



mecklenburg county  
NORTH CAROLINA

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2011





# organizational vision statement

To be the best local government service provider.

## organizational mission

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

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The top half of the cover features a yellow background with a large, faint, light blue seal of Mecklenburg County. The seal depicts an eagle with its wings spread, perched on a globe. The words "MECKLENBURG COUNTY" are written in a circular path around the eagle. The year "1775" is visible on the left side of the seal.

# Comprehensive Annual Financial Report

For the year ended June 30, 2011

Mecklenburg County, North Carolina  
*Prepared by the Finance Department*

Dena R. Diorio  
*Director of Finance*



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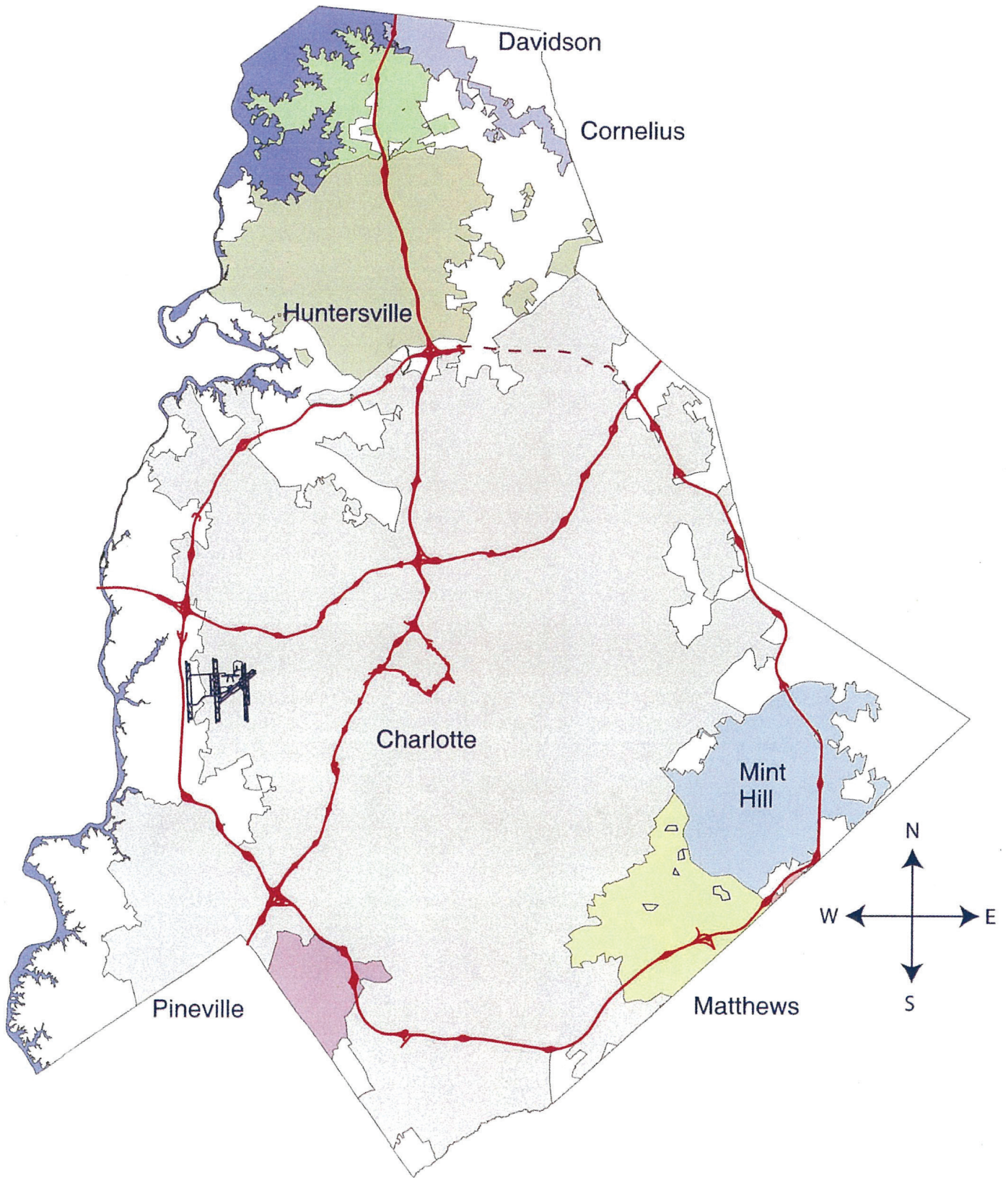


# Introduction

The introduction provides background and general information about the County.



# Mecklenburg County, NC







## Mecklenburg County

Dena R. Diorio  
Director of Finance  
November 7, 2011

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, 2011 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 25 other banks.

The County has been affected by the economic downturn that has touched all of the United States. In terms of jobs, the County is below the level in 2010. However the County experienced an increase in jobs of 1.6% in 2010 as compared with jobs in 2009. Even though job growth began to resume in early 2010, it will take some time for the unemployment rate to fall noticeably. Losses have occurred in construction and allied manufacturing and trades, the services sector, transportation and distribution, and the financial area.

Mecklenburg County's unemployment rate in June 2011 was 11.1%. The unemployment rate for Mecklenburg County in June 2010 was 10.1%. The rate at June, 2011 was higher than both the North Carolina rate of 9.9% and the national rate of 9.2%.

The downturn in the economy impacted home sales in the County during 2010. Home sales have increased an average of .2% in 2011; however, the average closing value of homes declined 2.5% in 2011. The number of building permits increased an 12.9% in year 2010 from 11,549 in 2009.

General governmental revenues have increased 32.7% over the last ten years. Taxes and assessment revenues have increased 48.1% for the same period, and the contribution to total revenue has increased from 67.3% in fiscal year 2002 to 74.9% in fiscal year 2011 reflecting the growth in population and demand for services. Additionally, governmental expenditures covered by tax revenues increased from 52.9% in fiscal year 2002 to 77.4% in fiscal year 2011. 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 8.7% in fiscal year 2002 to 6.2% in fiscal year 2011 as non-fee based programs of the County have increased. Intergovernmental revenues, primarily grants, contributed 18.7% to total revenues in fiscal year 2002, but the contribution to total revenue has dropped to 15.4% in fiscal year 2011 as the pool of available grant funds has not increased as fast as the County's budget.

General governmental expenditures have increased only 1% in the last ten years as the County's budget was reduced in current years to address the economic downturn, while maintaining services to address the needs of the community with the resources available. Costs of services continue to increase along with the growth in populations served. This is particularly true for Detention and Court Support Services where costs have increased 53.2% and Health and Human Services where costs have increased 6.8%. Business Partners costs have increased 15.5% over the ten year period reflecting the increased contributions for public education. Debt service has increased 121.4% 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 develop new parks and build park facilities.

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

## 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. Financing capital needs in light of the continuing economic environment is particularly challenging. The County is in the process of re-examining its capital program. For FY2011, the County added no new projects and focused on completing projects under construction.

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 2011 to 2013, 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) Sustainable Community 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 the impact of programs on achieving the County's long term goals.

For fiscal year 2011, \$22.7 million of assigned fund balance was appropriated to be used for debt service. At June 30, 2011, no fund balance was appropriated for use in the fiscal year 2012 budget.

## 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 2011 highlight some of the activities County departments have pursued toward Mecklenburg Vision 2015:

### Financial:

- The Finance Department took a lead role in the engagement of a consulting firm to review the efficiency of the County's financial operations. The review is focused on the evaluation of the current service delivery model of the financial management operations; identification of opportunities to standardize and streamline core processes; identification of opportunities to implement leading practices; identification of opportunities to reduce administrative costs; and the development of recommendations supported by a fact-based business case. As a result of the initial five week analysis, a

strategic sourcing initiative was recommended to leverage the County's purchasing power through a consolidated procurement across departments and business partners. Savings totaled approximately \$2.5 million annually.

- The Finance department implemented remote deposit capture for select departments throughout the County. Checks are scanned-in and the images and data are submitted electronically to the bank for deposit, eliminating the need to send paper checks to the bank. This initiative has resulted in more timely deposits, improved cash flow, and reduced errors. Implementation of remote deposit capture to additional sites will continue in fiscal year 2012.
- The Finance department implemented an ePay/eFile system for gross receipts taxes. The ePay/eFile system now allows for payments, tax returns, and privilege license applications to be filed and paid online. This system provides County customers with a new payment option that is convenient and makes payment processing more efficient.

- The Mecklenburg County Tax Collector was recognized as the "Tax Collector of the Year" by the North Carolina Tax Collectors Association (NCTCA).

## Land Use and Environmental Services:

- The County's Metrolina Recycling Center received an ISO14001 Certification. This is the first recycling facility of its kind to be certified under this environmental management standard in the United States.
- Land Use and Environmental Services implemented a new website providing residents with a "one-stop" service for information and appeals resources for property revaluations.
- The department of Land Use and Environmental Services partnered with Charlotte Solid Waste Services, CMPD, the Huntersville Police and three private companies for a citizen's personal records shredding day at all four of Solid Waste's full service recycling centers. This was the start of an annual event to be held on America Recycles Day in November.
- Air Quality created a new "Do I Need a Permit" webpage and air permit applicability questionnaire to assist potential air pollution facilities on how to identify common emission source types and determine permitting need.
- Air Quality received an \$800,000 award for AeroGRADE+ from the Environmental Protection Agency (EPA). Over 30 applications were submitted in the Southeast and AeroGRADE+ was one of three that received full funding. This project is dedicated to diesel replacements at Charlotte Douglas International Airport and is expected to reduce more than 400 tons of NOx over the next five to ten years.
- The County's Stormwater department received a 2011 National Association of Counties Achievements Award for the Flood Information & Notification System (FINS). Automated flood warning notification from FINS along with real-time rainfall maps, hydro graphs and valuable statistics from FINS Live aids the emergency responders and County/City staff to be more efficient than ever in managing resources and disseminating information to the public in a timely manner.



## Health and Human Services:

- The Health Department's School Health staff managed 2,210 students in 2011. The case management process includes identifying students who had health conditions that could interfere with learning and some indication that attendance, behavior, grades or school participation was being impacted. Improvements were seen in attendance (47%), behavior (69%) and academics (55%) after case management.
- The Department of Social Services (DSS) partnered with the Salvation Army to provide an employment services social worker onsite at a local housing development. The DSS social worker is responsible for meeting regularly with Work First participants in their residence to offer assistance in removing barriers to employment, improving education outcomes for the parent and child, family budgeting, decision making and life skills development.
- The Department of Social Services received awards from the National Association of Counties for the Free and Reduced Lunch Program with Charlotte-Mecklenburg Schools, Work First Intake Orientation Process, Independent Living program, Senior Citizens Short-Term Meal Program and for the Adult Protective Services "Know the Signs" DVD.
- Area Mental Health's Substance Abuse Services Division was selected as one of 15 sites nationwide to participate in the Integrated Healthcare Provider Learning Collaborative, an initiative to help specialty addictions services to collaborate with primary care providers in accordance with the Affordable Care Act.

## Detention and Court Support Services:

- The Medical Examiner's Office continues its clinical teaching partnership with the Department of Physician Assistant Studies at Wingate University.
- The Sheriff's Department received the 2010 Justice Assistance Grant (in the amount of \$232,310) funded by the Bureau of Justice Assistance which was used to purchase cameras and video recorders for the courthouse and other equipment.

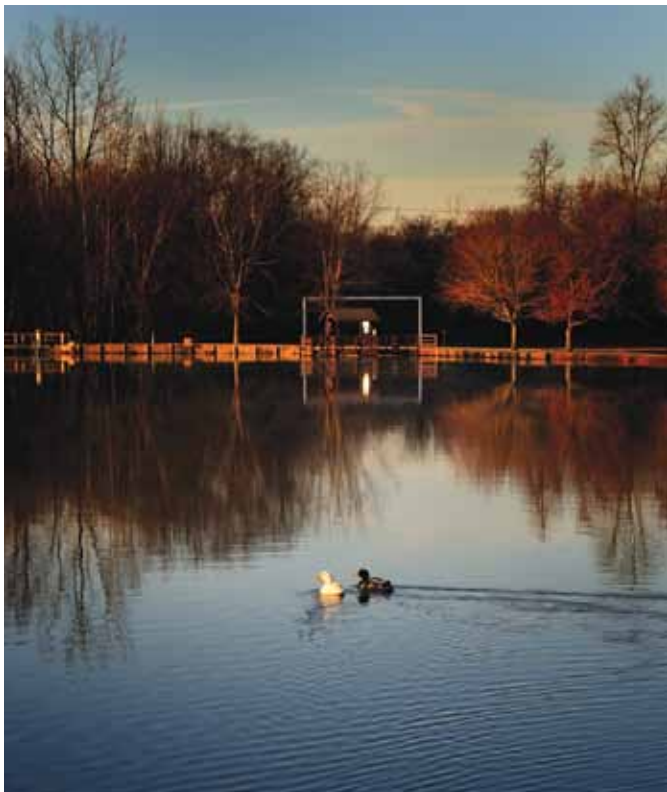
## Administrative Services:

- The Department of Real Estate Services registered with Duke with Duke Energy's "Smart Saver Incentives" program which rewards participants for installing energy efficient equipment by providing cash incentives. The first year has resulted in cash reimbursements of more than \$10,000.
- The Department of Real Estate Services has selected its first Energy Services Company (ESCO) under Guaranteed Performance Contracting. Performance Contracting is a project delivery method where an ESCO guarantees savings in energy use through replacement and upgrades of building systems. The County will enter into a 12-year contract that pays for the upgrades with savings in utility costs.

## Community Services:

- The Women's Commission Division of Community Support Services, as a part of their New Beginnings Employer Training Program, has partnered with major employers in the County to access the employee skill sets needed for employment and match the needs of the employers with a training curriculum for potential employees increasing employment opportunities to Community Support Services clients.
- The Homeless Services Division of Community Support Services opened the Homeless Resource Center in spring of 2011. It provides a location for community ministries to provide food to individuals impacted by homelessness in a safe and secure setting during hours when traditional homeless providers are not available. The Homeless Resource Center has added two full-time senior social workers and one part-time social work assistant to provide onsite services, coordinate services provided by local ministries and provide assertive outreach to the homeless population.
- The Women's Commission Division of Community Support Services, in partnership with the Sheriff's Office, provides an education program to youthful offenders to educate youth about domestic violence dynamics and healthy relationships. In 2011, there were 207 contacts with youth through this program.

- The Park and Recreation Department introduced several new programs to fill the needs of seniors, youth and teens. The Young Athletes Program in conjunction with Special Olympics of North Carolina was expanded to 145 pre-school children with disabilities; a six-month long Paralympic Swim Club was developed for residents with cerebral palsy or who have an amputation; establishment of several new Senior Citizen programs including a Senior Nutrition program offered at the Mallard Creek Recreation Center; and free GED classes at the Ivory Baker Center were offered in partnership with Central Piedmont Community College are among the new programs Park and Recreation added in 2011.
- The Park and Recreation Department opened seven additional sections of Greenways throughout the County funded partly by the American Recovery and Reinvestment Act totaling \$2.4 million.
- The Public Library of Charlotte provided residents the use of an on-line, counselor-assisted service, The Benefit Bank of North Carolina, which allowed the completion of federal and state returns as well as other government forms used to apply for a range of benefits and services.



## 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, 2010. This was the 35th consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements. The award is valid for a period of one year only. We believe the Report for fiscal year 2011 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 2011 budget document. 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 Tuesdays 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 16 Department Directors. Major duties of the County Manager include:

- Supervising and coordinating activities of County Departments.
- Implementing all orders and policies of the Board.
- Attending all Board meetings and making recommendations on appropriate matters of business.
- Recommending an annual budget and advising the Board of the financial condition of the County.
- 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 4,488 full-time equivalent employees at June 30, 2011 to provide the services mandated by State statutes and to meet the needs identified by the Board. Table 19 in the Statistical Section presents the distribution of employees between the core service areas for the current year and the prior nine years for comparison.

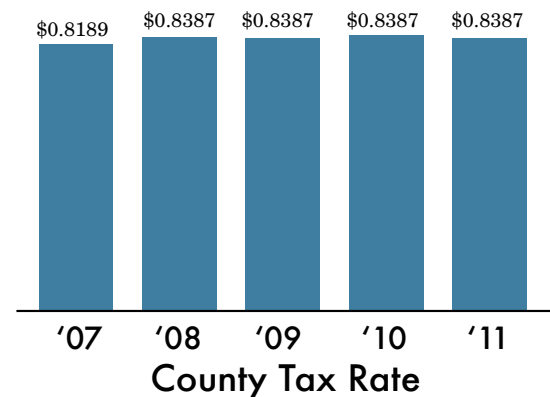
## Fiscal Control

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

## Tax Rate

The tax rate is set each year by the Board when the budget ordinance is adopted. Exhibit 1 presents the County's tax rates since fiscal year 2007. The N.C. General Statutes require a real property revaluation at least once every eight years. The County completed a reappraisal of all real property effective January 1, 2011 and this is the first revaluation since 2003, in compliance with North Carolina statute. 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. Due to the economic changes impacting residents in the County, the Board of County Commissioners chose not to increase the tax rate for fiscal years 2009 through 2011.

**Exhibit 1:**



# Facts and Information

## 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 2011, the County's total exempted or reduced assessments were approximately \$16.2 billion in real and personal property valuation. Exhibit 2 shows the counties in the State with an assessed valuation exceeding \$8 billion as of January 1, 2010, their tax levies and rates.

### Exhibit 2:

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

County	Valuation	Levy	Revaluation	Tax Rate
Alamance	\$ 11,971,206,117	\$ 62,250,269	2009	\$ 0.520
Brunswick	33,491,766,256	102,149,943	2007	0.305
Buncombe	29,074,629,895	152,641,807	2006	0.525
Cabarrus	21,215,619,570	133,658,403	2008	0.630
Carteret	19,316,443,823	44,427,821	2007	0.230
Catawba	14,882,135,491	79,619,220	2007	0.535
Chatham	8,635,822,238	53,637,646	2009	0.622
Craven	9,593,129,487	46,074,714	2010	0.473
Cumberland	20,853,132,942	154,649,597	2009	0.740
Currituck	8,262,851,330	26,441,124	2005	0.320
Dare	17,566,744,473	49,139,913	2005	0.280
Davidson	12,911,086,728	69,719,868	2007	0.540
Durham	29,511,744,787	219,744,425	2008	0.746
Forsyth	33,901,831,354	228,498,343	2009	0.674
Gaston	14,630,591,951	122,165,494	2007	0.835
Guilford	44,877,148,558	331,095,871	2004	0.737
Henderson	13,226,431,203	61,106,112	2007	0.462
Iredell	20,696,980,888	92,101,565	2007	0.445
Jackson	11,249,078,115	31,497,417	2008	0.280
Johnston	11,805,359,373	92,111,089	2003	0.780
Lincoln	8,609,245,610	49,015,295	2008	0.570
Macon	9,286,453,109	25,881,114	2007	0.279
Mecklenburg	100,176,446,891	841,116,040	2003	0.839
Moore	11,739,255,709	54,587,539	2007	0.465
New Hanover	33,790,111,320	157,205,938	2007	0.466
Onslow	12,283,836,186	71,896,505	2010	0.585
Orange	15,681,745,127	134,549,374	2009	0.858
Pitt	11,608,859,664	77,198,917	2008	0.665
Randolph	10,172,981,425	59,399,613	2007	0.586
Rowan	11,842,061,153	70,460,264	2007	0.595
Union	23,042,122,944	153,230,048	2008	0.665
Wake	119,300,331,724	637,063,853	2008	0.534
Watauga	8,755,822,288	27,405,724	2006	0.313

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, 2010, net releases made by that date.

Source: N.C. Department of Revenue, Tax Research Division



## County Services

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

### Health and Human Services

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

The Department of Social Services (DSS) provides the services necessary to prevent or relieve economic and emotional hardship, and to rally the community to improve the quality of life for its residents. State and Federal agencies regulate the County's social services programs, and over half the DSS funding comes from these sources. DSS is charged with the countywide administration of all social services programs.

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 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 through the Behavioral Health Center Randolph. Inpatient and outpatient treatment and education services are available at the Behavioral Health Center Randolph. This oversight ensures that treatment services offered deliver positive clinical outcomes cost-effectively.

### Detention and Court Support Services

The Sheriff, Jails, Medical Examiner and coordination with the courts fall within this core service. The Sheriff is responsible for supervising all activities relating to the jails, providing bailiffs in courtrooms, serving court orders and papers and issuing handgun permits. The Jail North facility, a sentenced jail facility that also houses youthful offenders with a capacity of 721 inmates, 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 90 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, enforcing 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 Geospacial 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 of Charlotte and Mecklenburg County (the Library),

Park and Recreation, Elections, Community Support Services and Child Support Enforcement. The Library, reported as a component unit in the basic financial statements, provides research services, access to reading and audio-visual materials as well as special programs for children and senior citizens at the Main Library, ImaginOn: The Joe & Joan Martin Center, and 18 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 18,489 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 606,122 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 Service 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 and Mecklenburg Emergency Medical Services Agency.

## 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.

**Exhibit 3:**

**Mecklenburg County  
Population**

2011	938,020
2010	919,628
2009	893,892
2008	869,954
2007	842,674

Source: Charlotte Chamber of Commerce

Mountain Island Lake is the primary source of usable water for the County. The lakes, all part of the Catawba River Basin, are utilized in the production of electricity and provide recreational areas for the County.

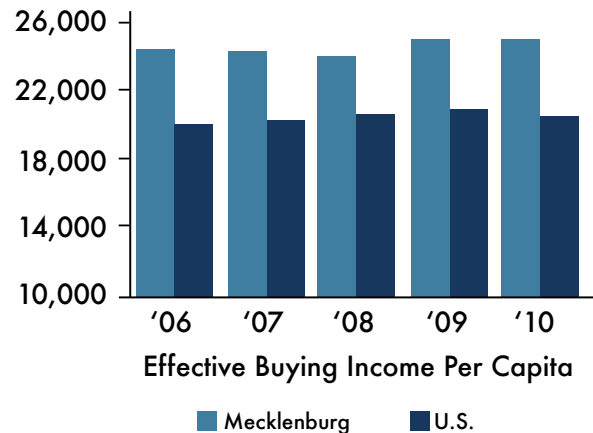
The County has experienced population growth of 11% in the last five years, as presented in Exhibit 3, and continues to be the most populous county in the State. The County enjoys a relatively comfortable year-round climate that makes it appealing to residents and industry alike. The weather includes 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.

**General Economic Indicators**

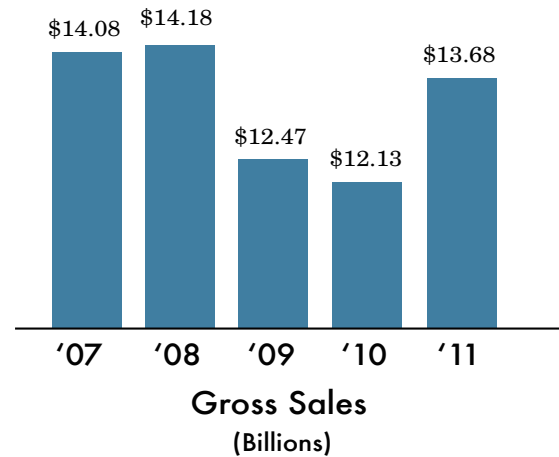
The County has been impacted by the economic recession that has affected other areas of the country. Charlotte Chamber of Commerce for calendar year 2010, the most recent information available, indicates that the County's Effective Buying Income (EBI) increased 3% over calendar year 2009. The County remained above the national average for EBI per capita for calendar year 2009 and 2010. 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. Both have been adjusted to account for inflation.

Gross Retail Sales, generally accepted as a reliable indicator as to how well an economy is progressing, are shown in Exhibit 5 for the County. The data is provided by the North Carolina Department of Revenue. From fiscal year 2007, the County experienced relatively strong consumer spending through

**Exhibit 4:**



**Exhibit 5:**

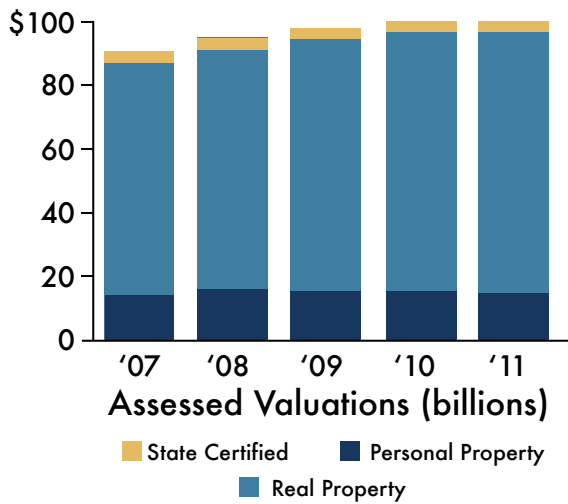


fiscal year 2008, then declined by 12% in 2009. For fiscal year 2010 to fiscal year 2011 gross sales increased by 12.9%.

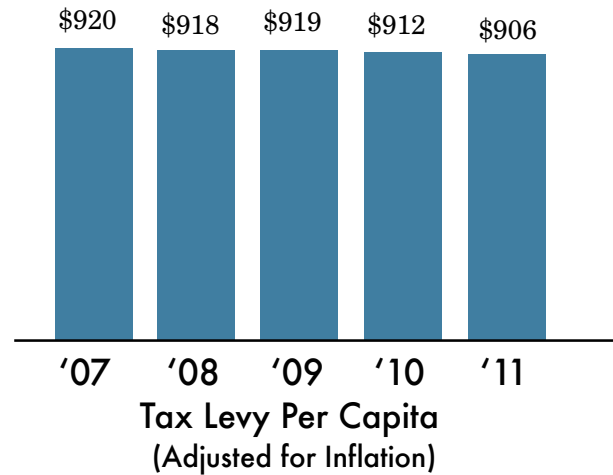
**Growth of the Tax Base**

Exhibit 6 shows the increase in the tax base over the last five years. Assessments for fiscal year 2007 were \$90.7 billion increasing to \$100 billion in 2011, a 10% increase, reflecting growth in the County. Between fiscal years 2007 and 2011, the general tax levy increased 14.1% from \$744 million 2007 to \$850 million in 2011. 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 2010 reflecting a population growth that has increased faster than the growth in assessed valuations. The tax rate increased by only

**Exhibit 6:**



**Exhibit 7:**



2.4% between fiscal years 2007 and 2008. From fiscal year 2008 through 2011, the tax rate has remained unchanged. In 2011, the per capita tax levy amount declined because of an increase in the population from the previous year.

The County’s ten principal taxpayers, as presented in Table 9 of the Statistical Section, contribute 7.0% of total assessed valuation and represent a wide range of industrial categories. Six of the 10 principal taxpayers in fiscal year 2011 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. The final segment of the 67-mile I-485 outer belt freeway being built around the inside perimeter of the County is underway. 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 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, 2011, the average daily ridership increased to 13,068, an increase of 43.6%.

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

Charlotte-Douglas International Airport, the country’s 7<sup>th</sup> largest nationwide in operations, is served by over fifteen passenger carriers, including, US Airways, Delta, United, Air Canada Jazz, American, Continental, Air Tran, Jet Blue and Lufthansa, as well as twenty cargo carriers. The airport, the largest hub of US Airways, averages over 697 daily departures and direct /nonstop flights to 138 destinations nationwide and around the world. An estimated total of 18.6 million passengers boarded flights at the airport and over 134,340 tons of domestic and international cargo were handled in calendar year 2010. Financial responsibility for airport operations rests with the City of Charlotte.

**Exhibit 8:**

**Corporations Listed in Million Dollar Directory**

Classifications of Corporations	Number of Corporations
Services	1,340
Construction	583
Wholesale Trade	477
Manufacturing	350
Finance, Insurance, Real Estate	280
Retail Trade	265
Transportation, Communication, Utilities	160
Other	9
<b>TOTAL</b>	<b>3,464</b>

**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 2011.

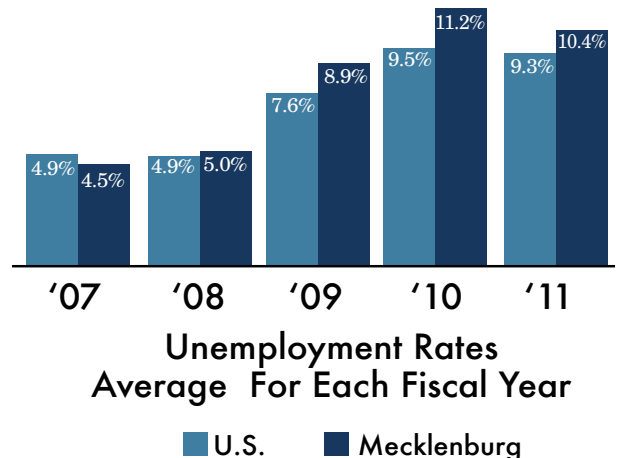
Eight Fortune 500 companies are headquartered in the County – Duke Energy, Ruddick, Goodrich, Nucor, Sonic Automotive, Family Dollar, SPX, and Bank of America. Additionally, Lowe's, another fortune 500 company is located in nearby Iredell County.

The County has had job losses in the areas of 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 11.1% by June 30, 2011, higher than the State rate of 9.9% and the national rate of 9.2%. Exhibit 9 presents the average monthly unemployment rates for each of the past five fiscal years, per the U. S. Department of Labor

benchmarked data. Exhibit 9 shows that the average unemployment rate for Mecklenburg County has declined from 11.2% for fiscal year 2010 to 10.4% for fiscal year 2011, which is a 7% decline from fiscal year 2010 to fiscal year 2011.

Overall, the construction industry in the County has been impacted by the economy consistent with other parts of the nation. Exhibit 10 shows that the number of total building permits increased in calendar year 2010 by 12.2% from the prior calendar year. However that's significantly lower than total building permits in calendar year 2008. Exhibit 11 presents new residential construction by type, which shows that new construction starts did not significantly change from calendar year 2009 to 2010. With regard to existing residential home sales, Charlotte has retained home values better than other parts of the Country. Home prices have seen a slight increase from 2010, with the average home value at \$216,399 at June 30, 2011.

**Exhibit 9:**



**Exhibit 10:**

**NUMBER AND VALUE OF BUILDING PERMITS  
Mecklenburg County, North Carolina  
Value (Millions)**

Calendar Year	Number of Building Permits	Residential	Non-Residential	Total
2010	12,968	\$ 529.3	\$ 7.19.3	\$ 1,248.6
2009	11,549	669.8	715.7	1,385.5
2008	16,243	1,473.1	2,240.2	3,713.3
2007	21,462	2,223.7	1,823.4	4,047.1
2006	24,250	2,709.5	1,560.9	4,270.4

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

**Exhibit 11:**

**NEW RESIDENTIAL CONSTRUCTION BY TYPE  
Mecklenburg County, North Carolina  
(Number of Units)**

Calendar Year	Single Family	Multi-Family	Total
2010	2,958	1,565	4,523
2009	2,224	2,302	4,526
2008	3,758	6,747	10,505
2007	7,494	6,306	13,800
2006	10,215	7,874	18,089

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 May 31, 2011, 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
10,000 to 19,999 Employees	Bank of America*
	Charlotte-Mecklenburg Schools*
	Wal-Mart Stores, Inc.
5,000 to 9,999 Employees	Adecco
	City of Charlotte*
	Duke Energy Corporation*
	Food Lion, Inc.
	Lowe's
	Presbyterian Regional Healthcare*
	State of North Carolina
	US Airways
	U.S. Postal Service
2,000 to 4,999 Employees	AT&T
	Belk, Inc.*
	Bi-Lo LLC
	Bojangles Restaurants, Inc.
	Carowinds
	Central Piedmont Community College
	Compass Group*
	Corestaff Services
	CVS Corp
	Family Dollar Stores, Inc.*
	FedEx Freight Corp
	Hilton
	Home Depot, Inc.
	IBM Corp
	Labor Ready, Inc.
	Mecklenburg County*
	Ruddick/Harris Teeter, Inc.*
	Target Stores
	TIAA-CREF
	Time Warner Cable
	UNC Charlotte
	United Parcel Service
	U.S. Government
Windstream Communications	
YMCA of Greater Charlotte	

**Education**

Public education in the County is provided by the Charlotte-Mecklenburg Schools, the 18<sup>th</sup> 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)					Number Enrolled	Percent ADM Enrolled	Number of Schools
	K-5	6-8	9-12	Special	Total			
2010-2011	67,435	29,737	35,194	1,808	134,174	135,638	98.9%	178
2009-2010	65,832	28,817	35,954	1,858	132,461	133,664	99.1%	176
2008-2009	65,609	29,243	33,968	2,049	130,869	134,060	97.6%	172
2007-2008	64,740	29,222	33,305	2,112	129,379	132,281	97.8%	165
2006-2007	62,881	28,056	34,621	1,842	127,400	129,011	98.8%	161

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 2011 school budget was approximately \$1.15 billion: 55.1% provided by the State, 26.3% by the County (mostly through property taxes) and 16.2% by the federal government. Approximately 82% of the budget is allocated to salaries and employee benefits. Most local funds are used to supplement regular State salaries, to hire extra teachers not provided for by the State and for operation and maintenance of school buildings.

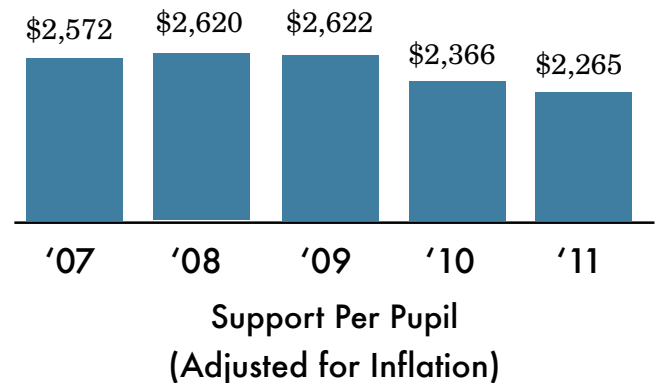
The fiscal year 2011 adopted budget included a \$302.2 million allocation from the County for operational expenses. In accordance with the N.C. General Statutes, the Board of Education must present its current expense and capital outlay budget requests to the County by May 30 each year. Appropriations to the Board of Education are discussed in the County's budget hearings and the approved amount for the schools is appropriated in the County's operating budget adopted by July 1.

For the 2010-2011 school year, the Board of Education operated 100 elementary schools, 36 middle schools

and 33 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 3,169, and an alternative school for students benefiting from additional attention received in a smaller classroom environment.

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 2011 current dollars using the Implicit Price Deflator Index.

**Exhibit 14:**



## Facts and Information

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 2010-2011 school year, the portion of local education funds budgeted to be redirected to the eleven charter schools operating in the County was \$14.8 million for an enrollment totaling more than 6,939 students.

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.

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

**Exhibit 15:**

	Fall 2011 Enrollment		Fall 2010 Enrollment	
	Students	Faculty <sup>1</sup>	Students	Faculty <sup>1</sup>
University of North Carolina at Charlotte	25,277	n/a	25,064	1,322
Central Piedmont Community College	20,110	872	20,176	886
Johnson & Wales University	2,536	115	2,603	112
Queens University of Charlotte	n/a	n/a	2,300	103
Pfeiffer University - Charlotte Campus	1,026	77	2,019	87
Davidson College	1,756	176	1,756	177
Johnson C. Smith University	1,543	148	1,332	320
Wingate University - Metro College	430	35	1,128	35
The Art Institute of Charlotte	982	69	982	69
Charlotte School of Law	1,159	82	813	68
Kings College	548	24	665	24
EPCI College of Technology	775	40	620	48
Gordon-Conwell Theological Seminary	542	56	542	56
Carolina College of Health Sciences	426	54	484	60
Montreat College	208	54	422	66
Gardner-Webb University - Charlotte Center	276	26	321	24
Brookstone College of Business	402	12	235	13
Reformed Theological Seminary	214	19	214	19
Wake Forest University- School of Business	161	42	175	8
Lee University	150	13	145	14
Union-PSCE at Charlotte	67	8	77	9
New Life Theological Seminary	147	38	60	15

<sup>1</sup>Includes part-time instructors. Source: Individual Institutions



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. CPCC received \$23.9 million from the County in fiscal year 2011. 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.

## Medical

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

## Cultural and Recreational Activities

Theater, art and music offerings abound throughout the County. Spirit Square and Discovery Place offer unique ways to discover and participate in the arts and sciences. The Mint Museum of Art, the Knight

Theater, the Bechtler Museum of Modern Art and the Harvey Gantt Center form the new Arts Campus in uptown Charlotte offering an array of visual arts and bringing special exhibitions to the County. The North Carolina Blumenthal Center for the Performing Arts showcases the best in opera, chorus, symphony, 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, Carowinds Palladium and North Carolina Music Factory draw thousands for musical entertainment. The Festival in the Park is an annual event featuring arts, crafts, food and music for the entire family. The Carowinds theme park is also a popular destination for tourists seeking family entertainment. The diverse assortment of recreational and cultural activities helps make the County the most popular tourist destination in the State.

The County offers practically any sport or recreational endeavor one would like to pursue. Recreational pleasures can be enjoyed at any of the County's parks or one of its five public golf courses. County park facilities include tennis courts, swimming pools, spray grounds, community centers, 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 offers water activities and is the official home of the U.S. Kayak Team.

**Exhibit 16:**

Hospital	Number of Licensed Beds
Presbyterian Hospital <sup>2</sup>	607
Carolinas Medical Center <sup>1</sup>	574
Levine Children's Hospital <sup>1</sup>	234
Carolinas Medical - Mercy <sup>1</sup>	169
Presbyterian Orthopedic Hospital <sup>2</sup>	156
Carolinas Medical - University <sup>1</sup>	130
Carolinas Medical - Pineville <sup>1</sup>	125
Carolinas Rehabilitation <sup>1</sup>	119
Presbyterian - Matthews <sup>2</sup>	117
Carolinas Medical Center - Randolph <sup>1</sup>	66
Presbyterian - Huntersville <sup>2</sup>	60
Carolinas Speciality Hospital	40

<sup>1</sup> Part of Carolinas Healthcare System

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

Source: Charlotte Chamber of Commerce

## Facts and Information

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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. 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 Bank of America 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. 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

American Hockey League team affiliated with the National Hockey League's New York Rangers. The Wells Fargo Championship golf tournament is held at the Quail Hollow Country Club each May.

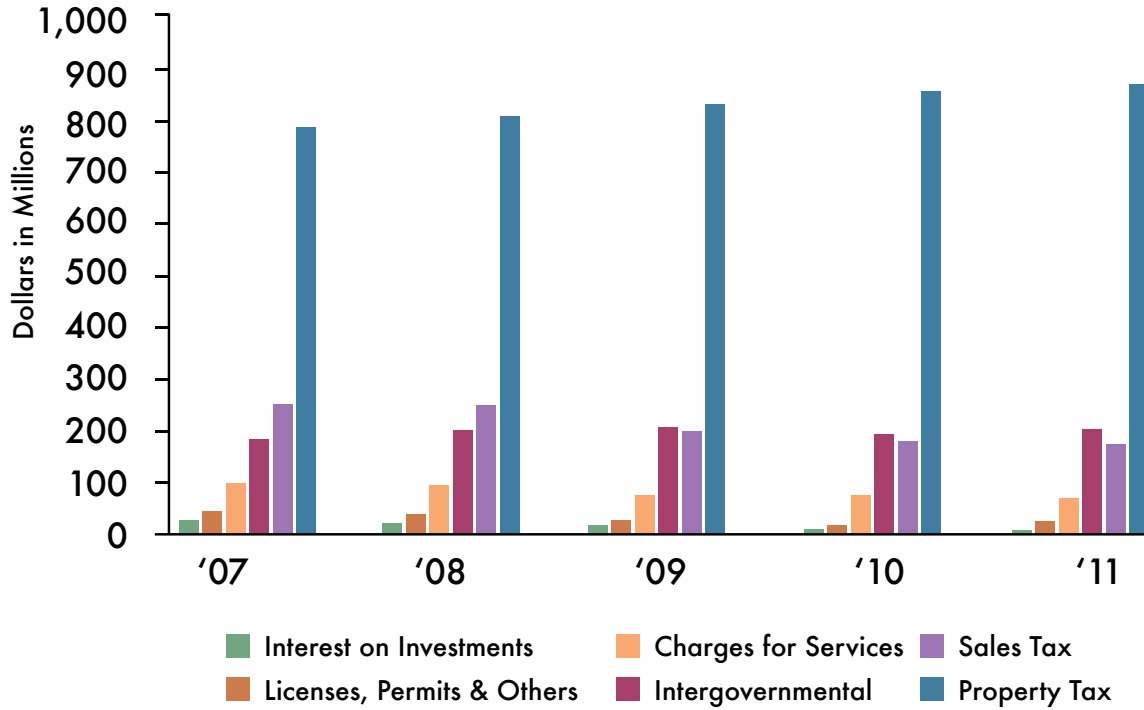
### Summary

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

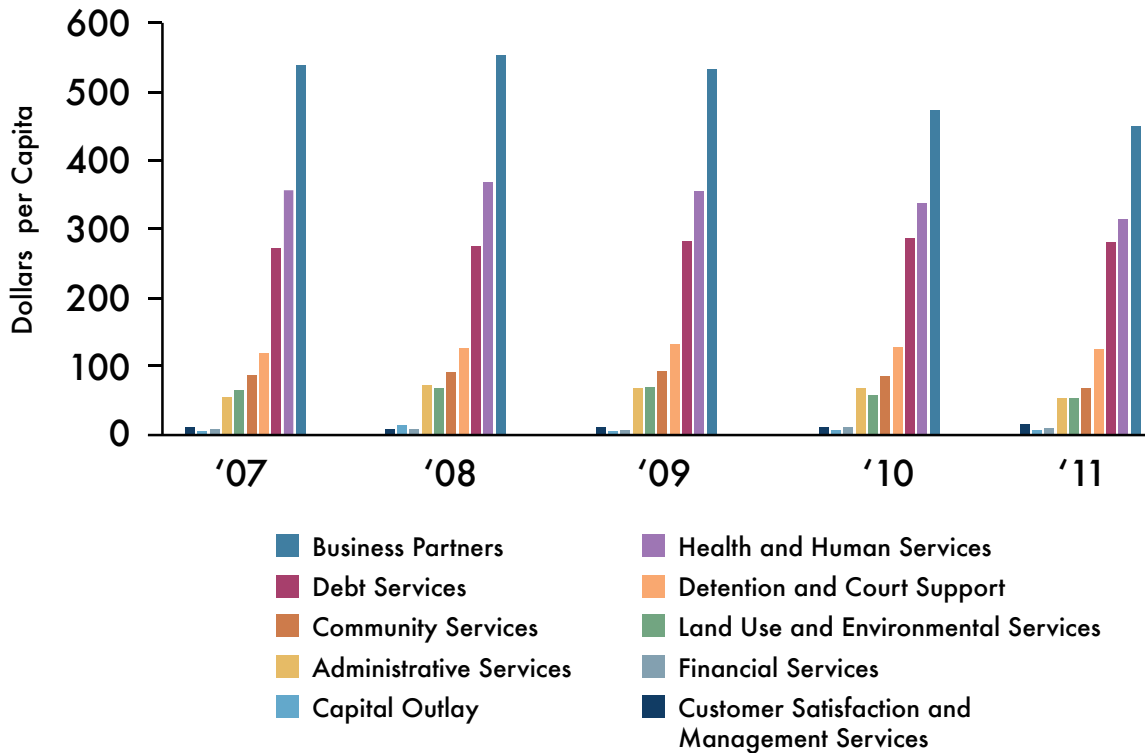


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**Exhibit 1:**



**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 2007 through 2011. 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 2011 dollar.

## Revenues

Property taxes are the most significant source of revenue during the five-year period presented by Exhibit 1. Approximately 64.2% of total revenue in fiscal year 2011 came from property taxes, which is greater than the five year average contribution to total revenue of 60.4%. Property tax revenues increased 14.8% over the five year period from fiscal year 2007 to fiscal year 2011. Fiscal year 2007, the tax rate was reduced by 1.79 cents per \$100 of assessed valuation to 81.89 cents, due to increased tax base, which resulted in property tax revenues adequate to meet service needs 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, to provide the necessary funds for debt service, and to continue providing the many services to the County's expanding population. The \$34.6 million increase in property tax revenues between fiscal year 2009 and fiscal year 2011 is due to increases in assessed valuation as the tax rate remained constant.

Intergovernmental revenues fluctuate with the level of funds received by the state and federal governments. For the five years presented, intergovernmental revenues have contributed between a low of 13.3% in fiscal year 2007 to the 15.1% 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. In fiscal year 2010 intergovernmental revenues contributed 14.7%, and 15.2% in 2011.

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 2007 and

2008, the County's governmental funds experienced increases in sales tax revenues, from \$244.4 million in fiscal year 2007 to \$247.6 million in fiscal year 2008. The County experienced a \$68.8 million drop in sales tax revenues from fiscal year 2008 through fiscal year 2011. This is due in part to the State of North Carolina retaining a one half cent sales tax to offset the cost of Medicaid and the balance due to retail sales declining as the economy slowed. The contribution to total governmental revenues was 13.2% for fiscal year 2011 as compared to 13.9% for fiscal year 2010.

The percentage of charges for services to total revenue has seen a gradual decline from 6.9% in fiscal year 2007 to 5.2% in fiscal year 2011. For fiscal years 2007 through 2008, the percent of total revenues changed due to the significance of the other revenue categories. For fiscal years 2009 through 2011, the reductions resulted from reduced 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 three years.

Similarly licenses, permit and other revenues contributed average 2.6% to total revenues for fiscal years 2007 through 2009. For fiscal year 2010, the contribution to total revenue dropped to 1.7% and then, grew slightly to 1.9% in fiscal year 2011. This category includes all construction and inspection permit revenues that continue to be affected by the significant downturn in the building trades.

Interest on investments for fiscal year 2011 declined 82.8% from 2009 reflecting the decline in interest rates. Over the five year period investment earnings contributed 2.0% for fiscal year 2007, then declined to 1.7% in fiscal year 2008, 1.3% in fiscal year 2009, .3% in fiscal year 2010, and contributed .2% in 2011.

## Expenditures

### Customer Satisfaction and Management Services

This service area includes the Board of County Commissioners, Manager's Office, and Public Service and Information. It represents .7% of total expenditures for governmental activities for fiscal years 2007 through 2009, increasing to .8% in 2010, and 1.2% in 2011. Inflation adjusted expenditures on a per capita basis for this service area were \$10.77 in fiscal year 2007 and remaining at that level through fiscal year 2010 reflecting a consistent level of spending in this

## Five Year Trends

area from year to year and minimal impact from changes in inflation and population growth. In fiscal year 2011, the County experienced an increase in expenditures per capita basis of \$15.77.

### Land Use and Environmental Services

Land Use and Environmental Services remained steady at 4.4% of expenditures for governmental activities for fiscal years 2007 through 2008 increasing to 4.5% of total expenditures in fiscal year 2009, declining to 4.0% of governmental expenditures in fiscal year 2010, and 4.1% in 2011. Code Enforcement, Storm Water, Property Assessment and Land Records, Environmental Protection and Environmental Health, plus the Register of Deeds comprise this service area which has been affected significantly by the downturn in the construction industry. During the last five years inflation adjusted cost per capita increased from \$65.92 for fiscal year 2007 to \$69.59 for fiscal year 2009 then decreased to \$58.16 in fiscal year 2010, with a slight decrease in 2011 to \$55.53. These expenditure changes reflected a strong construction industry that flourished in the County through fiscal year 2009. For fiscal year 2010, code enforcement and building inspections needs dropped and consequently these areas reduced spending.

### Community Services

Community Services includes Park and Recreation, Elections, the Public Library of Charlotte and Mecklenburg County, Child Support Enforcement and Community Support Services. Community Services represents 5.0% of total expenditures for governmental activities in fiscal year 2011, .9% lower

than the prior year. For fiscal years 2007 through 2011 cost per capita for this service area has ranged from a high of \$92.39 in fiscal year 2009 to \$67.94 in the current year, with an average of \$83.86 for the five year period. The decrease in per capita expenditures reflects the overall economic atmosphere that caused county departments to reduce spending in fiscal year 2010 and continuing in 2011. There are fewer park and recreation programs, fewer library costs and library closings plus other community support service costs cut to meet the County's reduced spending.

### 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 \$293.4 million in fiscal year 2007 to \$304.1 million in fiscal year 2010. Fiscal year 2011 spending dropped to \$287.6 million as all departments were required to reduce spending. As a percent of total expenditures, this functional area has dropped from 23.4% in fiscal year 2007 to 22.6% of total expenditures for governmental activities in fiscal year 2011, as other functional areas have grown more. Inflation-adjusted expenditures in Health and Human Services on a per capita basis have declined from \$349.63 in fiscal year 2007 to \$306.57 in fiscal year 2011, reflecting reduce spending as well as the 11.3% growth in population during the period. Exhibit 2 excludes federal and state benefit payments made directly by the State to County social services clients.



## 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 increased from 7.9% of expenditures for fiscal year 2007 to 8.9% of governmental activities for fiscal year 2011, and expenditures have increased 14.0% during this period, resulting primarily from growth of jail operations. Detention and Court Support Services inflation-adjusted expenditures on a per capita basis have increased from \$118.61 in fiscal 2007 to \$121.01 in fiscal year 2011 as the costs of activities in this service area 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. Administrative Services represent 4.0% of expenditures for governmental activities. The cost per capita slightly decreased from \$54.67 in fiscal year 2007 to \$54.64 in fiscal year 2011. The increase in earlier years was partially due to administrative services and human resources, which includes funding for the post employment health benefits annual required contribution to comply with GASB Statement 45.

## Financial Services

Resource management is the focus of this service area that consists of Finance and Tax Collection. Expenditures for this service area represent .6% of expenditures for governmental activities in fiscal years 2007 then grew to .7% in fiscal years 2008 through 2010, increasing to .8% in 2011. Expenditures increased from \$7.4 million in fiscal year 2007 to \$9.6 million in fiscal year 2011, with \$1.9 million of the difference occurring between fiscal years 2007 and 2008. The difference reflects costs related to implementing a new tax billing and collection system. Expenditures per capita increased from \$8.81 in fiscal year 2007 to \$10.20 in fiscal year 2011 reflecting the effect of inflation and population growth on the increase in expenditures.

## Business Partners

Allocations and appropriations to other governmental entities and joint governmental activities are included in this service area that represents 32.6% of expenditures for governmental activities. Primary recipients of County funding are the Charlotte-Mecklenburg Schools, Central Piedmont Community College, 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 \$326.7 million in fiscal year 2007 to \$351.5 million in fiscal year 2009 due to providing additional support to the schools for increased student enrollment. School expenditures were reduced in fiscal year 2010 and again in 2011 in accordance with the decreases in county revenues. Business Partners expenditures have decreased from \$444.1 million in 2007 to \$413.8 million in fiscal year 2011. The per capita expenditures for the five year period have decreased from \$529.22 in fiscal year 2007 to \$441.18 in fiscal year 2011, as the expenditures are spread over a 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 Public Library, increased from \$224.1 million in fiscal year 2007 to \$257.2 million in fiscal year 2011 as new debt was added, primarily to meet the construction needs of the school system and CPCC. Debt service as a percent of total governmental expenditures has increased from 17.9% in fiscal year 2007 to 20.3% in fiscal year 2011, reflecting increases in debt issuance from fiscal years 2007 through 2009 and budget reductions in fiscal years 2010 and 2011. These increases are also reflected in the debt service expenditures per capita of \$267.08 in fiscal year 2007 and \$274.26 in fiscal year 2011.

## Board of County Commissioners



**Jennifer Roberts**  
*Chairman  
At-Large*



**Jim Pendergraph**  
*Vice-Chairman  
At-Large*



**Harold Cogdell, Jr.**  
*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*



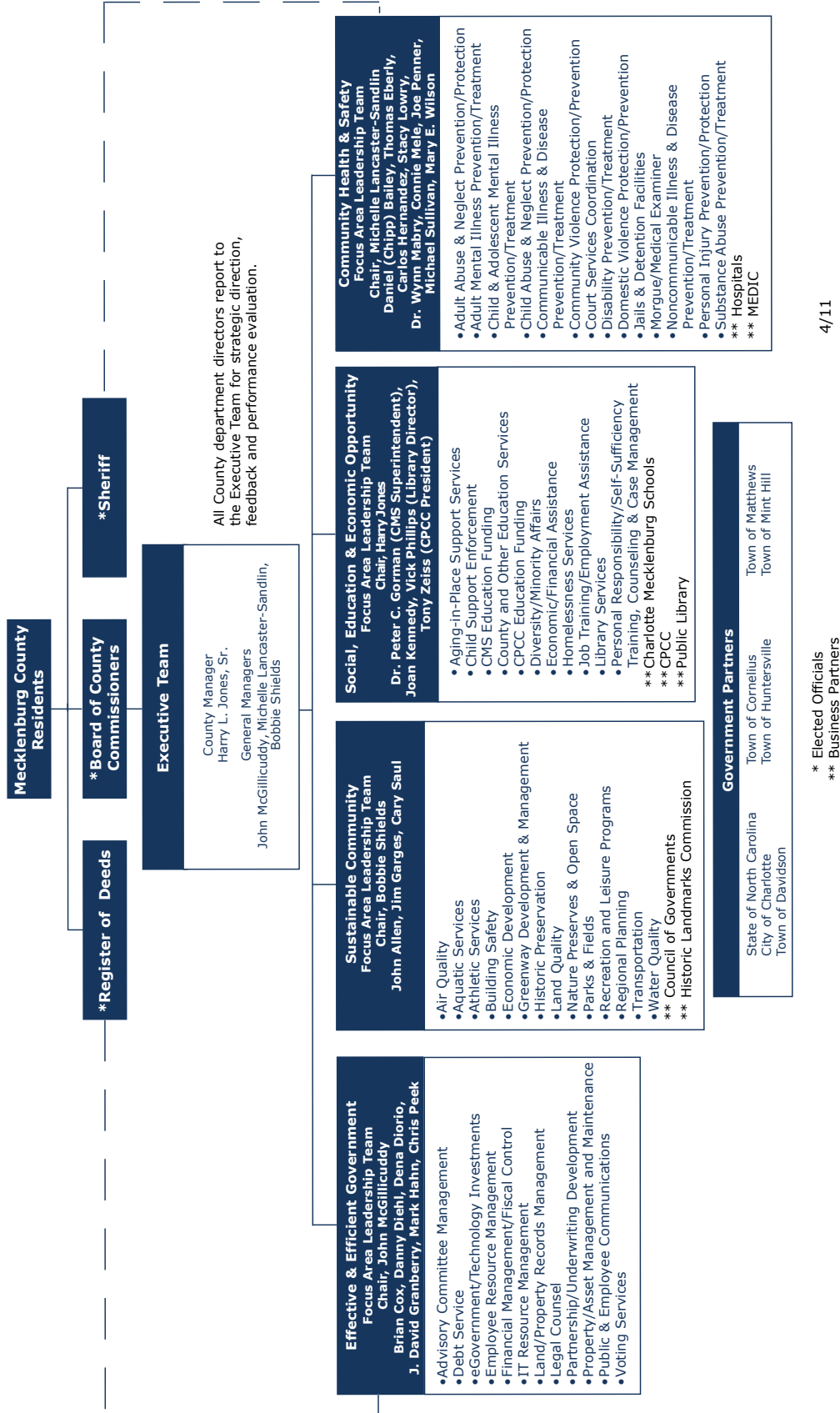
**Harry L. Jones, Sr.**  
*County Manager*



**Dena R. Diorio**  
*Director of Finance*



## Mecklenburg County Organizational Structure 2011-2012



# 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, 2010

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 stylized, handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director



Mecklenburg County  
Finance Department

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# 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, 2011, 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 these 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. 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.

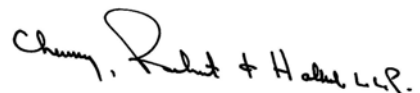
In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows 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 November 7, 2011, on our consideration of the County's internal control over financial reporting and 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information as listed in the accompanying Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The Introductory Section, Combining and Individual Fund Financial Statements, and Statistical Section, are presented for purposes of additional analysis and are not a required part of the financial statements. The Combining and Individual Fund Financial Statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole. The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

A handwritten signature in black ink that reads "Cherry, Bekaert & Holland, L.L.P." in a cursive, slightly slanted script.

Raleigh, North Carolina  
November 7, 2011

## 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, 2011 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, the Public Library of Charlotte and Mecklenburg County, 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, 2011, the Statement of Activities reflects an increase in net assets of \$193.2 million as compared to an increase in net assets in the prior year of \$62.3 million, resulting from a 9.2% decrease in operating expenses which offset an increase of .8% in revenues, both program and general.
- The governmental funds total fund balances increased by \$44.0 million from the prior year total ending fund balance of \$420.3 million. The increase is the result of higher than expected revenues, in property tax, sales tax, construction permits, investment income, and a decrease in charges for services. Of the \$464.2 million of governmental fund balances, total fund balance of \$254.1 million is available for future years' spending as unassigned fund balance.
- The unassigned fund balance of the General Fund at June 30, 2011 is \$271.1 million, which represents 26.0% of fiscal year 2012 budgeted General Fund expenditures or 76.5 days of operating balances.

## 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



# Management's Discussion and Analysis

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; seven 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 sixteen 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 is presented individually on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances, because it 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, 2011 and 2010:

### NET ASSETS (DEFICIT) (in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
<b>Assets</b>						
Current and other assets	\$ 623,942	\$ 584,071	\$ 32,152	\$ 27,915	\$ 656,094	\$ 611,986
Capital assets, net	979,834	991,727	50,822	52,087	1,030,656	1,043,814
<b>Total Assets</b>	<b>1,603,776</b>	<b>1,575,798</b>	<b>82,974</b>	<b>80,002</b>	<b>1,686,750</b>	<b>1,655,800</b>
<b>Liabilities</b>						
Current and other liabilities	79,902	76,219	662	863	80,564	77,082
Long-term liabilities						
Due within one year	187,338	188,270	1,004	1,242	188,342	189,512
Due after one year	1,903,728	2,067,563	9,381	10,101	1,913,109	2,077,664
<b>Total Liabilities</b>	<b>2,170,968</b>	<b>2,332,052</b>	<b>11,047</b>	<b>12,206</b>	<b>2,182,015</b>	<b>2,344,258</b>
<b>Net Assets (Deficit)</b>						
Invested in capital assets, net of related debt	499,386	463,346	49,670	49,923	549,056	513,269
Restricted	139,415	163,883	8,425	8,375	147,840	172,258
Unrestricted (Deficit)	(1,205,993)	(1,383,483)	13,832	9,498	(1,192,161)	(1,373,985)
<b>Total Net Assets (Deficit)</b>	<b>\$ (567,192)</b>	<b>\$ (756,254)</b>	<b>\$ 71,927</b>	<b>\$ 67,796</b>	<b>\$ (495,265)</b>	<b>\$ (688,458)</b>

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 \$1.4 billion at June 30, 2011, 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 decreased from \$688.5 million to \$495.3 million, a change of 28.1% resulting from a total assets increase of 1.9% while total liabilities decreased 6.9% and the contribution to net assets from revenues and expenditures increased from

a gain of \$62.3 million at June 30, 2010 to \$193.2 million at June 30, 2011. These changes relate to monitoring spending due to reduced revenues resulting from 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 \$513.3 million at June 30, 2010 to \$549.1 million at June 30, 2011. This increase is due the reduction in debt. In 2011, the County did not issue new debt and retired some existing debt. Capital assets include land, buildings, vehicles, equipment, computer equipment and other machinery used in providing services to residents. Also, net assets of \$172.3 million at June 30, 2010 and \$147.8 million at June 30, 2011 represent resources that are subject to external restrictions on how they may be used. The decrease in the deficit unrestricted net assets is the result of the increase in assets and the increase 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.

# Management's Discussion and Analysis

The County experienced an addition to net assets this year, as indicated in the following table of changes in net assets for the year ended June 30, 2011, with comparison to the prior year, for both governmental and business-type activities. Note 5 to the Basic Financial Statements explains in detail the capital asset activities for year ended June 30, 2011.

## CHANGES IN NET ASSETS (DEFICIT) (in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
<b>REVENUES</b>						
Program Revenues:						
Charges for services	\$ 90,131	\$ 92,772	\$ 12,350	\$ 12,087	\$ 102,481	\$ 104,859
Operating grants and contributions	204,812	197,617	-	-	204,812	197,617
Capital grants and contributions	2,576	1,756	64	15	2,640	1,771
General Revenues:						
Property taxes	862,727	851,334	-	-	862,727	851,334
Sales taxes	178,706	186,766	-	-	178,706	186,766
Other taxes	10,383	9,379	-	-	10,383	9,379
Investment income	3,052	4,068	238	305	3,290	4,373
Other	323	556	4,752	2,073	5,075	2,629
<b>TOTAL REVENUES</b>	<b>1,352,710</b>	<b>1,344,248</b>	<b>17,404</b>	<b>14,480</b>	<b>1,370,114</b>	<b>1,358,728</b>
<b>EXPENSES</b>						
Program Expenses:						
Customer Satisfaction and Management Services	14,829	10,391	-	-	14,829	10,391
Administrative Services	66,878	43,719	-	-	66,878	43,719
Financial Services	14,865	16,659	-	-	14,865	16,659
Land Use and Environmental Services	50,518	50,748	-	-	50,518	50,748
Community Services	74,659	81,446	-	-	74,659	81,446
Detention and Court Support Services	127,614	128,871	-	-	127,614	128,871
Health and Human Services	290,065	305,754	-	-	290,065	305,754
Business Partners	441,256	559,631	-	-	441,256	559,631
Interest Expense	82,964	86,266	-	-	82,964	86,266
Solid Waste Operations	-	-	13,273	12,971	13,273	12,971
<b>TOTAL EXPENSES</b>	<b>1,163,648</b>	<b>1,283,485</b>	<b>13,273</b>	<b>12,971</b>	<b>1,176,921</b>	<b>1,296,456</b>
<b>EXCESS IN NET ASSETS</b>	<b>189,062</b>	<b>60,763</b>	<b>4,131</b>	<b>1,509</b>	<b>193,193</b>	<b>62,272</b>
<b>NET ASSETS (DEFICIT)</b>						
Beginning of year, as previously reported	(756,254)	(824,521)	67,796	66,287	(688,458)	(758,234)
Prior period adjustment	-	7,504	-	-	-	7,504
<b>End of year</b>	<b>\$ (567,192)</b>	<b>\$ (756,254)</b>	<b>\$ 71,927</b>	<b>\$ 67,796</b>	<b>\$ (495,265)</b>	<b>\$ (688,458)</b>

## Governmental-Type Activities

Program revenues covered 23.5% of County expenses at June 30, 2010 and 25.4% at June 30, 2011, with general revenues covering the balance of expenses. The change in net assets for the year ended June 30, 2011 results from reductions in spending that exceed reductions in revenue – primarily sales taxes, charges for services and investment income. Property tax revenues increased \$11.4 million (1.3%) 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 \$8.1 million (4.3%) from fiscal year 2010 reflecting the recapture of sales tax revenue by the State of North Carolina. Investment income decreased \$1.0 million (25.0%) from the year ended June 30, 2010 due to the decline in rates in the investment market as well as a decline in cash available for investment. Charges to users of County services generated revenues that supported 7.8% of County governmental operations for fiscal 2011 and 7.2% for fiscal year 2010. The County continued its strategy to secure a maximum amount of grant funds provided by state and federal agencies. Revenues from grants increased \$8 million (4.0%) in fiscal year 2011. The County covered 17.8% of expenses with grant revenues in fiscal year 2011 and 15.5% in fiscal year 2010.

## 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 residential unit, land fill tipping fees for residential waste are \$26.50 per ton for fiscal year 2011, reflecting a .50 increase over fiscal year 2010 and a fee of \$39 per ton charge for commercial waste, disposal fees and recycling sales. The business-type activity contributed 1.3% to the primary government's total revenue for fiscal year 2011 and 1.1% for the fiscal year 2010. Change in net assets, also considered income, increased \$2.6 million from the prior year's \$1.5 million primarily due to operating income being higher as a direct result of single stream recycling which began July 1, 2010. The \$4.1 million was retained by the activity for its future operations.

## Financial Analysis Of The County's Funds

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

## GOVERNMENTAL FUNDS

Governmental funds focus on the inflows and outflows of current financial resources and measure the change in net spendable resources during the year. Such information is useful in assessing the County's financing requirements. In particular, committed, assigned, and unassigned fund balance may serve as a useful measure of net resources available for spending at the end of the year. The County's governmental fund types include the General Fund, 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 \$372.6 million, of which \$98.5 million is restricted for Stabilization by State Statute, \$970,000 is committed for Detention and Court Support Services, \$1.8 million is assigned for Land Use and Environmental Services and Detention and Court Support Services, and \$271 million is unassigned. The General Fund total revenues were more than budget by \$11.5 million, and revenues exceeded expenditures by \$41.7 million, as explained more fully below.

Revenues for the General Fund increased \$4.1 million, or .3% from fiscal 2010:

- Property tax revenues increased 1.1% from the prior year. For 2011, the collection rates were consistent with the prior year. Current year collections represented 97.8% of the current year levy, while total tax collections represented 97.8% of the current year's tax levy.
- Sales tax revenues reported in the General Fund were \$147.6 million, a decrease of \$5.5 million from fiscal year 2010, reflecting recapture of sales tax revenue by the state of North Carolina.
- Intergovernmental revenues totaled \$196.4 million as compared to \$194 million for fiscal year 2010. The change in revenue levels results from an increase in grant funding. State and federal grant funds supported 177 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 9.4% from the prior year. Licenses and permit fees increased \$1.8 million (14.4%) from the prior year. Charges for services is reduced due to

# Management's Discussion and Analysis

changes in how mental health services are billed.

- Interest earned on investments declined 25.0% from the amount received in fiscal year 2010, to \$2.9 million. The decline results from a decline in interest rates and reduced cash available for investment. The County follows sound investment practices and strives to maximize invested balances and interest earnings within the parameters of allowable investment vehicles.

**Exhibit 1:**

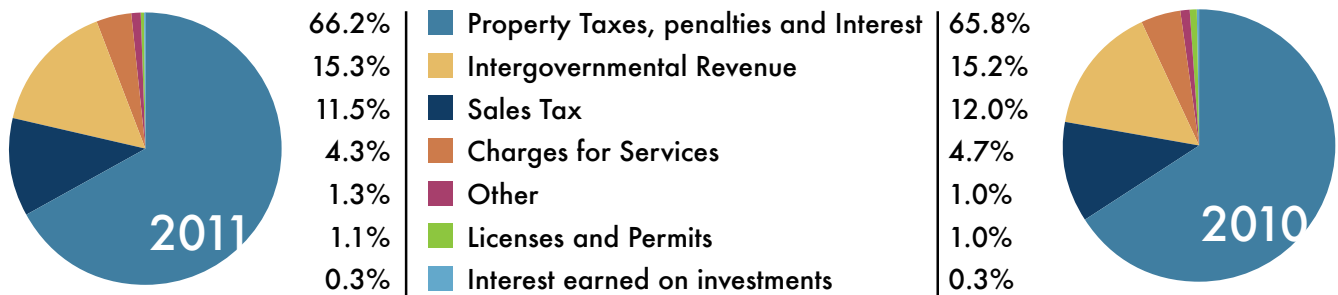
## GRANT PROGRAMS All Funds

Program Category	Number	Revenue (millions)
Social Services	64	\$116.1
Mental Health	23	49.6
Health	37	31.3
Other	53	36.2
<b>Total</b>	<b>177</b>	<b>\$233.2</b>

The composition of the General Fund revenue dollar for fiscal years 2011 and 2010 are illustrated in Exhibit 2.

**Exhibit 2:**

### Revenue Sources - Fiscal Year



General Fund expenditures decreased \$54.9 million (4.4%) 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 2011 represents a refocus on the County's core services. The fiscal year 2011 General Fund adopted budget reflected a 5.2% decrease from the fiscal year 2010 budget. For some functional areas, such as Administrative Services and Financial Services, expenditures remained comparable to the prior year. Minimal reductions occurred between years in needed service areas such as Health and Human Services (4.0% decrease) and Detention and Court Support Services, specifically the Sheriff's office (1.6% decrease). Other functional areas, particularly Land Use and Environmental Services, that were impacted by the construction industry, had significant reductions (15.7%). Similarly Community Services, which includes Parks and Recreation (35.0%) and the Public Library of Charlotte and Mecklenburg County, decreased 45.8% from the prior year.

Debt service, which has two components, decreased by \$1.6 million over fiscal year 2010. General debt service, which covers the capital needs of the County, primarily libraries, courts and parks and recreation, decreased \$11.6 million from the prior year. The second component, debt service related to education, both for the Charlotte-Mecklenburg schools and Central Piedmont Community College, increased \$10.1 million, reflecting the continued 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. Similar to County departments, each of these areas experienced reductions in fiscal year 2011. Charlotte-Mecklenburg Schools and Central Piedmont Community College expenditures comprise 61.6% of Business Partners expenditures. Funds for the current operations of the Charlotte-Mecklenburg Schools were \$307.2 million, \$9.1 million less than the amount allocated for fiscal year 2010. Funding to Central Piedmont Community College was \$23.9 million, a decrease of .4%. These changes, plus adjustments to other outside agencies resulted in an overall decrease in expenditures to Business Partners of \$1.9 million from fiscal year 2010.

### Special Revenue Funds

Total revenues for the seven Special Revenue Funds increased \$4.4 million (6.8%) from the prior year. The change in revenue is primarily attributable to

the following: \$1.4 million increase in law enforcement service district taxes; Intergovernmental revenues related to storm water grants increased \$5.6 million; a decrease in the Transit One-Half Cent Sales Tax of \$2.5 million and a decline in other revenues of \$.2 million.

### Capital Projects Funds

More than half of each year's expenditures are for construction, renovations and improvements to school facilities. The decrease in expenditures of 72.6% between years results from the County's focus on completing projects and not adding new capital projects. 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, as well as pay-as-you-go annual funding appropriated in the adopted budget.

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

### GENERAL FUND BUDGET HIGHLIGHTS

The County's annual balanced budget is prepared on the modified accrual basis of accounting in accordance with the Budget & Fiscal Control Act of the North Carolina General Statutes, and includes all appropriations required for debt service. The General Fund is the most significant fund budgeted.

Statutory provisions allow the budget to be amended during the year. The County Manager or 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 throughout the year. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments

# Management's Discussion and Analysis

made to recognize new funding amounts from external sources, primarily Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Amendments adopted during the year increased the overall general fund budget \$19.1 million primarily for increases to grant funded activities.

General Fund revenues were more than final budget by \$10.7 million (.8%) reflecting increased property tax collections (\$11.6 million) and sales tax distributions (\$8.5 million), and intergovernmental revenues less than budget (\$11.1 million). In addition, a shortfall in charges for services (\$2.3 million), resulted primarily from changes in how certain mental health services are paid.

General Fund expenditures were under budget \$94.3 million, a variance of 7.3% from the final budget. This results from departments and business partners reduced spending as well as encumbrances remaining outstanding at June 30, 2011, as these amounts are not included in the GAAP actual numbers. Some variances, such as Health and Human Services (\$40.8 million), include varied grants where program spending did not reach expected levels; Land Use and Environmental Services expenditures varied \$6.5 million from budget as operations slowed in the light of the limited business related to the construction industry.

## CAPITAL ASSETS

The County's investment in capital assets, net of accumulated depreciation, for governmental and

business-type activities at June 30, 2011 totals \$1.0 billion. Capital assets include land, land improvements, buildings and improvements, vehicles and heavy equipment, furniture, machinery, and other equipment, antiques and artifacts, computer equipment and construction in progress. Capital assets are reported in the government-wide financial statements and in the enterprise fund financial statements. Governmental funds treat capital acquisitions as expenditures in the period in which they are purchased. The investment in capital assets, net of accumulated depreciation, decreased 1.2% from last year for governmental activities and the business-type activities investment in capital assets, net of accumulated depreciation, decreased 2.4%. The change in governmental activities assets results from: 1) the acquisition of land for future use totaling \$7.5 million; 2) a net decrease to construction in progress totaling \$17.5 million as buildings were completed and transferred to assets; 3) a decrease to buildings and improvements of \$17.5 million; 4) and an increase to land improvements of \$17.1 million. The change in vehicles and heavy equipment results from the disposal of assets, while the decrease in furniture, machinery and equipment results from the net change of adding and disposing of items. The \$1.3 million decrease in business-type activities (enterprise fund) is the result of an increase in buildings and improvements (\$2.7 million) as well as furniture, machinery and equipment (\$3.2 million) and a decrease in construction in progress (\$7.0 million) plus the effect of depreciation for activities

## CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION

(in thousands)

Description	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 427,419	\$ 419,898	\$ 28,688	\$ 28,568	\$ 456,107	\$ 448,466
Construction in progress	56,100	73,568	1,160	8,200	57,260	81,768
Land Improvements	35,821	18,676	7,713	7,410	43,534	26,086
Buildings and Improvements	440,144	457,611	6,788	4,074	446,932	461,685
Vehicles and Heavy Equipment	7,539	8,998	1,828	2,410	9,367	11,408
Furniture, Machinery and Equipment	5,106	5,790	4,645	1,425	9,751	7,215
Computer Software	7,705	7,186	-	-	7,705	7,186
<b>Total</b>	<b>\$ 979,834</b>	<b>\$ 991,727</b>	<b>\$ 50,822</b>	<b>\$ 52,087</b>	<b>\$ 1,030,656</b>	<b>\$ 1,043,814</b>

at the landfill. Note 5 to the Basic Financial Statements explains in detail the capital asset activities for the year ended June 30, 2011.

## DEBT ADMINISTRATION

The County issues general obligation bonds to fund the acquisition and construction of major capital facilities for the County, schools, community college and library. General obligation bonds are direct obligations and pledge the full faith and credit of the County. The County also issues certificates of participation and limited obligation bonds to provide funding for school, library, community college, and County capital needs. At June 30, 2011 and 2010, general obligation bonds and certificates of participation consisted of:

## GENERAL OBLIGATION BONDS AND INSTALLMENT FINANCINGS

(in thousands)

Description	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Public Improvement Bonds	\$ 1,427,884	\$ 1,567,343	\$ 606	\$ 1,186	\$ 1,428,490	\$ 1,568,529
Installment Financings	488,670	522,085	-	-	488,670	522,085

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 \$1,522, a decrease of 11.2% from the prior year which results from a reduction in bonds payable and spreading the outstanding debt over a 2.0% increase in County population. The County's net bonded debt is 1.4% of assessed valuation, well below the 8.0% of assessed valuation legal debt limit of \$5.9 billion, authorized by N.C. General Statute Chapter 159. See Exhibit 5.

The County's strong financial management continues to insure a strong financial position and enabled the County to maintain its 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

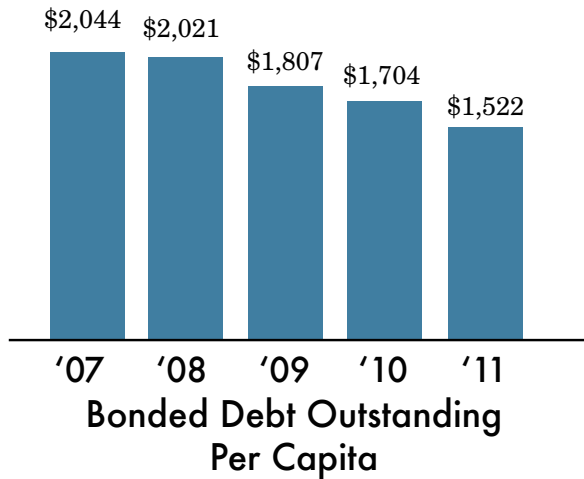
a few communities in the nation. As a result of this rating, the County has obtained some of the lowest interest rates available to governmental agencies when issuing bonds, certificates of participation and limited obligation bonds. Note 8 to the Basic Financial Statements explains in detail the debt activities for the year ended June 30, 2011.

## OTHER POSTEMPLOYMENT BENEFITS

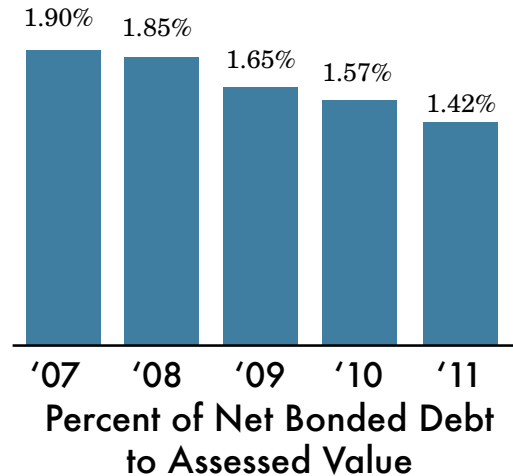
The County reports the annual cost and future obligations and commitments for other post employment benefits (OPEB) in accordance with the requirements of Governmental Accounting Standards Board Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions (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 2012 and 2011. The County funded \$6.8 million of the annual required contribution of \$32.3 million at June 30, 2011, resulting in an increase in the OPEB liability in the entity-wide statements.



**Exhibit 4:**



**Exhibit 5:**



## OUTLOOK FOR THE NEXT YEAR

The Board approved a \$1.4 billion annual budget for fiscal year 2012. The adopted budget reflects a 2.6% increase (\$35.5 million) over the fiscal year 2011 as revenues have stabilized. The 2011 tax rate is 81.66 cents per \$100 of assessed valuation, a 2.21 cent decrease from the fiscal year 2011 countywide property tax rate of 83.87 cents. In 2011, for the first time in eight years, the County underwent property reevaluation, which offers the opportunity to collect additional revenue in fiscal year 2012 to make strategic investments in the future success of Mecklenburg County.

The County has identified Critical Success Factors for achieving goals and as well as establishing funding priorities for the fiscal year 2012. These Critical Success Factors are education funding, operational excellence; reinvestment in County employees; fiscal discipline; and sustainability and affordability.

Major funding decisions by Critical Success Factors as compared to the fiscal year 2011 are:

- Debt Service, funded at 99.1% of the fiscal year 2011 budget
- Charlotte-Mecklenburg Schools, funded at 108.7% of the fiscal year 2011 budget
- Central Piedmont Community College funded at 106.3% of the fiscal year 2011 budget

## 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.



A - 1  
MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF NET ASSETS (DEFICIT)  
JUNE 30, 2011

	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	
<b>ASSETS</b>							
Cash and investments	\$ 456,850,259	\$ 31,322,830	\$ 488,173,089	\$ 10,181,030	\$ 15,472,772	\$ 8,633,362	
Receivables, net	123,391,910	545,269	123,937,179	251,892	6,657,257	8,315	
Due from other governmental agencies	-	-	-	87,985	-	-	
Advances to other government agencies	39,897	-	39,897	-	-	-	
Prepaid expenses	-	-	-	165,628	19,555	303,099	
Inventories	4,960	-	4,960	-	-	5,996,235	
Restricted assets	-	284,263	284,263	-	-	-	
Deferred charges	15,476,726	-	15,476,726	-	-	-	
Accumulated decrease in interest rate swaps	28,178,048	-	28,178,048	-	-	-	
Capital assets							
Land	427,419,233	28,687,608	456,106,841	13,765,095	-	4,901,873	
Construction in progress	56,100,202	1,160,362	57,260,564	-	-	1,132,656	
Other capital assets, net of accumulated depreciation	496,314,520	20,973,581	517,288,101	72,979,956	5,937,786	19,992,266	
<b>TOTAL ASSETS</b>	<b>1,603,775,755</b>	<b>82,973,913</b>	<b>1,686,749,668</b>	<b>97,431,586</b>	<b>28,087,370</b>	<b>40,967,806</b>	
<b>LIABILITIES</b>							
Accounts payable and other accrued liabilities	76,710,307	661,420	77,371,727	1,029,723	2,510,791	8,595,305	
Unearned revenue	3,191,813	-	3,191,813	1,024,180	-	-	
Long-term liabilities							
Due within one year	187,338,109	1,003,989	188,342,098	1,363,464	1,492,098	-	
Due in more than one year	1,903,727,772	9,381,383	1,913,109,155	12,018,138	8,518,420	-	
<b>TOTAL LIABILITIES</b>	<b>2,170,968,001</b>	<b>11,046,792</b>	<b>2,182,014,793</b>	<b>15,435,505</b>	<b>12,521,309</b>	<b>8,595,305</b>	
<b>NET ASSETS (DEFICIT)</b>							
Invested in capital assets, net of related debt	499,385,868	49,670,011	549,055,879	85,672,102	5,937,786	26,026,795	
Restricted							
Stabilization by State Statute	133,863,106	-	133,863,106	2,239,963	-	-	
Land Use & Environmental Services	733,211	8,424,632	9,157,843	-	-	-	
Register of Deeds	1,244,045	-	1,244,045	-	-	-	
Business Partners	812	-	812	-	-	-	
Capital Projects	3,574,526	-	3,574,526	-	-	-	
Grants	-	-	-	429,029	-	-	
Facility Enhancements	-	-	-	1,979,268	-	-	
By Law for Specific Purposes	-	-	-	-	1,975,374	2,861,577	
Unrestricted (deficit)	(1,205,993,814)	13,832,478	(1,192,161,336)	(8,324,281)	7,652,901	3,484,129	
<b>TOTAL NET ASSETS (DEFICIT)</b>	<b>\$ (567,192,246)</b>	<b>\$ 71,927,121</b>	<b>\$ (495,265,125)</b>	<b>\$ 81,996,081</b>	<b>\$ 15,566,061</b>	<b>\$ 32,372,501</b>	

The accompanying notes are an integral part of this statement.

A-2  
MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets				Component Units			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Total	Public Library of Mecklenburg County	Mecklenburg Emergency Medical Services Agency	Mecklenburg County Alcoholic Beverage Control Board	
					Governmental Activities	Business-type Activities						
<b>Primary Government</b>												
Governmental activities												
Customer Satisfaction and Management Services	\$ 14,828,864	\$ -	\$ 668,133	\$ -	\$ (14,160,731)	\$ -	\$ (14,160,731)	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Services	66,877,549	4,602,230	1,083,326	-	(61,191,993)	-	(61,191,993)	-	-	-	-	-
Financial Services	14,865,465	822,100	-	-	(14,043,365)	-	(14,043,365)	-	-	-	-	-
Land Use and Environmental Services	50,518,072	40,356,281	11,706,498	-	1,544,707	-	1,544,707	-	-	-	-	-
Community Services	74,658,684	4,590,010	9,297,940	2,576,257	(58,194,477)	-	(58,194,477)	-	-	-	-	-
Defention and Court Support Services	127,614,457	23,184,791	2,215,144	-	(102,214,522)	-	(102,214,522)	-	-	-	-	-
Health and Human Services	290,064,943	13,320,478	161,521,112	-	(115,223,353)	-	(115,223,353)	-	-	-	-	-
Business Partners	441,256,690	3,255,246	18,319,600	-	(419,681,844)	-	(419,681,844)	-	-	-	-	-
Interest on long-term debt												
General purpose	49,402,013	-	-	-	(49,402,013)	-	(49,402,013)	-	-	-	-	-
Public schools	33,562,244	-	-	-	(33,562,244)	-	(33,562,244)	-	-	-	-	-
Total Governmental Activities	<u>1,163,648,981</u>	<u>90,131,136</u>	<u>204,811,753</u>	<u>2,576,257</u>	<u>(866,129,835)</u>	-	<u>(866,129,835)</u>	-	-	-	-	-
Business-type activities												
Solid Waste Operations	13,272,793	12,350,331	64,411	-	-	(858,051)	(858,051)	-	-	-	-	-
Total Primary Government	<u>\$ 1,176,921,774</u>	<u>\$ 102,481,467</u>	<u>\$ 204,876,164</u>	<u>\$ 2,576,257</u>	<u>(866,129,835)</u>	<u>\$ 2,374,958</u>	<u>(866,987,886)</u>	<u>(25,887,610)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Component Units</b>												
Public Library of Charlotte and Mecklenburg County	\$ 33,086,582	\$ 2,747,873	\$ 2,076,141	\$ 2,374,958	-	-	(25,887,610)	-	-	-	-	-
Mecklenburg Emergency Medical Services Agency	46,126,296	32,208,983	-	-	-	-	(13,917,313)	-	-	-	-	-
Mecklenburg County Alcoholic Beverage Control Board	74,728,185	74,644,442	-	-	-	-	-	-	-	-	-	(83,743)
Total Component Units	<u>\$ 153,941,063</u>	<u>\$ 109,601,298</u>	<u>\$ 2,076,141</u>	<u>\$ 2,374,958</u>	<u>-</u>	<u>-</u>	<u>(25,887,610)</u>	<u>(13,917,313)</u>	<u>-</u>	<u>-</u>	<u>(83,743)</u>	<u>(83,743)</u>
<b>General Revenues</b>												
Property taxes, levied for general purposes					850,300,416							
Property taxes, levied for Law Enforcement Service District					12,426,379							
Sales taxes					178,706,265							
Other taxes					10,383,116							
Investment earnings					3,051,914	237,505			59,083	5,172		50,933
Miscellaneous					323,361	4,752,062			2,229,208	213,446		845,796
Payment from primary government:												
Library					-	-			22,893,228	-		-
Emergency Medical Services					-	-			-	15,443,002		-
Total General Revenues					<u>1,055,191,451</u>	<u>4,989,567</u>			<u>25,181,519</u>	<u>15,661,620</u>		<u>896,729</u>
Change in Net Assets					<u>189,061,616</u>	<u>4,131,516</u>			<u>(706,091)</u>	<u>1,744,307</u>		<u>812,986</u>
Net Assets (Deficit), beginning of year, as restated					<u>(756,253,862)</u>	<u>67,795,605</u>			<u>82,702,172</u>	<u>13,821,754</u>		<u>31,559,515</u>
Net Assets (Deficit), end of year					<u>(567,192,246)</u>	<u>\$ 71,927,121</u>			<u>\$ 81,996,081</u>	<u>\$ 15,566,061</u>		<u>\$ 32,372,501</u>

The accompanying notes are an integral part of this statement.

A - 3  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2011

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 366,913,273	\$ 89,936,986	\$ 456,850,259
Interest receivable	1,662,065	292,565	1,954,630
Accounts receivable	69,906,578	15,343,222	85,249,800
Accounts receivable - clinics	786,226	-	786,226
Less allowance for uncollectible claims	(778,364)	-	(778,364)
Taxes receivable	54,536,759	987,859	55,524,618
Less allowance for uncollectible taxes	(19,000,000)	(345,000)	(19,345,000)
Advances to other governmental agencies	39,897	-	39,897
Deferred charges	42,485	-	42,485
Inventory	4,960	-	4,960
<b>TOTAL ASSETS</b>	<b>\$ 474,113,879</b>	<b>\$ 106,215,632</b>	<b>\$ 580,329,511</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 62,803,289	\$ 13,907,018	\$ 76,710,307
Deferred revenue	38,679,891	691,540	39,371,431
<b>Total Liabilities</b>	<b>101,483,180</b>	<b>14,598,558</b>	<b>116,081,738</b>
<b>Fund Balances (Deficits)</b>			
<b>Nonspendable:</b>			
Inventory	4,960	-	4,960
<b>Restricted:</b>			
Stabilization by State Statute	98,546,775	35,316,331	133,863,106
Land Use & Environmental Services	184,380	548,831	733,211
Register of Deeds	-	1,244,045	1,244,045
Business Partners	-	812	812
Capital Projects	-	3,574,526	3,574,526
<b>Committed:</b>			
Land Use & Environmental Services	-	17,986,956	17,986,956
Capital Projects	-	49,235,007	49,235,007
Business Partners	-	580,227	580,227
Detention & Court Support Services	972,406	-	972,406
<b>Assigned:</b>			
Land Use & Environmental Services	970,172	-	970,172
Detention & Court Support Services	822,231	-	822,231
Community Support Services	-	-	-
Self-Insurance	111,392	-	111,392
<b>Unassigned:</b>			
Total Fund Balances (Deficits)	372,630,699	(16,869,661)	254,148,722
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 474,113,879</b>	<b>\$ 106,215,632</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	979,833,955
Other long term assets are not available for current year expenditures and, therefore, deferred in the funds.	36,179,618
Certain debt related assets are not available for current year expenditures and, therefore, are deferred in the funds.	28,178,048
Certain bond expenditures are capitalized for future amortization over the life of the bonds.	15,434,241
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(2,091,065,881)
<b>Net (deficit) of governmental activities</b>	<b>\$ (567,192,246)</b>

The accompanying notes are an integral part of this statement.

A - 4  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2011

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 1,001,727,777	\$ -	\$ 1,001,727,777
Law Enforcement Service District Taxes	-	12,800,239	12,800,239
Transit One-Half Cent Sales Tax	-	31,145,231	31,145,231
Licenses and permits	14,233,457	-	14,233,457
Intergovernmental	196,373,609	11,637,941	208,011,550
Charges for services	54,935,579	15,471,794	70,407,373
Interest earned on investments	2,895,283	156,631	3,051,914
Administrative charges	2,444,287	-	2,444,287
Other	8,965,634	2,216,998	11,182,632
Total Revenues	<u>1,281,575,626</u>	<u>73,428,834</u>	<u>\$ 1,355,004,460</u>
<b>EXPENDITURES</b>			
Current			
Customer Satisfaction and Management	14,790,104	-	14,790,104
Administrative Services	51,256,990	-	51,256,990
Financial Services	9,564,937	-	9,564,937
Land Use and Environmental Services	37,723,612	14,364,289	52,087,901
Community Services	63,729,362	-	63,729,362
Detention and Court Support Services	113,512,049	-	113,512,049
Health and Human Services	287,565,513	-	287,565,513
Business Partners	369,565,227	44,267,501	413,832,728
Debt Service			
Principal payments	173,291,196	1,009,390	174,300,586
Interest and fiscal charges	82,792,659	171,598	82,964,257
Capital Outlay	-	47,660,085	47,660,085
Total Expenditures	<u>1,203,791,649</u>	<u>107,472,863</u>	<u>1,311,264,512</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			
	<u>77,783,977</u>	<u>(34,044,029)</u>	<u>43,739,948</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	229,826	36,554,253	36,784,079
Transfers out	(36,324,613)	(229,826)	(36,554,439)
Total Other Financing Sources (Uses)	<u>(36,094,787)</u>	<u>36,324,427</u>	<u>229,640</u>
<b>NET CHANGE IN FUND BALANCES</b>			
	41,689,190	2,280,398	43,969,588
<b>FUND BALANCES - BEGINNING OF YEAR</b>			
	330,941,509	89,336,676	420,278,185
<b>FUND BALANCES - END OF YEAR</b>			
	<u>\$ 372,630,699</u>	<u>\$ 91,617,074</u>	<u>\$ 464,247,773</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, 2011

Net change in fund balances - total governmental funds	\$	43,969,588
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is not included as the assets have been capitalized.		22,073,104
Depreciation expense is reported in the Statement of Activities, but not in the fund statements.		(32,927,507)
Loss on disposal of assets and adjustment to accumulated depreciation is reported in the Statement of Activities, but not in the fund statements.		(1,038,304)
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.		-
Bond premiums and deferred charges, respectively, for the governmental funds are deferred and amortized in the Statement of Activities.		8,228,865
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.		174,300,585
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.		932,070
Other long term liabilities are reported in the Statement of Net Assets, but not in the fund statements.		(26,476,785)
		189,061,616
Change in net assets of governmental activities	\$	189,061,616

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, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget- Positive/(Negative)
	Original	Final		
<b>REVENUES</b>				
<b>Taxes</b>				
General property - current	\$ 820,185,697	\$ 820,185,697	\$ 831,791,869	\$ 11,606,172
General property - prior	14,608,665	14,608,665	13,298,478	(1,310,187)
Interest on delinquent taxes	3,000,000	3,000,000	3,904,138	904,138
Sales	139,040,000	139,040,000	147,561,034	8,521,034
Room occupancy	750,000	750,000	1,841,340	1,091,340
Vehicle rental	2,000,000	2,000,000	2,846,805	846,805
Other	245,001	245,001	484,113	239,112
Total Taxes	<u>979,829,363</u>	<u>979,829,363</u>	<u>1,001,727,777</u>	<u>21,898,414</u>
<b>Licenses and permits</b>				
Business licenses	225,000	225,000	255,857	30,857
Inspection permits	12,926,264	12,978,399	13,850,802	872,403
Marriage licenses	120,000	120,000	126,798	6,798
Total Licenses and permits	<u>13,271,264</u>	<u>13,323,399</u>	<u>14,233,457</u>	<u>910,058</u>
<b>Intergovernmental</b>				
Federal	100,896,005	114,911,343	112,703,548	(2,207,795)
State	77,842,131	83,882,451	76,774,656	(7,107,795)
Local	7,061,928	8,688,483	6,895,405	(1,793,078)
Total Intergovernmental	<u>185,800,064</u>	<u>207,482,277</u>	<u>196,373,609</u>	<u>(11,108,668)</u>
<b>Charges for services</b>				
Customer Satisfaction and Management	5,000	5,000	400,003	395,003
Administrative Services	18,000	156,063	343,868	187,805
Financial Services	1,140,000	1,143,038	1,006,317	(136,721)
Land Use and Environmental Services	11,509,979	11,516,235	11,512,885	(3,350)
Community Services	2,564,913	2,580,046	2,914,243	334,197
Detention and Court Support Services	23,206,359	23,393,183	22,808,791	(584,392)
Health and Human Services	18,587,712	14,851,277	12,478,521	(2,372,756)
Business Partners	3,561,000	3,561,000	3,180,334	(380,666)
Total Charges for services	<u>60,592,963</u>	<u>57,205,842</u>	<u>54,644,962</u>	<u>(2,560,880)</u>
Interest earned on investments	2,790,000	2,790,000	2,895,283	105,283
Administrative charges	2,444,287	2,444,287	2,444,287	-
<b>Other</b>				
Rental	1,688,504	1,763,504	2,188,932	425,428
Sale of properties	1,020,227	1,020,227	1,306,722	286,495
Miscellaneous	3,569,842	4,239,409	4,952,315	712,906
Total Other	<u>6,278,573</u>	<u>7,023,140</u>	<u>8,447,969</u>	<u>1,424,829</u>
Total Revenues	<u>1,251,006,514</u>	<u>1,270,098,308</u>	<u>1,280,767,344</u>	<u>10,669,036</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, 2011  
 (CONTINUED)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget- (Positive)/Negative
	Original	Final		
<b>EXPENDITURES</b>				
<b>Current</b>				
Customer Satisfaction and Management				
County Commissioners	\$ 372,629	\$ 356,529	\$ 311,633	\$ (44,896)
Economic Development Office	6,908,857	6,908,857	6,371,513	(537,344)
Manager's Office	10,442,669	11,757,591	6,584,905	(5,172,686)
Public Service and Information	1,437,115	1,605,231	1,522,053	(83,178)
Total Customer Satisfaction and Management	<u>19,161,270</u>	<u>20,628,208</u>	<u>14,790,104</u>	<u>(5,838,104)</u>
Administrative Services				
Internal Audit	739,121	739,121	676,797	(62,324)
Human Resources	3,706,916	3,915,712	3,572,021	(343,691)
Information Services and Technology	17,597,341	18,709,853	17,763,250	(946,603)
Real Estate Services	16,431,369	17,007,957	15,261,413	(1,746,544)
Nondepartmental	36,871,328	27,927,635	13,983,509	(13,944,126)
Total Administrative Services	<u>75,346,075</u>	<u>68,300,278</u>	<u>51,256,990</u>	<u>(17,043,288)</u>
Financial Services				
Finance	3,458,221	3,458,221	3,313,662	(144,559)
Debt Service				
Principal retirement - bonds and loans	87,559,998	58,122,248	58,122,248	-
Interest and fiscal charges	29,012,493	29,287,493	29,163,261	(124,232)
Payment to City of Charlotte	688,481	688,481	688,481	-
Tax Collection	7,358,326	7,361,364	6,251,275	(1,110,089)
Total Financial Services	<u>128,077,519</u>	<u>98,917,807</u>	<u>97,538,927</u>	<u>(1,378,880)</u>
Land Use and Environmental Services				
Geospatial Information	3,433,934	3,540,649	3,437,865	(102,784)
Code Administration	17,023,568	17,806,945	16,538,791	(1,268,154)
Property Assessment and Land Records	6,870,935	7,653,117	6,722,682	(930,435)
Air Quality	6,538,771	6,759,372	3,574,707	(3,184,665)
Environmental Health	5,499,758	5,564,467	5,011,193	(553,274)
Water and Land Resource	360,086	360,086	-	(360,086)
Register of Deeds	2,518,124	2,518,124	2,438,374	(79,750)
Total Land Use and Environmental Services	<u>42,245,176</u>	<u>44,202,760</u>	<u>37,723,612</u>	<u>(6,479,148)</u>
Community Services				
Child Support Enforcement	7,147,700	7,147,700	6,061,049	(1,086,651)
Community Support Services	6,101,021	6,426,007	5,633,401	(792,606)
Public Libraries	17,591,815	22,567,395	22,567,391	(4)
Park and Recreation	27,067,753	27,216,767	26,731,574	(485,193)
Elections	3,272,007	3,331,949	2,735,947	(596,002)
Total Community Services	<u>61,180,296</u>	<u>66,689,818</u>	<u>63,729,362</u>	<u>(2,960,456)</u>
Detention and Court Support Services				
Medical Examiner	1,428,591	1,434,566	1,433,785	(781)
State Justice Services	8,047,052	8,113,634	6,072,471	(2,041,163)
Sheriff and Jail	107,419,850	108,362,985	105,106,743	(3,256,242)
Total Detention and Court Support Services	<u>116,895,493</u>	<u>117,911,185</u>	<u>112,612,999</u>	<u>(5,298,186)</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, 2011  
 (CONCLUDED)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget- (Positive)/Negative
	Original	Final		
Health and Human Services				
Public Health				
Public Health Services	\$ 4,326,840	\$ 4,390,044	\$ 3,438,679	\$ (951,365)
Public Health-CHS Contract	34,271,438	36,012,417	34,218,409	(1,794,008)
Community Health	5,384,340	8,601,251	6,274,478	(2,326,773)
Mental Health				
Infant and Toddler Preschool Services	7,383,732	7,373,293	6,440,363	(932,930)
Child and Adolescent Services	14,567,770	14,745,816	10,744,022	(4,001,794)
Adult Services	20,431,835	22,341,473	18,010,375	(4,331,098)
Centralized Services	3,380,292	3,230,292	2,726,971	(503,321)
Developmental Disabilities Services	18,442,088	12,588,251	10,442,971	(2,145,280)
Administrative Services	29,107,862	31,308,208	28,590,978	(2,717,230)
Grants and other	4,173,122	6,412,273	2,721,870	(3,690,403)
Social Services				
Administration and Support Services	16,015,095	15,885,136	14,016,867	(1,868,269)
Grants	5,458,257	8,545,354	8,334,855	(210,499)
Childcare Operations	50,610,126	50,345,674	48,989,940	(1,355,734)
Services for Adults	33,071,846	37,632,085	30,317,865	(7,314,220)
Economic Services	29,370,400	29,708,713	28,587,649	(1,121,064)
Youth and Family Services	40,789,206	39,339,749	33,709,221	(5,630,528)
Total Health and Human Services	<u>316,784,249</u>	<u>328,460,029</u>	<u>287,565,513</u>	<u>(40,894,516)</u>
Business Partners				
Emergency Medical Services	15,106,328	15,106,328	15,106,328	-
City-County Departments	2,593,221	2,593,221	2,593,221	-
Board of Education:				
Current	302,250,000	302,250,000	302,250,000	-
Capital Outlay	4,960,000	4,960,000	4,960,000	-
Debt Service				
Principal retirement - bonds	77,862,225	76,687,225	76,687,225	-
Principal retirement - certificates of participation	24,212,311	24,212,311	24,205,956	(6,355)
Interest	64,744,057	64,744,057	51,043,278	(13,700,779)
Central Piedmont Community College				
Current	23,900,000	23,900,000	23,900,000	-
Debt Service				
Principal retirement - bonds	10,700,269	10,700,269	10,518,080	(182,189)
Principal retirement - certificates of participation	1,477,780	1,477,780	1,477,678	(102)
Interest	4,678,063	4,678,063	4,177,648	(500,415)
Hospitals	16,850,000	16,925,000	16,925,000	-
Historic Landmarks Commission	216,215	216,215	181,482	(34,733)
Outside Agencies - Other	3,578,075	3,651,075	3,649,196	(1,879)
Total Business Partners	<u>553,128,544</u>	<u>552,101,544</u>	<u>537,675,092</u>	<u>(14,426,452)</u>
Total Expenditures	<u>1,312,818,622</u>	<u>1,297,211,629</u>	<u>1,202,892,599</u>	<u>(94,319,030)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(61,812,108)</u>	<u>(27,113,321)</u>	<u>77,874,745</u>	<u>104,988,066</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,746,284	1,746,284	229,826	(1,516,458)
Transfers out	(318,338)	(36,392,951)	(36,324,613)	68,338
Appropriated fund balance	60,384,162	61,759,988	-	(61,759,988)
Total other financing sources (uses)	<u>61,812,108</u>	<u>27,113,321</u>	<u>(36,094,787)</u>	<u>(63,208,108)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>41,779,958</u>	<u>\$ 41,779,958</u>
FUND BALANCE - BEGINNING OF YEAR			329,468,925	
FUND BALANCE - END OF YEAR			<u>371,248,883</u>	

A legally budgeted Sheriff Special Revenue Fund is consolidated into the General Fund for reporting purposes:

Revenues	808,282
Expenditures	(899,050)
Fund Balance, Beginning	<u>1,472,584</u>
Fund Balance, Ending	<u>\$ 372,630,699</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, 2011

	Business Type Activities
	Solid Waste Enterprise Fund
<b>ASSETS</b>	
Current Assets	
Cash and investments	\$ 31,322,830
Interest receivable	119,242
Accounts receivable	426,027
Total Current Assets	31,868,099
Noncurrent Assets	
Restricted cash and investments	284,263
Capital assets	
Land	28,687,608
Construction in progress	1,160,362
Land improvements	10,484,778
Buildings	13,529,858
Vehicles and heavy equipment	6,604,984
Furniture, machinery and equipment	6,105,062
Total Capital assets	66,572,652
Less accumulated depreciation	(15,751,101)
Total Capital assets, net of accumulated depreciation	50,821,551
Total Noncurrent assets	51,105,814
TOTAL ASSETS	82,973,913
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable and accrued liabilities	661,420
Compensated absences	76,523
Capital leases	450,223
Bonds payable	477,243
Total Current Liabilities	1,665,409
Long-term Liabilities	
Compensated absences	448,414
Landfill development and postclosure care costs	8,424,632
Capital Leases	480,321
Bonds payable	28,016
Total Long-term Liabilities	9,381,383
TOTAL LIABILITIES	11,046,792
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	49,670,011
Restricted net assets:	
Restricted for landfill development and postclosure care	8,424,632
Unrestricted	13,832,478
TOTAL NET ASSETS	\$ 71,927,121

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, 2011

	Business Type Activities
	Solid Waste Enterprise Fund
<b>OPERATING REVENUES</b>	
Charges for services:	
Residential Solid Waste Fees	\$ 5,998,961
Recycling sales	6,351,370
Other	4,737,801
Total Operating Revenues	17,088,132
<b>OPERATING EXPENSES</b>	
Personal services and employee benefits	4,173,003
Utilities	172,285
Supplies	1,032,542
Depreciation	2,566,858
Maintenance and repairs	371,165
Rental and occupancy charges	603,148
Contractual services	4,084,494
Final development and postclosure costs	50,342
Total Operating Expenses	13,053,837
<b>OPERATING INCOME</b>	<b>4,034,295</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Grant revenue	64,411
Interest income	237,505
Interest expense	(118,631)
Gain on disposal of capital assets	14,261
Amortization of refunding amount	(100,325)
Total Non-operating Revenues	97,221
<b>CHANGE IN NET ASSETS</b>	<b>4,131,516</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>67,795,605</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 71,927,121</b>

The accompanying notes are an integral part of this statement.

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND  
 FOR THE YEAR ENDED JUNE 30, 2011

	Business Type Activities
	Solid Waste Enterprise Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from users	\$ 17,143,675
Cash paid to suppliers	(6,420,654)
Cash paid to employees	(4,213,307)
Net cash provided by operating activities	6,509,714
<b>CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Grant revenue	64,411
	64,411
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Principal payments - bonds	(580,543)
Principal payments - capital leases	(532,025)
Interest paid	(118,631)
Acquisition of capital assets	(1,325,774)
Proceeds from sale of assets	38,736
Net cash used by capital and related financing activities	(2,518,237)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	235,696
Net cash provided by investing activities	235,696
INCREASE IN CASH AND INVESTMENTS	4,291,584
CASH AND INVESTMENTS - BEGINNING OF YEAR	27,315,510
CASH AND INVESTMENTS - END OF YEAR	\$ 31,607,094
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating Income	\$ 4,034,295
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	2,566,858
Change in accounts receivable	55,543
Change in payroll accrual	(44,841)
Change in accounts payable	(157,020)
Change in compensated absences	4,537
Change in landfill reserve	50,342
Total adjustments	2,475,419
Net cash provided by operating activities	\$ 6,509,714
Noncash investing, capital, and financing activities	
Amortization of refunding amount	\$ 100,325

The accompanying notes are an integral part of this statement.

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 JUNE 30, 2011

ASSETS	Post-Employment Healthcare Benefit Trust Fund	Agency Funds
Cash and investments	\$ -	\$ 30,914,074
Restricted for:		
State Other Postemployment Benefit Trust:		
Cash and Equivalents	7,424	-
Short-Term OPEB Fund	8,609,498	-
Long-Term OPEB Fund	3,476,134	-
OPEB Equity Funds	21,794,896	-
Accounts receivable	-	210,932
Due from other governmental agencies	-	8,392
TOTAL ASSETS	<u>\$ 33,887,952</u>	<u>\$ 31,133,398</u>
LIABILITIES		
Accounts payable and accrued liabilities	-	24,892,561
Due to other governmental agencies	-	6,137,821
Due to NC Department of Motor Vehicles	-	103,016
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 31,133,398</u>
NET ASSETS		
Held in trust for retiree healthcare benefits and related purposes	<u>\$ 33,887,952</u>	

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, 2011

	Post-Employment Healthcare Benefit Trust Fund
<b>ADDITIONS</b>	
Employer Contributions	\$ 6,788,811
Interest	652,143
Total Additions	7,440,954
<b>DEDUCTIONS</b>	
Management Fee	44,802
Claims paid	6,788,811
Total Deductions	6,833,613
ADDITIONS over DEDUCTIONS	607,341
<b>OTHER FINANCING SOURCES</b>	
Unrealized Gain	5,376,778
CHANGE IN NET ASSETS	5,984,119
NET ASSETS - BEGINNING OF YEAR	27,903,833
NET ASSETS - END OF YEAR	\$ 33,887,952

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, 2011

**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, 2011

**(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, 2011. 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. The General Fund is the County's only major governmental fund.

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 practice to use restricted resources first, then unrestricted resources as they are needed. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long-term debt and expenditures for compensated absences, which are recognized when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are typically two types of revenues. One type requires funds to be disbursed for a specific purpose or project before any amount will be reimbursed to the County; therefore, revenues are recognized as receivables based upon the expenditures recorded. The other type provides moneys that are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to meet prescribed compliance requirements. These resources are reflected at the time of receipt or earlier if the susceptible to accrual criteria are met. Other governmental revenues which are susceptible to accrual are sales taxes collected and held by the State at year-end on behalf of the County, and investment earnings. Licenses and permits, charges for services, and other revenues are recorded as revenues when received in cash, because they are generally not measurable until actually received.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

The County reports the following major governmental fund:

*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. The Sheriff's Special Revenue fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement Number 54 it is consolidated in the General Fund.

The County reports the following major proprietary fund:

*Solid Waste Enterprise Fund* – This fund accounts for activities related to recycling and landfill facilities and is self-supporting through the residential solid waste fee 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 account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the Proprietary Fund). The Capital Reserve fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement Number 54 it is included with the Capital Projects Funds.

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. Elimination of these charges would distort the direct costs and program revenues reported for the various functions involved.

The Solid Waste Enterprise Fund, a proprietary type fund, distinguishes between operating revenues and expenses and non-operating revenues and expenses. The principal operating revenues of the Solid Waste Enterprise Fund are the residential solid waste fee, 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.

MECKLENBURG COUNTY, NORTH CAROLINA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2011

**(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:

	Original Budget	Amendments	Final Budget June 30, 2011
Special Revenue Funds	\$ 59,815,375	\$ 10,274,526	\$ 70,089,901

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 \$22,474 and funds held by others. A portion of the County's self-insurance funds in the amount of \$8,780,395 is held in one or more trusts administered by the City of Charlotte's Risk Management Division, \$60,809 is held by the building management company for operating needs, \$4,517 is held by the bank for solid waste operations, and interest and proceeds of \$89,212 and \$19,744,787, respectively, from certificates of participation are held by a trustee. Cash of \$33,887,950 is held by the North Carolina State Treasurer in the Other Post Employment Benefits Investment Trust, an irrevocable trust fund.

*Deposits*

All County deposits are made in designated official depositories and are secured as required by North Carolina General Statute 159-31. The County may designate as an official depository, any bank, trust company, or savings and loan institution in North Carolina. A national bank located in another state may be designated as an official depository 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 accounts, money market accounts, and certificates of deposit. Primary banking services for the County are provided through a contract, currently with Wachovia Bank, N.A. At year-end, the cash balance

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

of County deposits was \$131,869,585 and the bank balance was \$134,261,386. Included in these balances are two money market accounts in the amount of \$64,908,195 and \$50,356,805 and two certificates of deposit totaling \$5,092,872 with Branch Banking & Trust; one certificate of deposit totaling \$10,000,000 with Mechanics and Farmers Bancorp; and two certificates of deposit totaling \$103,987 with Bank of Granite.

All of the County's deposits are either insured or collateralized using the Pooling Method. Under the Pooling Method, all uninsured deposits are collateralized with a pool of securities held by the State Treasurer's agent in the name of the State Treasurer as permitted under North Carolina Administrative Code, Title 20, Chapter 7. Depositories holding public funds must establish an escrow account in the name of the State Treasurer to hold this pledged collateral and they must report to the State Treasurer on the adequacy of their collateral pools. The amount of pledged collateral required is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. The Pooling Method shifts responsibility for the monitoring of collateral from the County to the State Treasurer. The State Treasurer does not confirm this information with the County or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer enforces strict standards of financial stability for each depository. The total bank balance of \$134,261,386 was covered by collateral at June 30, 2011.

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, 2011, the Medic Agency's deposits had a carrying value of \$5,859,523 and a bank balance of \$6,299,655 of which \$303,195 was covered by federal depository insurance and \$5,995,740 was covered by collateral under the pooling method. At June 30, 2011, the carrying amount of the Library's bank deposits was \$10,173,595 and the bank balance was \$10,723,827 of which \$250,000 was covered by federal depository insurance, \$10,085,456 was covered by collateral held under the pooling method and the remaining \$388,371 was covered under the dedicated method. At June 30, 2011, the carrying amount of the ABC Board's bank deposits was \$8,565,522 and the bank balance was \$9,964,301. Of the bank balance at June 30, 2010, \$500,000 was covered by federal depository insurance and the remaining \$9,464,301 was covered by collateral under the pooling method.

*Investments*

North Carolina General Statute 159-30(c) authorizes the County to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed Federal agencies; certain high quality issues of commercial paper, bankers' acceptances, and the North Carolina Capital Management Trust.

At June 30, 2011, 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	\$ 248,272,313	\$ 5,095,313	\$ -	\$ 243,177,000
Commercial Paper	39,984,658	39,984,658	-	-
NC Capital Management Trust - Cash Portfolio	69,914,061	69,914,061	N/A	N/A
Total	<u>\$ 358,171,032</u>	<u>\$ 114,994,032</u>	<u>\$ -</u>	<u>\$ 243,177,000</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.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

*Credit Risk*

The County has no formal policy regarding credit risk, but maintains internal management procedures that limit the County's investments to the provisions of North Carolina General Statute 159-30 that restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County invests in commercial paper bearing the highest credit rating, as determined by nationally recognized statistical rating organizations (NRSROs) and bankers acceptances where the accepting bank or its holding company are incorporated in North Carolina. As of June 30, 2011, the County's investments in commercial paper were rated at least A1 by Standard & Poor's, F-1 by Fitch Ratings, and P-1 by Moody's Investors Service. 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, 2011. The County's investments in U.S. Government Agencies (Federal Home Loan Bank, Federal National Mortgage Association and Federal Farm Credit) were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service at year-end.

*Custodial Credit Risk*

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments. To minimize this risk, the County's investments are held in the County's name in a segregated safekeeping account in Wachovia Bank, N.A.

*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 twenty-five percent of the total portfolio. Investments in commercial paper or bankers' acceptances of a single issuer are limited to no more than ten million dollars or ten percent of the total portfolio at the time of investment. At June 30, 2011, investments in commercial paper comprised 8.2% of the total portfolio. No single issuer exceeded ten million dollars or ten percent of the total portfolio. There were no bankers' acceptances at year end.

The County's investments are stated at fair value on the financial statements, as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. In accordance with State law, the County invests in callable securities, some of which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value.

As of June 30, 2011, the County had \$33,887,950 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Trust pursuant to G.S. 159-30.1. The State Treasurer's OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the State Treasurer's OPEB Trust was invested as follows: State Treasurer's Short Term Investment Fund (STIF) 25.4%, State Treasurer's Long-Term Investment Fund (LTIF) 10.3%; and BlackRock's Global Ex-US Alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B 64.3% (the equities were split with 75.9% in domestic securities and 24.1% in international securities).

*Interest Rate Risk*

The County does not have a formal investment interest rate policy that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer's Short Term Investment Fund (STIF) is unrated and had a weighted average maturity of 1.9 years at June 30, 2011. The State Treasurer's Long Term Investment Fund (LTIF) is unrated and had a weighted average maturity of 16.1 years at June 30, 2011.

The Library's investments consist of \$638,371 in money market accounts held at the Bank of Commerce which is unrated. The Library has no policy for managing interest rate risk or credit risk.

All Medic Agency investments, \$9,613,248, were invested in the N. C. Capital Management Trust Cash Portfolio at June 30, 2011.

MECKLENBURG COUNTY, NORTH CAROLINA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2011

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 AAA by Standard & Poor's.

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

During 2011, no gains from the sale of investments by the County were recognized. The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. The net change in the fair value of investments during 2011 was a decrease of \$798,595. 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 \$513,037.

Interest on investments is recorded when earned and is distributed to each fund based on the fund's proportionate equity in pooled cash and investments, except that interest on investments of the Capital Projects Funds is distributed to the 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, intangible assets, vehicles and heavy equipment, and furniture, machinery and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined as assets with an initial individual purchase price of \$5,000 or more except for internally generated computer software with an initial cost of \$1 million or more, all other intangible assets with an initial cost of \$250,000 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
Computer Software	2 - 10 years
Other Intangible Assets	2 - 10 years

MECKLENBURG COUNTY, NORTH CAROLINA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2011

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

Estimated useful lives for the ABC Board are as follows:

Buildings	40 years
Leasehold Improvements	5 - 15 years
Equipment	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	40 years
Furniture and equipment	5 - 10 years
Books	3 years

Medic Agency's capital assets includes vehicles, furniture and other equipment, patient equipment, computer equipment and buildings and improvements, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined as assets with an initial, individual, purchase of \$5,000 or more and an estimated useful life of one year or more. Capital assets are recorded at historical cost or estimated historical cost if the asset is purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

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

Vehicles	4 years
Furniture and other equipment	3 - 10 years
Patient Equipment	3 - 10 years
Computer Equipment	3 - 5 years
Buildings and improvements	10 years

**(h) 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.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

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.

**(j) Net Assets/Governmental Fund Equity**

**Net Assets**

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted and unrestricted. Restricted net assets represent constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through state statute.

**Fund Balances**

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent:

The governmental fund types classify fund balance as follows:

- **Nonspendable Fund Balance** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
  - Inventories - portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.
- **Restricted Fund Balance** – This classification includes revenue resources that are restricted to specific purposes externally imposed by creditors or imposed by law.
  - Restricted for Stabilization of State Statute – portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].
  - Restricted for Land Use and Environmental Services – portion of fund balance that is restricted by revenue sources to pay for construction bonds and storm water grants.
  - Restricted for Register of Deeds – portion of fund balance that is restricted by revenue source to pay for document preservation and technology improvements.
  - Restricted for Capital Projects – portion of fund balance that is restricted by revenue source and can only be used for capital outlay in the County.
  - Restricted for Business Partners – portion of fund balance restricted by revenue source to pay for emergency medical equipment.
- **Committed Fund Balance** – portion of fund balance that can only be used for specific purpose imposed by majority vote of the Mecklenburg County Board of County Commissioners (highest level of decision – making authority). Any changes or removal of specific purposes requires majority action by the governing body.



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Committed for Land Use and Environmental Services – portion of fund balance that can only be used for storm water operations.

Committed for Business Partners – portion of fund balance that can only be use for law enforcement operations.

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

Committed for Detention & Court Support Services – portion of fund balance that can only be used for Detention & Court Support Services.

- Assigned Fund Balance – portion of fund balance that the Mecklenburg County Board of County Commissioners or the Director of Finance has assigned.

Assigned for Land Use and Environmental Services – portion of fund balance that has been budgeted by the Board of County Commissioners for revaluation and code enforcement activities.

Assigned for Detention and Court Support Services – portion of fund balance that has been budgeted by the Board of County Commissioners for the expansion of the drug court, document imaging of child support enforcement files and employee recognition.

Assigned for Self-Insurance – portion of fund balance assigned for insurance claims.

- Unassigned Fund Balance – portion of fund balance that has been restricted, committed or assigned to specific purpose or other funds.

The following table presents the restrictions, commitments and assignments of fund balance at June 30, 2011:

	Nonmajor Funds		
	General Fund	Special Revenue Funds	Capital Projects Funds
Fund Balance:			
Non Spendable			
Inventory	4,960	-	-
Restricted			
Stabilization by State Statute	98,546,775	21,195,843	14,120,488
Land Use and Environmental Services	184,380	548,831	-
Register of Deeds	-	1,244,045	-
Capital Projects	-	-	3,574,526
Business Partners	-	812	-
Committed			
Land Use and Environmental Services	-	17,986,956	-
Business Partners	-	580,227	-
Capital Projects	-	-	49,235,007
Detention and Court Support Services	972,406	-	-
Assigned			
Land Use and Environmental Services	970,172	-	-
Detention and Court Support Services	822,231	-	-
Self-Insurance	111,392	-	-
Unassigned	271,018,383	(14,408,329)	(2,461,332)
Total	<u>\$ 372,630,699</u>	<u>\$ 27,148,385</u>	<u>\$ 64,468,689</u>

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The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

Encumbrances	General Fund	Non-Major Funds
	\$26,970,270	\$19,037,684

**(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, 2011, the County received \$18,096,600 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	\$ 769,231,993
Temporary Assistance to Needy Families	4,860,674
Domiciliary Care	6,947,960
Aid to the Blind	143,563
Supplemental Food Program	16,424,185
Low Income Energy Assistance	5,112,068
Refugee Assistance	245,971
Adoption Assistance	6,269,123
Foster Care	4,357,293
Total	\$ 813,592,830

**(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, 2011 are composed of the following:

	Government-wide Statements Governmental Activities	Governmental Fund Statements
Taxes receivable (net)	\$ -	\$ 36,179,618
Prepaid taxes not yet earned	1,095,742	1,095,742
Grants	2,096,071	2,096,071
Total	\$ 3,191,813	\$ 39,371,431

MECKLENBURG COUNTY, NORTH CAROLINA  
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**(o) Statement of Cash Flows**

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

**2. Accounts Receivable**

The following reflects the components of accounts receivable as reported in the government-wide Statement of Net Assets (Deficit) at June 30, 2011:

	Governmental Activities		Business-type Activities	Total Receivables
	General Fund	Nonmajor Funds	Solid Waste Enterprise Fund	
General	\$ 3,375,586	\$ 6,931,873	\$ 426,027	\$ 10,733,486
State and Federal Government	66,530,992	8,411,349	-	74,942,341
Taxes	54,536,759	987,859	-	55,524,618
Less allowance for doubtful accounts	(19,000,000)	(345,000)	-	(19,345,000)
Clinic billings	786,226	-	-	786,226
Less allowance for doubtful accounts	(778,364)	-	-	(778,364)
Interest	1,662,065	292,565	119,242	2,073,872
Total Accounts Receivable	<u>\$ 107,113,264</u>	<u>\$ 16,278,646</u>	<u>\$ 545,269</u>	<u>\$ 123,937,179</u>

**3. Property Tax**

The County's property tax levy effective for fiscal year 2011, was based on the assessed values listed as of January 1, 2010, 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, 2010. The property tax rate for the 2011 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 was completed in fiscal year 2012 effective for 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

MECKLENBURG COUNTY, NORTH CAROLINA  
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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 2010 through February 2011 apply to the fiscal year ended June 30, 2011. 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, 2011 because they are intended to finance the County's operations during the 2012 fiscal year.

**4. Taxes Collected for Municipalities**

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

**5. Capital Assets**

	Primary Government				Balance June 30, 2011
	Balance July 1, 2010	Additions	Deletions	Transfers	
Governmental activities:					
<i>Capital assets not being depreciated:</i>					
Land	\$ 419,898,155	\$ 7,521,078	\$ -	\$ -	\$ 427,419,233
Construction in progress	73,568,027	11,550,210	(915,103)	(28,102,932)	56,100,202
Total capital assets not being depreciated	<u>493,466,182</u>	<u>19,071,288</u>	<u>(915,103)</u>	<u>(28,102,932)</u>	<u>483,519,435</u>
<i>Capital assets being depreciated:</i>					
Land improvements	33,964,350	281,646	-	25,257,288	59,503,284
Buildings and improvements	686,318,982	1,007,341	-	436,165	687,762,488
Vehicles and Heavy Equipment	27,103,916	775,127	(2,611,078)	-	25,267,965
Furniture, Machinery and Equipment	26,842,304	904,308	(2,020,016)	-	25,726,596
Intangibles-Software and Licenses	9,530,565	33,394	-	2,409,479	11,973,438
Total capital assets being depreciated	<u>783,760,117</u>	<u>3,001,816</u>	<u>(4,631,094)</u>	<u>28,102,932</u>	<u>810,233,771</u>
Less accumulated depreciation:					
Land improvements	(15,288,790)	(8,393,297)	-	-	(23,682,087)
Buildings and improvements	(228,708,464)	(18,909,887)	-	-	(247,618,351)
Vehicles and Heavy Equipment	(18,105,425)	(1,815,770)	2,192,005	-	(17,729,190)
Furniture, Machinery and Equipment	(21,052,761)	(1,884,139)	2,315,888	-	(20,621,012)
Intangibles-Software and Licenses	(2,344,197)	(1,924,414)	-	-	(4,268,611)
Total accumulated depreciation	<u>(285,499,637)</u>	<u>(32,927,507)</u>	<u>4,507,893</u>	<u>-</u>	<u>(313,919,251)</u>
Total capital assets being depreciated, net	<u>498,260,480</u>	<u>(29,925,691)</u>	<u>(123,201)</u>	<u>28,102,932</u>	<u>496,314,520</u>
Governmental activities capital assets, net	<u>\$ 991,726,662</u>	<u>\$ (10,854,403)</u>	<u>\$ (1,038,304)</u>	<u>\$ -</u>	<u>\$ 979,833,955</u>

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Primary Government continued

Business-type activities

	Business-type activities				Balance June 30, 2011
	Balance July 1, 2010	Additions	Deletions	Transfers	
<i>Capital assets not being depreciated:</i>					
Land	\$ 28,568,428	\$ 119,180	\$ -	\$ -	\$ 28,687,608
Construction in progress	8,200,180	821,589	(7,521,407)	(340,000)	1,160,362
Total capital assets not being depreciated	<u>36,768,608</u>	<u>940,769</u>	<u>(7,521,407)</u>	<u>(340,000)</u>	<u>29,847,970</u>
<i>Capital assets being depreciated:</i>					
Land improvements	9,759,773	385,006	-	340,000	10,484,779
Buildings and improvements	10,265,965	3,263,893	-	-	13,529,858
Vehicles and Heavy Equipment	6,768,152	-	(163,168)	-	6,604,984
Furniture, Machinery and Equipment	1,847,548	4,257,514	-	-	6,105,062
Total capital assets being depreciated	<u>28,641,438</u>	<u>7,906,413</u>	<u>(163,168)</u>	<u>340,000</u>	<u>36,724,683</u>
<i>Less accumulated depreciation:</i>					
Land improvements	(2,350,439)	(421,932)	-	-	(2,772,371)
Buildings and improvements	(6,191,917)	(550,101)	-	-	(6,742,018)
Vehicles and Heavy Equipment	(4,358,130)	(557,163)	138,693	-	(4,776,600)
Furniture, Machinery and Equipment	(422,451)	(1,037,662)	-	-	(1,460,113)
Total accumulated depreciation	<u>(13,322,937)</u>	<u>(2,566,858)</u>	<u>138,693</u>	<u>-</u>	<u>(15,751,102)</u>
Total capital assets being depreciated, net	<u>15,318,501</u>	<u>5,339,555</u>	<u>(24,475)</u>	<u>340,000</u>	<u>20,973,581</u>
Business-type activities capital assets, net	<u>\$ 52,087,109</u>	<u>\$ 6,280,324</u>	<u>\$ (7,545,882)</u>	<u>\$ -</u>	<u>\$ 50,821,551</u>

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

<i>Governmental activities:</i>	
Customer Satisfaction and Management Services	\$ 20,983
Administrative Services	2,705,749
Financial Services	1,358,405
Land Use and Environmental Services	861,827
Community Services	10,889,627
Detention and Court Support Services	14,151,903
Health and Human Services	2,340,214
Business Partners	598,799
Total Governmental activities	<u>32,927,507</u>
<i>Business-type activities:</i>	
Solid Waste Enterprise Fund	2,566,858
Total depreciation expense	<u>\$ 35,494,365</u>

MECKLENBURG COUNTY, NORTH CAROLINA  
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Amounts expended and estimated costs to complete the County's construction in progress are as follows:

	Estimated Project Authorization	Expended to June 30, 2011	Costs to Complete
Projects:			
Governmental Funds:			
Park and Recreational Facilities	\$ 70,660,205	\$ 50,205,565	\$ 20,454,640
Law Enforcement/Court Facilities	22,165,000	5,718,786	16,446,214
County Facilities	32,387,801	175,851	32,211,950
Total Governmental Funds	<u>125,213,006</u>	<u>56,100,202</u>	<u>69,112,804</u>
Business-type activities			
Solid Waste Enterprise Fund	11,941,698	1,160,362	10,781,336
Total	<u>\$ 137,154,704</u>	<u>\$ 57,260,564</u>	<u>\$ 79,894,140</u>

Activity in the Library's Capital assets for the year ended June 30, 2011 is as follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<i>Capital assets not being depreciated :</i>				
Land	\$ 13,523,473		\$ -	\$ 13,523,473
Construction in progress	1,656,533	2,218,955	(3,633,866)	241,622
Total capital assets not being depreciated	<u>15,180,006</u>	<u>2,218,955</u>	<u>(3,633,866)</u>	<u>13,765,095</u>
<i>Capital assets being depreciated :</i>				
Buildings and improvements	86,608,487	3,238,643	(66,724)	89,780,406
Books	20,195,069	1,419,199	(2,633,121)	18,981,147
Furniture and Equipment	6,961,439	662,357	(510,057)	7,113,739
Total capital assets being depreciated	<u>113,764,995</u>	<u>5,320,199</u>	<u>(3,209,902)</u>	<u>115,875,292</u>
Less accumulated depreciation:				
Buildings	(20,633,653)	(2,179,882)	12,371	(22,801,164)
Books	(15,589,736)	(2,063,573)	2,633,121	(15,020,188)
Furniture and Equipment	(4,995,580)	(585,136)	506,732	(5,073,984)
Total accumulated depreciation	<u>(41,218,969)</u>	<u>(4,828,591)</u>	<u>3,152,224</u>	<u>(42,895,336)</u>
Total capital assets being depreciated, net	<u>72,546,026</u>	<u>491,608</u>	<u>(57,678)</u>	<u>72,979,956</u>
Total Capital assets, net	<u>\$ 87,726,032</u>	<u>\$ 2,710,563</u>	<u>\$ (3,691,544)</u>	<u>\$ 86,745,051</u>

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Activity in the Medic Agency's capital assets for the year ended June 30, 2011 is as follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<i>Capital assets being depreciated :</i>				
Vehicles	\$ 10,396,324	\$ 734,559	\$ (208,253)	\$ 10,922,630
Furniture and Equipment	2,206,560	203,245	-	2,409,805
Patient Equipment	2,437,249	81,058	(693,088)	1,825,219
Computer Equipment	3,819,211	190,216	-	4,009,427
Buildings and improvements	4,158,666	1,758,777	-	5,917,443
Total capital assets being depreciated	<u>23,018,010</u>	<u>2,967,855</u>	<u>(901,341)</u>	<u>25,084,524</u>
<i>Less accumulated depreciation:</i>				
Vehicles	(8,181,585)	(1,026,037)	208,253	(8,999,369)
Furniture and Equipment	(1,927,889)	(190,807)	-	(2,118,696)
Patient Equipment	(1,687,702)	(244,168)	693,088	(1,238,782)
Computer Equipment	(2,797,393)	(366,589)	-	(3,163,982)
Buildings and improvements	(3,485,674)	(140,235)	-	(3,625,909)
Total accumulated depreciation	<u>(18,080,243)</u>	<u>(1,967,836)</u>	<u>901,341</u>	<u>(19,146,738)</u>
Total Capital assets, net	<u>\$ 4,937,767</u>	<u>\$ 1,000,019</u>	<u>\$ -</u>	<u>\$ 5,937,786</u>

Activity in the ABC Board's capital assets for the year ended June 30, 2011 is as follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<i>Capital assets not being depreciated :</i>				
Land	\$ 4,209,135	\$ 1,000,296	\$ (307,558)	\$ 4,901,873
Construction in progress	131,829	1,000,827	-	1,132,656
Total capital assets not being depreciated	<u>4,340,964</u>	<u>2,001,123</u>	<u>(307,558)</u>	<u>6,034,529</u>
<i>Capital assets being depreciated :</i>				
Buildings and improvements	26,082,247	146,611	(326,517)	25,902,341
Furniture, Machinery and Equipment	3,199,725	304,979	(193,626)	3,311,078
Motor vehicles	788,731	82,735	(88,112)	783,354
Total capital assets being depreciated	<u>30,070,703</u>	<u>534,325</u>	<u>(608,255)</u>	<u>29,996,773</u>
<i>Less accumulated depreciation:</i>				
Buildings and improvements	(6,173,308)	(903,863)	227,211	(6,849,960)
Furniture, Machinery and Equipment	(2,516,817)	(214,393)	191,487	(2,539,723)
Motor vehicles	(613,021)	(89,915)	88,112	(614,824)
Total accumulated depreciation	<u>(9,303,146)</u>	<u>(1,208,171)</u>	<u>506,810</u>	<u>(10,004,507)</u>
Total capital assets being depreciated, net	<u>20,767,557</u>	<u>(673,846)</u>	<u>(101,445)</u>	<u>19,992,266</u>
Total Capital assets, net	<u>\$ 25,108,521</u>	<u>\$ 1,327,277</u>	<u>\$ (409,003)</u>	<u>\$ 26,026,795</u>

MECKLENBURG COUNTY, NORTH CAROLINA  
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**6. Reclassification/Restatements**

Certain funds presented in prior year data have been reclassified to be consistent with the current year's presentation. The Sheriff Special Revenue Fund and the Capital Reserve Special Revenue Fund were reclassified for June 30, 2011 in compliance with GASB 54. The Capital Reserve is presented in Capital Projects Fund and the Sheriff Special Revenue is presented in the General Fund.

**7. Accounts Payable and Accrued Liabilities**

The components of accounts payable and accrued liabilities at June 30, 2011 for the governmental activities and the business-type activities as reported in the Statement of Net Assets (Deficit) are as follows:

	Governmental Activities		Business-type Activities	Total Accounts Payable and Accrued Liabilities
	General Fund	Nonmajor Funds	Solid Waste Enterprise Fund	
General payables	\$ 39,494,600	\$ 12,865,758	\$ 474,901	\$ 52,835,259
Salaries & benefits payable	10,430,976	419,203	186,519	11,036,698
Reserve for self insurance	7,346,641	-	-	7,346,641
Other accrued liabilities	5,531,072	622,057	-	6,153,129
Total	<u>\$ 62,803,289</u>	<u>\$ 13,907,018</u>	<u>\$ 661,420</u>	<u>\$ 77,371,727</u>

**8. Long Term Debt**

**General Obligation Bonds**

The County issues general obligation bonds to provide for the acquisition and construction of major capital facilities for the County, Public Library of Charlotte and Mecklenburg County, Charlotte-Mecklenburg Schools and Central Piedmont Community College. General obligation bonds are direct obligations and pledge the full faith and credit of the County. The County consolidates all debt issues, including schools, into the Public Improvement category. Repayment of general obligation bonds is funded from general property tax revenues. 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.



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General obligation bonds outstanding at June 30, 2011:

	Issue Date	Due Serially To	Average Interest Rate %	Original Issue	Balance June 30, 2011
Refunding Bonds 1993	October 1, 1993	2012	4.663	\$ 272,295,000	\$ 7,535,000
Variable Rate Demand Bonds 2000 – Series C	February 1, 2000	2020	Variable	50,000,000	45,000,000
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	26,005,000
Public Improvement 2001 – Series D	December 1, 2001	2021	4.3102	56,000,000	3,600,000
Public Improvement 2002 - Series A	August 1, 2002	2018	3.9499	14,400,000	1,000,000
Public Improvement 2002 - Series B	August 1, 2002	2020	4.207	139,000,000	9,000,000
Public Improvement 2003 - Series A	February 1, 2003	2020	4.0699	193,000,000	30,000,000
Variable Rate Demand Bonds 2003 – Series B	February 1, 2003	2023	Variable	40,000,000	40,000,000
Public Improvement 2004 - Series A	February 1, 2004	2020	3.413	105,000,000	59,175,000
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	46,935,000
Public Improvement 2005 - Series A	February 1, 2005	2026	3.9849	32,300,000	24,225,000
Refunding Bonds 2005 – Series C	May 1, 2005	2016	3.4368	172,125,000	112,385,000
Variable Rate Demand Bonds 2006 – Series A	February 1, 2006	2026	Variable	89,000,000	66,750,000
Public Improvement 2007 - Series A	February 1, 2007	2027	4.169	102,000,000	32,910,000
Parks and Recreation Bonds 2008 – Series A	February 1, 2008	2,028	3.6115	12,000,000	10,200,000
Public Improvement 2008 – Series B	February 1, 2008	2028	3.7954	148,500,000	89,500,000
Refunding Bonds 2009 – Series A	March 10, 2009	2020	2.2523	243,965,000	243,965,000
Public-Improvement 2009 – Series B	September 1, 2009	2030	3.5372	100,000,000	95,000,000
Refunding Bonds – 2009 Series C	September 1, 2009	2020	2.6227	130,390,000	130,390,000
Variable Rate Bonds 2009 – Series D	September 1, 2009	2026	Variable	120,000,000	115,920,000
Refunding Bonds 2010 – Series A	March 16, 2010	2026	3.1098	114,940,000	113,995,000
Total				<u>\$ 2,544,840,000</u>	<u>\$ 1,428,490,000</u>
The bonds are recorded as follows:					
Governmental Activities					\$ 1,427,884,428
Business-type Activities (Solid Waste Enterprise Fund)					605,572
Total					<u>\$ 1,428,490,000</u>

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

In fiscal year 1994, the County refunded several public improvement bonds that have since been called. In the business-type activities Solid Waste Enterprise Fund, the new debt exceeded the amount of debt retired and will be amortized over the life of the refunding bonds. For the current year, \$100,325 was amortized. The unamortized amount remaining at June 30, 2011 was \$ 100,313.

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, 2011 \$206,800,000 in outstanding bonds is considered defeased.

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In fiscal year 2010, the County issued \$114,940,000 General Obligation Refunding Bonds at a total interest cost of 3.11%. The purpose was to defease \$111,090,000 of the principal amount outstanding of the Public Improvements 2007 Series A bonds and 2008 Series B bonds. At June 30, 2011 \$111,090,000 in outstanding bonds is considered defeased.

General obligation bonds are due serially and mature during the fiscal years 2012 to 2030 at average interest rates at date of issuance ranging from 2.25% to 4.68% for the fixed rate bonds. The effective rate of interest paid on the average principal balance of outstanding bonds during the year was 4.1%.

The County has \$392,670,000 outstanding in Variable Rate Demand Bonds. The County has Remarketing and Standby Purchase Agreements (SPA) with banks totaling \$276,750,000 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 County also has \$115,920,000 in Variable Rate Refunding Bonds, Series 2009D, which are remarketed and bear interest at the Windows Interest Rate, the SIFMA index plus the Windows spread of 0.10% per annum. The County is the liquidity support for the 2009D bonds. The following schedule shows the expiration dates for the SPAs, which can be renewed, fees paid in fiscal year 2011 pursuant to the standby and remarketing 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) and SIFMA. The interest rates, per the Remarketing Agreements, cannot exceed 12%. The maximum interest required for these bonds through maturity would be \$431,437,500.

Issue	Balance June 30, 2011	Agreement Expiration	Fees Paid Fiscal Year 2011	Interest Rate June 30, 2011
2000C	\$ 45,000,000	January 26, 2014	\$ 174,264	0.09
2001B	25,000,000	May 15, 2012	43,531	0.06
2003B	40,000,000	December 31, 2015	114,444	0.06
2004B	100,000,000	December 31, 2015	773,639	0.08
2006A	66,750,000	November 15, 2012	503,363	0.08
2009D	115,920,000	None	126,229	0.19

The following schedule shows annual requirements to amortize all bonded debt outstanding as of June 30, 2011. Interest on the variable rate bonds has been estimated using the rate in effect at June 30, 2011.

Fiscal Year	Governmental Activities		Business-type Activities		
	Principal	Interest	Principal	Amortization	Interest
2012	\$ 138,432,444	\$ 47,336,409	\$ 577,556	\$ 100,313	\$ 36,545
2013	127,916,984	40,887,170	28,016	-	2,342
2014	94,550,000	35,034,550	-	-	-
2015	114,925,000	31,168,186	-	-	-
2016	123,840,000	26,408,732	-	-	-
2017 - 2021	470,915,000	71,558,769	-	-	-
2022 - 2026	304,465,000	26,329,019	-	-	-
2027 - 2030	52,840,000	3,914,290	-	-	-
Total	<u>\$ 1,427,884,428</u>	<u>\$ 282,637,125</u>	<u>\$ 605,572</u>	<u>\$ 100,313</u>	<u>\$ 38,887</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, 2011, such statutory limit for the County was \$8,021,435,086 providing a legal debt margin of \$5,863,805,086.

As of June 30, 2011, \$729,140,000 of general obligation bonds was authorized but unissued.

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**Installment Financings**

The Mecklenburg County Public Facilities Corporation (the Corporation) has issued certificates of participation and limited obligation refunding bonds to provide funds which would include the constructing, renovating and equipping of various County school facilities and improvements to certain County government facilities.

Certificates of participation and limited obligation bonds outstanding at June 30, 2011:

	Issue Date	Due Serially To	Average Interest Rate %	Original Issue	Balance June 30, 2011
2006 Certificates	February 1, 2006	2026	variable	\$ 108,000,000	\$ 81,000,000
2008A Certificates	February 1, 2008	2028	variable	124,960,000	101,005,000
2008B Certificates	February 1, 2008	2028	4.435	34,720,000	34,720,000
2009A Certificates	February 1, 2009	2029	4.224	90,765,000	81,790,000
2009 Limited Obligation Bond	September 3, 2009	2027	3.742	205,640,000	190,155,000
		Total		<u>\$ 564,085,000</u>	<u>\$ 488,670,000</u>

Certificates of participation and limited obligation bonds are due serially and mature during the fiscal years 2012 to 2029 at average interest rates at date of issuance ranging from 3.74% to 4.43% for the fixed rate obligations. The effective rate of interest paid on the average principal balance outstanding during the year was 3.59%.

The Corporation has outstanding \$182,005,000 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 for the Standby Purchase Agreements, which can be renewed, fees paid in fiscal year 2011 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 \$168,304,002.

Issue	Balance June 30, 2011	Agreement Expiration	Fees Paid Fiscal Year 2011	Interest Rate June 30, 2011
2006	\$ 81,000,000	January 13, 2013	\$ 610,417	0.10
2008A	101,005,000	February 21, 2013	152,757	0.55

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, 2011.

Fiscal Year	Principal	Interest
2012	\$ 33,300,000	\$ 15,119,284
2013	33,185,000	14,150,863
2014	33,090,000	13,176,398
2015	31,355,000	12,226,385
2016	31,285,000	11,329,223
2017 - 21	153,930,000	42,265,378
2022 - 26	137,655,000	18,660,261
2027 - 29	34,870,000	2,099,281
	<u>\$ 488,670,000</u>	<u>\$ 129,027,073</u>

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**Interest Rate Swaps**

The County has entered into interest rate swap agreements that are intended to hedge the variable interest rate cash flow exposure of certain variable debt obligations of the County. The County applied one or more of the effectiveness testing methods described in GASB statement No. 53 to evaluate effectiveness of the swaps for financial reporting purposes. The results of effectiveness testing reflected that all the County's swaps are effective hedges and, as such, hedge accounting would be applicable. The changes in the fair values of the swaps are reported as deferred outflow on the statement of net assets.

**2003 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, Inc., Bank of America N.A. and Wachovia Bank N.A. In 2009 the County refunded the Series 2002C issue with a portion of the Variable Rate Refunding Bonds, Series 2009D. The synthetic fixed rate swap effectively changes these variable rate bonds to the fixed rate of 3.312%.

The bonds and the related swap agreements mature on February 1, 2022. The swap notional amount of \$95,000,000 corresponds with the total principal amount 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 3.312% of the notional amount and receives a variable monthly interest payment computed at 64.7% of one-month LIBOR.

At June 30, 2011 the swaps had a current negative fair value for the County of \$9,510,394, an increase of \$1,646,092 from June 30, 2010. Valuations as of June 30, 2011 were obtained from the County's independent swap advisor and based on discounted forecasts of expected swap cash flows.

The swaps expose the County to basis risk should the relationship between one-month 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 3.312% and the synthetic rate as of June 30, 2011 of 3.308%. At June 30, 2011, the average rate on the County's bonds was 0.07%, whereas 64.7% of one-month LIBOR was 0.123%.

**2005 Swaps**

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. In 2009 this bond issue was refunded by a portion of the Variable Rate Refunding Bonds, Series 2009D. The synthetic fixed rate swap effectively changes these variable rate bonds to the fixed rate of 3.413%.

The bonds and the related swap agreements mature on February 1, 2026. The swap notional amount of \$90,000,000 corresponds with the principal amount of the related 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 one-month LIBOR.

At June 30, 2011 the swaps had a negative fair value for the County of \$9,796,415 an increase of \$1,839,856 from June 30, 2010. Valuations as of June 30, 2011 were obtained from the County's independent swap advisor and based on discounted forecasts of expected swap cash flows.

The swaps expose the County to basis risk should the relationship between one-month 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, 2011 of 3.475%. At June 30, 2011, the rate on the County's bonds was 0.19%, whereas 67% of one-month LIBOR was 0.128%.

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**2006 Swaps**

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, Inc., 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 \$112,500,000 corresponds with the principal amounts of the related variable rate bond 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 one-month LIBOR.

At June 30, 2011 the swaps had a negative fair value for the County of \$8,871,240, an increase of \$1,988,284 from June 30, 2010. Valuations as of June 30, 2011 were obtained from the County's independent swap advisor and based on discounted forecasts of expected swap cash flows.

The swaps expose the County to basis risk should the relationship between one-month 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, 2011 of 3.055%. At June 30, 2011, the weighted average rate on the County's bonds was 0.09%, whereas 67% of one-month LIBOR was 0.128%.

**Counterparty Risk**

As a part of corporate restructuring in 2008 and 2009, Wachovia Bank, N.A. became a division of Wells Fargo & Company and Merrill Lynch Capital Services, Inc. became a division of Bank of America.

June 30, 2011 the County was exposed to counterparty risk for the 2003, 2004 and 2005 swaps. Counterparty risk is the likelihood that the counterparty will not perform pursuant to the terms of the swap. Under the swap, if any of the counterparties default, the County could be exposed to an unhedge variable rate bond position, ultimately resulting in interest rate risk that it had shifted to the counterparty and potentially termination risk.

Credit risk is the risk of change in the credit quality or credit rating of the district and/or its counterparty. As of June 30, 2011, the swap counterparties were rated as follows:

<u>Counterparty</u>	<u>Moody's</u>	<u>S&amp;P</u>	<u>Fitch</u>
Bank of America N.A.	Aa3	A+	A+
Natixis Financial Products	Aaa	A+	NR
Wachovia Bank N.A.	Aa2	AA	AA-

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, 2011, collateralization was not required. The County is not required to collateralize its obligation under the swap agreements. As of June 30, 2011, the Authority was not exposed to credit risk because the swap had a negative fair value.

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.

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The notional amounts applicable to each swap by counterparty are as follows:

Counterparty	2003 Swap	2005 Swap	2006 Swap	Total
Merrill Lynch Capital al Services	\$ 47,500,000	\$ -	\$ 22,500,000	\$ 70,000,000
Wachovia Bank N.A.	23,750,000	58,500,000	22,500,000	104,750,000
Bank of America N.A.	23,750,000	31,500,000	22,500,000	77,750,000
Natixis Financial Products	-	-	45,000,000	45,000,000
Total	<u>\$ 95,000,000</u>	<u>\$ 90,000,000</u>	<u>\$ 112,500,000</u>	<u>\$ 297,500,000</u>

Using rates at June 30, 2011 for the term of the bonds, debt service requirements of the variable rate debt and net swap payments for the swaps were as follows:

Fiscal Year Ending June 30	Variable Rate Debt			Total
	Principal	Interest	Interest Rate Swap Net	
2012	\$ 14,500,000	\$ 380,789	\$ 9,175,127	\$ 24,055,916
2013	14,500,000	364,239	8,727,556	23,591,795
2014	14,500,000	347,689	8,279,985	23,127,674
2015	14,500,000	331,139	7,832,414	22,663,553
2016	14,500,000	314,589	7,384,843	22,199,432
2017-2021	135,000,000	1,144,213	26,647,071	162,791,284
2022-2026	90,000,000	303,083	6,745,401	97,048,484
Total	<u>\$ 297,500,000</u>	<u>\$ 3,185,741</u>	<u>\$ 74,792,397</u>	<u>\$ 375,478,138</u>

**Subsequent Events**

On October 12, 2011, the County elected to terminate a portion of the 2003 and 2006 swaps as part of the refunding of a portion of the related variable rate debt issues. For the 2003 swaps, the total notional amount terminated was \$70,000,000. In connection with the partial termination of the 2003 swaps, termination payments totaling \$8,248,353 were paid to the swap counterparties. For the 2006 swaps, the total notional amount terminated was \$66,750,000. In connection with the partial termination of the 2006 swaps, termination payments totaling \$7,686,174 were paid to the swap counterparties.

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**Changes in Long-Term Liabilities**

The following presents the changes in long-term liabilities for the year ended June 30, 2011:

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Due within One Year
Governmental activities:					
General obligation bonds	\$ 1,567,343,885	\$ -	\$ (139,459,457)	\$ 1,427,884,428	\$ 138,432,444
Bond premium	111,667,389	-	(12,161,179)	99,506,210	12,032,027
Less: deferred charge - refundings	(10,858,990)	-	691,784	(10,167,206)	(691,784)
Total bonds payable	<u>1,668,152,284</u>	<u>-</u>	<u>(150,928,852)</u>	<u>1,517,223,432</u>	<u>149,772,687</u>
Capital leases	1,861,986	-	(1,426,128)	435,858	-
Compensated absences	25,427,582	20,266,778	(19,717,049)	25,977,311	4,265,422
Installment financings	522,085,000	-	(33,415,000)	488,670,000	33,300,000
Interest rate swap	33,652,278	-	(5,474,230)	28,178,048	-
Unfunded OPEB liability	1,316,182	25,464,424	-	26,780,606	-
Unfunded pension liability	3,337,992	462,634	-	3,800,626	-
Total Governmental Activities	<u>2,255,833,304</u>	<u>46,193,836</u>	<u>(210,961,259)</u>	<u>2,091,065,881</u>	<u>187,338,109</u>
Business-type activities:					
General obligation bonds	1,186,115	-	(580,543)	605,572	577,556
Less deferred charge - refundings	(200,638)	-	100,325	(100,313)	(100,313)
Total bonds payable	<u>985,477</u>	<u>-</u>	<u>(480,218)</u>	<u>505,259</u>	<u>477,243</u>
Capital leases	1,462,568	-	(532,025)	930,543	450,223
Compensated absences	520,400	340,474	(335,936)	524,938	76,523
Landfill development and postclosure care costs	<u>8,374,290</u>	<u>50,342</u>	<u>-</u>	<u>8,424,632</u>	<u>-</u>
Total Business-type Activities	<u>11,342,735</u>	<u>390,816</u>	<u>(1,348,179)</u>	<u>10,385,372</u>	<u>1,003,989</u>
Total Government-wide	<u>\$ 2,267,176,039</u>	<u>\$ 46,584,652</u>	<u>\$ (212,309,438)</u>	<u>\$ 2,101,451,253</u>	<u>\$ 188,342,098</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 end January 30, 2011 for the Library.

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011	Due within One Year
Governmental activities:					
Capital leases	\$ 1,058,440	\$ 42,144	\$ (27,635)	\$ 1,072,949	\$ 163,464
Compensated Absences	2,437,942	638,220	(1,090,293)	1,985,869	1,200,000
OPEB Liability	7,679,931	3,084,069	(441,216)	10,322,784	-
Total Governmental activities	<u>\$ 11,176,313</u>	<u>\$ 3,764,433</u>	<u>\$ (1,559,144)</u>	<u>\$ 13,381,602</u>	<u>\$ 1,363,464</u>

The \$1,492,098 of long-term liabilities due within one year for the Medic Agency represents compensated absences at June 30, 2011. The \$8,518,420 of long-term liabilities due in more than one year represents the unfunded liability for future post employment healthcare benefits.

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**9. 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 \$1,460,796 and the net book value of those assets recorded in the Enterprise Fund, capital assets – vehicles and heavy equipment, is \$1,234,068.

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, 2011, future minimum lease payments due under capital leases and operating leases with initial or remaining non-cancelable lease terms in excess of one year are as follows:

Year Ending June 30,	Capital Leases		Operating Leases
	Governmental Activities	Solid Waste Enterprise Fund	
2012	\$ 443,863	\$ 478,998	\$ 476,536
2013	-	332,005	268,693
2014	-	166,002	55,469
2015	-	-	58,000
	443,863	977,005	858,698
Less: amount representing interest	(8,005)	(46,462)	-
Total	<u>\$ 435,858</u>	<u>\$ 930,543</u>	<u>\$ 858,698</u>

The Library leases certain branch facilities under lease agreements having initial terms of two to fifty 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 were required through September 2010 related to the first capital lease. 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 \$22,520 to \$6,560), through June 2017. Beginning July 2018 through July 2051 the annual lease payment is \$1. The Town of Matthews gave the Library a one year rent free for the period of July 1, 2010 to June 30, 2011. This payment has been added to the end of the lease.



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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, 2011:

Year Ending June 30,	Capital Leases	Operating Leases
2012	\$ 218,037	\$ 347,565
2013	209,721	282,379
2014	201,518	181,336
2015	191,771	181,336
2016	170,477	181,336
2017 - 2021	290,840	755,573
2022 - 2026	7,510	5
2027 - 2031	7,510	5
2032 - 2036	7,510	5
2037 - 2041	7,510	5
2042 - 2046	4,658	5
2047 - 2051	230	1
Total minimum payments	<u>1,317,292</u>	<u>\$ 1,929,551</u>
Less: amount representing interest	<u>(244,343)</u>	
Present value of net minimum capital lease payments	<u>\$ 1,072,949</u>	

Total interest costs for the year ended June 30, 2011 were \$5,854 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 Agency exercised the first option of renewal for four years. The lease now expires August 31, 2015.

The schedule of future minimum lease payments under the lease as of June 30, 2011 follows:

Year Ending June 30,	Amount
2012	\$ 656,424
2013	660,452
2014	664,608
2015	668,884
2016	111,600
	<u>\$ 2,761,968</u>

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The ABC Board's minimum annual rentals on store properties and equipment leased, with lease terms extending to July 10, 2027, at June 30, 2011 are summarized as follows:

Year Ending June 30,	Operating Leases
2011	\$ 1,468,853
2012	1,424,957
2013	1,205,719
2014	1,147,098
2015 - 2019	4,239,375
2020 - 2024	1,914,359
2025 - 2027	681,370
Total	\$ 12,081,731

For the year ended June 30, 2011 rent expense for operating leases for the County was \$610,021, for the Library was \$629,000, for the Medic Agency was \$589,342, and for the ABC Board was \$1,474,561.

**10. Transfers**

The General Fund transferred \$6,986,863 to the non-major Capital Reserve Special Revenue Fund and \$29,337,750 to the non-major Pay-As-You-Go Capital Projects fund were authorized by the Board of County Commissioners to fund capital projects. The Certificates of Participation Fund transferred \$123,260 to the General Fund to reclassify interest in the appropriate fund. \$106,566 was transferred from the County Historic Landmark Commission to the General Fund. \$229,640 was transferred from the Enterprise Fund to the Scrap Tire Special Revenue Fund to cover operations.

**11. Pension Plan Obligations**

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

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

Plan members are required to contribute 6% of their annual covered salary. The County is required to contribute at an actuarially determined rate. The rate for fiscal year 2011 for employees not engaged in law enforcement and for law enforcement officers is 6.35% and 6.27%, 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, 2011, 2010 and 2009 were \$12,835,918, \$10,396,681, and \$10,702,705, 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, 2011, 2010, and 2009 were \$841,898, \$854,824, and \$931,688 respectively. The rate for fiscal year 2011 for employees is 6.44% of covered payroll. The Medic Agency's contributions to LGERS for the year ended June 30, 2011, 2010, and 2009

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were \$1,314,512, \$1,010,040, and \$908,778, respectively, and the rate for fiscal year 2011 for employees is 6.39% of covered payroll. The ABC Board's contributions to LGERS for the years ended June 30, 2011, 2010, and 2009 were \$342,463, \$265,501, and \$277,289, respectively. The ABC Board's required contributions for employees not engaged in law enforcement and for law enforcement officers are 6.5% and 6.41% 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"), an agent multiple 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, 2010, the Separation Allowance's membership consisted of:

	<u>County</u>
Retirees	26
Active plan members	<u>315</u>
Total	<u><u>341</u></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 \$479,731 for the fiscal year ended June 30, 2011, 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, 2009 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions include (a) 5.00% 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, 2009, was 21 years. The County's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 954,170
Interest on net pension obligation	166,900
Adjustment to annual required contribution	<u>(178,705)</u>
Annual pension cost	942,365
Contributions made	<u>(479,731)</u>
Increase in net pension obligation	462,634
Net pension obligation beginning of year	<u>3,337,992</u>
Net pension obligation end of year	<u><u>\$ 3,800,626</u></u>

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*Three Year Trend Information:*

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation End of Year
2011	\$ 942,365	50.91%	\$ 3,800,626
2010	795,334	56.70	3,337,992
2009	710,860	64.79	2,993,614

As of December 31, 2010, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$8,527,458, and there was no actuarial value of assets, resulting in an unfunded accrued liability (UAAL) of \$8,527,458. The covered payroll (annual payroll of active employees covered by the plan) was \$16,258,376, and the ratio of UAAL to covered payroll was 52.45%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**(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, 2011 was \$866,453 compared to \$882,999 for the year ended June 30, 2010. Contributions for the ABC Board for the year ended June 30, 2011, were \$98,100, which consisted of \$69,246 from the ABC Board and \$28,854 from the law enforcement officers' voluntary contributions and contributions for June 30, 2010 were \$95,938, which consisted of \$69,089 from the ABC Board and \$26,849 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, 2011 and 2010 were \$442,106 and \$447,237, respectively, which consisted of \$262,275 for 2011 and \$269,227 for 2010 from the ABC Board and \$179,831 for 2011 and \$178,009 for 2010 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 that 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

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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, 2011, the County's required and actual contributions were \$54,230.

**12. 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 discontinued the match to employee contribution in fiscal year 2010. Contributions by the Medic Agency for June 30, 2011 and 2010 were \$574,763 and \$579,380, respectively. Medic agency matches 100% of the first 5% of each participant's total annual contribution. For year ended June 30, 2011, the Library did not match employees' contributions to the 401 (k) plan.

**13. Postemployment 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. To be eligible for this benefit the retirees must be members of the North Carolina Local Governmental Employees' Retirement System (System) and must have been employed with the County on or before June 30, 2010. 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. The County's plan is a single-employer, defined benefit plan. 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, 2011, the date of the latest actuarial valuation was:

Retired employees	1,031
Spouses of retired employees	148
Active employees	<u>3,837</u>
Total	<u><u>5,016</u></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 2011, retiree annual contribution rates are:

	Pre-Medicare Standard	Pre-Medicare Enhanced	Medicare Eligible Indemnity
20 or more years of service:			
Retiree	\$ -	\$ 1,220	\$ -
Spouse	3,027	4,464	3,599
10 to 19 years of service:			
Retiree	3,498	4,897	3,334
Spouse	3,027	4,464	3,599

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The County contributed \$6,788,811 of the actuarially calculated annual required contribution (ARC) of \$32,253,235 for fiscal year 2011. The ARC is an amount 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.

Annual required contribution	\$ 32,252,577
Interest on net OPEB obligation	46,066
Adjustment to annual required contribution	<u>(45,408)</u>
Annual OPEB cost	32,253,235
Contributions made	<u>(6,788,811)</u>
Increase in net OPEB obligation	25,464,424
Net OPEB obligation beginning of year	1,316,182
Net OPEB obligation end of year	<u><u>\$ 26,780,606</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2011, 2010, 2009, and 2008 are as follows:

Fiscal Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 32,253,235	21.05%	\$ 26,780,606
2010	16,715,993	95.73	1,316,182
2009	16,708,724	96.37	606,502
2008	14,696,388	100.00	-

The County did not contribute to the North Carolina State Treasurer's Local Government Other Post-Employment Benefit Trust Fund, an irrevocable trust fund for Fiscal Year 2011.

Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay administration costs. These expenditures are paid as they come due.

As of January 1, 2011, the most recent actuarial valuation date, the plan was funded on the pay-as-you-go basis. The actuarially accrued liability for benefits was \$387,947,405 and the actuarial value of assets was \$32,792,954 resulting in an unfunded actuarial accrued liability (UAAL) of \$355,154,451. The annual payroll of active employees covered by the plan was \$214,550,188 and the ratio of the UAAL to the covered payroll was 165.53%.

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 multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to 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 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.

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At January 1, 2011, the actuarial valuation used the projected unit credit actuarial cost method. The assumptions included a 3.5% 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 4.5% to 7.5% and salary projections assumed a zero percent inflation rate. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market of investment over a 5 year period. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at January 1, 2011 was 30 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, 2010 was \$373,383 for the seventy-three qualified retirees. The current ARC rate is 3.5% of annual covered payroll and the Library contributed \$441,216 or 3.4% of covered payroll which leaves a net OPEB obligation of \$10,322,784 recorded to liabilities in the Statement of Net Assets. Complete information regarding the Library's plan appears in the separately issued June 30, 2011 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. Effective June 1, 2010 the plan was closed to new entrants. Medic Agency funded \$65,855 of the \$2,520,511 ARC with the \$8,518,420 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 .3% of annual covered payroll. Complete information regarding Medic Agency's post employment healthcare benefits appears in Medic Agency's separately issued June 30, 2011 financial statements.

The ABC Board provides retiree health benefits under the ABC Board Retiree Benefit Plan. The Plan covers major medical benefits for the fifteen 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 for those who have already elected to participate; however, this \$50,000 coverage plan is no longer open to those not already enrolled in it. Medicare eligible retirees retiring after November 18, 2010 do not have the option of remaining on the Board's retiree health plan, but instead are eligible to receive a reimbursement stipend for private coverage. As of June 30, 2011, the most recent valuation date, the plan was not funded. The remaining OPEB obligation of \$1,412,784 recorded as a liability in the Statement of Net Assets. Complete information regarding the ABC Board's post employment healthcare benefits appears in the ABC Board's separately issued June 30, 2011 financial statements.

#### **14. 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, 2011, the County made contributions to the State for death benefits of \$153,781. The County's required contributions for covered employees represented .14% of covered payroll for law enforcement officers and .07% of covered payroll for employees not engaged in law enforcement. For the year ended June 30, 2011 and 2010, the ABC Board made contributions to the State for death benefits of \$7,840 and \$7,542, respectively.

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**15. 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, 2011, 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:

	2011	2010
Accounts payable and accrued liabilities - beginning of fiscal year	\$ 9,529,456	\$ 10,123,363
Additions	3,985,148	4,855,847
Payments	(4,765,228)	(5,449,754)
Accounts payable and accrued liabilities - end of fiscal year	\$ 8,749,376	\$ 9,529,456

The Library acquires its risk management services through the City of Charlotte's Risk Management Division. The Library has commercial general liability of \$1 million per occurrence, workers' compensation employer's liability coverage of \$500,000 and public officers' coverage of \$1 million per loss. There have been no significant reductions in insurance coverage from coverage levels in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

The insurance coverage for the Medic Agency is provided through commercial carriers and the County. Coverage includes a general insurance policy, commercial automobile policy, commercial umbrella policy and coverage for workers compensation. The general insurance policy covers commercial property, general liability, crime, portable equipment and management liability. The commercial property policy covers business and personal property up to a limit of \$5,667,121 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.

**16. 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



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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 \$8,424,632 and has two components. The cumulative amount reported, based on the use of 75% of the total estimated capacity of the landfill, for closure and postclosure care costs is \$7,943,575. The County will recognize the remaining estimated cost of closure and postclosure care of \$2.6 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 2011. The County expects to close the U.S.521 landfill in 2030. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

The County has met the requirements of a local government financial test that is one option under state and federal laws and regulations 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, 2011 is \$481,057. The County will recognize the remaining estimated cost of future use development of \$1,432,234 as the remaining capacity is filled. These funds are held in investments with a cost of \$481,057 (market value, \$481,057) 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.

**17. Commitments and Contingencies**

The County participates in a number of Federal and State of North Carolina grant programs, principally Social Services Administration, Temporary Assistance to Needy Families, Mental Health Area Matching Funds, and Medical Assistance programs. For the fiscal year ended June 30, 2010, 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.

Unexpended funds of \$49,235,007 at June 30, 2011, are committed for various projects in accordance with related Capital Projects Ordinances. These funds are included in Restricted Net Assets and are included in committed fund balance of the appropriate capital projects funds.

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.

**18. 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 \$215,787 to COG during fiscal year 2011.

**19. 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 \$23,900,000 for operations and \$5,015,760 for capital purposes during fiscal year 2011, and made debt service payments of \$16,173,405 in fiscal year 2011 on general obligation bonds and certificates of participation issued for CPCC. The participating governments do not

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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, 2011, the County did not provide funding to WTVI. The County does not provide the majority of funding to WTVI. The County can also enter into an annual Service Contract with WTVI whereby WTVI provides production and/or programming airtime to the County in support of the County's public awareness goals in return for a specific level of funding to cover the cost of the productions. Complete financial statements of the CMPBA can be obtained from the following address:

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

The County, in conjunction with Catawba, Iredell and Lincoln Counties participates in a joint venture to operate the Lake Norman Marine Commission (the Commission). Each participating government appoints one board member, except Catawba County which appoints two members. The Commission was established to make joint regulations for the safe operation of vessels and for safe recreational use of the water. Each County is obligated to contribute an equal amount appropriate to support the activities of the Commission. The County provided \$22,720 to the Commission in fiscal year 2011. 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, 2011. 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 2011. 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, 2011. 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 2011. None of the participating governments has an equity interest in the Commission, so no equity interest has been

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reflected in the financial statements at June 30, 2011. 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 \$181,482 to the HLC in fiscal year 2011 for operations for historic site preservation.

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

## **20. Conduit Debt Obligation**

In December 2001, the County issued \$16,480,000 Multifamily Housing Revenue Bonds on behalf of Sycamore Green, LLC for the acquisition, construction and equipping of a low and moderate income multifamily rental housing development. These bonds are secured by rents from the property and a letter of credit. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for the repayment of these bonds. Accordingly, the outstanding bonds in the amount of \$15,850,000 at June 30, 2011 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 \$8,480,000 at June 30, 2011 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 \$4,255,000 at June 30, 2011 are not reported as liabilities in the accompanying financial statements.

## **21. 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.

## **22. Subsequent events**

On August 26, 2011 the County converted the 2003B variable rate general obligation bonds from a weekly reset mode with a liquidity facility to a bank-bought interest rate mode. Branch Banking and Trust Company will be the holder of these bonds until maturity in 2023.

The County expects to issue \$100 million in fixed rate general obligation bonds in October 2011. The County also expects to refund approximately \$57 million in fixed rate and \$137 million in variable rate general obligation bonds. The swap transactions associated with the variable rate bonds will also be terminated. The County will

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

issue approximately \$175 million to be combined with the expected premium to fund this refunding. This transaction is expected to close October 27, 2011. The refunding transactions will provide debt service savings and reduce the County's exposure to fluctuations in the bond market.



# Required Supplementary Information

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

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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)
2010	-	\$ 8,527,458	\$8,527,458	0.00 %	\$16,258,376	52.45 %
2009	-	9,378,607	9,378,607	0.00	18,435,179	50.87
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

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 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 Contribution</u>	<u>Percentage Contributed</u>
2011	\$ 954,170	50.27 %
2010	766,885	58.80
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

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	12/31/2009
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	21 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.5% - 12.3%
Cost-of-living adjustments	None

\* Includes inflation at 3.75%.



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 MECKLENBURG COUNTY, NORTH CAROLINA  
 POST EMPLOYMENT BENEFIT HEALTHCARE PLAN  
 REQUIRED SUPPLEMENTARY INFORMATION  
 ANALYSIS OF FUNDING PROGRESS  
 LAST FIVE YEARS

Actuarial Valuation Date January 1	Actuarial Value of Assets (a)	Actuarial 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)
2011	\$ 32,792,954	\$ 387,947,405	\$ 355,154,451	8.45 %	\$ 214,550,188	165.53 %
2010	30,403,865	383,025,283	352,621,418	7.94	214,800,000	164.16
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

Fiscal Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contribution
2011	\$ 32,253,235	\$ 6,788,811	21.05 %
2010	16,715,993	16,002,628	95.73
2009	16,708,724	16,102,222	96.37
2008	14,696,388	14,700,000	100.00

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	1/1/2011
Actuarial cost method	Projected Unit Credit
Amortization method	Level Percent of Pay, Open
Remaining amortization period	30 years
Asset valuation method	5-Year Smooth Market
Actuarial assumptions:	
Investment rate of return*	3.50%
Projected salary increases*	0.00%
Healthcare Cost Trend Rate*	7.7% Initial 4.5% Ultimate
Cost-of-living adjustments	None

\* Includes an inflation assumption of 2.5%.



# Combining and Individual Fund Statements and Schedules

Provides detailed statements for thenonmajor 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:

**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.

**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 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.

**CAPITAL RESERVE:** Accounts for expenditures from current appropriations and certain park entrance fees for capital outlay and improvements.

#### 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, 2011

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 22,138,531	\$ 67,798,455	\$ 89,936,986
Accrued interest receivable	73,646	218,919	292,565
Accounts receivable	15,343,222	-	15,343,222
Taxes receivable	987,859	-	987,859
Less allowance for uncollectible taxes	(345,000)	-	(345,000)
<b>TOTAL ASSETS</b>	<b>\$ 38,198,258</b>	<b>\$ 68,017,374</b>	<b>\$ 106,215,632</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and other accrued liabilities	\$ 10,358,686	\$ 3,548,332	\$ 13,907,018
Deferred revenue	691,187	353	691,540
<b>Total Liabilities</b>	<b>11,049,873</b>	<b>3,548,685</b>	<b>14,598,558</b>
<b>Fund Balances</b>			
<b>Restricted</b>			
Stabilization by State Statute	21,195,843	14,120,488	35,316,331
Land Use and Environmental Services	548,831	-	548,831
Register of Deeds	1,244,045	-	1,244,045
Capital Projects	-	3,574,526	3,574,526
Business Partners	812	-	812
<b>Committed</b>			
Land Use and Environmental Services	17,986,956	-	17,986,956
Capital Projects	-	49,235,007	49,235,007
Business Partners	580,227	-	580,227
<b>Assigned</b>			
Unassigned	(14,408,329)	(2,461,332)	(16,869,661)
<b>Total Fund Balances</b>	<b>27,148,385</b>	<b>64,468,689</b>	<b>91,617,074</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 38,198,258</b>	<b>\$ 68,017,374</b>	<b>\$ 106,215,632</b>

MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Law Enforcement Service District taxes	\$ 12,800,239	\$ -	\$ 12,800,239
Transit one-half cent sales tax	31,145,231	-	31,145,231
Intergovernmental	9,401,016	2,236,925	11,637,941
Charges for services	15,471,794	-	15,471,794
Interest earned on investments	156,631	-	156,631
Other	275,627	1,941,371	2,216,998
Total Revenues	<u>69,250,538</u>	<u>4,178,296</u>	<u>73,428,834</u>
<b>EXPENDITURES</b>			
Land Use and Environmental Services	14,364,289	-	14,364,289
Business Partners	44,267,501	-	44,267,501
Debt Service			
Principal	1,009,390	-	1,009,390
Interest	171,598	-	171,598
Capital Outlay	6,263,152	41,396,933	47,660,085
Total Expenditures	<u>66,075,930</u>	<u>41,396,933</u>	<u>107,472,863</u>
REVENUES UNDER EXPENDITURES	3,174,608	(37,218,637)	(34,044,029)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to other funds	-	(229,826)	(229,826)
Transfers from other funds	229,640	36,324,613	36,554,253
Total Other Financing Sources (Uses)	<u>229,640</u>	<u>36,094,787</u>	<u>36,324,427</u>
NET CHANGE IN FUND BALANCE	3,404,248	(1,123,850)	2,280,398
FUND BALANCES - BEGINNING OF YEAR	<u>23,744,137</u>	<u>65,592,539</u>	<u>89,336,676</u>
FUND BALANCES - END OF YEAR	<u>\$ 27,148,385</u>	<u>\$ 64,468,689</u>	<u>\$ 91,617,074</u>

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING BALANCE SHEET  
 SPECIAL REVENUE FUNDS  
 JUNE 30, 2011

	Storm Water Management	Law Enforcement Service District	Transit One-Half Cent Sales Tax	Scrap Tire Disposal	Discarded White Goods	Register of Deeds	Emergency Telephone Fund	Total Special Revenue Funds
<b>ASSETS</b>								
Cash and investments	\$ 17,109,635	\$ 1,655,968	\$ -	\$ 271,968	\$ 1,823,670	\$ 1,276,478	\$ 812	\$ 22,138,531
Accrued interest receivable	66,077	6,291	-	1,278	-	-	-	73,646
Accounts receivable	6,934,160	-	8,398,805	10,257	-	-	-	15,343,222
Taxes receivable	-	987,859	-	-	-	-	-	987,859
Less allowance for uncollectible taxes	-	(345,000)	-	-	-	-	-	(345,000)
<b>TOTAL ASSETS</b>	<b>\$ 24,109,872</b>	<b>\$ 2,305,118</b>	<b>\$ 8,398,805</b>	<b>\$ 283,503</b>	<b>\$ 1,823,670</b>	<b>\$ 1,276,478</b>	<b>\$ 812</b>	<b>\$ 38,198,258</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable and accrued liabilities	\$ 803,788	\$ 1,041,327	\$ 8,398,805	\$ 111,860	\$ 1,025	\$ 1,881	\$ -	\$ 10,358,686
Deferred revenue - taxes	-	642,859	-	-	-	-	-	642,859
Deferred revenue - other	13,914	34,414	-	-	-	-	-	48,328
<b>Total Liabilities</b>	<b>817,702</b>	<b>1,718,600</b>	<b>8,398,805</b>	<b>111,860</b>	<b>1,025</b>	<b>1,881</b>	<b>-</b>	<b>11,049,873</b>
<b>Fund Balance</b>								
<b>Restricted</b>								
Stabilization by State Statute	12,393,801	6,291	8,398,805	230,032	136,362	30,552	-	21,195,843
Land Use and Environmental Services	548,831	-	-	-	-	-	-	548,831
Register of Deeds	-	-	-	-	-	1,244,045	-	1,244,045
Business Partners	-	-	-	-	-	-	812	812
<b>Committed</b>								
Land Use and Environmental Services	16,300,673	-	-	-	1,686,283	-	-	17,986,956
Business Partners	-	580,227	-	-	-	-	-	580,227
<b>Assigned</b>								
Detention and Court Support Services	-	-	-	-	-	-	-	-
Unassigned	(5,951,135)	-	(8,398,805)	(58,389)	-	-	-	(14,408,329)
<b>Total Fund Balances</b>	<b>23,292,170</b>	<b>586,518</b>	<b>-</b>	<b>171,643</b>	<b>1,822,645</b>	<b>1,274,597</b>	<b>812</b>	<b>27,148,385</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 24,109,872</b>	<b>\$ 2,305,118</b>	<b>\$ 8,398,805</b>	<b>\$ 283,503</b>	<b>\$ 1,823,670</b>	<b>\$ 1,276,478</b>	<b>\$ 812</b>	<b>\$ 38,198,258</b>

MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	Storm Water Management	Law Enforcement Service District	Transit One-Half Cent Sales Tax	Scrap Tire Disposal	Discarded White Goods	Register of Deeds	Emergency Telephone Fund	Total Special Revenue Funds
<b>REVENUES</b>								
Law Enforcement Service District taxes	\$ -	\$ 12,800,239	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,800,239
Transit one-half cent sales tax	-	-	31,145,231	-	-	-	-	31,145,231
Intergovernmental	8,005,146	-	-	1,110,494	285,376	-	-	9,401,016
Charges for services	14,922,952	-	-	-	-	548,842	-	15,471,794
Interest earned on investments	136,698	17,637	-	2,296	-	-	-	156,631
Other	132,315	-	-	-	143,312	-	-	275,627
<b>Total Revenues</b>	<b>23,197,111</b>	<b>12,817,876</b>	<b>31,145,231</b>	<b>1,112,790</b>	<b>428,688</b>	<b>548,842</b>	<b>-</b>	<b>69,250,538</b>
<b>EXPENDITURES</b>								
Land Use and Environmental Services	12,863,990	-	-	1,270,848	229,450	-	-	14,364,289
Business Partners	-	12,495,927	31,145,231	-	-	289,667	336,677	44,267,501
Debt Service								
Principal	1,009,390	-	-	-	-	-	-	1,009,390
Interest	171,598	-	-	-	-	-	-	171,598
Capital Outlay	6,230,960	-	-	-	-	32,192	-	6,263,152
<b>Total Expenditures</b>	<b>20,275,938</b>	<b>12,495,927</b>	<b>31,145,231</b>	<b>1,270,848</b>	<b>229,450</b>	<b>321,859</b>	<b>336,677</b>	<b>66,075,930</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,921,173</b>	<b>321,949</b>	<b>-</b>	<b>(158,058)</b>	<b>199,238</b>	<b>226,983</b>	<b>(336,677)</b>	<b>3,174,608</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers from other funds	-	-	-	229,640	-	-	-	229,640
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES</b>	<b>2,921,173</b>	<b>321,949</b>	<b>-</b>	<b>71,582</b>	<b>199,238</b>	<b>226,983</b>	<b>(336,677)</b>	<b>3,404,248</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>20,370,997</b>	<b>264,569</b>	<b>-</b>	<b>100,061</b>	<b>1,623,407</b>	<b>1,047,614</b>	<b>337,489</b>	<b>23,744,137</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 23,292,170</b>	<b>\$ 586,518</b>	<b>\$ -</b>	<b>\$ 171,643</b>	<b>\$ 1,822,645</b>	<b>\$ 1,274,597</b>	<b>\$ 812</b>	<b>\$ 27,148,385</b>



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 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING BALANCE SHEET  
 CAPITAL PROJECTS FUNDS  
 JUNE 30, 2011

	2000A Public Improvement	2006A Variable Rate	2007A Public Improvement	2008A Park and Recreation
<b>ASSETS</b>				
Cash and Investments	\$ 18,008	\$ 5,541	\$ 86,011	\$ 588,640
Interest receivable	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 18,008</b>	<b>\$ 5,541</b>	<b>\$ 86,011</b>	<b>\$ 588,640</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 2,250
Deferred revenue	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,250</b>
Fund Balances				
Restricted				
Stabilization by State statute	-	-	6,551	103,690
Capital Projects	18,008	5,541	79,460	482,700
Committed				
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>18,008</b>	<b>5,541</b>	<b>86,011</b>	<b>586,390</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 18,008</b>	<b>\$ 5,541</b>	<b>\$ 86,011</b>	<b>\$ 588,640</b>

(Continued)

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING BALANCE SHEET  
 CAPITAL PROJECTS FUNDS  
 JUNE 30, 2011  
 (CONCLUDED)

	2008B Public Improvement	Certificates of Participation	Capital Reserve	Other Capital Funding	Total Capital Projects
<b>ASSETS</b>					
Cash and Investments	\$ 1,035,401	\$ 7,128,426	\$ 26,455,929	\$ 32,480,499	\$ 67,798,455
Interest receivable	-	-	395	218,524	218,919
<b>TOTAL ASSETS</b>	<b><u>\$ 1,035,401</u></b>	<b><u>\$ 7,128,426</u></b>	<b><u>\$ 26,456,324</u></b>	<b><u>\$ 32,699,023</u></b>	<b><u>\$ 68,017,374</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ 30,676	\$ 2,129,317	\$ 1,386,089	\$ 3,548,332
Deferred revenue	-	-	353	-	353
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>30,676</u></b>	<b><u>2,129,670</u></b>	<b><u>1,386,089</u></b>	<b><u>3,548,685</u></b>
Fund Balances					
Restricted					
Stabilization by State statute	25,675	5,118,659	3,982,295	4,883,618	14,120,488
Capital Projects	1,009,726	1,979,091	-	-	3,574,526
Committed					
Capital Projects	-	-	22,148,124	27,086,883	49,235,007
Unassigned	-	-	(1,803,765)	(657,567)	(2,461,332)
<b>Total Fund Balances</b>	<b><u>1,035,401</u></b>	<b><u>7,097,750</u></b>	<b><u>24,326,654</u></b>	<b><u>31,312,934</u></b>	<b><u>64,468,689</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 1,035,401</u></b>	<b><u>\$ 7,128,426</u></b>	<b><u>\$ 26,456,324</u></b>	<b><u>\$ 32,699,023</u></b>	<b><u>\$ 68,017,374</u></b>

MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	2000A Public Improvement	2005A Public Improvement	2006A Variable Rate
Project Authorization	\$ 34,000,000	\$ 32,300,000	\$ 89,000,000
Prior Years' Revenues	34,000,000	32,300,000	89,000,000
Prior Years' Expenditures	33,981,992	31,872,719	88,994,459
Fund Balances - Beginning of Year	<u>18,008</u>	<u>427,281</u>	<u>5,541</u>
<b>REVENUES</b>			
Intergovernmental			
Federal	-	-	-
State	-	-	-
Other	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Management Services			
County Buildings	-	-	-
Land	-	-	-
Land Use and Environmental Services			
Scattered Site	-	-	-
Historic Preservation	-	-	-
Community Services			
Park and Recreational Facilities	-	-	-
Library Facilities	-	-	-
Detention and Court Support Services			
Courthouse Facilities	-	-	-
Jail/Detention Facilities	-	-	-
Business Partners			
Community College Facilities	-	427,281	-
School Facilities	-	-	-
Total Expenditures	<u>-</u>	<u>427,281</u>	<u>-</u>
REVENUES UNDER EXPENDITURES	-	(427,281)	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer to Other Funds	-	-	-
Transfer from Other Funds	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 18,008</u>	<u>\$ -</u>	<u>\$ 5,541</u>

(Continued)

C - 6  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	2007A Public Improvement	2008A Park and Recreation	2008B Public Improvement
Project Authorization	\$ 102,000,000	\$ 12,000,000	\$ 148,500,000
Prior Years' Revenues	102,000,000	12,000,000	148,500,000
Prior Years' Expenditures	101,809,499	10,928,820	147,235,078
Fund Balances - Beginning of Year	<u>190,501</u>	<u>1,071,180</u>	<u>1,264,922</u>
REVENUES			
Intergovernmental			
Federal	-	-	-
State	-	-	-
Other	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Management Services			
County Buildings	-	-	-
Land	-	-	-
Land Use and Environmental Services			
Scattered Site	-	-	-
Historic Preservation	-	-	-
Community Services			
Park and Recreational Facilities	91,560	484,790	145,604
Library Facilities	-	-	-
Detention and Court Support Services			
Courthouse Facilities	-	-	-
Jail/Detention Facilities	12,930	-	83,917
Business Partners			
Community College Facilities	-	-	-
School Facilities	-	-	-
Total Expenditures	<u>104,490</u>	<u>484,790</u>	<u>229,521</u>
REVENUES UNDER EXPENDITURES	(104,490)	(484,790)	(229,521)
OTHER FINANCING SOURCES (USES)			
Transfer to Other Funds	-	-	-
Transfer from Other Funds	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 86,011</u>	<u>\$ 586,390</u>	<u>\$ 1,035,401</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, 2011  
 (CONCLUDED)

	Certificates of Participation	Capital Reserve	Other Capital Funding	Total Capital Projects
Project Authorization	\$ 672,520,000	\$ 72,446,881	\$ 338,967,991	\$ 1,501,734,872
Prior Years' Revenues	670,202,242	67,720,882	298,576,314	1,454,299,438
Prior Years' Expenditures	<u>655,021,599</u>	<u>41,531,402</u>	<u>277,331,331</u>	<u>1,388,706,899</u>
Fund Balances - Beginning of Year	<u>15,180,643</u>	<u>26,189,480</u>	<u>21,244,983</u>	<u>65,592,539</u>
REVENUES				
Intergovernmental				
Federal	-	495,890	1,289,742	1,785,632
State	-	451,293	-	451,293
Other	-	830,918	1,110,453	1,941,371
Total Revenues	<u>-</u>	<u>1,778,101</u>	<u>2,400,195</u>	<u>4,178,296</u>
EXPENDITURES				
Management Services				
County Buildings	5,290,801	5,538,526	515,693	11,345,020
Land	-	-	368,834	368,834
Land Use and Environmental Services				
Scattered Site	-	-	49,421	49,421
Historic Preservation	-	-	39,452	39,452
Community Services				
Park and Recreational Facilities	-	4,548,863	3,980,588	9,251,405
Library Facilities	1,133,424	79,668	1,425,634	2,638,726
Detention and Court Support Services				
Courthouse Facilities	2,865	-	1,123,809	1,126,673
Jail/Detention Facilities	45,796	438,087	93,243	673,973
Business Partners				
Community College Facilities	-	22,646	4,565,832	5,015,759
School Facilities	1,486,747	-	9,400,922	10,887,669
Total Expenditures	<u>7,959,633</u>	<u>10,627,790</u>	<u>21,563,428</u>	<u>41,396,933</u>
REVENUES UNDER EXPENDITURES	(7,959,633)	(8,849,689)	(19,163,233)	(37,218,637)
OTHER FINANCING SOURCES (USES)				
Transfer to Other Funds	(123,260)	-	(106,566)	(229,826)
Transfer from Other Funds	-	6,986,863	29,337,750	36,324,613
Total Other Financing Sources (Uses)	<u>(123,260)</u>	<u>6,986,863</u>	<u>29,231,184</u>	<u>36,094,787</u>
FUND BALANCES - END OF YEAR	<u>\$ 7,097,750</u>	<u>\$ 24,326,654</u>	<u>\$ 31,312,934</u>	<u>\$ 64,468,689</u>

D - 1  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF ASSETS AND LIABILITIES  
 AGENCY FIDUCIARY FUNDS  
 JUNE 30, 2011

	Municipalities' Taxes	Employees' Insurance	Fee Collection for State	Food and Beverage Tax	Other	Total
ASSETS						
Cash and investments	\$ 2,735,834	\$ 23,798,204	\$ 3,298,777	\$ -	\$ 1,081,259	\$ 30,914,074
Accounts receivable	197,834	13,098	-	-	-	210,932
Due from other governmental agencies	8,392	-	-	-	-	8,392
<b>TOTAL ASSETS</b>	<b>\$ 2,942,060</b>	<b>\$ 23,811,302</b>	<b>\$ 3,298,777</b>	<b>\$ -</b>	<b>\$ 1,081,259</b>	<b>\$ 31,133,398</b>
LIABILITIES						
Accounts payable and accrued liabilities	\$ -	\$ 23,811,302	\$ -	\$ -	\$ 1,081,259	\$ 24,892,561
Due to other governmental agencies	2,942,060	-	3,195,761	-	-	6,137,821
Due to NC Department of Motor Vehicles	-	-	103,016	-	-	103,016
<b>TOTAL LIABILITIES</b>	<b>\$ 2,942,060</b>	<b>\$ 23,811,302</b>	<b>\$ 3,298,777</b>	<b>\$ -</b>	<b>\$ 1,081,259</b>	<b>\$ 31,133,398</b>

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<b>Municipalities' Taxes</b>				
Assets				
Cash and investments	\$ 2,000,988	\$ 1,031,998,538	\$ 1,031,263,692	\$ 2,735,834
Accounts Receivables	-	197,834	-	197,834
Due from other governmental agencies	2,637	5,755	-	8,392
	<u>\$ 2,003,625</u>	<u>\$ 1,032,202,127</u>	<u>\$ 1,031,263,692</u>	<u>\$ 2,942,060</u>
Liabilities				
Due to other governmental agencies	\$ 2,003,625	\$ 524,203,217	\$ 523,264,782	\$ 2,942,060
<b>Employees' Insurance</b>				
Assets				
Cash and investments	\$ 21,026,190	\$ 110,499,758	\$ 107,727,744	23,798,204
Accounts receivable	11,179	73,665	71,746	13,098
Total assets	<u>\$ 21,037,369</u>	<u>\$ 110,573,423</u>	<u>\$ 107,799,490</u>	<u>\$ 23,811,302</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 21,037,369	\$ 157,484,324	\$ 154,710,391	\$ 23,811,302
<b>Fee Collection for State</b>				
Assets				
Cash and investments	\$ 3,215,372	\$ 7,298,739	\$ 7,215,334	\$ 3,298,777
Liabilities				
Due to other governmental agencies	\$ 3,159,111	\$ 15,842,300	\$ 15,805,650	\$ 3,195,761
Due to NC Department of Motor Vehicles	56,261	947,685	900,930	103,016
	<u>\$ 3,215,372</u>	<u>\$ 16,789,985</u>	<u>\$ 16,706,580</u>	<u>\$ 3,298,777</u>
<b>Food and Beverage Tax</b>				
Assets				
Cash and investments	\$ 18,242	\$ 43,193,587	\$ 43,211,829	\$ -
Liabilities				
Due to other governmental agencies	\$ 18,242	\$ 21,958,908	\$ 21,977,150	\$ -
<b>Other</b>				
Assets				
Cash and investments	\$ 696,604	\$ 987,826	\$ 603,171	\$ 1,081,259
Due from other governmental agencies	2,627	30,688	33,315	-
	<u>\$ 699,231</u>	<u>\$ 1,018,514</u>	<u>\$ 636,486</u>	<u>\$ 1,081,259</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 699,231	\$ 2,079,608	\$ 1,697,580	\$ 1,081,259
<b>Totals - All Agency Funds</b>				
Assets				
Cash and investments	\$ 26,957,396	\$ 1,193,978,448	\$ 1,190,021,770	\$ 30,914,074
Accounts receivable	11,179	271,499	71,746	210,932
Due from other governmental agencies	5,264	36,443	33,315	8,392
Total assets	<u>\$ 26,973,839</u>	<u>\$ 1,194,286,390</u>	<u>\$ 1,190,126,831</u>	<u>\$ 31,133,398</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 21,736,600	\$ 159,563,932	\$ 156,407,971	\$ 24,892,561
Due to other governmental agencies	5,180,978	562,004,425	561,047,582	6,137,821
Due to NC Department of Motor Vehicles	56,261	947,685	900,930	103,016
Total liabilities	<u>\$ 26,973,839</u>	<u>\$ 722,516,042</u>	<u>\$ 718,356,483</u>	<u>\$ 31,133,398</u>

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, 2011

	Project Authorization	Actual			Project Authorization Balance
		Prior Year	Current Year	Total to Date	
<b>U.S. Department of Housing and Urban Development</b>					
<b>Community Development Block Grant</b>					
<b>Block Grant # B-10-UC-37003</b>					
REVENUES					
Grant Proceeds	\$ 515,368	\$ -	\$ 49,421	\$ 49,421	\$ 465,947
EXPENDITURES					
Rehabilitation	412,000	-	-	-	412,000
Administration	103,368	-	49,421	49,421	53,947
Total Expenditures	515,368	-	49,421	49,421	465,947
REVENUES OVER EXPENDITURES	\$ -	-	-	-	\$ -
<b>North Carolina Clean Water Management Trust</b>					
<b>McDowell Creek Watershed BMP Construction</b>					
<b>Project 2005A-702</b>					
REVENUES					
Grant Proceeds	\$ 639,000	275,481	-	275,481	\$ 363,519
Mecklenburg County	639,000	362,639	(5,551)	357,088	281,912
Total revenues	1,278,000	638,120	(5,551)	632,569	645,431
EXPENDITURES					
Construction	1,278,000	638,120	(5,551)	632,569	645,431
REVENUES OVER EXPENDITURES	\$ -	-	-	-	\$ -
<b>Little Sugar Creek - Phase 9 (Midtown)</b>					
<b>Project 2007-404</b>					
REVENUES					
Grant Proceeds	\$ 615,000	387,570	58,190	445,760	\$ 169,240
Mecklenburg County	662,000	407,618	58,769	466,387	195,613
Total revenues	1,277,000	795,188	116,959	912,147	364,853
EXPENDITURES					
Construction	1,277,000	795,188	116,959	912,147	364,853
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, 2011  
 (CONTINUED)

	Project Authorization	Actual			Project Authorization Balance
		Prior Year	Current Year	Total to Date	
<b>North Carolina Clean Water Management Trust</b>					
<b>Little Sugar Creek - Phase VIII</b>					
<b>Project 2006-404</b>					
REVENUES					
Grant Proceeds	\$ 1,000,000	\$ 79,309	\$ 350,706	\$ 430,015	\$ 569,985
Mecklenburg County	300,000	133,079	74,023	207,102	92,898
Total revenues	<u>1,300,000</u>	<u>212,388</u>	<u>424,729</u>	<u>637,117</u>	<u>662,883</u>
EXPENDITURES					
Construction	<u>1,300,000</u>	<u>212,388</u>	<u>424,729</u>	<u>637,117</u>	<u>662,883</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>McDowell Creek Watershed Recycling</b>					
<b>Project 2006A-705</b>					
REVENUES					
Grant Proceeds	\$ 145,000	126,357	18,643	145,000	\$ -
Mecklenburg County	144,900	116,939	22,309	139,248	5,652
Total revenues	<u>289,900</u>	<u>243,296</u>	<u>40,952</u>	<u>284,248</u>	<u>5,652</u>
EXPENDITURES					
Construction	<u>289,900</u>	<u>243,296</u>	<u>40,952</u>	<u>284,248</u>	<u>5,652</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>McAlpine Creek</b>					
<b>Project 2006A-405</b>					
REVENUES					
Grant Proceeds	\$ 845,000	150,956	463,341	614,297	\$ 230,703
City of Charlotte	1,350,000	260,241	317,083	577,324	772,676
Mecklenburg County	345,000	38,189	3,408	41,597	303,403
Total revenues	<u>2,540,000</u>	<u>449,386</u>	<u>783,832</u>	<u>1,233,218</u>	<u>1,306,782</u>
EXPENDITURES					
Construction	<u>2,540,000</u>	<u>449,386</u>	<u>783,832</u>	<u>1,233,218</u>	<u>1,306,782</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

(Continued)

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, 2011  
 (CONTINUED)

	Project Authorization	Actual			Project Authorization Balance
		Prior Year	Current Year	Total to Date	
<b>U.S. Department of Environmental Protection</b>					
<b>Passed through N.C. Department of Environment and Natural Resources</b>					
<b>McDowell Creek BMP Construction</b>					
<b>Project EW7035</b>					
REVENUES					
Grant Proceeds	\$ 287,050	\$ 279,798	\$ 6,357	\$ 286,155	\$ 895
Mecklenburg County	191,366	806	(806)	-	191,366
Total revenues	<u>478,416</u>	<u>280,604</u>	<u>5,551</u>	<u>286,155</u>	<u>192,261</u>
EXPENDITURES					
Construction	<u>478,416</u>	<u>280,604</u>	<u>5,551</u>	<u>286,155</u>	<u>192,261</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>McDowell Creek Watershed Ange Property</b>					
<b>Project EW8021</b>					
REVENUES					
Grant Proceeds	\$ 381,661	279,672	63,823	343,495	\$ 38,166
City of Charlotte	90,000	58,950	26,081	85,031	4,969
Mecklenburg County	223,406	168,665	(6,242)	162,423	60,983
Total revenues	<u>695,067</u>	<u>507,287</u>	<u>83,662</u>	<u>590,949</u>	<u>104,118</u>
EXPENDITURES					
Construction	<u>695,067</u>	<u>507,287</u>	<u>83,662</u>	<u>590,949</u>	<u>104,118</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>ARRA Torrence Creek</b>					
<b>Project 2W-370863-01</b>					
REVENUES					
Grant Proceeds	<u>\$ 2,576,000</u>	<u>\$ 611,496</u>	<u>\$ 1,898,484</u>	<u>\$ 2,509,980</u>	<u>\$ 66,020</u>
Total revenues	<u>2,576,000</u>	<u>611,496</u>	<u>2,509,980</u>	<u>2,509,980</u>	<u>66,020</u>
EXPENDITURES					
Construction	<u>2,576,000</u>	<u>611,496</u>	<u>2,509,980</u>	<u>2,509,980</u>	<u>66,020</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

(Continued)

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 GRANTS PROJECT FUND  
 FOR THE YEAR ENDED JUNE 30, 2011  
 (CONCLUDED)

	Project Authorization	Actual			Project Authorization Balance
		Prior Year	Current Year	Total to Date	
<b>US Department of Transportation passed thru North Carolina Department of Environment and Natural Resources</b>					
<b>ARRA Toby Creek Greenway Project EB-5120</b>					
REVENUES					
Grant Proceeds	\$ 1,250,000	\$ 185,291	\$ 879,399	\$ 1,064,690	\$ 185,310
Total revenues	<u>1,250,000</u>	<u>185,291</u>	<u>879,399</u>	<u>1,064,690</u>	<u>185,310</u>
EXPENDITURES					
Construction	<u>1,250,000</u>	<u>185,291</u>	<u>879,399</u>	<u>1,064,690</u>	<u>185,310</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>ARRA West Branch Rocky River Greenway Project EB-5118JB</b>					
REVENUES					
Grant Proceeds	\$ 1,110,000	65,178	260,848	326,026	\$ 783,974
Total revenues	<u>1,110,000</u>	<u>65,178</u>	<u>260,848</u>	<u>326,026</u>	<u>783,974</u>
EXPENDITURES					
Construction	<u>1,110,000</u>	<u>65,178</u>	<u>260,848</u>	<u>326,026</u>	<u>783,974</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<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 - STORM WATER MANAGEMENT SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budget	Actual
<b>REVENUES</b>		
Intergovernmental		
Federal	\$ 4,088,216	\$ 5,815,339
State	16,581	1,882,077
Local	-	307,730
Charges for services	14,301,312	14,922,952
Interest earned on investments	-	136,698
Other	614,630	132,315
Total Revenues	19,020,739	23,197,111
<b>EXPENDITURES</b>		
Land Use and Environmental Services		
Storm Water Services	15,228,848	12,863,989
Debt Service		
Principal retirement - bonds	1,009,753	1,009,390
Interest	171,644	171,598
Capital Outlay	2,610,494	6,230,961
Total Expenditures	19,020,739	20,275,938
 REVENUES OVER EXPENDITURES	 \$ -	 2,921,173
 FUND BALANCE - BEGINNING OF YEAR		 20,370,997
FUND BALANCE - END OF YEAR		\$ 23,292,170

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, 2011

	<u>Budget</u>	<u>Actual</u>
<b>REVENUES</b>		
Law Enforcement Service District taxes	\$ 12,495,927	\$ 12,800,239
Interest earned on investments	-	17,637
Total Revenues	<u>12,495,927</u>	<u>12,817,876</u>
<b>EXPENDITURES</b>		
Business Partners:		
Law Enforcement Services	<u>12,495,927</u>	<u>12,495,927</u>
Total Expenditures	<u>12,495,927</u>	<u>12,495,927</u>
<b>REVENUES OVER EXPENDITURES</b>	<u>\$ -</u>	321,949
<b>FUND BALANCE - BEGINNING OF YEAR</b>		<u>264,569</u>
<b>FUND BALANCE - END OF YEAR</b>		<u>\$ 586,518</u>

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 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, 2011

	Budget	Actual
REVENUES		
Transit one-half cent sales tax	\$ 31,145,232	\$ 31,145,231
EXPENDITURES		
Business Partners	31,145,232	31,145,231
REVENUES OVER EXPENDITURES	\$ -	-
FUND BALANCE - BEGINNING OF YEAR		-
FUND BALANCE - END OF YEAR		\$ -

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - SCRAP TIRE DISPOSAL SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budget	Actual
REVENUES		
Intergovernmental - State	\$ 1,150,000	\$ 1,110,494
Interest earned on investments	-	2,296
Other	229,690	-
Total Revenues	1,379,690	1,112,790
EXPENDITURES		
Land Use and Environmental Services	1,379,690	1,270,848
REVENUES UNDER EXPENDITURES	\$ -	(158,058)
OTHER FINANCING SOURCES		
Transfer from other funds		229,640
REVENUES OVER / (UNDER) EXPENDITURES		71,582
FUND BALANCE - BEGINNING OF YEAR		100,061
FUND BALANCE - END OF YEAR		\$ 171,643

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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, 2011

	Budget	Actual
REVENUES		
Intergovernmental - State	\$ 275,000	\$ 285,376
Other	105,840	143,312
	380,840	428,688
 EXPENDITURES		
Land Use and Environmental Services	380,840	229,450
 REVENUES OVER EXPENDITURES	\$ -	199,238
 FUND BALANCE - BEGINNING OF YEAR		1,623,407
FUND BALANCE - END OF YEAR		\$ 1,822,645



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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, 2011

	Budget	Actual
REVENUES		
Charges for services	\$ 400,000	\$ 548,842
EXPENDITURES		
Business Partners	-	289,667
Capital outlay	400,000	32,192
REVENUES OVER EXPENDITURES	\$ -	226,983
FUND BALANCE - BEGINNING OF YEAR		1,047,614
FUND BALANCE - END OF YEAR		\$ 1,274,597

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 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, 2011

	Budget	Actual
REVENUES		
Interest	\$ -	\$ -
Total Revenue	-	-
EXPENDITURES		
Business Partners	-	336,677
Total Expenditures	-	336,677
REVENUES UNDER EXPENDITURES	-	(336,677)
OTHER FINANCING SOURCES		
Appropriated Fund Balance	-	-
REVENUES UNDER EXPENDITURES	\$ -	(336,677)
FUND BALANCE - BEGINNING OF YEAR		337,489
FUND BALANCE - END OF YEAR		\$ 812

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 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, 2011

	<u>Budget</u>	<u>Actual</u>
Operating Revenues		
Charges for services	\$ 11,980,993	\$ 12,350,331
Other	2,099,347	4,737,801
Total Operating Revenues	<u>14,080,340</u>	<u>17,088,132</u>
Operating Expenses		
Personal services and employee benefits	4,220,040	4,173,003
Utilities	190,205	172,285
Supplies	1,033,448	1,032,542
Maintenance and repairs	614,156	550,594
Rental and occupancy charges	616,533	603,148
Contractual services	5,758,991	4,783,172
Postclosure reserve contribution	50,342	50,342
Total Operating Expenses	<u>12,483,715</u>	<u>11,365,086</u>
Operating Income	<u>1,596,625</u>	<u>5,723,046</u>
Non-operating Revenues (Expenses)		
Grant revenue	-	64,411
Interest Income	150,000	223,874
Interest expense	(118,631)	(118,631)
Capital outlay	(1,159,498)	-
Total Non-operating Revenues (Expenses)	<u>(1,128,129)</u>	<u>169,654</u>
Net income before transfer	<u>468,496</u>	<u>5,892,700</u>
Transfer to landfill postclosure fund	<u>(468,496)</u>	<u>(468,496)</u>
Net income after transfer	<u>\$ -</u>	5,424,204
Reconciliation to full accrual basis		
Depreciation		(2,566,858)
Loss on sale of capital assets		(24,475)
Amortization of refunding amount		<u>(100,325)</u>
Net Income - Full Accrual Basis		<u>\$ 2,732,546</u>

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 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, 2011

	Project Authorization	Prior Years'	Actual Current Year	Total to Date
<b>REVENUES</b>				
Fees and charges	\$ 3,100,000	\$ 3,100,000	\$ -	\$ 3,100,000
<b>EXPENDITURES</b>				
Landfill construction	2,223,684	1,135,603	96,542	1,232,145
Land improvements	2,286,511	2,290,839	116,558	2,407,397
Final development and postclosure costs	10,669,587	6,995,430	-	6,995,430
Total expenditures	<u>15,179,782</u>	<u>10,421,872</u>	<u>213,100</u>	<u>10,634,972</u>
REVENUES OVER (UNDER) EXPENDITURES	(12,079,782)	(7,321,872)	(213,100)	(7,534,972)
<b>OTHER FINANCING SOURCES</b>				
Interest earned on investments	583,910	2,507,674	13,631	2,521,305
Operating transfer from Solid Waste Enterprise Fund	<u>11,495,872</u>	<u>11,517,376</u>	<u>468,496</u>	<u>11,985,872</u>
Total other financing sources	<u>12,079,782</u>	<u>14,025,050</u>	<u>482,127</u>	<u>14,507,177</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 6,703,178</u>	<u>\$ 269,027</u>	<u>\$ 6,972,205</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, 2011  
(Accrual Basis of Accounting)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Governmental Activities</b>										
Invested in capital assets, net of related debt	\$ 499,385,868	\$ 463,345,867	\$ 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	139,415,700	97,770,660	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	(1,205,993,814)	(1,317,370,389)	(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	<u>(567,192,246)</u>	<u>(756,253,862)</u>	<u>(824,520,751)</u>	<u>(678,366,880)</u>	<u>(596,523,322)</u>	<u>(643,845,576)</u>	<u>(730,838,846)</u>	<u>(705,322,500)</u>	<u>(648,268,886)</u>	<u>(535,358,386)</u>
<b>Business-type Activities</b>										
Invested in capital assets, net of related debt	49,670,011	49,923,326	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	8,424,632	8,374,290	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	13,832,478	9,497,989	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	<u>71,927,121</u>	<u>67,795,605</u>	<u>66,286,954</u>	<u>62,985,215</u>	<u>56,909,240</u>	<u>51,000,568</u>	<u>45,748,328</u>	<u>40,745,337</u>	<u>37,986,681</u>	<u>36,278,986</u>
<b>Primary Government</b>										
Invested in capital assets, net of related debt	549,055,879	513,269,193	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	147,840,332	106,144,950	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	(1,192,161,336)	(1,307,872,400)	(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	<u>\$ (495,265,125)</u>	<u>\$ (688,458,257)</u>	<u>\$ (758,233,797)</u>	<u>\$ (615,381,665)</u>	<u>\$ (539,614,082)</u>	<u>\$ (592,845,008)</u>	<u>\$ (665,090,518)</u>	<u>\$ (664,577,163)</u>	<u>\$ (610,282,205)</u>	<u>\$ (499,079,400)</u>





TABLE 3

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

June 30	General Fund					All Other Governmental Funds					All Governmental Funds Total
	Nonspendable	Restricted	Committed	Assigned	Total	Nonspendable	Restricted	Committed	Assigned	Total	
2011	\$ 4,960	\$ 98,731,155	\$ 972,406	\$ 1,903,795	\$ 372,630,689	\$ -	\$ 40,684,545	\$ 67,802,190	\$ -	\$ 91,617,074	\$ 464,247,773
2010	4,960	110,211,354	1,404,961	117,284,010	330,941,509	-	53,744,422	43,803,780	-	89,336,676	420,278,185
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	Unreserved	Total	Reserved for Encumbrances	Reserved by State Statute	
2010	\$ 20,538,100	\$ 87,950,368	\$ 220,980,457	\$ 329,468,925	\$ 10,477,931	\$ 29,267,911	\$ 19,067,519	\$ 90,809,260	\$ 420,278,185	\$ 90,809,260	\$ 420,278,185
2009	19,427,882	79,280,685	260,840,285	359,548,852	7,749,028	32,950,716	3,575,567	87,204,799	446,763,651	87,204,799	446,763,651
2008	23,067,756	73,790,931	265,285,330	362,144,017	16,698,476	28,301,001	235,059,360	381,480,957	743,624,974	381,480,957	743,624,974
2007	21,626,933	77,459,022	244,382,297	343,468,252	11,083,386	34,144,388	176,601,035	257,961,977	601,430,229	257,961,977	601,430,229
2006	25,594,209	71,727,868	194,232,627	291,554,704	9,050,935	31,337,721	152,167,587	224,732,182	516,286,886	224,732,182	516,286,886
2005	15,868,220	75,378,590	149,048,699	240,295,509	10,548,021	19,046,705	168,920,112	253,339,032	493,634,541	253,339,032	493,634,541
2004	13,349,881	90,196,834	106,511,731	210,058,446	11,424,512	6,416,518	132,562,611	251,535,627	461,593,973	251,535,627	461,593,973
2003	11,978,650	59,731,407	94,082,288	165,792,345	25,993,028	20,866,532	206,889,877	273,460,043	439,252,388	273,460,043	439,252,388
2002	10,336,702	60,023,680	107,609,896	177,970,278	36,026,684	13,366,089	12,174,126 (B)	78,345,117	256,315,395	78,345,117	256,315,395

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

GASB Statement 54, presenting restated Fund Balances, was implemented for the year ended June 30, 2011.

TABLE 4

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Revenues</b>										
Taxes	\$ 1,001,727,777	\$ 996,823,542	\$ 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
Law Enforcement Service District Taxes	12,800,239	11,399,232	13,680,948	12,348,157	12,585,852	12,251,561	13,441,010	12,948,398	11,390,346	10,667,516
Transit One-Half Cent Sales Tax	31,145,231	33,658,337	33,766,238	38,621,351	38,167,932	35,410,666	32,094,987	29,235,677	27,272,168	27,726,072
License and permits	14,233,457	12,440,081	14,896,152	23,769,577	26,667,640	25,435,596	22,250,864	20,810,125	18,934,892	19,005,441
Intergovernmental	208,011,550	198,522,521	208,268,483	202,763,758	177,779,577	158,813,796	163,916,973	159,880,651	168,436,791	181,005,441
Charges for Services	70,407,373	77,150,985	78,323,901	93,854,623	92,926,023	96,750,617	86,897,555	80,854,424	75,453,642	70,044,344
Interest earned on investments	3,051,914	4,067,591	18,000,502	29,575,757	26,466,482	17,883,110	11,109,807	5,337,180	7,054,650	13,735,418
Administrative charges	2,444,287	2,744,287	4,186,330	4,102,864	3,812,899	3,003,655	2,119,573	2,868,492	3,827,673	3,957,040
Other	11,182,632	10,678,845	12,185,718	15,791,573	11,052,022	13,503,610	8,649,858	8,035,568	11,868,431	8,344,108
<b>Total Revenues</b>	<b>1,355,004,460</b>	<b>1,347,485,421</b>	<b>1,371,643,548</b>	<b>1,422,980,042</b>	<b>1,338,238,246</b>	<b>1,279,500,360</b>	<b>1,141,893,880</b>	<b>1,077,913,497</b>	<b>1,032,908,405</b>	<b>1,020,891,241</b>
<b>Expenditures</b>										
Current										
Customer Satisfaction and Management	14,790,104	10,436,098	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
Administrative Services	51,256,990	61,936,299	60,733,760	60,651,676	45,881,538	40,684,412	41,561,961	37,377,104	35,273,845	-
Financial Services	9,564,937	9,284,883	9,094,428	9,285,342	7,392,488	6,757,139	5,828,781	5,343,695	5,117,608	6,321,146
Customer Satisfaction and Communication	-	-	-	-	-	-	-	-	-	906,866
Land use and Environmental Services	52,087,901	53,482,276	62,205,728	59,788,568	55,319,765	50,845,010	47,229,852	46,404,385	44,749,116	50,847,149
Community Services	63,729,362	77,281,017	82,584,269	78,353,413	71,197,222	67,668,009	56,294,732	53,533,773	54,995,316	52,236,240
Detention and Court Support Services	113,512,049	115,483,860	116,146,771	108,381,204	99,542,545	91,453,555	82,636,365	81,525,311	79,871,042	74,084,024
Health and Human Services	287,565,513	304,143,599	310,977,979	315,306,697	293,423,556	301,585,511	293,523,030	283,596,456	272,272,635	269,324,679
Business Partners	413,832,728	427,868,575	468,609,273	478,299,087	444,142,474	402,885,075	373,999,218	367,724,761	362,949,449	358,244,788
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal payments	174,300,586	172,516,990	164,288,423	148,389,990	136,698,950	124,519,648	107,184,279	92,128,738	85,933,382	75,427,084
Interest and fiscal charges	82,964,257	86,265,613	84,392,437	86,448,342	87,443,865	81,837,867	76,155,339	76,688,313	61,918,860	65,634,225
Capital Outlay	47,660,085	165,138,075	416,730,076	270,970,375	234,148,772	277,678,617	264,557,921	239,833,978	260,268,835	303,927,878
<b>Total Expenditures</b>	<b>1,311,264,512</b>	<b>1,483,837,285</b>	<b>1,785,803,513</b>	<b>1,625,209,831</b>	<b>1,484,536,497</b>	<b>1,453,848,015</b>	<b>1,355,967,828</b>	<b>1,288,782,505</b>	<b>1,267,306,693</b>	<b>1,298,569,840</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>43,739,948</b>	<b>(136,351,864)</b>	<b>(414,159,965)</b>	<b>(202,249,789)</b>	<b>(146,298,251)</b>	<b>(174,347,655)</b>	<b>(214,073,948)</b>	<b>(210,869,008)</b>	<b>(234,398,288)</b>	<b>(277,678,599)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	36,784,079	62,382,485	57,599,303	46,085,408	29,583,692	38,992,801	7,769,837	23,980,299	3,068,095	7,452,795
Transfers out	(36,554,439)	(62,382,485)	(57,467,613)	(46,085,408)	(29,583,692)	(38,992,801)	(7,722,912)	(23,980,299)	(2,920,658)	(7,452,795)
Refunding bonds issued	-	589,310,000	-	-	-	-	172,125,000	135,470,000	12,160,000	30,531,136
Payment to refunded bond escrow agent	-	(638,141,957)	(276,841,503)	-	-	-	(188,732,416)	(148,763,086)	(13,145,339)	(30,531,136)
Bond and other debt issues	-	100,000,000	334,730,000	320,180,000	225,135,000	197,000,000	245,665,000	223,155,000	416,820,000	85,000,000
Capitalized Lease	-	-	2,500,000	-	-	-	-	1,426,923	104,260	246,670
Premium on bonds issued	-	58,708,355	38,993,762	13,282,440	6,306,594	-	17,010,007	21,921,756	1,248,923	-
<b>Total Other Financing Sources</b>	<b>229,640</b>	<b>109,876,398</b>	<b>99,513,949</b>	<b>333,482,440</b>	<b>231,441,594</b>	<b>197,000,000</b>	<b>246,114,516</b>	<b>233,210,593</b>	<b>417,335,281</b>	<b>85,246,670</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>43,969,588</b>	<b>(26,475,466)</b>	<b>(314,646,016)</b>	<b>131,212,651</b>	<b>85,143,343</b>	<b>22,652,345</b>	<b>32,040,568</b>	<b>22,341,585</b>	<b>182,936,993</b>	<b>(192,431,929)</b>
<b>FUND BALANCES-BEGINNING OF YEAR</b>	<b>420,278,185</b>	<b>446,753,651</b>	<b>743,624,974</b>	<b>601,430,229</b>	<b>516,286,886</b>	<b>493,634,541</b>	<b>461,593,973</b>	<b>439,252,388</b>	<b>256,315,395</b>	<b>448,811,826</b>
<b>RECLASSIFICATION</b>	-	-	17,774,693	10,982,094	-	-	-	-	-	(64,502)
<b>FUND BALANCES-END OF YEAR</b>	<b>\$ 464,247,773</b>	<b>\$ 420,278,185</b>	<b>\$ 446,753,651</b>	<b>\$ 743,624,974</b>	<b>\$ 601,430,229</b>	<b>\$ 516,286,886</b>	<b>\$ 493,634,541</b>	<b>\$ 461,593,973</b>	<b>\$ 439,252,388</b>	<b>\$ 256,315,395</b>
Debt Service as a percent of non-capital expenditures	19.96%	19.62%	14.70%	15.24%	16.00%	15.06%	14.57%	16.15%	14.71%	14.39%

TABLE 5

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tax Revenues										
General Property	\$ 848,994,485	\$ 840,331,467	\$ 818,740,877	\$ 789,623,586	\$ 738,775,024	\$ 729,765,134	\$ 627,924,349	\$ 602,098,773	\$ 575,430,471	\$ 555,919,512
Sales	147,561,034	153,107,365	166,020,763 (C)	208,929,773	206,253,827	182,786,182	169,590,330	151,396,232	119,021,487	115,807,548
Room Occupancy	1,841,340	902,852	927,151	669,476	993,378	1,356,706	1,162,122	1,230,086	1,174,765	1,189,818
Vehicle Rental	2,846,805	2,178,666	2,526,632	2,863,679	2,724,891	2,510,499	1,979,056	1,801,182	1,739,114	1,655,111
Other	484,113	303,192	139,853	45,868	32,699	29,228	27,371	45,707	21,493	72,858
	<u>\$ 1,001,727,777</u>	<u>\$ 996,823,542</u>	<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>\$ 756,571,980</u>	<u>\$ 697,387,330</u>	<u>\$ 674,644,847</u>

NOTES:

- (A) Revaluation.
- (B) Additional 1/2 cent sales tax levied.
- (C) The State reduced the distribution of a 1/2 sales tax and the general economy contracted.

TABLE 6

MECKLENBURG COUNTY, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY  
FOR THE YEAR ENDED JUNE 30, 2011

	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	\$ 93,375,762,924	\$ 0.8387	\$ 783,142,524	\$ 783,142,524	\$ -
Motor vehicles taxed at current year's rate	4,225,932,433	0.8387	35,442,895	-	35,442,895
Motor vehicles taxed at prior year's rate	<u>2,194,997,419</u>	0.8387	<u>18,409,443</u>	<u>-</u>	<u>18,409,443</u>
Total	<u>99,796,692,776</u>		<u>836,994,862</u>	<u>783,142,524</u>	<u>53,852,339</u>
Discoveries:					
Prior year taxes	471,245,793	Various	10,848,984	10,848,984	-
Penalties	<u>-</u>		<u>2,006,916</u>	<u>2,006,916</u>	<u>-</u>
Total	<u>471,245,793</u>		<u>12,855,900</u>	<u>12,855,900</u>	<u>-</u>
Total property valuation	<u><u>\$ 100,267,938,569</u></u>				
Net levy			849,850,762	795,998,424	53,852,339
Uncollected taxes at June 30, 2011			<u>(18,928,477)</u>	<u>(12,681,185)</u>	<u>(6,247,292)</u>
Current year's taxes collected			<u>\$ 830,922,285</u>	<u>\$ 783,317,239</u>	<u>\$ 47,605,047</u>
Current net levy collection percentage			<u>97.77%</u>	<u>98.41%</u>	<u>88.40%</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
2011	\$ 82,522.5	\$ 14,501.7	\$ 3,213.7	- (3)	\$ 100,267.9	\$ 0.8387
2010	81,628.2	14,990.3	3,273.2	- (3)	99,891.8	0.8387
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) (4)	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

## 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
- (4) Revaluation

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
2011	\$ .8387	\$ .4586	\$ .275	\$ .365	\$ .290	\$ .3325	\$ .275	\$ .32
2010	.8387	.4586	.275	.365	.290	.3325	.275	.32
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

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	2011			2002		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy	Utility	\$ 1,775,226,631	1	1.77 %	\$ 2,303,998,735	1	3.39 %
Bank of America	Financial Services	1,500,401,373	2	1.50	781,560,194	2	1.15
Wells Fargo/Wachovia	Financial Services	1,207,742,863	3	1.20	720,987,644	3	1.06
A T & T/ Bellsouth	Utilities	557,404,308	4	0.56	604,268,098	4	0.89
U S Airways, Incorporated	Transportation	435,627,159	5	0.43	620,080,260	5	0.91
Piedmont Natural Gas Company	Utilities	337,207,861	6	0.34	363,635,566	7	0.54
Southpark Mall	Retail	230,995,079	7	0.23	-	-	-
Time Warner Cable	Utilities	214,301,897	8	0.21	-	-	-
Teachers Insurance	Insurance	207,935,400	9	0.21	-	-	-
Panthers Stadium LLC/Carolina Stadium	Property Management	199,310,201	10	0.20	176,619,677	9	0.26
CK / Childress Klein	Property Management	-	-	-	275,619,158	6	0.41
International Business Machine (IBM)	Data Processing	-	-	-	139,984,627	10	0.21
Continental General Tire	Manufacture	-	-	-	100,443,058	8	0.15
<b>Total</b>		<b>\$ 6,666,152,772</b>		<b>6.65 %</b>	<b>\$ 6,087,197,017</b>		<b>8.97 %</b>



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
		\$	\$	%	\$	\$	%
2011	2010	849,850,762	830,922,286	97.77	-	830,922,286	97.77
2010	2009	838,891,650	820,748,317	97.84	10,542,487	831,290,804	99.09
2009	2008	821,454,282	801,438,087	97.56	13,841,041	815,279,128	99.25
2008	2007	798,235,098	778,803,875	97.57	13,485,812	792,289,687	99.26
2007	2006	744,389,072	726,036,272	97.53	13,961,583	739,997,855	99.41
2006	2005	737,016,999	719,159,556	97.58	14,808,142	733,967,698	99.59
2005	2004	638,233,219	621,013,346	97.30	15,498,950	636,512,296	99.73
2004 (B)	2003	618,204,112	600,442,660	97.13	15,040,543	615,483,203	99.56
2003	2002	584,218,432	563,710,798	96.49	17,759,818	581,470,616	99.53
2002	2001	567,874,819	551,873,811	97.18	14,744,372	566,618,183	99.78

## 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, 2011

Description	Issue Date	Due Serially To	Average Interest Rate	Original Issue	Balance July 1, 2010	Sold	Retired	Balance June 30, 2011		Interest Paid in Current Year
								\$	\$	
Public Improvements Refunding Bonds 1993	October 1, 1993	2012	4.6630 %	\$ 272,295,000	\$ 15,115,000	\$ -	\$ 7,580,000	\$ 7,535,000	\$ 906,900	
Variable Rate Demand Bonds 2000C	February 1, 2000	2020	Variable	50,000,000	50,000,000	-	5,000,000	45,000,000	1,671,848	
Public Improvements 2001A	May 1, 2001	2018	4.6868	105,000,000	8,000,000	-	8,000,000	-	360,000	
Variable Rate Demand Bonds 2001B	May 1, 2001	2021	Variable	25,000,000	25,000,000	-	-	25,000,000	842,368	
Refunding 2001C	May 1, 2001	2013	4.3714	149,455,000	43,675,000	-	-	26,005,000	2,402,125	
Public Improvements 2001D	December 1, 2001	2021	4.3102	56,000,000	7,200,000	-	17,670,000	3,600,000	288,000	
Public Improvements 2002A	August 1, 2002	2018	3.9499	14,400,000	2,000,000	-	3,600,000	1,000,000	80,000	
Public Improvements 2002B	August 1, 2002	2020	4.2070	139,000,000	18,000,000	-	9,000,000	9,000,000	720,000	
Public Improvements 2003A	February 1, 2003	2020	4.0699	193,000,000	43,000,000	-	13,000,000	30,000,000	1,720,000	
Variable Rate Demand Bonds 2003B	February 1, 2003	2023	Variable	40,000,000	40,000,000	-	-	40,000,000	113,249	
Refunding 2003C	February 1, 2003	2011	3.0684	12,160,000	1,055,000	-	1,055,000	-	52,750	
Public Improvement 2004A	February 1, 2004	2020	3.4130	105,000,000	65,750,000	-	6,575,000	59,175,000	2,893,000	
Variable Rate Demand Bonds 2004B	February 1, 2004	2024	Variable	100,000,000	100,000,000	-	-	100,000,000	256,438	
Refunding 2004C	April 1, 2004	2013	3.0951	135,470,000	69,420,000	-	22,485,000	46,935,000	3,471,000	
Public Improvements 2005A	February 1, 2005	2026	3.9849	32,300,000	25,840,000	-	1,615,000	24,225,000	1,027,948	
Refunding 2005C	May 1, 2005	2016	3.4368	172,125,000	137,810,000	-	25,425,000	112,385,000	6,890,500	
Variable Rate Demand Bonds 2006A	February 1, 2006	2026	Variable	89,000,000	71,200,000	-	4,450,000	66,750,000	1,717,692	
Public Improvements 2007A	February 1, 2007	2027	4.1690	102,000,000	34,910,000	-	2,000,000	32,910,000	1,509,034	
Parks and Recreation Bonds 2008A	February 1, 2008	2028	3.6115	12,000,000	10,800,000	-	600,000	10,200,000	377,850	
Public Improvements 2008B	February 1, 2008	2028	3.7954	148,500,000	92,500,000	-	3,000,000	89,500,000	4,175,000	
Refunding 2009A	March 10, 2009	2020	2.2523	243,965,000	243,965,000	-	-	243,965,000	10,922,450	
Public Improvements 2009B	September 1, 2009	2030	3.5372	100,000,000	100,000,000	-	5,000,000	95,000,000	4,281,250	
Refunding 2009C	September 1, 2009	2020	2.6227	130,390,000	130,390,000	-	-	130,390,000	6,427,400	
Variable Rate Refunding Bonds 2009D	July 10, 2009	2026	Variable	120,000,000	117,960,000	-	2,040,000	115,920,000	4,152,690	
Refunding 2010	March 16, 2010	2026	3.1098	114,940,000	114,940,000	-	945,000	113,995,000	4,198,206	
				<u>\$2,662,000,000</u>	<u>\$1,568,530,000</u>	<u>\$ -</u>	<u>\$ 140,040,000</u>	<u>\$ 1,428,490,000</u>	<u>\$61,457,698</u>	

TABLE 12

MECKLENBURG COUNTY, NORTH CAROLINA  
SCHEDULE OF INSTALLMENT FINANCINGS  
JUNE 30, 2011

Description	Issue Date	Due Serially To	Average Interest Rate	Original Issue	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011	Interest Paid Current Year
2006 Certificates of Participation	February 1, 2006	2026	Variable	\$ 108,000,000.00	\$ 86,400,000.00	\$ -	\$ 5,400,000.00	\$ 81,000,000.00	\$ 2,112,345.00
2008A Certificates of Participation	February 1, 2008	2028	Variable	124,960,000	108,990,000	-	7,985,000	101,005,000	602,944
2008B Certificates of Participation	February 1, 2008	2028	4.435	34,720,000	34,720,000	-	-	34,720,000	1,600,069
2009A Certificates of Participation	February 1, 2009	2029	4.224	90,765,000	86,335,000	-	4,545,000	81,790,000	3,929,625
2009A Limited Obligation Bonds	September 3, 2009	2027	3.742	223,980,000	205,640,000	-	15,485,000	190,155,000	9,899,250
				<u>\$ 582,425,000</u>	<u>\$ 522,085,000</u>	<u>\$ -</u>	<u>\$ 33,415,000</u>	<u>\$ 488,670,000</u>	<u>\$ 18,144,233</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	Certificates of Participation	Capital Leases	General Obligation Bonds	Capital Leases	%		\$		
2011	\$ 1,427,884,428	\$ 488,670,000	\$ 435,858	\$ 605,572	\$ 930,543	N/A	\$ 1,918,526,401	N/A	\$ 2,045	
2010	1,567,343,885	522,085,000	1,861,985	1,186,115	1,462,569	N/A	2,093,939,554	N/A	2,277	
2009	1,615,700,430	578,240,000	3,857,430	1,769,570	2,053,262	9.84	2,201,620,692	9.84	2,463	
2008	1,757,830,836	517,980,000	3,158,397	2,754,164	940,759	10.41	2,282,664,156	10.41	2,624	
2007	1,722,134,476	380,820,000	4,537,696	4,010,524	1,182,972	9.75	2,112,685,668	9.75	2,507	
2006	1,739,419,853	274,055,000	6,515,686	5,280,147	153,731	9.68	2,025,424,417	9.68	2,485	
2005	1,762,947,787	177,025,000	8,592,716	7,102,213	304,332	9.72	1,955,972,048	9.72	2,471	
2004	1,738,467,066	68,900,000	10,562,343	9,432,938	626,242	9.78	1,827,988,589	9.78	2,379	
2003	1,624,650,804	54,220,000	11,141,620	11,889,196	945,202	9.49	1,702,846,822	9.49	2,283	
2002	1,296,873,163	51,500,000	13,137,004	14,391,837	1,261,220	7.93	1,377,163,224	7.93	1,894	

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

TABLE 14

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

Fiscal Year Ended June 30,	General	Payable from	Net General	Percent of	
	Bonded Debt	Enterprise Fund	Bonded Debt	Assessed Value	Per Capita
	\$	\$	\$	%	\$
2011	1,428,490,000	605,572	1,427,884,428	1.42	1,522
2010	1,568,530,000	1,186,115	1,567,343,885	1.57	1,704
2009	1,617,470,000	1,769,570	1,615,700,430	1.65	1,807
2008	1,760,585,000	2,754,164	1,757,830,836	1.85	2,021
2007	1,726,145,000	4,010,524	1,722,134,476	1.90	2,044
2006	1,744,700,000	5,280,147	1,739,419,853	1.97	2,134
2005	1,770,050,000	7,102,213	1,762,947,787	2.09	2,227
2004	1,747,900,000	9,432,938	1,738,467,062	2.07	2,262
2003	1,636,540,000	11,889,196	1,624,650,804	2.34	2,178
2002	1,311,265,000	14,391,837	1,296,873,163	1.91	1,784

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, 2011

Mecklenburg County:	Assessed Valuation (1)	Percent of Countywide Total	Pro Rata Share of Governmental Activities Debt	Municipalities' Debt (2)	Total Overlapping Debt
Charlotte	\$ 77,440,978,879	77.19 %	\$ 1,614,267,423	\$ 722,575,000	\$ 2,336,842,423
Cornelius	3,849,696,032	3.84	80,305,569	1,975,000	82,280,569
Davidson	1,289,281,110	1.29	26,977,652	-	26,977,652
Huntersville	4,982,279,532	4.97	103,937,156	7,855,000	111,792,156
Matthews	2,984,539,213	2.97	62,111,339	2,625,000	64,736,339
Mint Hill	2,027,017,575	2.02	42,244,076	3,650,000	45,894,076
Pineville	1,296,543,791	1.29	26,977,652	-	26,977,652
Unincorporated Areas	<u>6,397,602,437</u>	<u>6.43</u>	<u>134,470,003</u>	<u>-</u>	<u>134,470,003</u>
Countywide Totals	<u>\$ 100,267,938,569</u>	<u>100.00 %</u>	<u>\$ 2,091,290,870</u>	<u>\$ 738,680,000</u>	<u>\$ 2,829,970,870</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) during calendar year 2010, 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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Assessed Value	\$ 100,267,938,569	\$ 99,891,780,607	\$ 97,813,551,380	\$ 95,099,766,372	\$ 90,718,949,214	\$ 86,359,891,735	\$ 84,302,416,591	\$ 83,487,630,734	\$ 69,505,170,341	\$ 67,895,358,854
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	8,021,435,086	7,991,342,449	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
Amount of Debt Applicable to Debt Limit:										
Total Bonded Debt	1,428,490,000	1,568,530,000	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
Bonds Authorized and Unissued	729,140,000	729,140,000	829,140,000	579,140,000	146,000,000	248,000,000	276,000,000	339,300,000	544,300,000	717,300,000
Total Amount of Debt Applicable to Debt Limit	2,157,630,000	2,297,670,000	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
Legal Debt Margin	\$ 5,863,805,086	\$ 5,693,672,449	\$ 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

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>
2011	938,020	N/A	N/A	N/A	135,638	11.1 %
2010	919,628	\$ 23,046,007,500	\$ 20,616	35.2	133,664	11.2
2009	893,892	22,365,015,000	21,016	35.1	134,060	11.5
2008	869,954	21,920,959,643	24,281	35.1	132,281	6.1
2007	842,674	21,657,699,496	24,853	35.1	129,011	4.5
2006	815,218	20,933,932,894	24,623	34.4	126,903	4.3
2005	791,473	20,127,796,478	24,251	34.7	121,640	5.0
2004	768,421	18,684,117,114	23,322	33.4	115,517	5.2
2003	746,040	17,941,310,099	23,201	33.4	109,605	5.8
2002	727,134	17,354,427,750	23,250	33.4	106,192	5.9

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>	2011			2002		
	<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	27,432	1	6.67 %	11,100	4	2.85 %
Wells Fargo/Wachovia	20,500	2	4.98	18,249	1	4.68
Charlotte-Mecklenburg Schools	18,858	3	4.58	13,683	2	3.51
Bank of America Corporation	15,000	4	3.65	12,770	3	3.28
Wal-Mart Stores, Inc.	14,000	5	3.40	1,621	24	0.42
Presbyterian Healthcare/Novant Health	9,000	6	2.19	3,866	11	1.00
Food Lion, Inc.	8,700	7	2.11	1,980	20	0.51
Lowe's Companies	7,800	8	1.90	692	63	0.18
Duke Energy Corporation	7,300	9	1.77	7,042	5	1.81
US Airways, Incorporated	6,637	10	1.61	7,000	6	1.80
State of North Carolina	6,500	11	1.58	6,418	7	1.65
City of Charlotte	6,000	12	1.46	5,855	8	1.51
U.S. Government	4,800	15	1.17	5,038	9	1.29

Data per Charlotte Chamber of Commerce  
Most recent data per Charlotte Chamber of Commerce publication, Charlotte's Largest  
Employers, dated August, 2011.

TABLE 19

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

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Customer Satisfaction & Management Service	61	68	74	76	61	59	52	48	39	-
Management Services	-	-	-	-	-	-	-	-	-	298
Customer Satisfaction & Communications	-	-	-	-	-	-	-	-	-	11
Administrative Service	216	228	274	285	293	283	288	292	270	-
Financial Services	89	91	90	83	84	81	80	80	82	87
Land Use & Environmental Services	519	526	636	642	619	590	581	567	563	565
Community Services	837	740	688	650	635	565	559	550	568	560
Detention & Court Support Services	1,300	1,330	1,352	1,294	1,197	1,189	1,136	1,132	1,089	1,136
Health & Human Services	1,466	1,484	1,533	1,567	1,515	1,515	1,541	1,674	1,671	1,742
Total Full-time Equivalent County Employees	<u>4,488</u>	<u>4,467</u>	<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>

Notes: Excludes Library positions

TABLE 20

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Governmental Activities</b>										
Land Use and Environmental Services										
Residential Permits Issued	40,097	38,889	38,024	45,093	44,740	44,935	42,592	38,958	36,812	33,323
Commercial Permits issued	24,807	22,296	27,505	38,748	44,079	37,866	32,305	29,842	27,044	38,603
Inspections Performed	164,153	181,664	229,147	315,885	376,678	354,008	321,984	318,630	315,267	321,017
Inspection Response Time	1.35 days	1.23 days	1.05 days	1.06 days	1.07 days	1.31 days	1.78 days	1.69 days	1.20 days	1.11 days
Deeds and Real Estate documents indexed	153,597	168,130	184,125	247,105	281,814	280,875	256,015	318,543	289,686	-
Volunteer firefighters	745	895	760	690	644	672	630	630	630	620
Fire marshal and assistants	6	6	8	8	8	8	9	9	9	9
<b>Community Services</b>										
Registered voters	606,122	599,651	588,700	579,000	536,000	518,000	501,000	446,000	424,000	439,000
Library customers	37,806,860	A 76,042,780	76,434,664	21,685,405	19,900,021	15,419,416	11,971,217	-	-	-
Volume of library books	1 million	1.3 million	1.4 million	1.4 million	1.4 million	1.6 million	1.8 million	1.7 million	1.6 million	1.6 million
Participants using park athletic facilities	2,519,490	5,526,320	4,710,219	B 3,513,873	B 4,214,571	1,090,131	253,759	-	-	-
Park recreation program participants	414,065	298,026	296,814	481,145	719,292	512,168	486,676	-	-	-
Users of park pools - indoor and outdoor	554,151	551,991	549,604	283,432	261,607	255,707	219,892	-	-	-
Park visitors	5,142,469	4,533,389	4,317,513	5,377,905	4,831,170	4,214,303	3,391,511	-	-	-
<b>Detention and Court Support Services</b>										
Booked inmates	44,385	44,143	49,577	44,583	43,046	41,663	35,021	35,233	34,705	34,251
Civil processes served	126,125	132,747	136,549	126,788	108,981	122,871	43,591	-	-	-
Hand gun permits processed	8,783	8,990	11,790	9,447	7,965	7,589	8,064	-	-	-
Average daily jail population	2,164	2,274	2,496	2,610	2,647	2,335	2,047	2,008	1,955	1,908
<b>Health and Human Services</b>										
Area Mental Health										
Children receiving mental health services	16,521	14,856	14,052	4,878	4,332	5,777	7,242	-	-	-
Adults receiving mental health services	12,149	10,997	1,091	120	147	584	2,755	-	-	-
Clients receiving developmental disabilities services	3,050	3,632	2,108	90	84	81	2,346	-	-	-
<b>Social Services</b>										
Avg monthly # children receiving subsidized childcare	7,624	8,148	8,066	7,850	8,111	6,927	8,054	-	-	-
Number of transportation trips provided by Services for Adults Division	391,456	585,857	542,853	499,686	562,346	608,341	556,787	-	-	-
Senior Nutrition meals served	252,137	288,516	282,918	350,823	358,034	397,142	477,449	-	-	-
Health Department										
Patient visits	226,509	245,076	242	195,139	177,041	174,549	-	-	-	-
Food Service Inspections	10,121	10,478	9,926	9,836	8,086	5,999	7,505	-	-	-
<b>Business Partners</b>										
Public school full-time teachers	8,565	8,965	9,363	8,860	8,432	8,682	7,739	7,354	7,122	6,799
Students attending public school	135,638	133,664	134,060	132,281	129,011	126,903	121,640	115,517	109,605	106,192
Community college faculty	872	886	843	796	802	733	1,129	1,494	1,494	1,318
Community college students	20,110	20,176	19,148	18,321	17,942	16,772	16,400	16,215	16,215	15,752
<b>Business-type Activities</b>										
Solid Waste Enterprise Fund										
Tons of Solid Waste Processed	1,046,569	1,200,636	1,442,987	1,543,924	1,500,194	1,315,356	1,282,489	1,280,888	1,278,129	1,279,090
Tons of Yard Waste Processed	98,279	95,760	92,980	79,012	81,504	75,404	71,424	80,223	129,051	48,722
Tons of Recyclables Processed	74,203	61,724	59,716	59,202	54,911	53,257	55,489	52,065	51,554	52,908

A Library customer count methodology has changed

B Large tournaments excluded from prior years

TABLE 21

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental Activities										
Land Use and Environmental Services										
Volunteer Fire Stations	19	17	19	18	18	16	16	20	20	20
Community Services										
Libraries	20	20	24	24	24	24	23	23	23	23
Voting Machines	2,223	2,223	2,223	1,522	1,512	1,000	-	-	-	-
Parks and Greenways	266	241	238	238	231	128	126	123	123	123
Golf Courses	5	5	5	5	5	5	5	5	5	5
Parks and Greenway Acreage	18,489	18,489	18,068	17,753	17,896	17,480	16,000	16,000	16,000	14,797
Detention and Court Support Services										
Jail Beds	2,715 (A)	3,095	2,668	2,668	2,668	2,668	2,668	2,668	2,668	2,668
Business Partners										
Public Schools	178	176	172	167	161	150	143	142	144	144
Historic Sites	5	5	5	4	4	4	4	4	4	4
Business-type Activities										
Solid Waste Enterprise Fund										
Landfills	1	1	1	1	1	1	1	1	1	1
Recycling and Yard Waste Processing Facilities	111	70	70	59	29	29	28	26	25	23
Material/Metal/Tire Recovery Facilities	1	1	1	1	2	2	2	2	2	2

(A) Jail Annex closed



MECKLENBURG COUNTY, NORTH CAROLINA