,221</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, 2009 for the Library:

	Balance July 1, 2008	Additions	Reductions	Balance June 30, 2009	Due within One Year
Governmental activities:					
Capital leases	\$1,449,333	\$ -	\$ (210,884)	\$1,238,449	\$ 215,069
Compensated absences	2,309,273	1,438,287	(1,495,250)	2,252,310	1,200,000
OPEB Liability	<u>2,212,696</u>	<u>3,078,654</u>	<u>(351,245)</u>	<u>4,940,105</u>	<u>-</u>
Total Government-wide	<u>\$5,971,302</u>	<u>\$4,516,941</u>	<u>\$(2,057,379)</u>	<u>\$8,430,864</u>	<u>\$1,415,069</u>

The \$1,237,243 of long-term liabilities due within one year for the Medic Agency represents compensated absences at June 30, 2009. The \$3,969,296 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, 2009, future minimum lease payments due under

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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>	
2010	\$2,064,253	\$ 625,992	\$ 763,426
2011	1,555,128	625,992	432,447
2012	443,864	478,998	331,384
2013	-	332,005	171,384
2014	<u>-</u>	<u>166,002</u>	<u>-</u>
	4,063,245	2,228,989	1,698,641
Less: amount representing interest	<u>(205,814)</u>	<u>(175,727)</u>	<u>-</u>
	<u>\$ 3,857,431</u>	<u>\$2,053,262</u>	<u>\$1,698,641</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, 2009:

<u>Year Ending June 30,</u>	<u>Capital Leases</u>	<u>Operating Leases</u>
2010	\$ 284,349	\$ 360,900
2011	217,852	211,849
2012	198,013	183,879
2013	189,709	181,336
2014	181,501	181,336
2015-2019	427,605	906,680
2020-2024	7,510	211,565
2025-2029	7,510	5
2030-2034	7,510	5
2035-2039	7,510	5
2040-2044	7,510	5
2045-2049	7	3
2050-2051	<u>2</u>	<u>-</u>
Total Minimum Payments	<u>1,536,588</u>	<u>\$2,237,568</u>
Less amount representing interest	<u>(298,139)</u>	
Present value of net minimum capital lease payments	<u>\$1,238,449</u>	

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Total interest costs for the year ended June 30, 2009 were \$82,070, 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 \$497,254.

The schedule of future minimum lease payments under the lease as of June 30, 2009 follows:

Year Ending June 30,	Amount
2010	\$ 497,106
2011	514,311
2012	<u>87,041</u>
	<u>\$1,098,458</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, 2009 are summarized as follows:

Year Ending June 30,	Operating Leases
2010	\$ 1,273,016
2011	987,509
2012	1,000,042
2013	882,320
2014	880,956
2015-2019	3,477,633
2020-2024	1,549,793
2025-2028	<u>681,331</u>
	<u>\$10,732,600</u>

For the year ended June 30, 2009 rent expense for operating leases for the County was \$959,803, for the Library was \$557,000, for the Medic Agency was \$553,498 and for the ABC Board was \$1,302,003.

11. Transfers

The General Fund transferred \$11,788,854 to the non-major Capital Reserve Special Revenue Fund and \$26,000,000 to the non-major Pay-As-You-Go Capital Projects fund, as transfers were authorized by the Board of County Commissioners to fund capital projects. The Certificates of Participation Fund transferred \$19,678,759 to the General Fund to reclassify interest in the appropriate fund. \$131,690 was transferred from the Enterprise Fund to the General Fund as local match for a grant.

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.

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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 2009 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, 2009, 2008 and 2007 were \$10,702,705, \$10,102,678, and \$9,434,660, 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, 2009, 2008, and 2007 were \$931,323, \$913,323 and \$900,420, respectively. The rate for fiscal year 2009 for employees is 4.88% of covered payroll. The Medic Agency's contributions to LGERS for the year ended June 30, 2009, 2008, and 2007 were \$908,778, \$823,795, and \$768,630, 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, 2009, 2008 and 2007 were \$277,289, \$287,016 and \$273,360 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.

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, 2008, the Separation Allowance's membership consisted of:

	<u>County</u>
Retirees receiving benefits	25
Active plan members	<u>319</u>
Total	<u>344</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 \$460,575 for the fiscal year ended June 30, 2009, 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, 2007 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, 2008, was 22 years. The County's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

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Annual required contribution	\$ 685,347
Interest on net pension obligation	198,891
Adjustment to annual required contribution	<u>(173,378)</u>
Annual pension cost	710,860
Contributions made	<u>(460,575)</u>
Increase in net pension obligation	250,285
Net pension obligation beginning of year	<u>2,743,329</u>
Net pension obligation end of year	<u>\$2,993,614</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>
2009	\$710,860	64.79%	\$2,993,614
2008	633,828	66.62	2,743,329
2007	578,255	62.80	2,531,737

(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.

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, 2009 was \$896,334 compared to \$866,456 for the year ended June 30, 2008. Contributions for the ABC Board for the year ended June 30, 2009, were \$91,880, which consisted of \$63,513 from the ABC Board and \$28,367 from the law enforcement officers' voluntary contributions and contributions for June 30, 2008 were \$105,263, which consisted of \$73,602 from the ABC Board and \$31,662 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, 2009 and 2008 were \$505,286 and \$490,271, respectively, which consisted of \$285,502 for 2009 and \$293,607 for 2008 from the ABC Board and \$219,784 for 2009 and \$97,114 for 2008 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, 2009, the County's required and actual contributions were \$64,538.

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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 \$7,015,759 and \$6,936,794, respectively, for years ended June 30, 2009 and 2008. The Library contributed \$423,195 and \$444,158, respectively, to the plans for years ended June 30, 2009 and 2008. Contributions by the Medic Agency for June 30, 2009 and 2008 were \$562,702 and \$519,958, 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 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, 2009, the date of the latest actuarial valuation was:

Retired employees	872
Spouses of retired employees	131
Active employees	<u>4,462</u>
Total	<u>5,465</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 2009, retiree annual contribution rates are:

	Pre-Medicare Standard	Pre-Medicare Enhanced	Medicare Eligible Indemnity
20 or more years of service:			
Retiree	\$ -	\$ 309	\$ -
Spouse	3,502	4,747	3,205
10 to 19 years of service:			
Retiree	3,019	3,803	2,435
Spouse	3,502	4,747	3,205

The County contributed \$16,102,222 of the actuarially calculated annual required contribution (ARC) of \$16,708,724 for fiscal year 2009. 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 unfunded actuarial liability of \$606,502 is recorded in the statement of net assets.

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.

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As of January 1, 2009, the most recent actuarial valuation date, the plan was funded on the pay-as-you-go basis. The actuarially accrued liability for benefits was \$181,646,055 and the actuarial value of assets was \$20,453,803 resulting in an unfunded actuarial accrued liability (UAAL) of \$161,192,252. The annual payroll of active employees covered by the plan was \$223,100,000 and the ratio of the UAAL to the covered payroll was 72.3%.

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, 2009, 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 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, 2009 was \$390,000 for the fifty-eight qualified retirees. The current ARC rate is 3.5% of annual covered payroll and the Library contributed \$351,245 or 1.5% of covered payroll which leaves a net OPEB obligation of \$4,940,105 recorded to liabilities in the Statement of Net Assets. Complete information regarding the Library's plan appears in the separately issued June 30, 2009 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 \$106,175 of the \$2,156,060 ARC with the \$3,969,296 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, 2009 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 \$766,132 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, 2009 financial statements.

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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, 2009, 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, 2009 and 2008, the ABC Board made contributions to the State for death benefits of \$7,876 and \$8,153, respectively.

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, 2009, 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>2009</u>	<u>2008</u>
Accounts payable and accrued liabilities - beginning of fiscal year	\$12,929,009	\$13,561,241
Additions	2,478,449	4,173,634
Payments	<u>(5,284,113)</u>	<u>(4,805,871)</u>
Accounts payable and accrued liabilities - end of fiscal year	<u>\$10,123,345</u>	<u>\$12,929,004</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

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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 \$5,449,155 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 on the landfill capacity used as of the balance sheet date. The accrued landfill development and postclosure care costs totals \$8,334,202 and has two components. The cumulative amount reported, based on the use of 72% of the total estimated capacity of the landfill, for closure and postclosure care costs is \$7,933,321. The County will recognize the remaining estimated cost of closure and postclosure care of \$3 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 2009. 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, 2009 is \$400,881. The County will recognize the remaining estimated cost of future use development of \$1,512,410 as the remaining capacity is filled. These funds are held in investments with a cost of \$400,881 (market value, \$400,881) 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, 2009, 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.

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- (b) Unexpended funds of \$13,579,987 at June 30, 2009, 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 \$235,787 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 \$26,327,542 for operations and \$24,659,365 for capital purposes during fiscal year 2009, and made debt service payments of \$16,631,735 in fiscal year 2009 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 \$12.5 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, 2009, the County provided \$1,025,000 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

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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, 2009. 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, 2009. 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 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 2009. 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, 2009. Complete financial statements for the Commission may be obtained from the following address:

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

The Charlotte-Mecklenburg Historic Landmarks Commission (HLC) was established in 1973 by a resolution adopted by the City of Charlotte and the County. The fundamental purpose of the Commission is to recommend the designation of properties (real and personal) for historic landmark designation and to secure the preservation of same through exercising design review and through buying and selling endangered historic landmarks. The County appoints six of the 13 members of the HLC. The County provided \$168,060 to the HLC in fiscal year 2009 for operations and \$1,366,367 in capital funding for historic site preservation.

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

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

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bonds. Accordingly, the outstanding bonds in the amount of \$16,480,000 at June 30, 2009 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 \$8,830,000 at June 30, 2009 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 \$4,420,000 at June 30, 2009 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

During the fiscal year ended June 30, 2009, the County determined that sales tax revenues that were subject to accrual in the General Fund as of June 30, 2008, on a modified accrual basis of accounting, had been omitted. An adjustment of \$17,774,693 was recorded to beginning fund balance to account for those accruals, the net effect of which increased beginning fund balance by that amount.

In previous years, the issuance costs for sales of the County's bonds and certificates of participation were recorded as expenditures rather than amortized over the life of the issues. An adjustment to deferred charges of \$8,964,294 was made to record the effect on the beginning Net Assets (Deficits).

	<u>General Fund</u>
Fund Balance, beginning of year	\$362,144,017
Prior Period Adjustment	<u>17,774,693</u>
Fund Balance, beginning of year, as restated	<u>\$379,918,710</u>

	<u>Governmental Activities</u>
Net Assets, beginning of year	\$(678,366,880)
Prior Period Adjustments	<u>26,738,987</u>
Fund Balance, beginning of year, as restated	<u>\$(651,627,893)</u>

24. Subsequent Events

In response to the instability in the short term interest rate environment, the County analyzed its variable rate debt position and began a process to refinance a significant portion of that debt. The refinancing had two primary goals; convert some variable rate debt to fixed rate and reduce the County's reliance on bank liquidity. The County converted \$119 million in weekly variable rate debt to a "Windows" variable rate product which

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

relies on the County's own liquidity. In addition, the County converted \$150 million in variable rate general obligation bonds to fixed rate bonds at an average interest rate of 2.62%, and the Mecklenburg County Public Facilities Corporation converted \$243 million in variable rate certificates of participation to fixed rate Limited Obligation Bonds at an average interest rate of 3.49%. Upon completion, the County's variable rate debt as a percentage of the total portfolio will be reduced from 46% to 31%. The refunding issues totaled \$474 million and the final transactions closed September 3, 2009.

On September 3, 2009 the County closed a \$100 million fixed rate general obligation bond issue. The average interest rate for the issue is 3.54%.

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Required Supplementary Information

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



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

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)
2008	-	\$ 7,055,897	\$7,055,897	0.00 %	\$18,091,372	39.00 %
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

B - 2
 MECKLENBURG COUNTY, NORTH CAROLINA
 SEPARATION ALLOWANCE FOR LAW ENFORCEMENT OFFICERS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year Ended June 30,</u>	<u>Annual Required Contributor</u>	<u>Percentage Contributed</u>
2009	\$685,347	67.20 %
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

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	12/31/2008
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	23 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%.

B - 3
 MECKLENBURG COUNTY, NORTH CAROLINA
 POST EMPLOYMENT BENEFIT HEALTHCARE PLAN
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

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)
2009	\$ 20,453,803	\$ 181,646,055	\$ 161,192,252	11.26 %	\$ 223,100,000	72.25 %
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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Annual Required</u> <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>	<u>Percentage</u> <u>Contribution</u>
2009	\$16,708,724	\$16,102,222	96.37 %
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	01/01/2009
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*	8% Initial
	5% Ultimate
Cost-of-living adjustments	None

* Includes an inflation assumption of 2.5%.

The background of the page features a large, semi-transparent seal of Mecklenburg County, North Carolina. The seal is circular and contains an eagle with its wings spread, perched atop a shield. The shield is divided into four quadrants, each containing a different symbol: a plow, a sheaf of wheat, a cornucopia, and a bundle of wheat. Above the eagle, the date "MAY 20, 1775" is inscribed. The words "MECKLENBURG" and "NORTH CAROLINA" are written around the perimeter of the seal.

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.

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 court 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.

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MECKLENBURG COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 48,880,970	\$ 37,011,979	\$ 85,892,949
Accrued interest receivable	87,354	-	87,354
Accounts receivable	7,489,028	172,647	7,661,675
Due From Other Funds	-	12,048,250	12,048,250
Taxes receivable	667,141	-	667,141
Less allowance for uncollectible taxes	(258,000)	-	(258,000)
Advances to other governmental agencies	60,000	828,706	888,706
TOTAL ASSETS	\$ 56,926,493	\$ 50,061,582	\$ 106,988,075
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and other accrued liabilities	\$ 7,548,716	\$ 8,981,168	\$ 16,529,884
Due to other funds	-	48,295	48,295
Deferred revenue	478,716	-	478,716
Total Liabilities	8,027,432	9,029,463	17,056,895
Fund Balances			
Reserved for encumbrances	8,371,963	17,109,024	25,480,987
Reserved by state statute	7,576,382	172,646	7,749,028
Unreserved:			
Designated for capital projects	26,792,600	23,750,449	50,543,049
Designated for land use and environmental services	7,979,827	-	7,979,827
Designated for detention and court support services	1,224,321	-	1,224,321
Designated for business partners	1,576,802	-	1,576,802
Undesignated	(4,622,834)	-	(4,622,834)
Total Fund Balances	48,899,061	41,032,119	89,931,180
TOTAL LIABILITIES AND FUND BALANCES	\$ 56,926,493	\$ 50,061,582	\$ 106,988,075

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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, 2009

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Law Enforcement Service District taxes	\$ 13,660,948	\$ -	\$ 13,660,948
Transit one-half cent sales tax	33,766,238	-	33,766,238
Intergovernmental	5,920,171	183,221	6,103,392
Charges for services	15,846,916	-	15,846,916
Interest earned on investments	379,643	-	379,643
Other	2,981,777	1,482,519	4,464,296
Total Revenues	<u>72,555,693</u>	<u>1,665,740</u>	<u>74,221,433</u>
EXPENDITURES			
Land Use and Environmental Services	13,535,828	-	13,535,828
Detention and Court Support Services	390,558	-	390,558
Business Partners	47,607,617	-	47,607,617
Debt Service			
Principal	1,082,788	-	1,082,788
Interest	278,691	-	278,691
Capital Outlay	<u>25,557,124</u>	<u>159,658,282</u>	<u>185,215,406</u>
Total Expenditures	<u>88,452,606</u>	<u>159,658,282</u>	<u>248,110,888</u>
REVENUES UNDER EXPENDITURES	(15,896,913)	(157,992,542)	(173,889,455)
OTHER FINANCING SOURCES			
Transfers from other funds	<u>11,920,544</u>	<u>26,000,000</u>	<u>37,920,544</u>
NET CHANGE IN FUND BALANCE	(3,976,369)	(131,992,542)	(135,968,911)
FUND BALANCES - BEGINNING OF YEAR	<u>52,875,430</u>	<u>173,024,661</u>	<u>225,900,091</u>
FUND BALANCES - END OF YEAR	<u>\$ 48,899,061</u>	<u>\$ 41,032,119</u>	<u>\$ 89,931,180</u>

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MECKLENBURG COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2009

	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
ASSETS										
Cash and investments	\$ 29,936,195	\$ 13,503,292	\$ 1,087,748	\$ -	\$ 67,683	\$ 1,432,789	\$ 1,292,880	\$ 919,352	\$ 641,031	\$ 48,880,970
Accrued interest receivable	-	77,505	5,929	-	374	-	-	-	3,546	87,354
Accounts receivable	1,357	2,969,438	-	4,294,905	-	-	1,200	-	222,128	7,489,028
Advances to other governments	60,000	-	-	-	-	-	-	-	-	60,000
Taxes receivable	-	-	667,141	-	-	-	-	-	-	667,141
Less allowance for uncollectible taxes	-	-	(258,000)	-	-	-	-	-	-	(258,000)
TOTAL ASSETS	\$ 29,997,552	\$ 16,550,235	\$ 1,502,818	\$ 4,294,905	\$ 68,057	\$ 1,432,789	\$ 1,294,080	\$ 919,352	\$ 866,705	\$ 56,926,493
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable and accrued liabilities	\$ 2,830,664	\$ 288,949	\$ -	\$ 4,294,905	\$ -	\$ 122	\$ 12,748	\$ 2,260	\$ 119,068	\$ 7,548,716
Deferred revenue - taxes	-	-	442,050	-	-	-	-	-	-	442,050
Deferred revenue - other	353	36,313	-	-	-	-	-	-	-	36,666
Total Liabilities	2,831,017	325,262	442,050	4,294,905	-	122	12,748	2,260	119,068	8,027,432
Fund Balances										
Reserved for encumbrances	3,419,414	4,424,284	-	-	395,612	2,269	55,811	74,573	-	8,371,963
Reserved by State Statute	1,357	3,046,943	5,929	4,294,905	374	-	1,200	-	225,674	7,576,382
Unreserved:										
Designated for capital projects	23,745,764	3,046,836	-	-	-	-	-	-	-	26,792,600
Designated for land use and environmental services	-	5,706,910	-	-	-	1,430,398	-	842,519	-	7,979,827
Designated for detention and court support services	-	-	-	-	-	-	1,224,321	-	-	1,224,321
Designated for business partners	-	-	1,054,839	-	-	-	-	-	521,963	1,576,802
Undesignated	-	-	-	(4,294,905)	(327,929)	-	-	-	-	(4,622,834)
Total Fund Balances	27,166,535	16,224,973	1,060,768	-	68,057	1,432,667	1,281,332	917,092	747,637	48,899,061
TOTAL LIABILITIES AND FUND BALANCES	\$ 29,997,552	\$ 16,550,235	\$ 1,502,818	\$ 4,294,905	\$ 68,057	\$ 1,432,789	\$ 1,294,080	\$ 919,352	\$ 866,705	\$ 56,926,493

MECKLENBURG COUNTY, NORTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	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
REVENUES										
Law Enforcement Service District taxes	\$ -	\$ -	\$ 13,660,948	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,660,948
Transit one-half cent sales tax	-	-	-	33,766,238	-	-	-	-	-	33,766,238
Intergovernmental	414,693	3,502,445	-	-	-	281,884	-	-	684,881	5,920,171
Charges for services	364,883	14,639,203	-	-	1,036,268	-	327,784	515,046	-	15,846,916
Interest earned on investments	-	332,747	30,210	-	1,212	-	-	-	15,474	379,843
Other	2,443,382	58,239	-	-	-	128,066	352,090	-	-	2,981,777
Total Revenues	\$ 3,222,958	\$ 18,532,634	\$ 13,691,158	\$ 33,766,238	\$ 1,037,480	\$ 409,950	\$ 679,874	\$ 515,046	\$ 700,355	\$ 72,555,693
EXPENDITURES										
Land Use and Environmental Services	-	12,090,626	-	-	1,167,371	277,831	-	-	-	13,535,828
Detention and Court Support Services	-	-	-	-	-	-	390,558	-	-	390,558
Business Partners	-	-	13,449,238	33,766,238	-	-	-	-	392,141	47,607,617
Debt Service										
Principal	-	1,082,788	-	-	-	-	-	-	-	1,082,788
Interest	-	278,691	-	-	-	-	-	-	-	278,691
Capital Outlay	17,352,140	6,839,055	-	-	-	-	-	1,365,929	-	25,557,124
Total Expenditures	17,352,140	20,291,160	13,449,238	33,766,238	1,167,371	277,831	390,558	1,365,929	392,141	88,452,606
REVENUES OVER (UNDER) EXPENDITURES	(14,129,182)	(1,758,526)	241,920	-	(129,891)	132,119	289,316	(850,883)	308,214	(15,896,913)
OTHER FINANCING SOURCES										
Transfers from other funds	11,788,854	-	-	-	131,690	-	-	-	-	11,920,544
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(2,340,328)	(1,758,526)	241,920	-	1,799	132,119	289,316	(850,883)	308,214	(3,976,369)
FUND BALANCES - BEGINNING OF YEAR	29,506,863	17,983,499	818,848	-	66,258	1,300,548	992,016	1,767,975	439,423	52,875,430
FUND BALANCES - END OF YEAR	\$ 27,166,535	\$ 16,224,973	\$ 1,060,768	\$ -	\$ 68,057	\$ 1,432,667	\$ 1,281,332	\$ 917,092	\$ 747,637	\$ 48,899,061

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 MECKLENBURG COUNTY, NORTH CAROLINA
 COMBINING BALANCE SHEET
 CAPITAL PROJECTS FUNDS
 JUNE 30, 2009

	2000A Public Improvement	2004A Public Improvement	2004B Variable Rate	2005A Public Improvement	2006A Variable Rate
ASSETS					
Cash and Investments	\$ 18,008	\$ 2,312	\$ 4,647,605	\$ 146,705	\$ 671,378
Due from other funds	-	-	-	-	-
Advances to other governmental agencies	-	-	-	828,706	-
TOTAL ASSETS	\$ 18,008	\$ 2,312	\$ 4,647,605	\$ 975,411	\$ 671,378
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 157,797	\$ -	\$ 2,144
Due to other funds	-	-	-	-	-
Total Liabilities	-	-	157,797	-	2,144
Fund Balances					
Reserved for encumbrances	-	2,312	-	-	78,175
Reserved by State statute	-	-	-	-	-
Unreserved:					
Designated	18,008	-	4,489,808	975,411	591,059
Total Fund Balances	18,008	2,312	4,489,808	975,411	669,234
TOTAL LIABILITIES AND FUND BALANCES	\$ 18,008	\$ 2,312	\$ 4,647,605	\$ 975,411	\$ 671,378

(Continued)

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 MECKLENBURG COUNTY, NORTH CAROLINA
 COMBINING BALANCE SHEET
 CAPITAL PROJECTS FUNDS
 JUNE 30, 2009
 (CONCLUDED)

	2007A Public Improvement	2008A Park and Recreation	2008B Public Improvement	Other Capital Funding	Total Capital Funding
ASSETS					
Cash and Investments	\$ 4,664,277	\$ 3,596,425	\$ 7,754,764	\$ 15,510,505	\$ 37,011,979
Accounts receivable	-	-	-	172,647	172,647
Due from other funds	-	-	-	12,048,250	12,048,250
Advances to other governmental agencies	-	-	-	-	828,706
TOTAL ASSETS	\$ 4,664,277	\$ 3,596,425	\$ 7,754,764	\$ 27,731,402	\$ 50,061,582
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 622,609	\$ 250,745	\$ 1,712,710	\$ 6,235,163	\$ 8,981,168
Due to other funds	-	-	-	48,295	48,295
Total Liabilities	622,609	250,745	1,712,710	6,283,458	9,029,463
Fund Balances					
Reserved for encumbrances	1,304,373	3,315,892	5,354,124	7,054,148	17,109,024
Reserved by State statute	-	-	-	172,646	172,646
Unreserved:					
Designated	2,737,295	29,788	687,930	14,221,150	23,750,449
Total Fund Balances	4,041,668	3,345,680	6,042,054	21,447,944	41,032,119
TOTAL LIABILITIES AND FUND BALANCE	\$ 4,664,277	\$ 3,596,425	\$ 7,754,764	\$ 27,731,402	\$ 50,061,582

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 MECKLENBURG COUNTY, NORTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	1993 Public Improvement	2000A Public Improvement	2002A Public Improvement	2002B Public Improvement
Project Authorization	\$ 18,400,000	\$ 34,000,000	\$ 14,400,000	\$ 139,000,000
Prior Years' Revenues	18,400,000	34,000,000	14,400,000	139,000,000
Prior Years' Expenditures	18,397,957	33,873,494	14,348,168	138,919,671
Fund Balances - Beginning of Year	<u>2,043</u>	<u>126,506</u>	<u>51,832</u>	<u>80,329</u>
REVENUES				
Intergovernmental				
Federal	-	-	-	-
State	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Management Services				
County Buildings	2,043	106,905	51,832	-
Land	-	-	-	-
Land Use and Environmental Services				
Scattered Site	-	-	-	-
Historic Preservation	-	-	-	-
Community Services				
Park and Recreational Facilities	-	-	-	80,329
Library Facilities	-	-	-	-
Detention and Court Support Services				
Courthouse Facilities	-	-	-	-
Jail/Detention Facilities	-	1,593	-	-
Business Partners				
Community College Facilities	-	-	-	-
School Facilities	-	-	-	-
Total Expenditures	<u>2,043</u>	<u>108,498</u>	<u>51,832</u>	<u>80,329</u>
REVENUES OVER (UNDER) EXPENDITURES	(2,043)	(108,498)	(51,832)	(80,329)
OTHER FINANCING SOURCES				
Transfer from Other Funds	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 18,008</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

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 MECKLENBURG COUNTY, NORTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009
 (CONTINUED)

	2003A Public Improvement	2004A Public Improvement	2004B Variable Rate	2005A Public Improvement
Project Authorization	\$ 193,000,000	\$ 105,000,000	\$ 100,000,000	\$ 32,300,000
Prior Years' Revenues	193,000,000	105,000,000	100,000,000	32,300,000
Prior Years' Expenditures	190,931,930	104,458,174	95,632,214	30,682,881
Fund Balances - Beginning of Year	<u>2,068,070</u>	<u>541,826</u>	<u>4,367,786</u>	<u>1,617,119</u>
REVENUES				
Intergovernmental				
Federal	-	-	-	-
State	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Management Services				
County Buildings	-	-	-	-
Land	1,822,148	-	-	-
Land Use and Environmental Services				
Scattered Site	-	-	-	-
Historic Preservation	-	-	-	-
Community Services				
Park and Recreational Facilities	245,922	539,514	-	641,708
Library Facilities	-	-	-	-
Detention and Court Support Services				
Courthouse Facilities	-	-	-	-
Jail/Detention Facilities	-	-	-	-
Business Partners				
Community College Facilities	-	-	-	-
School Facilities	-	-	(122,022)	-
Total Expenditures	<u>2,068,070</u>	<u>539,514</u>	<u>(122,022)</u>	<u>641,708</u>
REVENUES OVER (UNDER) EXPENDITURES	(2,068,070)	(539,514)	122,022	(641,708)
OTHER FINANCING SOURCES				
Transfer from Other Funds	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 2,312</u>	<u>\$ 4,489,808</u>	<u>\$ 975,411</u>

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 MECKLENBURG COUNTY, NORTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009
 (CONTINUED)

	2006A Variable Rate	2007A Public Improvement	2008A Park and Recreation	2008B Variable Rate
Project Authorization	\$ 89,000,000	\$ 102,000,000	\$ 12,000,000	\$ 148,500,000
Prior Years' Revenues	89,000,000	102,000,000	12,000,000	148,500,000
Prior Years' Expenditures	<u>84,592,989</u>	<u>78,950,767</u>	<u>2,055,573</u>	<u>61,573,064</u>
Fund Balances - Beginning of Year	<u>4,407,011</u>	<u>23,049,233</u>	<u>9,944,427</u>	<u>86,926,936</u>
REVENUES				
Intergovernmental				
Federal	-	-	-	-
State	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Management Services				
County Buildings	-	-	-	-
Land	3,088,068	-	-	4,906,518
Land Use and Environmental Services				
Scattered Site	-	-	-	-
Historic Preservation	-	-	-	-
Community Services				
Park and Recreational Facilities	644	6,205,041	6,598,747	8,297,329
Library Facilities	-	-	-	-
Detention and Court Support Services				
Courthouse Facilities	-	-	-	-
Jail/Detention Facilities	649,065	1,993,178	-	5,615,811
Business Partners				
Community College Facilities	-	6,282,786	-	-
School Facilities	-	4,526,560	-	62,065,224
Total Expenditures	<u>3,737,777</u>	<u>19,007,565</u>	<u>6,598,747</u>	<u>80,884,882</u>
REVENUES OVER (UNDER) EXPENDITURES	(3,737,777)	(19,007,565)	(6,598,747)	(80,884,882)
OTHER FINANCING SOURCES				
Transfer from Other Funds	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ 669,234</u>	<u>\$ 4,041,668</u>	<u>\$ 3,345,680</u>	<u>\$ 6,042,054</u>

(Continued)

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 MECKLENBURG COUNTY, NORTH CAROLINA
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009
 (CONCLUDED)

	Other Capital Funding	Total Capital Projects
Project Authorization	\$ 255,717,574	\$ 1,243,317,574
Prior Years' Revenues	216,997,907	1,204,597,907
Prior Years' Expenditures	177,156,364	1,031,573,246
Fund Balances - Beginning of Year	39,841,543	173,024,661
 REVENUES		
Intergovernmental		
Federal	33,221	33,221
State	150,000	150,000
Other	1,482,519	1,482,519
Total Revenues	1,665,740	1,665,740
 EXPENDITURES		
Management Services		
County Buildings	23,383,901	23,544,681
Land	166,954	9,983,688
Land Use and Environmental Services		
Scattered Site	33,221	33,221
Historic Preservation	1,366,367	1,366,367
Community Services		
Park and Recreational Facilities	608,467	23,217,701
Library Facilities	826,016	826,016
Detention and Court Support Services		
Courthouse Facilities	616,946	616,946
Jail/Detention Facilities	2,215,972	10,475,619
Business Partners		
Community College Facilities	5,063,732	11,346,518
School Facilities	11,777,763	78,247,525
Total Expenditures	46,059,339	159,658,282
 REVENUES OVER (UNDER) EXPENDITURES	 (44,393,599)	 (157,992,542)
 OTHER FINANCING SOURCES		
Transfers from Other Funds	26,000,000	26,000,000
 FUND BALANCES - END OF YEAR	 \$ 21,447,944	 \$ 41,032,119

MECKLENBURG COUNTY, NORTH CAROLINA
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FIDUCIARY FUNDS
 JUNE 30, 2009

	Municipalities' Taxes	Employees' Insurance	Fee Collection for State	Food and Beverage Tax	Other	Total
ASSETS						
Cash and investments	\$ 3,652,309	\$ 22,181,867	\$ 3,512,462	\$ -	\$ 667,504	\$ 30,014,142
Accounts receivable	-	12,334	-	-	-	12,334
TOTAL ASSETS	<u>\$ 3,652,309</u>	<u>\$ 22,194,201</u>	<u>\$ 3,512,462</u>	<u>\$ -</u>	<u>\$ 667,504</u>	<u>\$ 30,026,476</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ -	\$ 22,194,201	\$ -	\$ -	\$ 667,504	\$ 22,861,705
Due to other governmental agencies	3,652,309	-	3,447,619	-	-	7,099,928
Due to NC Department of Motor Vehicles	-	-	64,843	-	-	64,843
TOTAL LIABILITIES	<u>\$ 3,652,309</u>	<u>\$ 22,194,201</u>	<u>\$ 3,512,462</u>	<u>\$ -</u>	<u>\$ 667,504</u>	<u>\$ 30,026,476</u>

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 MECKLENBURG COUNTY, NORTH CAROLINA
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
Municipalities' Taxes				
Assets				
Cash and investments	\$ 2,915,928	\$ 963,606,433	\$ 962,870,052	\$ 3,652,309
Liabilities				
Due to other governmental agencies	\$ 2,915,928	\$ 491,223,815	\$ 490,487,434	\$ 3,652,309
Employees' Insurance				
Assets				
Cash and investments	\$ 18,412,048	\$ 90,517,932	\$ 86,748,113	\$ 22,181,867
Accounts receivable	3,863	117,509	109,038	12,334
Total assets	\$ 18,415,911	\$ 90,635,441	\$ 86,857,151	\$ 22,194,201
Liabilities				
Accounts payable and accrued liabilities	\$ 18,415,911	\$ 128,535,934	\$ 124,757,644	\$ 22,194,201
Fee Collection for State				
Assets				
Cash and investments	\$ 3,110,864	\$ 7,106,478	\$ 6,704,880	\$ 3,512,462
Liabilities				
Due to other governmental agencies	\$ 3,048,159	\$ 15,422,157	\$ 15,022,697	\$ 3,447,619
Due to NC Department of Motor Vehicles	62,705	880,150	878,012	64,843
	\$ 3,110,864	\$ 16,302,307	\$ 15,900,709	\$ 3,512,462
Food and Beverage Tax				
Assets				
Cash and investments	\$ 40,184	\$ 38,817,325	\$ 38,857,509	\$ -
Liabilities				
Due to other governmental agencies	\$ 40,184	\$ 19,399,845	\$ 19,440,029	\$ -
Other				
Assets				
Cash and investments	\$ 198,073	\$ 2,296,358	\$ 1,826,927	\$ 667,504
Liabilities				
Accounts payable and accrued liabilities	\$ 198,073	\$ 4,600,278	\$ 4,130,847	\$ 667,504
Totals - All Agency Funds				
Assets				
Cash and investments	\$ 24,677,097	\$ 1,102,344,526	\$ 1,097,007,481	\$ 30,014,142
Accounts receivable	3,863	117,509	109,038	12,334
Total assets	\$ 24,680,960	\$ 1,102,462,035	\$ 1,097,116,519	\$ 30,026,476
Liabilities				
Accounts payable and accrued liabilities	\$ 18,613,984	\$ 133,136,212	\$ 128,888,491	\$ 22,861,705
Due to other governmental agencies	6,004,271	526,045,817	524,950,160	7,099,928
Due to NC Department of Motor Vehicles	62,705	880,150	878,012	64,843
Total liabilities	\$ 24,680,960	\$ 660,062,179	\$ 654,716,663	\$ 30,026,476

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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, 2009

	Project Authorization	Actual			Project Authorization Balance
		Prior Year	Current Year	Total to Date	
U.S. Department of Housing and Urban Development Passed through N.C. Department of Commerce Community Development Block Grant Block Grant #07-C-1664					
REVENUES					
Grant Proceeds	\$ 400,000	\$ 28,159	\$ 33,221	\$ 61,380	\$ 338,620
EXPENDITURES					
Rehabilitation	343,500	1,872	10,517	12,389	331,111
Administration	56,500	26,287	22,704	48,991	7,509
Total Expenditures	400,000	28,159	33,221	61,380	338,620
REVENUES OVER EXPENDITURES	\$ -	-	-	-	\$ -
North Carolina Clean Water Management Trust McDowell Creek Watershed BMP Construction Project 2005A-702					
REVENUES					
Grant Proceeds	\$ 639,000	180,821	94,660	275,481	\$ 363,519
Mecklenburg County	639,000	281,760	69,527	351,287	287,713
Total revenues	1,278,000	462,581	164,187	626,768	651,232
EXPENDITURES					
Construction	1,278,000	462,581	164,187	626,768	651,232
REVENUES OVER EXPENDITURES	\$ -	-	-	-	\$ -
Little Sugar Creek - Phase VII Project 2005B-704					
REVENUES					
Grant Proceeds	\$ 280,000	570	(570)	-	\$ 280,000
EXPENDITURES					
Construction	280,000	570	(570)	-	280,000
REVENUES OVER EXPENDITURES	\$ -	-	-	-	\$ -
Little Sugar Creek - Phase 9 (Midtown) Project 2007-404					
REVENUES					
Grant Proceeds	\$ 615,000	363,068	-	363,068	\$ 251,932
Mecklenburg County	662,000	375,742	-	375,742	286,258
Total revenues	1,277,000	738,810	-	738,810	538,190
EXPENDITURES					
Construction	1,277,000	738,810	-	738,810	538,190
REVENUES OVER EXPENDITURES	\$ -	-	-	-	\$ -

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, 2009
 (CONTINUED)

	Project Authorization	Actual		Total to Date	Project Authorization Balance
		Prior Year	Current Year		
North Carolina Clean Water Management Trust					
Little Sugar Creek - Phase VIII					
Project 2006-404					
REVENUES					
Grant Proceeds	\$ 1,000,000	\$ 30,979	\$ 2,276	\$ 33,255	\$ 966,745
Mecklenburg County	300,000	-	133,423	133,423	166,577
Total revenues	1,300,000	30,979	135,699	166,678	1,133,322
EXPENDITURES					
Construction	1,300,000	30,979	135,699	166,678	1,133,322
REVENUES OVER EXPENDITURES	\$ -	-	-	-	\$ -
McDowell Creek Watershed Recycling					
Project 2006A-705					
REVENUES					
Grant Proceeds	\$ 145,000	-	33,486	33,486	\$ 111,514
Mecklenburg County	144,900	-	33,486	33,486	111,414
Total revenues	289,900	-	66,972	66,972	222,928
EXPENDITURES					
Construction	289,900	-	66,972	66,972	222,928
REVENUES OVER EXPENDITURES	\$ -	-	-	-	\$ -
McAlpine Creek					
Project 2006A-405					
REVENUES					
Grant Proceeds	\$ 845,000	-	94,640	94,640	\$ 750,360
City of Charlotte	1,000,000	-	180,545	180,545	819,455
Mecklenburg County	345,000	-	62,804	62,804	282,196
Total revenues	2,190,000	-	337,989	337,989	1,852,011
EXPENDITURES					
Construction	2,190,000	-	337,989	337,989	1,852,011
REVENUES OVER EXPENDITURES	\$ -	-	-	-	\$ -

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, 2009
 (CONCLUDED)

	Project Authorization	Actual		Total to Date	Project Authorization Balance
		Prior Year	Current Year		
U.S. Department of Environmental Protection					
Passed through N.C. Department of Environment					
and Natural Resources					
Little Sugar Creek Kings Drive Restoration					
REVENUES					
Grant Proceeds	\$ 575,000	\$ -	\$ 565,464	\$ 565,464	\$ 9,536
Mecklenburg County	575,000	-	575,000	575,000	-
Total revenues	<u>1,150,000</u>	<u>-</u>	<u>1,140,464</u>	<u>1,140,464</u>	<u>9,536</u>
EXPENDITURES					
Construction	<u>1,150,000</u>	<u>-</u>	<u>1,140,464</u>	<u>1,140,464</u>	<u>9,536</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
McDowell Creek BMP Construction					
Project EW7035					
REVENUES					
Grant Proceeds	\$ 287,050	195,789	51,531	247,320	\$ 39,730
Mecklenburg County	191,366	806	-	806	190,560
Total revenues	<u>478,416</u>	<u>196,595</u>	<u>51,531</u>	<u>248,126</u>	<u>230,290</u>
EXPENDITURES					
Construction	<u>478,416</u>	<u>196,595</u>	<u>51,531</u>	<u>248,126</u>	<u>230,290</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
McDowell Creek Watershed Ange Property					
Project EW8021					
REVENUES					
Grant Proceeds	\$ 381,661	-	75,358	75,358	\$ 306,303
Mecklenburg County	223,406	-	34,096	34,096	189,310
Total revenues	<u>605,067</u>	<u>-</u>	<u>109,454</u>	<u>109,454</u>	<u>495,613</u>
EXPENDITURES					
Construction	<u>605,067</u>	<u>-</u>	<u>109,454</u>	<u>109,454</u>	<u>495,613</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, 2009

	Budget	Actual
REVENUES		
Intergovernmental	\$ 5,900,000	\$ 414,693
Charges for services	49,540	364,883
Other	1,219,991	2,443,382
Total Revenues	7,169,531	3,222,958
EXPENDITURES		
Capital outlay	18,958,385	17,352,140
Total Expenditures	18,958,385	17,352,140
REVENUES UNDER EXPENDITURES	(11,788,854)	(14,129,182)
OTHER FINANCING SOURCES		
Transfers from other funds	11,788,854	11,788,854
REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES	\$ -	(2,340,328)
FUND BALANCE - BEGINNING OF YEAR		29,506,863
FUND BALANCE - END OF YEAR		\$ 27,166,535

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, 2009

	Budget	Actual
REVENUES		
Intergovernmental		
Federal	\$ 2,641,791	\$ 2,748,326
State	756,581	382,074
Local	318,260	383,045
Charges for services	14,377,285	14,639,203
Interest earned on investments		332,747
Other	300,875	47,239
Total Revenues	18,394,792	18,532,634
EXPENDITURES		
Land Use and Environmental Services		
Storm Water Services	12,686,712	12,090,626
Capital Outlay	8,265,126	6,839,055
Debt Service		
Principal retirement - bonds	1,083,290	1,082,788
Interest	278,785	278,691
Total Expenditures	22,313,913	20,291,160
REVENUES UNDER EXPENDITURES	(3,919,121)	(1,758,526)
OTHER FINANCING SOURCES:		
Transfers to other funds	(1,398,445)	-
Appropriated fund balance	5,317,566	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	\$ -	(1,758,526)
FUND BALANCE - BEGINNING OF YEAR		17,983,499
FUND BALANCE - END OF YEAR		\$ 16,224,973

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, 2009

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Law Enforcement Service District taxes	\$ 13,449,343	\$ 13,660,948
Interest earned on investments	-	30,210
Total Revenues	<u>13,449,343</u>	<u>13,691,158</u>
EXPENDITURES		
Business Partners:		
Law Enforcement Services	<u>13,449,343</u>	<u>13,449,238</u>
Total Expenditures	<u>13,449,343</u>	<u>13,449,238</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	241,920
FUND BALANCE - BEGINNING OF YEAR		<u>818,848</u>
FUND BALANCE - END OF YEAR		<u>\$ 1,060,768</u>

MECKLENBURG COUNTY, NORTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - TRANSIT ONE-HALF CENT SALES TAX SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Transit one-half cent sales tax	\$ 41,191,420	\$ 33,766,238
EXPENDITURES		
Business Partners	<u>41,191,420</u>	<u>33,766,238</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	-
FUND BALANCE - BEGINNING OF YEAR		-
FUND BALANCE - END OF YEAR		<u>\$ -</u>

MECKLENBURG COUNTY, NORTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - SCRAP TIRE DISPOSAL SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Intergovernmental - State	\$ 1,298,000	\$ 1,036,268
Interest earned on investments	<u>-</u>	<u>1,212</u>
Total Revenues	<u>1,298,000</u>	<u>1,037,480</u>
 EXPENDITURES		
Land Use and Environmental Services	<u>1,429,690</u>	<u>1,167,371</u>
 REVENUES UNDER EXPENDITURES	(131,690)	(129,891)
 OTHER FINANCING SOURCES		
Transfers from other funds	<u>131,690</u>	<u>131,690</u>
 REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>\$ -</u>	1,799
 FUND BALANCE - BEGINNING OF YEAR		<u>66,258</u>
FUND BALANCE - END OF YEAR		<u>\$ 68,057</u>

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 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, 2009

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Intergovernmental - State	\$ 363,933	\$ 281,884
Other	<u>345,245</u>	<u>128,066</u>
	709,178	409,950
EXPENDITURES		
Land Use and Environmental Services	<u>709,178</u>	<u>277,831</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	132,119
FUND BALANCE - BEGINNING OF YEAR		<u>1,300,548</u>
FUND BALANCE - END OF YEAR		<u>\$ 1,432,667</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, 2009

	Budget	Actual
REVENUES		
Charges for Services - Licenses and Permits	\$ 81,716	\$ 327,784
Other	399,000	352,090
Total Revenues	480,716	679,874
EXPENDITURES		
Detention and Court Support Services	480,716	390,558
REVENUES OVER EXPENDITURES	\$ -	289,316
FUND BALANCE - BEGINNING OF YEAR		992,016
FUND BALANCE - END OF YEAR		\$ 1,281,332

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 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, 2009

	Budget	Actual
REVENUES		
Charges for services	\$ 1,187,000	\$ 515,046
EXPENDITURES		
Capital outlay	1,365,929	1,365,929
REVENUES UNDER EXPENDITURES	(178,929)	(850,883)
OTHER FINANCING SOURCES		
Appropriated Fund Balance	178,929	-
REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	\$ -	(850,883)
FUND BALANCE - BEGINNING OF YEAR		1,767,975
FUND BALANCE - END OF YEAR		\$ 917,092

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, 2009

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Intergovernmental - Local	\$ 643,500	\$ 684,881
Interest	-	15,474
Total Revenue	<u>643,500</u>	<u>700,355</u>
EXPENDITURES		
Business Partners	<u>643,500</u>	<u>392,141</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	308,214
FUND BALANCE - BEGINNING OF YEAR		<u>439,423</u>
FUND BALANCE - END OF YEAR		<u>\$ 747,637</u>

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 MECKLENBURG COUNTY, NORTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - 2009B PUBLIC IMPROVEMENT BOND FUND
 FOR THE YEAR ENDED JUNE 30, 2009

PROJECT AUTHORIZATION	\$	<u><u>100,000,000</u></u>
Prior Year's Revenues	\$	-
Prior Year's Expenditures		<u>-</u>
FUND BALANCE - BEGINNING OF YEAR		<u>-</u>
REVENUES		-
EXPENDITURES		
Management Services		
County Buildings		-
Land		4,765,798
Business Partners		
School Facilities		<u>28,989,071</u>
Total Expenditures		<u><u>33,754,869</u></u>
REVENUES UNDER EXPENDITURES		<u><u>(33,754,869)</u></u>
FUND (DEFICIT) - END OF YEAR	\$	<u><u>(33,754,869)</u></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, 2009

	Budget	Actual
Operating Revenues		
Charges for services	\$ 14,859,443	\$ 13,372,703
Other	1,978,445	2,531,467
Total Operating Revenues	16,837,888	15,904,170
Operating Expenses		
Personal services and employee benefits	4,479,252	4,423,771
Utilities	170,400	165,844
Supplies	925,056	794,218
Maintenance and repairs	797,000	667,336
Rental and occupancy charges	700,656	654,068
Contractual services	5,449,574	4,365,964
Postclosure reserve contribution	731,112	731,112
Total Operating Expenses	13,253,050	11,802,313
Operating Income	3,584,838	4,101,857
Non-operating Revenues (Expenses)		
Interest Income	250,000	491,944
Interest expense	(218,658)	(218,657)
Transfer to other funds	(2,107,143)	(2,107,143)
Capital outlay	(456,246)	-
Total Non-operating Expenses	(2,532,047)	(1,833,856)
Net income - Modified accrual basis	\$ 1,052,791	2,268,001
Reconciliation to full accrual basis		
Depreciation		(1,517,719)
Loss on sale of capital assets		(19,486)
Amortization of refunding amount		(100,325)
Net Income - Full Accrual Basis		\$ 630,471

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, 2009

	Project Authorization	Prior Years'	Actual Current Year	Total to Date
REVENUES				
Fees and charges	\$ 3,100,000	\$ 3,100,000	\$ -	\$ 3,100,000
EXPENDITURES				
Landfill construction	1,755,188	795,603	340,000	1,135,603
Land improvements	2,286,511	1,889,627	66,077	1,955,704
Final development and postclosure costs	10,669,587	6,995,430	-	6,995,430
Total expenditures	<u>14,711,286</u>	<u>9,680,660</u>	<u>406,077</u>	<u>10,086,737</u>
REVENUES OVER (UNDER) EXPENDITURES	(11,611,286)	(6,580,660)	(406,077)	(6,986,737)
OTHER FINANCING SOURCES				
Interest earned on investments	583,910	2,021,208	337,467	2,358,675
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>13,048,584</u>	<u>337,467</u>	<u>13,386,051</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 6,467,924</u>	<u>\$ (68,610)</u>	<u>\$ 6,399,314</u>

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Statistical

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



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)

	2009	2008	2007	2006	2005	2004	2003	2002
Governmental Activities								
Invested in capital assets, net of related debt	\$ 531,275,904	\$ 304,151,869	\$ 356,614,648	\$ 310,896,185	\$ 213,635,383	\$ 127,817,905	\$ 77,069,836	\$ 128,024,766
Restricted	91,391,765	327,384,574	231,207,128	182,178,629	236,984,909	169,123,657	80,047,571	90,060,935
Unrestricted	(1,447,188,420)	(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	(824,520,751)	(678,366,880)	(596,523,322)	(643,845,576)	(730,838,846)	(705,322,500)	(648,268,886)	(535,358,386)
Business-type Activities								
Invested in capital assets, net of related debt	43,152,758	43,086,496	42,315,856	38,801,651	34,801,339	31,603,515	26,493,191	24,238,063
Restricted	8,618,465	7,887,353	7,103,682	6,136,846	4,633,253	3,633,177	2,772,021	1,475,353
Unrestricted	14,515,731	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	66,286,954	62,985,215	56,909,240	51,000,568	45,748,328	40,745,337	37,986,681	36,278,986
Primary Government								
Invested in capital assets, net of related debt	574,428,662	347,238,365	398,930,504	349,697,836	248,436,722	159,421,420	103,563,027	152,262,829
Restricted	100,010,230	335,271,927	238,310,810	188,315,475	241,618,162	172,756,834	82,819,592	91,536,288
Unrestricted	(1,432,672,689)	(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	(758,233,797)	(615,381,665)	(539,614,082)	(592,845,008)	(665,090,518)	(664,577,163)	(610,282,205)	(499,079,400)

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)

	2009	2008	2007	2006	2005	2004	2003	2002
Expenses:								
Governmental Activities:								
Management Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Satisfaction and Communication Services	10,140,256	9,432,409	9,386,599	8,036,567	5,071,173	4,713,506	4,030,103	\$ 42,004,729
Administrative Services	64,375,308	61,279,620	44,273,000	40,844,068	43,750,891	39,279,980	38,725,174	-
Financial Services	25,160,033	7,120,138	6,326,773	5,567,686	5,180,393	3,800,229	3,256,165	16,384,192
Land Use and Environmental Services	58,732,377	57,010,773	52,666,060	48,392,098	47,169,106	44,964,169	43,001,664	42,826,310
Community Services	88,287,519	81,126,150	72,095,240	69,988,542	60,041,146	55,180,957	66,611,979	31,032,651
Detention and Court Support Services	129,925,222	121,321,357	108,416,665	100,440,768	91,010,116	90,163,414	86,349,286	82,703,642
Health and Human Services	313,323,869	316,744,954	293,701,918	302,912,035	295,466,889	284,575,085	272,484,306	270,190,779
Business Partners	767,838,393	687,379,265	617,922,536	525,688,223	544,344,802	535,387,248	562,530,240	589,699,683
Interest on long term debt: general purpose schools	45,518,250	51,320,375	52,334,543	47,444,414	27,162,389	37,554,279	34,545,455	34,756,244
	1,541,862,467	1,407,863,006	1,291,768,728	1,183,707,874	1,166,377,695	1,134,752,901	1,140,937,777	1,130,990,871
Total Governmental Activities Expenses								
Business-type Activities:								
Solid Waste Operations	13,679,582	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	1,555,542,049	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
Program Revenues:								
Governmental Activities:								
Charges for services	-	-	-	-	-	-	-	-
Management Services	-	-	-	-	-	-	-	-
Customer Satisfaction and Communication Services	400	-	-	-	-	-	-	1,606,517
Administrative Services	1,413,531	1,989,748	1,432,914	2,418,970	2,351,459	2,786,765	1,279,185	12,318
Financial Services	482,146	7,795	9,536	25,784	322,643	801,132	512,201	-
Land Use and Environmental Services	42,341,007	57,513,158	62,589,861	52,333,602	50,788,661	48,230,572	44,582,852	443,938
Community Services	5,031,383	5,108,761	4,834,221	4,226,162	4,094,909	3,871,825	3,629,118	3,119,345
Detention and Court Support Services	26,829,284	34,652,378	34,443,731	31,401,913	26,582,127	21,663,604	20,577,110	21,478,200
Health and Human Services	16,423,520	17,897,027	14,382,646	30,306,153	23,087,794	25,028,178	22,600,618	20,853,459
Business Partners	3,625,969	6,497,024	4,542,827	4,549,316	5,851,361	3,547,264	2,970,368	3,682,423
Operating grants and contributions	209,249,190	202,018,874	178,316,481	161,050,616	163,656,851	157,802,215	170,004,106	179,062,472
Capital grants and contributions	562,247	2,324,217	2,599,824	625,975	152,290	1,367,318	1,330,408	779,440
Total Governmental Activities Program Revenues	305,958,677	328,008,982	303,166,566	286,941,491	276,891,383	265,038,873	268,132,405	271,763,846
Business-type Activities								
Charges for services	13,372,703	18,404,455	17,332,509	16,400,768	14,919,683	12,746,983	11,135,681	9,328,159
Operating grants and contributions	-	-	-	-	40,000	-	785,158 (A)	-
Total Business-type activities Program Revenues	13,372,703	18,404,455	17,332,509	16,400,768	14,959,683	12,746,983	11,920,839	9,328,159
Total Primary Government Program Revenues	319,331,380	346,413,437	320,499,075	303,342,259	291,851,066	277,785,856	280,053,244	281,092,005
Net Expense	(1,235,903,790)	(1,079,854,026)	(988,592,162)	(896,786,383)	(888,486,312)	(866,654,028)	(872,775,372)	(859,227,025)
Governmental activities	(306,879)	4,900,366	4,841,357	4,559,785	4,737,057	2,609,748	1,641,649	196,421
Business-type activities	(1,236,210,669)	(1,074,953,660)	(983,750,805)	(892,206,598)	(884,749,255)	(867,044,280)	(871,133,723)	(859,030,604)
General Revenues								
Governmental Activities								
Property taxes, general purpose	820,787,407	790,150,824	743,452,736	725,530,314	630,088,242	606,101,525	576,929,663	571,543,862
Property taxes, Law Enforcement Service District	13,660,948	12,348,157	12,585,852	12,251,561	13,441,010	12,948,398	11,390,346	10,667,516
Sales taxes	199,787,001	247,551,124	244,421,759	218,196,848	201,685,317	180,631,909	158,308,798	143,533,620
Other taxes	8,989,608	9,209,619	8,132,918	7,805,251	6,571,325	5,852,083	4,523,350 (B)	21,574,284
Investment earnings	18,000,502	29,575,757	26,466,482	17,863,110	11,109,807	5,337,180	7,064,650	13,735,418
Miscellaneous	1,785,466	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	1,063,010,932	1,089,943,809	1,035,914,416	983,759,653	863,923,041	812,600,414	759,717,435	763,280,459
Business-type Activities								
Investment earnings	829,411	1,137,656	1,067,315	692,455	312,859	148,908	213,483	645,803
Miscellaneous	2,779,207	37,953	-	-	-	-	-	191,166
Total Business-type Activities General Revenues	3,608,618	1,175,609	1,067,315	692,455	312,859	148,908	213,483	836,969
Total Primary Government General Revenues	1,066,619,550	1,091,119,418	1,036,981,731	984,452,108	864,235,900	812,749,322	759,930,918	764,117,428
Change in Net Assets								
Governmental Activities	(172,892,858)	10,089,783	47,322,254	86,983,270	(25,563,271)	(57,053,614)	(113,057,937)	(95,946,566)
Business-type Activities	3,301,739	6,075,975	5,908,672	5,252,240	5,049,916	2,758,656	1,855,132	1,033,390
Total Primary Government Change in Net Assets	\$ (169,591,119)	\$ 16,165,758	\$ 53,230,926	\$ 92,235,510	\$ (20,513,355)	\$ (54,294,958)	\$ (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		Total
2009	\$ 19,427,882	\$ 79,280,685	\$ 260,840,285	\$ 359,548,852	\$ 42,929,488	\$ 7,749,028	\$ 32,950,716	\$ 3,575,567	\$ 87,204,799	\$ 446,753,651
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

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

TABLE 4

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

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Revenues										
Taxes	\$ 988,355,276	\$ 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	\$ 543,987,974
Law Enforcement Service District Taxes	13,660,948	12,345,157	12,585,852	12,251,561	13,441,010	12,948,398	11,390,346	10,667,516	4,867,603	5,196,753
Transit One-Half Cent Sales Tax	33,766,238	38,621,351	38,167,932	35,410,666	32,094,987	29,235,677	27,272,168	27,726,072	29,571,709	32,870,856
License and permits	14,896,152	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
Intergovernmental	208,268,483	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
Charges for Services	78,323,901	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
Interest earned on investments	18,000,502	29,575,757	26,466,482	17,883,110	11,109,807	5,337,180	7,054,650	13,735,418	29,140,334	23,524,592
Administrative charges	4,186,330	4,102,864	3,812,899	3,003,655	2,119,573	2,868,492	3,827,673	3,957,040	3,737,835	3,664,586
Other	12,185,718	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
Total Revenues	1,371,643,548	1,422,960,042	1,338,238,246	1,279,500,360	1,141,893,880	1,077,913,497	1,032,908,405	1,020,891,241	934,262,715	884,984,922
Expenditures										
Current										
Customer Satisfaction and Management	10,040,369	9,335,137	9,345,322	7,933,172	4,996,350	4,625,991	3,956,605	-	-	-
Management Services	-	-	-	-	-	-	-	41,515,761	-	-
Policy Development and Management Support	-	-	-	-	-	-	-	-	18,394,545	15,029,630
Corporate Support Services	60,733,760	60,651,676	45,881,538	40,684,412	41,561,961	37,377,104	35,273,845	-	14,222,443	14,193,760
Administrative Services	9,094,428	9,285,342	7,392,488	6,757,139	5,828,781	5,343,695	5,117,608	6,321,146	-	-
Financial Services	-	-	-	-	-	-	-	-	-	-
Customer Satisfaction and Communication	62,205,728	59,788,568	55,319,765	50,845,010	47,228,852	46,404,385	44,749,116	50,947,149	50,048,795	36,244,290
Land use and Environmental Services	82,584,269	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
Community Services	116,146,771	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
Detention and Court Support Services	310,977,979	315,306,697	293,423,556	301,585,511	293,523,030	283,596,456	272,272,635	269,324,679	265,241,702	243,535,524
Health and Human Services	-	-	-	-	-	-	-	-	307,661,160	283,966,136
Government Relations	468,609,273	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	164,288,423	148,389,990	136,698,950	124,519,648	107,184,279	92,128,738	85,933,382	75,427,084	64,884,716	58,210,861
Principal payments	84,392,437	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
Interest and fiscal charges	416,730,076	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
Capital Outlay	1,785,803,513	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	977,885,960
Total Expenditures	(414,159,965)	(202,249,789)	(146,298,251)	(174,347,655)	(214,073,948)	(210,869,008)	(234,398,288)	(277,678,599)	(253,854,908)	(92,911,038)
DEFICIENCY OF REVENUES										
UNDER EXPENDITURES										
OTHER FINANCING SOURCES (USES)										
Transfers in	57,599,303	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
Transfers out	(57,467,613)	(46,085,408)	(29,583,692)	(38,992,801)	(7,722,912)	(23,980,299)	(2,920,688)	(7,452,795)	(6,333,175)	(5,791,411)
Refunding bonds issued	-	-	-	-	172,125,000	135,470,000	12,160,000	30,531,136	148,692,780	-
Payment to refunded bond escrow agent	(276,841,503)	-	-	-	(188,732,416)	(148,763,086)	(13,145,339)	(30,531,136)	(148,692,780)	-
Bond and other debt issues	334,730,000	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	2,500,000	-	-	-	-	1,426,923	104,260	246,670	5,545,928	5,000,000
Premium on bonds issued	38,993,762	13,282,440	6,306,594	17,010,007	-	21,921,756	1,248,923	-	-	-
Total Other Financing Sources	99,513,949	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
NET CHANGE IN FUND BALANCES	(514,646,016)	131,212,651	85,143,343	22,652,345	32,040,568	22,941,585	182,936,993	(192,431,929)	33,845,163	43,330,533
FUND BALANCES-BEGINNING OF YEAR	743,624,974	601,430,229	516,286,886	493,634,541	461,593,973	439,252,388	256,315,395	448,811,826	412,149,807	368,285,357
RESIDUAL EQUITY TRANSFER	-	-	-	-	-	-	-	2,816,856	-	1,000,000
RECLASSIFICATION	-	-	-	-	-	-	-	-	-	-
FUND BALANCES-END OF YEAR	\$ 446,753,651	\$ 743,624,974	\$ 601,430,229	\$ 516,286,886	\$ 493,634,541	\$ 461,593,973	\$ 439,252,388	\$ 256,315,395	\$ 448,811,826	\$ 412,149,807
Debt Service as a percent of non-capital expenditures	14.70%	15.24%	16.00%	15.06%	14.57%	16.15%	14.71%	14.39%	13.63%	13.31%

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

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Tax Revenues										
General Property	\$ 818,740,877	\$ 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
Sales	166,020,763 (D)	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
Room Occupancy	927,151	669,476	993,378	1,356,706	1,162,122	1,230,086	1,174,765	1,189,818	1,333,592	868,039
Vehicle Rental	2,526,632	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	139,853	45,868	32,699	29,228	27,371	45,707	21,493	72,858	68,679	90,893
	<u>\$ 988,355,276</u>	<u>\$ 1,002,132,382</u>	<u>\$ 948,779,819</u>	<u>\$ 916,447,749</u>	<u>\$ 800,683,228</u>	<u>\$ 756,571,960</u>	<u>\$ 697,387,330</u>	<u>\$ 674,644,847</u>	<u>\$ 580,017,267</u>	<u>\$ 542,710,974</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.
- (D) The State reduced the distribution of a 1/4 cent sales tax and the general economy contracted.

TABLE 6

MECKLENBURG COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
FOR THE YEAR ENDED JUNE 30, 2009

	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	\$ 90,141,886,803	\$ 0.8387	\$ 756,022,970	\$ 756,022,970	\$ -
Motor vehicles taxed at current year's rate	4,570,125,895	0.8387	38,310,019	-	38,310,019
Motor vehicles taxed at prior year's rate	<u>2,530,985,637</u>	0.8387	<u>21,227,376</u>	<u>-</u>	<u>21,227,376</u>
Total	<u>97,242,998,335</u>		<u>815,560,365</u>	<u>756,022,970</u>	<u>59,537,395</u>
Discoveries:					
Prior year taxes	570,553,045	Various	4,623,039	4,623,039	-
Penalties	<u>-</u>		<u>1,270,878</u>	<u>1,270,878</u>	<u>-</u>
Total	<u>570,553,045</u>		<u>5,893,917</u>	<u>5,893,917</u>	<u>-</u>
Total property valuation	<u><u>\$ 97,813,551,380</u></u>				
Net levy			821,454,282	761,916,887	59,537,395
Uncollected taxes at June 30, 2009			<u>(20,016,195)</u>	<u>(11,837,569)</u>	<u>(8,178,626)</u>
Current year's taxes collected			<u>\$ 801,438,087</u>	<u>\$ 750,079,318</u>	<u>\$ 51,358,769</u>
Current net levy collection percentage			<u>97.56%</u>	<u>98.45%</u>	<u>86.26%</u>

Note: The tax levy is net of rebates.

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
2009	\$ 78,995.3	\$ 15,461.7	\$ 3,356.6	\$ - (3)	\$ 97,813.6	\$ 0.8387
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

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.
- (3) Elderly Exemption is net of Real Property beginning FY 2009

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
2009	\$.8387	\$.4586	\$.275	\$.365	\$.290	\$.3325	\$.275	\$.32
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

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	2009			2000		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy	Utility	\$ 1,877,283,089	1	3.06 %	\$ 2,387,557,383	1	3.95 %
Bank of America/Nations Bank	Financial Services	979,963,427	2	1.74	698,430,344	2	1.16
Wells Fargo/Wachovia	Financial Services	737,095,605	3	.13	643,873,470	3	1.07
A T & T	Utilities	485,815,336	4	.08	-	-	-
Piedmont Natural Gas Company	Utility	314,376,852	5	.054	257,180,155	6	0.43
U S Airways, Incorporated	Transportation	312,341,048	6	.054	381,553,036	5	0.63
Teachers Insurance	Insurance	296,703,427	7	.051	-	-	-
Time Warner	Utility	294,812,506	8	.051	-	-	-
Charlotte Gateway Village	Retail	238,389,045	9	.041	-	-	-
SouthPark Mall	Retail	212,913,896	10	.037	-	-	-
BellSouth Telecommunication	Utility	-	-	-	600,687,764	4	0.99
CK / Childress Klein	Property Management	-	-	-	223,011,974	7	0.37
International Business Machine (IBM)	Data Processing	-	-	-	192,760,633	8	0.32
General Tire	Manufacture	-	-	-	129,924,531	10	0.21
Carolina Stadium	Property Management	-	-	-	180,545,883	9	0.30
		\$ 5,749,694,231		7.890 %	\$ 5,695,525,173		9.43 %

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
2009	2008	\$ 821,454,282	\$ 801,438,087	97.56 %	- \$	\$ 801,438,087	97.56 %
2008	2007	798,235,098	778,803,875	97.57	11,379,167	790,183,042	98.99
2007	2006	744,389,072	726,036,272	97.53	13,065,500	739,101,772	99.29
2006	2005	737,016,999	719,159,556	97.58	14,208,108	733,367,664	99.50
2005	2004	638,233,219	621,013,346	97.30	15,203,721	636,217,067	99.68
2004 (B)	2003	618,204,112	600,442,660	97.13	14,695,424	615,138,084	99.50
2003	2002	584,218,432	563,710,798	96.49	17,547,408	581,258,206	99.49
2002	2001	567,874,819	551,873,811	97.18	14,587,375	566,461,186	99.75
2001	2000	469,522,916	456,774,995	97.28	11,627,402	468,402,397	99.76
2000	1999	440,731,629	429,493,650	97.45	10,514,481	440,008,131	99.84

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, 2009

Description	Issue Date	Due Serially To	Average Interest Rate	Original Issue	Balance July 1, 2008	Sold	Retired	Balance June 30, 2009	Interest Paid in Current Year
Public Improvements Refunding Bonds 1993	October 1, 1993	2012	4.6630 %	\$ 272,295,000	\$ 36,565,000	\$ -	\$ 13,825,000	\$ 22,740,000	\$ 2,055,650
Variable Rate Demand Bonds 1996	March 1, 1996	2015	Variable	50,000,000	50,000,000	-	-	50,000,000	695,529
Variable Rate Demand Bonds 1998	February 1, 1998	2018	Variable	50,000,000	50,000,000	-	-	50,000,000	784,469
Public Improvements 2000A	February 1, 2000	2010	4.9827	34,000,000	6,800,000	-	3,400,000	3,400,000	340,000
Public Improvements 2000B	February 1, 2000	2010	4.9827	20,000,000	4,000,000	-	2,000,000	2,000,000	200,000
Variable Rate Demand Bonds 2000C	February 1, 2000	2020	Variable	50,000,000	50,000,000	-	-	50,000,000	1,849,901
Public Improvements 2000D	November 1, 2000	2014	4.9303	100,000,000	18,000,000	-	9,000,000	9,000,000	900,000
Variable Rate Demand Bonds 2000E	October 1, 2000	2020	Variable	50,000,000	50,000,000	-	-	50,000,000	707,047
Public Improvements 2001A	May 1, 2001	2018	4.6868	105,000,000	71,000,000	-	55,000,000	16,000,000	2,207,500
Variable Rate Demand Bonds 2001B	May 1, 2001	2021	Variable	25,000,000	25,000,000	-	-	25,000,000	922,393
Refunding 2001C	May 1, 2001	2013	4.3714	149,455,000	79,015,000	-	17,670,000	61,345,000	4,345,825
Public Improvements 2001D	December 1, 2001	2021	4.3102	56,000,000	42,600,000	-	33,100,000	9,500,000	1,825,600
Public Improvements 2002A	August 1, 2002	2018	3.9499	14,400,000	10,000,000	-	7,000,000	3,000,000	402,000
Public Improvements 2002B	August 1, 2002	2020	4.2070	139,000,000	114,000,000	-	87,000,000	27,000,000	4,788,000
Variable Rate Demand Bonds 2002C	August 1, 2002	2022	Variable	25,000,000	25,000,000	-	-	25,000,000	922,393
Public Improvements 2003A	February 1, 2003	2020	4.0699	193,000,000	161,000,000	-	105,000,000	56,000,000	6,557,500
Variable Rate Demand Bonds 2003B	February 1, 2003	2023	Variable	40,000,000	40,000,000	-	-	40,000,000	565,637
Refunding 2003C	February 1, 2003	2011	3.0684	12,160,000	4,865,000	-	1,905,000	2,960,000	243,250
Public Improvement 2004A	February 1, 2004	2020	3.4130	105,000,000	78,900,000	-	6,575,000	72,325,000	3,484,750
Variable Rate Demand Bonds 2004B	February 1, 2004	2024	Variable	100,000,000	100,000,000	-	-	100,000,000	1,509,781
Refunding 2004C	April 1, 2004	2013	3.0951	135,470,000	107,335,000	-	15,455,000	91,880,000	5,366,750
Public Improvements 2005A	February 1, 2005	2026	3.9849	32,300,000	29,070,000	-	1,615,000	27,455,000	1,124,848
Variable Rate Demand Bonds 2005B	February 1, 2005	2026	Variable	100,000,000	96,000,000	-	2,000,000	94,000,000	3,624,806
Refunding 2005C	May 1, 2005	2016	3.4368	172,125,000	170,835,000	-	16,485,000	154,350,000	8,541,750
Variable Rate Demand Bonds 2006A	February 1, 2006	2026	Variable	89,000,000	80,100,000	-	4,450,000	75,650,000	2,491,187
Public Improvements 2007A	February 1, 2007	2027	4.1690	102,000,000	100,000,000	-	2,000,000	98,000,000	4,723,534
Parks and Recreation Bonds 2008A	February 1, 2008	2028	3.6115	12,000,000	12,000,000	-	600,000	11,400,000	405,567
Public Improvements 2008B	February 1, 2008	2028	3.7954	148,500,000	148,500,000	-	3,000,000	145,500,000	6,713,500
Refunding 2009A	March 10, 2009	2021	2.2523	243,965,000	-	243,965,000	-	243,965,000	-
				<u>\$ 2,625,670,000</u>	<u>\$ 1,760,585,000</u>	<u>\$ 243,965,000</u>	<u>\$ 387,080,000</u>	<u>\$ 1,617,470,000</u>	<u>\$ 68,293,167</u>

TABLE 12

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF CERTIFICATES OF PARTICIPATION PAYABLE
JUNE 30, 2009

Description	Issue Date	Due Serially To	Average Interest Rate	Original Issue	Balance July 1, 2008	Issued	Retired	Balance June 30, 2009	Interest Paid Current Year
2000 Certificates of Participation	April 1, 2000	2020	Variable	\$ 25,000,000	\$ 15,000,000	\$ -	\$ 1,250,000	\$ 13,750,000	\$ 211,414
2001 Certificates of Participation	November 1, 2001	2021	Variable	29,000,000	20,300,000	-	1,450,000	18,850,000	285,209
2002 Certificates of Participation	August 1, 2002	2009	Variable	5,420,000	1,545,000	-	775,000	770,000	12,944
2004 Certificates of Participation	February 1, 2004	2014	Variable	18,155,000	10,920,000	-	1,820,000	9,100,000	161,301
2005 Certificates of Participation	February 1, 2005	2025	Variable	113,365,000	96,355,000	-	5,670,000	90,685,000	1,492,619
2006 Certificates of Participation	February 1, 2006	2026	Variable	108,000,000	97,200,000	-	5,400,000	91,800,000	3,569,897
2007 Certificates of Participation	February 1, 2007	2027	Variable	123,135,000	116,980,000	-	6,155,000	110,825,000	1,440,074
2008A Certificates of Participation	February 1, 2008	2028	Variable	124,960,000	124,960,000	-	7,985,000	116,975,000	2,060,545
2008B Certificates of Participation	February 1, 2008	2028	4.435	34,720,000	34,720,000	-	-	34,720,000	1,542,288
2009A Certificates of Participation	February 1, 2009	2029	4.224	90,765,000	-	90,765,000	-	90,765,000	-
				<u>\$ 672,520,000</u>	<u>\$ 517,980,000</u>	<u>\$ 90,765,000</u>	<u>\$ 30,505,000</u>	<u>\$ 578,240,000</u>	<u>\$ 10,776,291</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	Participation	Capital Leases	General Obligation Bonds	Capital Leases				
2009	\$ 1,615,700,430	\$ 578,240,000	\$ 3,857,430	\$ 1,769,570	\$ 2,053,262	\$ 2,201,620,692	N/A	\$ 2,354	
2008	1,757,830,836	517,980,000	3,158,397	2,754,164	940,759	2,282,664,156	10.41	2,528	
2007	1,722,134,476	380,820,000	4,537,696	4,010,524	1,182,972	2,112,685,668	9.75	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	

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 Bonded Debt	Payable from Enterprise Fund	Net General Bonded Debt	Percent of	
				Assessed Value	Per Capita
2009	\$ 1,617,470,000	\$ 1,769,570	\$ 1,615,700,430	1.65	% \$ 1,727
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

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, 2009

Mecklenburg County:	Assessed Valuation (1)	Percent of Countywide Total	Pro Rata Share of Governmental Activities Debt	Municipalities' Debt (2)	Total Overlapping Debt
Charlotte	\$ 74,161,915,223	76.00 %	\$ 1,670,326,374	\$ 690,805,000	\$ 2,361,131,374
Cornelius	3,753,766,045	3.85	84,615,218	2,200,000	86,815,218
Davidson	1,194,139,252	1.22	26,813,134	-	26,813,134
Huntersville	4,704,953,552	4.82	105,933,857	8,815,000	114,748,857
Matthews	2,929,967,846	3.00	65,933,936	3,475,000	69,408,936
Mint Hill	1,946,090,481	2.00	43,955,957	4,500,000	48,455,957
Pineville	1,245,751,321	1.28	28,131,813	-	28,131,813
Unincorporated Areas	<u>7,646,861,709</u>	<u>7.83</u>	<u>172,087,572</u>	<u>-</u>	<u>172,087,572</u>
Countywide Totals	<u>\$ 97,583,445,429</u>	<u>100.00 %</u>	<u>\$ 2,197,797,861</u>	<u>\$ 709,795,000</u>	<u>\$ 2,907,592,861</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

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Assessed Value	\$97,813,551,380	\$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
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	7,825,084,110	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
Amount of Debt Applicable to Debt Limit:										
Total Bonded Debt	1,617,470,000	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
Bonds Authorized and Unissued	829,140,000	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
Refunding Bonds Authorized	-	-	-	-	-	-	-	-	-	(200,000,000)
Total Amount of Debt Applicable to Debt Limit	2,446,610,000	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
Legal Debt Margin	\$ 5,378,474,110	\$ 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

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

<u>Year</u>	<u>Population</u>	<u>Total Personal Income</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2009	935,304	N/A	N/A	N/A	134,060	### %
2008	902,803	\$ 21,920,959,643	\$ 24,281	35.1	132,281	6.1
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

N/A: Data not available.

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>	2009			2000		
	<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	6.01 %	9,330	4	2.43 %
Wachovia Corporation/First Union National Bank	20,000	2	4.57	16,378	1	4.27
Charlotte-Mecklenburg Schools	19,485	3	4.46	12,789	2	3.33
Bank of America Corporation/NationsBank	13,960	4	3.19	11,843	3	3.09
Wal-Mart Stores, Inc.	13,192	5	3.02	-	-	-
Presbyterian Healthcare/Novant Health	9,000	6	2.06	5,500	8	1.43
Food Lion, Inc.	8,658	7	1.98	-	-	1.93
Duke Energy Corporation	7,757	8	1.77	7,169	5	1.87
State of North Carolina	7,479	9	1.71	5,777	7	1.5
US Airways, Incorporated	5,955	10	1.36	7,000	6	1.82
City of Charlotte	-	-	-	5,101	9	1.33
U.S. Government	-	-	-	4,662	10	1.21

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, 2009.

TABLE 19

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

Function/Program	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Customer Satisfaction & Management Service	74	76	61	59	52	48	39	-	-	-
Management Services	-	-	-	-	-	-	-	298	-	-
Customer Satisfaction & Communications	-	-	-	-	-	-	-	11	-	-
Administrative Service	274	285	293	283	288	292	270	-	-	-
Corporate Support Services	-	-	-	-	-	-	-	-	396	349
Financial Services	90	83	84	81	80	80	82	87	-	-
Policy Development & Management Support	-	-	-	-	-	-	-	-	105	126
Land Use & Environmental Services	636	642	619	590	581	567	563	565	447	431
Community Services	688	650	635	565	559	550	568	560	577	618
Detention & Court Support Services	1,352	1,294	1,197	1,189	1,136	1,132	1,089	1,136	1,059 (A)	914
Health & Human Services	1,533	1,567	1,515	1,515	1,541	1,674	1,671	1,742	1,715	1,525
Total Full-time Equivalent County Employees	<u>4,647</u>	<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>

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

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Governmental Activities										
Land Use and Environmental Services										
Residential Permits Issued	38,024	45,093	44,740	44,935	42,592	38,958	36,812	33,323	33,047	-
Commercial Permits Issued	27,505	38,748	44,079	37,866	32,305	29,842	27,044	38,603	38,203	-
Inspections Performed	229,147	315,885	376,678	354,008	321,984	318,630	315,267	321,017	333,469	-
Inspection Response Time	1.05 days	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	184,125	247,105	281,814	280,875	256,015	318,543	289,686	-	-	-
Volunteer firemen	760	690	644	672	630	630	630	620	641	640
Fire marshal and assistants	8	8	8	8	9	9	9	9	9	8
Community Services										
Registered voters	588,700	579,000	536,000	518,000	501,000	446,000	424,000	439,000	433,761	446,235
Library customers	76,434,664	21,685,405	19,900,021	15,419,416	11,971,217	-	-	-	-	-
Volume of library books	1.4 million	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
Participants using park athletic facilities	4,710,219	3,513,873	4,214,571	1,090,131	253,759	-	-	-	-	-
Park recreation program participants	296,814	481,145	719,292	512,168	486,676	-	-	-	-	-
Users of park pools -indoor and outdoor	549,604	283,432	261,607	255,707	219,892	-	-	-	-	-
Park visitors	4,317,513	5,377,905	4,831,170	4,214,303	3,391,511	-	-	-	-	-
Detention and Court Support Services										
Booked inmates	49,577	44,583	43,046	41,663	35,021	35,233	34,705	34,251	-	-
Civil processes served	136,549	126,788	108,981	122,871	43,591	-	-	-	-	-
Hand gun permits processed	11,790	9,447	7,965	7,589	8,064	-	-	-	-	-
Average daily jail population	2,496	2,610	2,647	2,335	2,047	2,008	1,955	1,908	1,833	1,612
Health and Human Services										
Area Mental Health										
Children receiving mental health services	14,052	4,878	4,332	5,777	7,242	-	-	-	-	-
Adults receiving mental health services	1,091	120	147	584	2,755	-	-	-	-	-
Clients receiving developmental disabilities services	2,108	90	84	81	2,346	-	-	-	-	-
Social Services										
Avg mthy # children receiving subsidized childcare	8,066	7,850	8,111	6,927	8,054	-	-	-	-	-
Number of transportation trips provided by Services for Adults Division	542,853	499,686	562,346	608,341	556,787	-	-	-	-	-
Senior Nutrition meals served	282,918	350,823	358,034	397,142	477,449	-	-	-	-	-
Health Department										
Patient visits	242	195,139	177,041	174,549	-	-	-	-	-	-
Food Service Inspections	9,926	9,836	8,086	5,999	7,505	-	-	-	-	-
Business Partners										
Public school full-time teachers	9,363	8,860	8,432	8,682	7,739	7,354	7,122	6,799	7,978	7,227
Students attending public school	134,060	132,281	129,011	126,903	121,640	115,517	109,605	106,192	103,086	100,368
Community college faculty	843	796	802	733	1,129	1,494	1,494	1,318	1,543	1,267
Community college students	19,148	18,321	17,942	16,772	16,400	16,215	16,215	15,752	15,531	14,862
Business-type Activities										
Solid Waste Enterprise Fund										
Tons of Solid Waste Processed	1,442,987	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
Tons of Yard Waste Processed	92,980	79,012	81,504	75,404	71,424	80,223	129,051	48,722	53,352	49,924
Tons of Recyclables Processed	59,716	59,202	54,911	53,257	55,489	52,065	51,554	52,908	49,830	53,585

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

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Governmental Activities										
Land Use and Environmental Services										
Volunteer Fire Stations	19	18	18	16	16	20	20	20	18	18
Community Services										
Libraries	24	24	24	24	23	23	23	23	23	22
Voting Machines	2,223	1,522	1,512	1,000	-	-	-	-	-	-
Parks and Greenways	238	238	231	128	126	123	123	123	123	122
Golf Courses	5	5	5	5	5	5	5	5	5	5
Parks and Greenway Acreage	18,068	17,753	17,896	17,480	16,000	16,000	16,000	14,797	14,797	-
Detention and Court Support Services										
Jail Beds	2,668	2,668	2,668	2,668	2,668	2,668	2,668	2,668	1,768	1,768
Business Partners										
Public Schools	172	167	161	150	143	142	144	144	142	143
Historic Sites	5	4	4	4	4	4	4	4	4	4
Business-type Activities										
Solida Waster Enterprise Fund	1	1	1	1	1	1	1	1	1	1
Landfills	70	59	29	29	28	26	25	23	18	14
Recycling and Yard Waste Processing Facilities	1	1	2	2	2	2	2	2	2	2
Material/Metal/Tire Recovery Facilities										



Mecklenburg County, North Carolina