

# Comprehensive Annual FINANCIAL REPORT

For The Year Ended June 30, 2013

250  
MECKLENBURG COUNTY  
SINCE 1763

CELEBRATING THE SESTERCENTENNIAL



MECKLENBURG COUNTY • NORTH CAROLINA

CELEBRATING THE SESTERCENTENNIAL



## 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.

[www.charmeck.org/departments](http://www.charmeck.org/departments)  
(select "finance - county")





CELEBRATING THE SESTERCENTENNIAL



Comprehensive Annual  
Financial Report

For the year ended June 30, 2013

Mecklenburg County, North Carolina  
*Prepared by the Financial Services Department*



# TABLE OF CONTENTS

---

## INTRODUCTION

---

Letter of Transmittal .....	i
Facts and Information .....	vii
Five Year Trends.....	xx
Board of County Commissioners .....	xxiv
Organizational Chart .....	xxv
GFOA Certificate of Achievement.....	xxvi
Financial Services Department .....	xxvii

## FINANCIAL

---

Report of Independent Auditor.....	1
Management's Discussion and Analysis.....	4

## BASIC FINANCIAL STATEMENTS

---

### **Government-wide Financial Statements**

A - 1	Statement of Net Position .....	14
A - 2	Statement of Activities.....	15

### **Fund Financial Statements**

#### *Governmental Funds*

A - 3	Balance Sheet .....	16
A - 4	Statement of Revenues, Expenditures and Changes in Fund Balances.....	17
A - 5	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	18
A - 6	General Fund Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	19

#### *Proprietary Funds*

A - 7	Statement of Net Position .....	22
A - 8	Statement of Revenues, Expenses and Changes in Net Position.....	23
A - 9	Statement of Cash Flows.....	24

#### *Fiduciary Funds*

A -10	Statement of Fiduciary Net Position .....	25
A -11	Statement of Changes in Fiduciary Net Position .....	26
	Notes to the Basic Financial Statements .....	27

# TABLE OF CONTENTS

## REQUIRED SUPPLEMENTARY INFORMATION

B - 1	Separation Allowance for Law Enforcement Officers – Analysis of Funding Progress.....	69
B - 2	Separation Allowance for Law Enforcement Officers – Schedule of Employer Contributions .....	70
B - 3	Post Employment Benefit Healthcare Plan – Analysis of Funding Progress .....	71
B - 4	Post Employment Health Benefits – Schedule of Employer Contributions .....	72

## COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

	<b>Nonmajor Governmental Funds</b> .....	75
C - 1	Combining Balance Sheet .....	76
C - 2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	77
	<b>Special Revenue Funds</b>	
C - 3	Combining Balance Sheet .....	78
C - 4	Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	79
	<b>Capital Projects Funds</b>	
C - 5	Combining Balance Sheet .....	80
C - 6	Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	81
	<b>Debt Service Fund</b>	
C - 7	Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual .....	82
	<b>Other Financial Schedules</b>	
	<i>Agency Fiduciary Funds</i>	
D - 1	Combining Statement of Assets and Liabilities .....	83
D - 2	Schedule of Changes in Assets and Liabilities .....	84
	<i>Grants Project Fund</i>	
E - 1	Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	85
	<b>Other Budgetary Schedules</b>	
	<i>Special Revenue Funds</i>	
F - 1	Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Storm Water Management.....	89
F - 2	Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Law Enforcement Service District.....	90
F - 3	Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Transit One-half Cent Sales Tax.....	91
F - 4	Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Scrap Tire Disposal .....	92
F - 5	Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Discarded White Goods .....	93



# TABLE OF CONTENTS

F - 6	Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Register of Deeds.....	94
F - 7	Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Fire Service Districts ..... <i>Proprietary Fund</i>	95
G - 1	Schedule of Revenues and Expenses – Budget (Modified Accrual Basis) and Actual – Solid Waste Operating Fund .....	96
G - 2	Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) - Landfill Construction, Final Development and Postclosure Reserve Fund .....	97
G - 3	Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – Special Obligation Bond Fund .....	98
G - 4	Schedule of Revenues and Expenses – Budget (Modified Accrual Basis) and Actual – MeckLink Fund .....	99

## STATISTICAL

	Statistical Section Summary .....	103
	<b>Financial Trend Information</b>	
Table 1	Net Position by Component.....	104
Table 2	Change in Net Position .....	105
Table 3	Fund Balances, Governmental Funds.....	106
Table 4	Changes in Fund Balances, Governmental Funds.....	107
Table 5	Governmental Tax Revenues by Source .....	108
	<b>Revenue Capacity Information</b>	
Table 6	Analysis of Current Tax Levy .....	109
Table 7	Assessed and Estimated Actual Value of Taxable Property .....	110
Table 8	Property Tax Rates Per \$100 Assessed Valuation – Direct and Overlapping Governments .....	111
Table 9	Principal Taxpayers .....	112
Table 10	Property Tax Levies, Tax Collections and Credits .....	113
	<b>Debt Capacity Information</b>	
Table 11	Schedule of Bonds Payable.....	114
Table 12	Schedule of Installment Financings .....	115
Table 13	Ratios of Outstanding Debt by Type.....	116
Table 14	Ratio of Net General Bonded Debt to Assessed Valuation and Net Bonded Debt Per Capita .....	117
Table 15	Computation of Direct and Overlapping Governmental Activities Debt .....	118
Table 16	Computation of Legal Debt Margin.....	119
	<b>Demographic and Economic Information</b>	
Table 17	Demographic Statistics.....	120
Table 18	Principal Employers.....	121
	<b>Operating Information</b>	
Table 19	Full-time Equivalent County Employees .....	122
Table 20	Operating Indicators by Function/Program .....	123
Table 21	Capital Asset Statistics by Function/Program.....	124

CELEBRATING THE SESTERCENTENNIAL

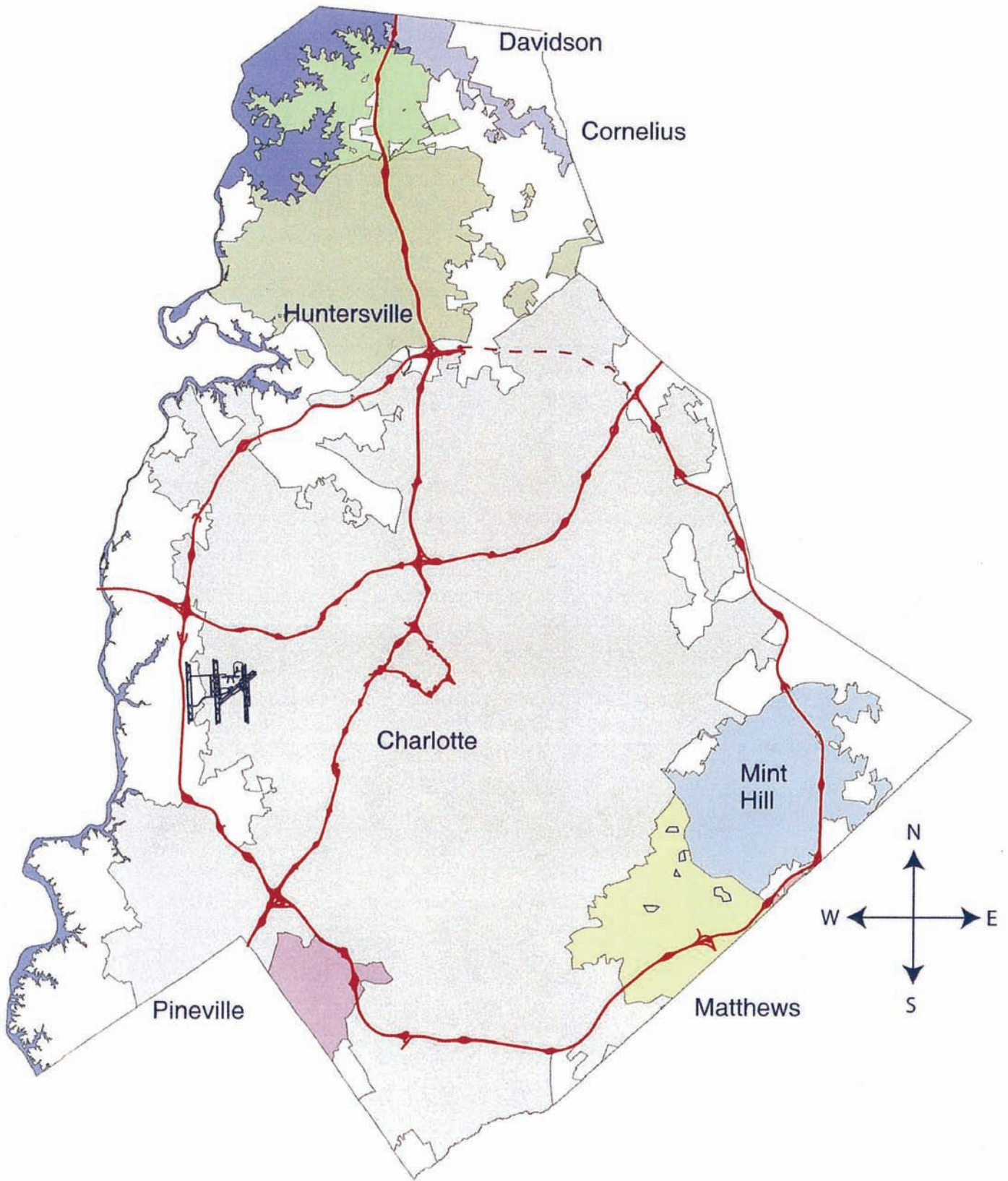
250  
MECKLENBURG COUNTY  
SINCE 1763

## Introduction

The introduction provides background and general information about the County.



# MECKLENBURG COUNTY, NC







## Mecklenburg County

Dena R. Diorio  
Finance Officer/Assistant County Manager  
October 31, 2013

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, 2013 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 LLP, an independent public accounting firm, has issued an unmodified ("clean") opinion on the financial statements. Their opinion is located at the beginning of the Financial Section of the Report. The audit was also designed to meet the requirements of the 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 Financial Services, 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

# LETTER OF TRANSMITTAL

---

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, 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, as well as mortgage banks, commercial finance and factoring institutions, leasing companies, credit unions and 31 other banks.

Although the County has been affected by the economic downturn that has touched all of the United States, the number of jobs in the County is higher than in 2012. The County experienced a 1.7% increase in jobs in 2013 compared to 2012. Small businesses have accounted for a majority of the job growth. Even though job growth began to resume in early 2010, it will take 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 2013 was 9.4%. The unemployment rate for Mecklenburg County in June 2012 was 9.9%. The rate at June 2013 was slightly higher than the rate for North Carolina of 9.3% and higher than the national rate of 7.8%. The county's unemployment rate is dropping slowly because the population and labor force have grown at a pace of 2.6 percent since 2010.

The County has experienced a rebound in home sales. Home sales increased 32% in 2013 compared to 2012; and the average closing price of homes increased 9.9% in 2013. The number of building permits increased an average of 15.0% in year 2013.



General governmental revenues have increased 33.0% over the last ten years. Taxes and assessment revenues have increased 45.1% for the same period, and the contribution to total revenue has increased from 71.5% in fiscal year 2004 to 77.7% in fiscal year 2013 reflecting the growth in population, demand for services and decreases in other revenue. Additionally, governmental expenditures covered by tax revenues increased from 59.8% in fiscal year 2004 to 77.1% in fiscal year 2013. 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 9.4% in fiscal year 2004 to 6.9% in fiscal year 2013 as non-fee based programs of the County have increased. Intergovernmental revenues contributed 14.8% to total revenues in fiscal year 2004, and has dropped to 11.9% in fiscal year 2013 as state revenues have declined and the pool of available grant funds has not increased as fast as the County's budget.

General governmental expenditures have increased only 12% in the last ten years as the County's budget was reduced in recent years to address the economic downturn. Capital outlay decreased by 42.1% over the ten year period due to planned reductions in capital projects. 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 63.8%. Business Partners costs have increased 19.2% over the ten year period reflecting the increased contributions for public education. Debt service has increased 51.9% over the last ten years due to the issuance of debt to fund school and community college construction, renovations or expansions of existing facilities, the completion of new courthouse, the purchase of land for future use, the addition of several branch libraries, as well as the development of new parks and 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 to reflect the new economic realities. For fiscal year 2013, the County

added new projects as well as focused on the completion of projects under construction. The Board of County Commissioners did not consider a bond referendum during fiscal year 2013.

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, reducing violence in the community, increasing efficiency of criminal justice services and reducing disease and mental illness. 2) Effective and Efficient Government, focuses on providing services in a highly effective and efficient manner, concentrating on improving employee efficiency, reducing costs, improving customer awareness of County services, and enhancing citizen involvement. 3) Sustainable Community focuses on maintaining/creating a vibrant and diverse economy within the county while protecting its natural resources and enhancing the quality of life by concentrating on air and water quality, preservation of historic sites, access to public facilities, economic development and job opportunities. 4) Social, Education and Economic Opportunity, focuses on creating an environment where all County residents can become self-sufficient and have equal access to services, concentrating 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 based on these focus areas and the impact of programs on achieving the County's long term goals.

## **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 2020 "In 2020, 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 articulate the Board's desired results, the corporate strategies used to achieve these results, and the performance measures that gauge the level of achievements.

The following accomplishments during fiscal year 2013 highlight some of the activities County departments have pursued toward Mecklenburg Vision 2020:



# LETTER OF TRANSMITTAL

---

## **Financial:**

---

- The Department of Financial Services issued new debt to provide funding for capital projects and restructured debt issues to reduce the County's future borrowing costs.
- The Department of Financial Services elected to piggyback the State's procurement card contract in order to benefit from the higher rebate levels provided under the State contract.
- The Office of Tax Collector placed barcodes on tax bills which enables citizens to scan the barcode with a mobile device to pay tax bills electronically. The use of this technology provides customers a new payment portal that is safe and efficient.
- The Office of the Tax Collector partnered with the Sheriff's Office to launch the License Plate Recognition program to collect delinquent registered motor vehicle tax bills. Specialized software and cameras were mounted on Sheriff vehicles to read license plates and match them to a database of vehicles with delinquent taxes. When a database match is found, delinquent tax notices were left on the vehicle informing the owner of the delinquent taxes and payment requirements. The collections from the License Plate Recognition program exceeded costs within the first year.

## **Land Use and Environmental Services:**

---

- The Air Quality Division designed and implemented a complete air GRADE reporting requirements system online. The system was developed in response to requests from GRADE customers and has resulted in over 90% of reports being submitted electronically.
- The Air Quality Water Division program "Grants to Replace Aging Diesel Engines" was selected to receive the 2012 USEPA Southeast Diesel Collaborative Visionary Leadership Award.
- The Solid Waste Division purchased and placed into service a new CNG (compressed natural gas) fueled roll-off truck. This is the first application of CNG to this type of waste collection vehicle. The fuel cost for this vehicle is approximately 25% less than current diesel equipment.
- Land Use and Environmental Services partnered with the City of Charlotte to develop a collaborative community plan, the Mecklenburg

Livable Communities. The Mecklenburg Livable Communities Plan is a partnership between Mecklenburg County, the City of Charlotte, the towns in Mecklenburg County and the Foundation of the Carolinas. The Mecklenburg Livable Communities Plan will have vision and action initiatives that highlight the interplay of environmentally sound, economically prosperous and socially considerate priorities for long term quality of life.

- The Code Enforcement Department received a commercial score of 1 and a residential score of 2 on a final Insurance Services Office Building Code Effectiveness Grading Schedule (ISO-BCEGS) audit. Mecklenburg County is one of a very few authorities across the nation with an ISO score of "1" which benefits the local business community greatly by lowering insurance rates.
- The Code Enforcement Division completed upgrades to the inspection auto-notification tool which gives customers advance notice that an inspector is headed to a project site to perform an inspection. The software program enhancements include the ability to tailor notification contacts by permit, contractor verification of account setup and notice confirmation review by the inspector.

## **Health and Human Services:**

---

- The Youth and Family Services Department was accepted as a Reaching for Excellence and Accountability in Practice (REAP) by the State of North Carolina. REAP provides a framework within which the community is involved in helping children, youth and families share responsibility for making improvements in child safety and protection.
- The Department of Social Services established a partnership with Johnson C. Smith University to establish a Kinship Care Project designed to provide social work services to children residing with caretaker relatives due to abuse, neglect or other situations. Under the Kinship Care Project, two social workers were hired to assist with documenting medical or family crisis that impacted school attendance, providing referral options for educational opportunities such as the GED program and providing assistance with mental/medical and behavioral health needs.



- The Department of Social Services collaborates with area hospitals, home health and hospice to address the needs of individuals who are discharged from the hospital with home health needs and are at risk of returning to the hospital or emergency department within 30 days of discharge. The collaboration “Care Transitions” has offered in home aid assistance, home bound meals and transportation to identified seniors being discharged from hospitals.
- The Department of Social Services launched the Start Today and Reach for Success (STARS) program to increase employability potential for clients with multiple barriers to employment by employing intensive comprehensive social work techniques in a classroom setting. Five classes have been conducted with 86 customers served and 34% of customers participating in the program have obtained employment.
- The Department of Social Services partnered with Arthritis Services (a United Way agency) to provide opportunity to Senior Nutrition congregants to participate in education and exercise sessions for arthritis self-management. 265 seniors participated in these sessions resulting in improvements in activities of daily living, pain perception, overall fitness and self-efficiency.

## **Detention and Court Support Services:**

- The Sheriff’s Office received a Justice Assistance Grant (in the amount of \$132,284) which was used to purchase tasers and walkthrough metal detectors, as well as equipment and supplies for programs and community services.
- The Criminal Justice Services Department partnered with Community Support Services Department to implement the Frequent User Service Enhancement (FUSE) program which will divert homeless and the mental ill individuals from the jail and criminal justice system.
- The Department of Child Support Enforcement had the highest total of child support collections statewide during the fiscal year 2013. Child support collections of \$48 million is the highest total collections in the County’s history.
- The Department of Child Support Enforcement partnered with Mecklenburg County Public Job Connect to assist non-custodial parents with developing job readiness skills to enhance employment opportunities.



# LETTER OF TRANSMITTAL

---

## Community Support Services:

- The Park and Recreation Department won the National Park and Recreation Association Gold Medal award for the Best Park and Recreation Department in the country.
- The Park and Recreation Department in partnership with Charlotte Mecklenburg Schools, started a Summer Hot Food Program at Arbor Glen Outreach Center. More than 4,500 hot meals were served to children who visited the recreation center within the breakfast or lunch time.
- The Park and Recreation Department developed an Adaptive Fencing program for teens and young adults with disabilities aged 13-35. The new adaptive sports program provides opportunities for participants to be involved in a program that is not team based but can provide a team atmosphere.
- The Park and Recreation Department has designed a website for public interface that will allow visitors to view flora species lists for each county park. Each plant species will be accompanied by a photograph to assist the public with identification. The site will also allow park visitors to submit photos of plants for identification. In the future, the website will include additional taxa such as dragonflies and birds.
- The Park and Recreation Department started the Muddy Boots Club, an outdoor exploration class for students ages 4-10. Classes are held two times per month from September through May.



## Awards and Acknowledgements

The Government Finance Officers 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, 2012. This was the 37th 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 2013 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 2013 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 Financial Services Department, particularly, for their competence and diligence in the continuation of the progressive financial activities of the County and timely preparation of this Report.

I thank the Board of County Commissioners and Interim County Manager Bobbie Shields for their leadership in making Mecklenburg County a fiscally sound, well-governed community.

Respectfully submitted,

Dena R. Diorio  
*Finance Officer / Assistant County Manager*



## 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 is the responsibility of the County Manager. In this capacity he is assisted by the Executive Team that includes three Assistant County Managers, an Interim Assistant County Manager and the Human Resources Director. 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.
- Appointing various employees.
- Representing the County in business with other agencies and performing other duties assigned by the Board.

The County had 4,861 full-time equivalent employees at June 30, 2013 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.

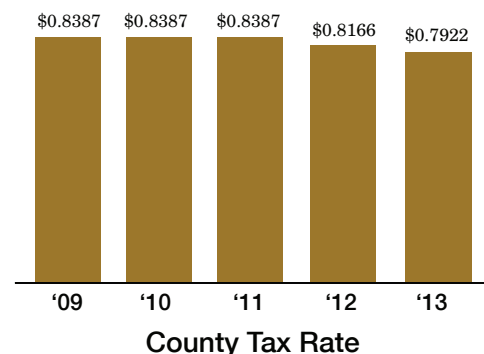
## Fiscal Control

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 Financial Services is responsible for monitoring expenditures of the various County departments to prevent expenditures from exceeding budget appropriations. Purchase orders and contracts are not considered valid until the Director of Financial Services has certified that funds are available to make payment upon satisfactory completion of the contract or delivery of the items ordered.

## Tax Rate

The tax rate is set each year by the Board when the budget ordinance is adopted. Exhibit 1 presents the County's tax rates since fiscal year 2009. 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. This is the first revaluation since 2003, in compliance with North Carolina statute. Due to the economic changes impacting residents in the County, the Board of County Commissioners chose not to adjust the tax rate for fiscal years 2009 – 2011. In fiscal year 2012 the tax rate decreased by \$0.0221 and in fiscal year 2013 the tax rate decreased by \$0.0244. The tax rate decreases reflects the Board of County Commissioners fiscal discipline and the sustainability and affordability of County Services.

**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

**Exhibit 2:**  
**PROPERTY TAXES IN NORTH CAROLINA**  
**With Assessed Valuations Over \$8 Billion**

County	Valuation	Levy	Revaluation	Tax Rate
Alamance	\$ 12,353,452,768	\$ 64,272,277	2009	\$ 0.5200
Brunswick	24,563,135,027	109,009,483	2011	0.4425
Buncombe	29,675,606,638	156,463,774	2006	0.5250
Cabarrus	18,672,914,917	130,788,703	2012	0.7000
Carteret	15,169,288,878	44,097,719	2011	0.2900
Catawba	15,687,062,281	85,168,544	2011	0.5300
Chatham	9,006,821,103	56,042,061	2009	0.6219
Craven	9,747,865,415	45,919,047	2010	0.4700
Cumberland	21,966,866,005	164,271,419	2009	0.7400
Currituck	8,376,379,029	26,804,140	2005	0.3200
Dare	17,644,661,218	49,422,053	2005	0.2800
Davidson	13,108,250,200	70,828,913	2007	0.5400
Durham	30,473,909,841	226,996,867	2008	0.7444
Forsyth	34,505,264,655	232,606,012	2009	0.6740
Gaston	14,947,729,772	124,922,608	2007	0.8350
Guilford	45,686,753,440	358,177,644	2012	0.7804
Henderson	12,113,661,130	62,276,487	2011	0.5136
Iredell	20,536,998,870	99,811,760	2011	0.4850
Jackson	11,321,393,250	31,729,653	2008	0.2800
Johnston	13,256,782,057	106,472,255	2011	0.7800
Lincoln	8,338,911,741	49,902,799	2011	0.5980
Macon	9,270,122,226	26,043,216	2007	0.2790
<b>Mecklenburg</b>	<b>115,691,629,945</b>	<b>924,822,358</b>	<b>2011</b>	<b>0.7922</b>
Moore	12,044,278,078	56,287,608	2007	0.4650
New Hanover	28,820,669,180	158,837,861	2012	0.5540
Onslow	13,317,525,981	78,375,936	2010	0.5850
Orange	16,067,355,038	137,849,317	2009	0.8580
Pitt	11,131,010,890	78,730,822	2012	0.6800
Randolph	10,334,584,795	60,636,865	2007	0.5860
Rowan	11,634,062,431	72,468,364	2011	0.6225
Union	23,550,939,457	155,597,209	2008	0.6600
Wake	122,281,525,514	653,876,620	2008	0.5340
Watauga	8,906,532,838	27,969,355	2006	0.3130

**Note:** Includes valuations of classified registered motor vehicles for which tax notices were issued in accordance with G.S. 105-330.5(a) on or before December 31, 2012, net releases made by that date.

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

granted to owners of farms, historical properties, single residences of the elderly, and certain disabled veterans. For fiscal year 2013, the County's total exempted or reduced assessments were approximately \$16.8 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, 2012, their tax levies and rates.

### 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, Mental Health and Community Support Services. 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.

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.





# FACTS AND INFORMATION

---

## **Detention and Court Support Services**

The Sheriff, Jails, Medical Examiner, Child Support Enforcement 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. Child Support Enforcement provides child support services to ensure both parents support their children to extent of their ability. 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 and the Board of Elections. The Library, reported as a component unit in the basic financial statements, provides research services, access to reading and audio-visual materials as well as special programs for children and senior citizens at the Main Library, ImaginOn: The Joe & Joan Martin Center, and 20 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 20,472 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 652,424 registered voters in the County as of July 2013.

## **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. 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.

**Exhibit 3:**

<b>Mecklenburg County</b>	
<b>Population</b>	
2013	999,060
2012	966,160
2011	938,020
2010	919,628
2009	893,892

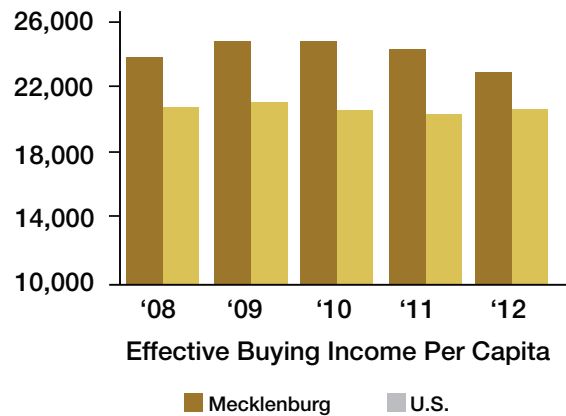
**Source:** Charlotte Chamber of Commerce

The County has experienced population growth of 11.8% over the last five years, as presented in the chart at Exhibit 3 and continues to be the most populous county in the State. The County enjoys a relatively comfortable year-round climate that makes it appealing to residents and industry alike. The weather includes sunny or partly sunny skies about eight months out of the year. Extreme temperatures and severe weather are rare. Winters are mild with a January average low temperature of 32 degrees. The average high temperature in July is 90 degrees. Average rainfall is 43 inches. The combination of moderate and reasonable humidity makes the County well suited for commerce and industry.

**General Economic Indicators**

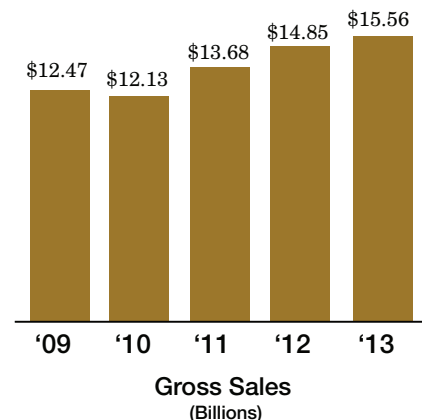
The Charlotte Chamber of Commerce provided the most recent information on Effective Buying Income (EBI). EBI is an accepted economic indicator of income after subtracting mandatory taxes. For calendar year 2012, the County’s EBI per capita decreased 5.6% from calendar year 2011. However, the County remained above the national average for EBI per capita for calendar years 2008 through 2012. Exhibit 4 shows that there has been a decrease in EBI per capita for the County and no significant change in EBI for the United States for the last few years. Both have been adjusted to account for inflation.

**Exhibit 4:**



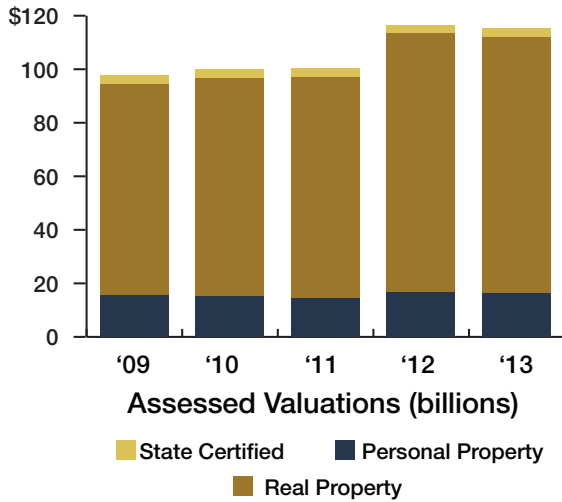
Gross Retail Sales, generally accepted as a reliable indicator as to how well an economy is progressing, is shown in Exhibit 5 for the County. The data is provided by the North Carolina Department of Revenue. In fiscal year 2009, the County experienced relatively strong consumer spending and then declined by 2.7% in 2010. From fiscal year 2010 through fiscal year 2013 gross taxable sales increased by 28.3% exceeding 2009 gross sales.

**Exhibit 5:**



# FACTS AND INFORMATION

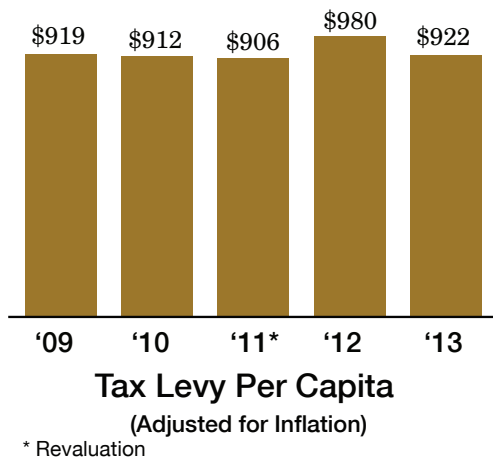
**Exhibit 6:**



## Growth of Tax Base

Exhibit 6 shows the increase in the tax base over the last five years. Assessments for fiscal year 2009 were \$97.8 billion increasing to \$115.4 billion in 2013, an 18% increase. Fiscal year 2012 was a revaluation year which accounted for the majority of the increase. Between fiscal years 2009 and 2013, the general tax levy increased 12.2% from \$821.5 million in 2008 to \$921.6 million in 2013. 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 tax levy per capita amount has remained relatively flat from fiscal years 2009 through 2011. From fiscal year 2009 through 2011, the tax rate remained unchanged and in 2012 and 2013 the tax rate declined.

**Exhibit 7:**



In fiscal year 2012, the tax levy per capita increased as a result of an increase in the tax base due to revaluations, however in fiscal 2013, the tax levy per capita decreased.

The County's ten principal taxpayers, as presented in Table 9 of the Statistical Section, contribute 6.8% of total assessed valuation and represent a wide range of industrial categories. Six of the ten principal taxpayers in fiscal year 2013 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, 2013, the average daily ridership increased to 13,476, an increase of 48.1% over the initial average daily ridership. CATS Lynx blue line operates 20 light rail vehicles and had a ridership for all of fiscal year 2013 of 4,919,307.

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 6th largest nationwide in operations, is served by six domestic carriers passenger carriers including Southwest Airlines, American Airlines, Delta Air Lines, JetBlue Airways, United Airlines and US Airways. The airport as of August 2013 averages over 730 daily departures and direct /nonstop flights to 143 destinations nationwide and around the world. An estimated total of 20.5 million passengers boarded flights at the airport and over 127,230 tons of domestic and international cargo were handled in calendar year 2012.

**Exhibit 8:**

**Corporations Listed in Million Dollar Directory**

Classification of Corporations	Number of Corporations
Services	1,626
Wholesale Trade	614
Construction	535
Manufacturing	468
Retail Trade	379
Finance, Insurance, Real Estate	327
Transportation, Communication, Utilities	248
Other	23
<b>TOTAL</b>	<b>4,220</b>

**Employment and the Economy**

Exhibit 8 highlights the economic and employment diversity in the County, and presents corporations in the County, as compiled by Dun and Bradstreet's *Million Dollar Directory* for 2013.

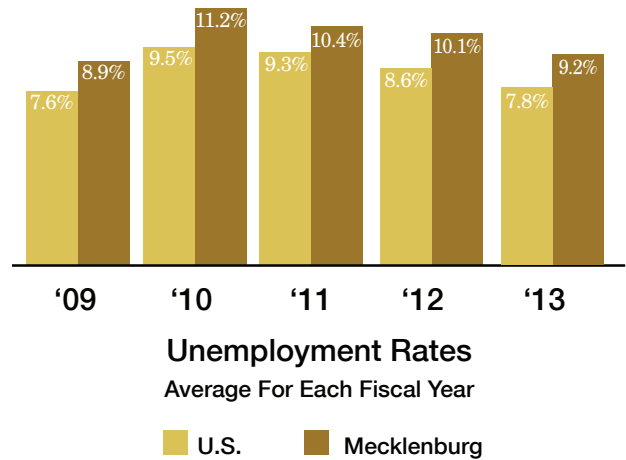
**Exhibit 10:**

**Number and Value of Building Permits**  
Mecklenburg County, North Carolina

Calendar Year	Number Building Permits	Value (Millions)		
		Residential	Non-Residential	Total
2012	15,046	\$ 1,149.4	\$ 1,259.5	\$ 2,408.9
2011	13,321	762.6	1,173.8	1,936.4
2010	12,968	529.3	719.3	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

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

**Exhibit 9:**



Seven Fortune 500 companies are headquartered in the County – Duke Energy, Domtar, 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 9.4% by June 30, 2013, which was slightly above the State rate of 9.3% and more than national rate of 7.8%. Exhibit 9 presents the averaged monthly unemployment rates for each of the past five fiscal years, per the U. S. Department of Labor Benchmarked data. Exhibit 9 shows that the average unemployment for Mecklenburg County has decreased from 10.1% for fiscal year 2012 to 9.2% for fiscal year 2013.

**Exhibit 11:**

**New Residential Construction by Type**  
Mecklenburg County, North Carolina  
(Number of Units)

Calendar Year	Single Family	Multi-Family	Total
2012	4,589	5,601	10,190
2011	3,050	2,539	5,589
2010	2,958	1,565	4,523
2009	2,224	2,302	4,526
2008	3,758	6,747	10,505

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

# FACTS AND INFORMATION

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 2012 by 12.9% from the prior calendar year, but are still lower than 2008. Exhibit 11 presents new residential construction by type, which shows that construction starts had an 82.3% increase from calendar year 2011 to 2012. With regard to existing residential home sales, Charlotte has retained home values better than other parts of the Country. Exhibit 12 shows the average home prices as of June over the last five years. Average home prices have increased from 2012 to 2013, with the average home price at \$239,842 at June 30, 2013.

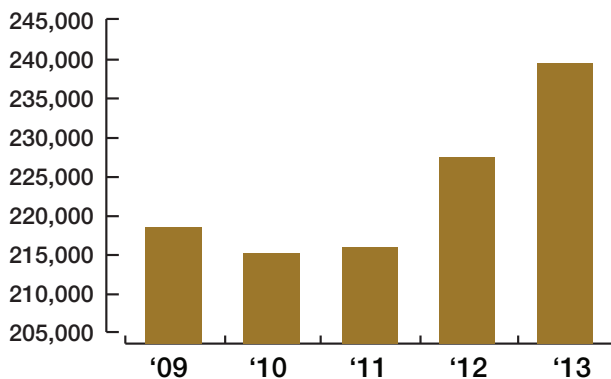
The largest employers by employees have remained relatively consistent over the last couple of years and showcase Mecklenburg County's economic profile. Some of the largest employers are in the healthcare, banking, financial services and retail trade industry. Exhibit 13 presents the firms employing over 2,000 persons in the County, as of May 2013, the most recent available information:

## Exhibit 13:

### Employers of 2,000 or More Persons

20,000 to 35,000 Employees	Carolinas Healthcare System*
	Wells Fargo Company
10,000 to 19,999 Employees	Bank of America*
	Charlotte - Mecklenburg Schools*
	Novant Health Wal-Mart Stores, Inc.
5,000 to 9,999 Employees	Daimler Trucks North America LLC
	City of Charlotte*
	Duke Energy Corporation*
	Food Lion, Inc.
	Lowe's Companies, Inc.
	Presbyterian Regional Healthcare*
	State of North Carolina
	US Airways U.S. Government
2,000 to 4,999 Employees	A T & T
	Adecco
	Aerotek, Inc
	BB&T
	Belk, Inc.*
	Bi-Lo LLC
	Carowinds
	Central Piedmont Community College
	Compass Group*
	Corestaff Services
	DMSI & DMSI staffing
	Family Dollar Stores, Inc.*
	Fedex Freight Corp
	Ingersoll Rand Co. Ltd.
	Labor Ready, Inc.
	McDonald's
	Mecklenburg County
	Ruddick / Harris Teeter, Inc.*
	Target Stores
	TIAA - CREF
Time Warner Cable	
U.S. Government	
U.S. Postal Service	
UNC Charlotte	
YMCA of Greater Charlotte	

## Exhibit 12:



Average Home Sales Price

Source: NC Association of Realtors

\* Headquartered in the County.

Source: Charlotte Chamber of Commerce



**Education**

Public education in the County is provided by the Charlotte-Mecklenburg Schools, the 17th largest school system in the nation, based on student enrollment as cited by the National Center for Education Statistics. Exhibit 14 details the enrollment in the Charlotte-Mecklenburg Schools for the last five years.

**Exhibit 14:**

**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			
2012 - 2013	69,014	31,227	38,087	1,662	139,990	141,171	99.2%	159
2011 - 2012	69,324	30,076	35,596	1,751	136,747	138,012	99.1%	159
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

**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 2013 school budget was approximately \$1.2 billion: 57.9% provided by the State, 28.1% by the County (mostly through property taxes), 12.0% by the federal government and 2.0% other revenue. Most local funds are used to supplement regular State salaries, to hire extra teachers not provided for by the State and for operation and maintenance of school buildings.

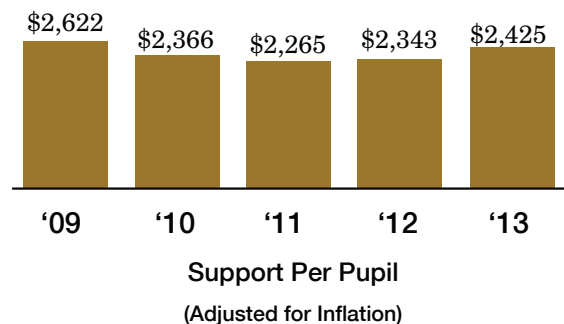
The fiscal year 2013 adopted budget included a \$337.4 million allocation from the County for operational expenses of the public school system. In accordance with the N.C. General Statutes, the Board of Education must present its current expense and capital outlay budget requests to the County by May 30 each year. Appropriations to the Board of Education are discussed in the County’s budget hearings and the approved amount for the schools is appropriated in the County’s operating budget adopted by July 1.

For the 2012-2013 school year, the Board of Education operated 88 elementary schools, 39 middle schools and 28 high schools. There is also a center for students who are mentally disabled, a school for teenage parents, a school for

artistically talented students, a program for the emotionally handicapped, an alternative discipline program, five pre-school programs for four-year-olds with a total enrollment of 2,695, 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 15. The exhibit shows a decrease from fiscal year 2009 to 2011 because of budget reductions. From fiscal year 2011 to fiscal year 2013 there was an increase in the support per pupil reflecting restoration of funding as the economy improved. The operational costs are adjusted for inflation to 2013 current dollars using the Implicit Price Deflator Index.

**Exhibit 15:**



## 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 2012-2013 school year, the portion of local education funds budgeted to be redirected to the eleven charter schools operating in the County was \$20.3 million.

Colleges and universities located in the County offer a range of opportunities for higher education. The area offers the opportunity to attend exceptional, small private colleges, church affiliated institutions, a community college or a large state university. Exhibit 16 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 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 \$27.1 million from the County in fiscal year 2013. 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 Improvements Program and pays the debt service on those financings.

**Exhibit 16:**

	Fall 2013 Enrollment		Fall 2012 Enrollment	
	Students	Faculty <sup>1</sup>	Students	Faculty <sup>1</sup>
University of North Carolina at Charlotte	26,571	n/a	26,322	n/a
Central Piedmont Community College	20,413	990	19,470	872
Johnson & Wales University	2,325	111	2,401	115
Queens University of Charlotte	2,285	248	2,272	103
Davidson College	1,788	186	1,790	177
Johnson C. Smith University	1,387	157	1,646	148
Charlotte School of Law	1,415	n/a	1,398	82
Pfeiffer University - Charlotte Campus	1,148	79	1,307	77
Kings College	459	20	504	24
Wingate University - Metro College	505	39	449	35
Carolina College of Health Sciences	349	59	328	54
Brookstone College of Business	122	11	108	12
Gardner - Webb University - Charlotte Center	278	22	297	26
Montreat College	185	n/a	134	54
Union - PSCE at Charlotte	72	7	71	11

<sup>1</sup>Includes part-time instructors. UNCC could not provide faculty count. **Source:** Individual Institutions

**Medical**

The medical facilities located in the County and their respective licensed bed capacities are shown in Exhibit 17.

**Exhibit 17:**

Hospital	Number of Licensed Beds
Carolinas Medical Center <sup>1</sup>	629
Novant Health Presbyterian Medical Center <sup>2</sup>	622
Carolinas Medical - Pineville <sup>1</sup>	206
Levine Children's Hospital <sup>1</sup>	198
Behavioral Health Center - CMC Mercy Horizons <sup>1</sup>	162
Novant Health Matthews Medical center - Matthews <sup>2</sup>	117
Novant Health Charlotte Orthopedic Hospital <sup>2</sup>	80
Carolinas Rehabilitation <sup>1</sup>	99
Carolinas Medical - University <sup>1</sup>	94
Novant Health Medical Center - Huntersville <sup>2</sup>	75
Behavioral Health Center - Randolph <sup>1</sup>	66
Carolinas Specialty Hospital	40

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

<sup>2</sup>Part of Novant Health Inc. **Source:**Charlotte Chamber of Commerce

**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, Bojangles Coliseum, 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,





## FACTS AND INFORMATION

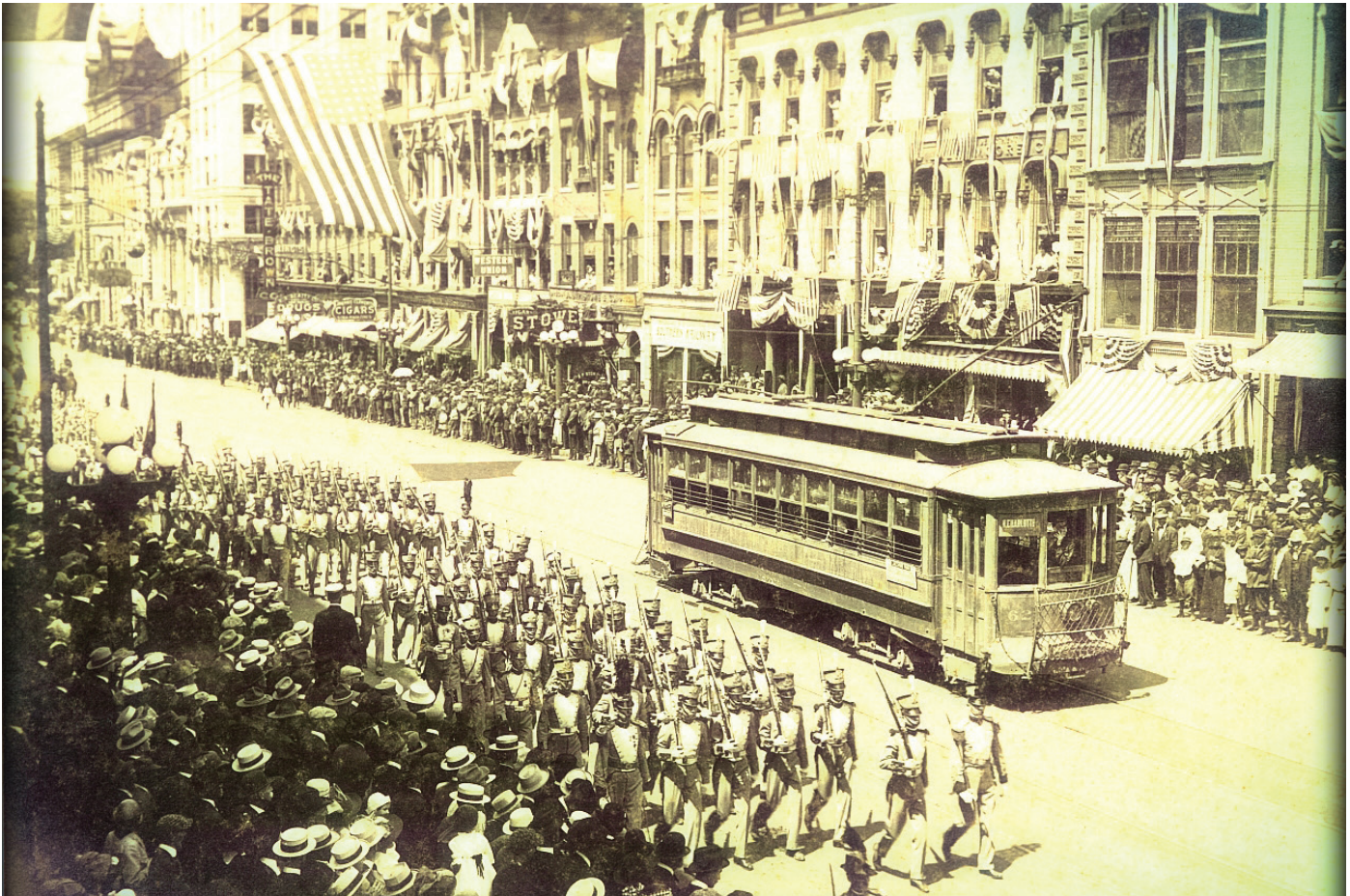
dog parks, mountain biking, fishing, canoeing, soccer fields, disc golf courses, playground equipment, an equestrian center, a skate park, a dirt bike track and an indoor water park, Ray's Splash Planet. The County also operates a fully-equipped Aquatics Center. Located 10 minutes from downtown Charlotte, the U.S. National Whitewater Center offers water activities and is the official home of the U.S. Kayak Team.

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 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 Nascar Hall of Fame is fueled with more than 50 interactive experiences like tire-changing stations,

realistic race simulators, a broadcast booth and even a kids zone. 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 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.

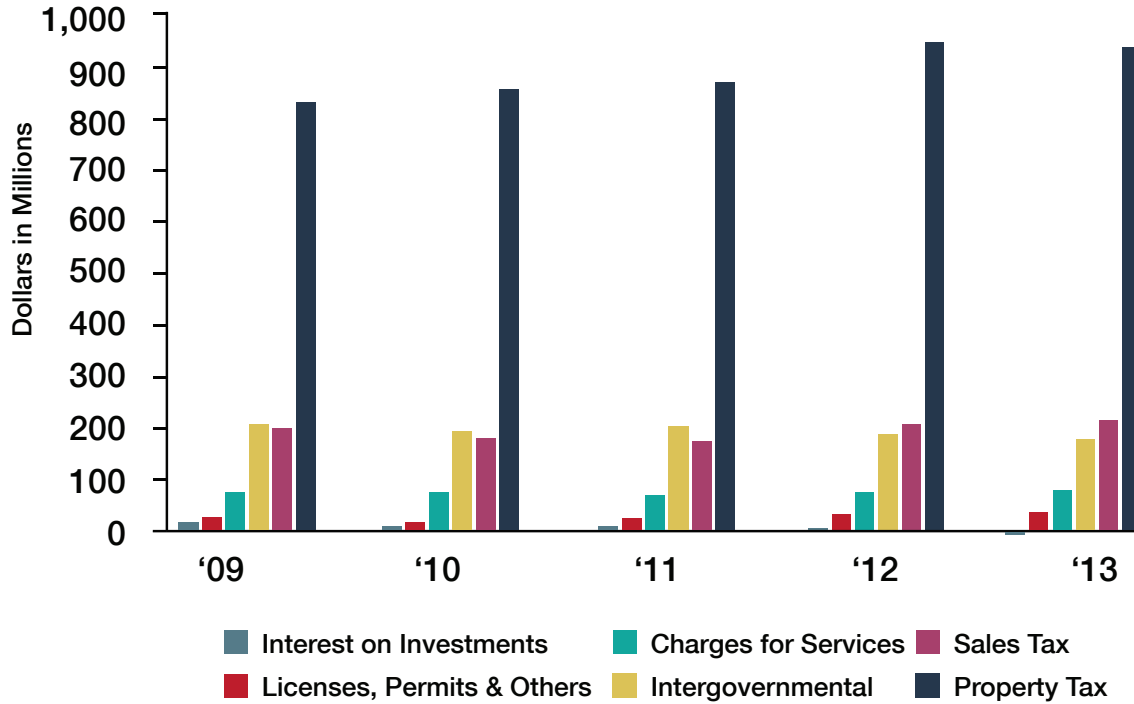




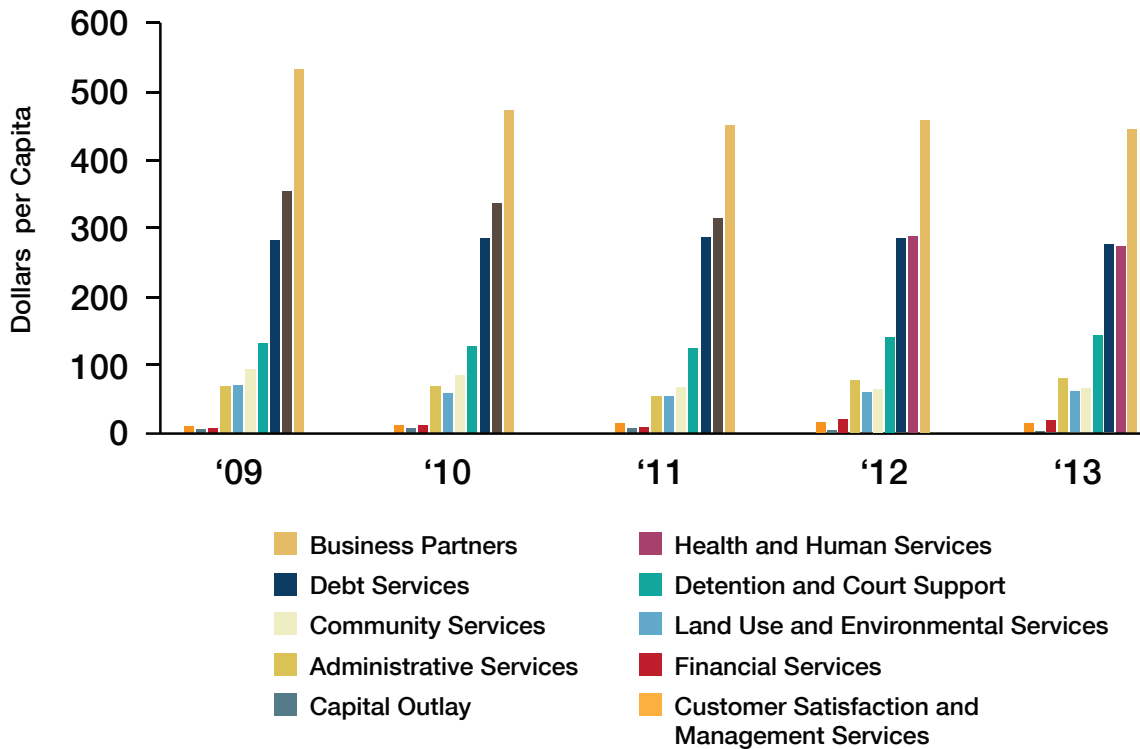
**This page left blank intentionally**

# FIVE YEAR TRENDS

**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 2009 through 2013. 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 2013 dollar.

### Revenues

Property taxes are the most significant source of revenue during the five-year period presented by Exhibit 1. Approximately 66.0% of total revenue in fiscal year 2013 came from property taxes, which is greater than the five year average contribution to total revenue of 64.1%. Property tax revenues increased 13.1% over the five year period from fiscal year 2009 to fiscal year 2013. In fiscal year 2012 a debt service fund was created and is included in the totals to provide an accurate comparison. The \$90.2 million increase in property tax revenues between fiscal year 2010 and fiscal year 2012 is due to increases in assessed valuation as the tax rate remained constant. In fiscal year 2012 the tax rate was reduced to 81.66 cents per \$100 of assessed valuation. The decrease was due to the \$78.3 million increase in property tax revenues due to increases in assessed valuation. In fiscal year 2013 the tax rate was reduced to 79.22 cents per \$100 of assessed valuation. The decrease was due an increase in estimated assessed valuation.

Intergovernmental revenues fluctuate with the level of grant awards, and state and federal revenue to the County. For the five years presented, intergovernmental revenues have contributed between 15.1% in fiscal year 2009 to the 12.8% of revenue in fiscal year 2012, reflecting the changes in grant awards and state and federal revenue to the County during the period and the impact of other revenue changes. In fiscal year 2013 intergovernmental revenues contributed 11.8%.

Sales tax revenues are collected by the State of North Carolina and distributed to counties based on a combination of point of delivery of the goods sold and a per capita basis. The County experienced a \$26.9 million drop in sales tax revenues from fiscal year 2009 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 14.8% for fiscal year 2013 as compared to 14.2% for fiscal year 2012, 13.2% for fiscal year 2011 and 13.9% for fiscal year 2010.

The percentage of charges for services to total revenue has seen a gradual decline from 5.7% in fiscal year 2009 to 5.4% in fiscal year 2013. 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 those four years. In fiscal year 2012 revenue increased 2.1% over fiscal year 2011 reflecting a slight increase in fee-based activities. In fiscal year 2013 revenue increased 7.2% over fiscal year 2012 reflecting an increase in fee based services for Land Use and Environmental Services and Detention and Court Support Services.

Similarly licenses, permit and other revenues contributed an average 2.3% to total revenues for fiscal year 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. In 2012 the contribution to total revenue grew to 2.1% and in 2013 the contribution to total revenue grew to 2.4%. This category includes all construction and inspection permit revenues that continue to be affected by the downturn in the building trades.

Interest on investments for fiscal year 2013 declined 123.6% from 2009 reflecting the current interest rate environment. Over the five year period investment earnings contributed 1.3% in fiscal year 2009, and then declined to .3% in fiscal year 2010, .2% in fiscal years 2011 and 2012, and -.3% in fiscal year 2013.

### Expenditures

#### Customer Satisfaction and Management Services

This service area includes the County Commissioners, Manager's Office, and Public Service and Information. It represents .7% of total expenditures for governmental activities for fiscal year 2009, increasing to .8% in 2010, and 1.2% in 2011 and decreasing to 1.0% for fiscal years 2012 and 2013. Inflation adjusted expenditures on a per capita basis for this service area were \$11.23 in fiscal

## FIVE YEAR TRENDS

---

year 2009 and remaining at that level through fiscal year 2010 reflecting a consistent level of spending in this 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 on a per capita basis to \$15.77. In fiscal year 2012, expenditures per capita basis decreased to \$13.84 due to reorganization of County departments and population growth. In fiscal year 2013, expenditures per capita basis had a slight decrease to \$13.60 again due to population growth.

### **Land Use and Environmental Services**

---

Land Use and Environmental Services represents 4.5% of expenditures for governmental activities for fiscal year 2009, declining to 4.1% in fiscal year 2010, remained steady at 4.1% in 2011 and 2012, and increased slightly to 4.3% in fiscal year 2013. 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 economy. During the last five years inflation adjusted cost per capita increased from \$69.59 for fiscal year 2009 then decreased to \$58.16 in fiscal year 2010, with a slight decrease in 2011 to \$55.53 and again in 2012 to \$54.43, and increasing to \$55.77 in fiscal year 2013. These expenditures reflected a strong construction industry that flourished in the County through fiscal year 2009. In fiscal year 2010, code enforcement and building inspection activity declined and these areas reduced spending.

### **Community Services**

---

Community Services includes Park and Recreation, Board of Elections and the Public Library of Charlotte and Mecklenburg County. For fiscal years 2009 through 2013 cost per capita for this service area has ranged from a high of \$92.39 in fiscal year 2009 to \$61.31 in the current year, with an average of \$72.77 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 and 2012. There are fewer park and recreation programs; libraries plus other community service costs cut, to meet the County's reduced spending budgets.

### **Health and Human Services**

---

County operations for Social Services, Public Health, Mental Health and Community Support Services are the primary departments in this service area. The cost for these services has decreased from \$311.0 million in fiscal year 2009 to \$304.1 million in fiscal year 2010. Fiscal year 2011 spending dropped to \$287.6 million due to changes in mental health spending. Fiscal year 2012 saw an additional drop in spending to \$259.7 reflecting a decrease in the County's Behavior Health Center funding. Fiscal year 2013 saw continual drop in spending to \$252.5. As a percent of total expenditures, this functional area has dropped from 22.7% in fiscal year 2009 to 19.4% of total expenditures for governmental activities in fiscal year 2013, as other functional areas have grown more. Inflation-adjusted expenditures in Health and Human Services on a per capita basis have declined from \$347.89 in fiscal year 2009 to \$252.73 in fiscal year 2013, reflecting reduced spending as well as the 11.8% 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, Criminal Justice Services, Child Support Enforcement, and Sheriff's Office, which is responsible for jail operations and coordination with the courts. This service area has increased from 8.5% of expenditures for fiscal year 2009 to 10.3% of expenditures for fiscal year 2013. Expenditures have increased 15.0% from fiscal year 2009 to 2013, resulting primarily from growth of jail operations. Detention and Court Support Services inflation-adjusted expenditures on a per capita basis have increased from \$129.93 in fiscal 2009 to \$133.65 in fiscal year 2013 as the costs of service in this 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, and Real Estate Services. Administrative Services represent 5.6% of expenditures for governmental activities. The cost per capita slightly increased from \$67.94 in fiscal year 2009 to \$72.40 in fiscal year 2013. The increase in earlier years was partially due to funding for the retiree medical benefits to comply with GASB Statement 45.



**Financial Services**

Resource management is the focus of this service area that consists of Central Finance, Human Services Finance and Tax Collection. Expenditures for this service area represent .7% of expenditures for governmental activities in fiscal year 2009 and remained steady through 2010, increasing to .8% in 2011, increasing to 1.4% in 2012, and decreasing slightly to 1.3% in 2013. Expenditures increased from \$9.1 million in fiscal year 2009 to \$17.3 million in fiscal year 2013. Expenditures per capita increased from \$10.17 in fiscal year 2009 to \$17.35 in fiscal year 2013 reflecting the effect of inflation and the creation of the Human Services Finance Division.

**Business Partners**

Allocations and appropriations to other governmental entities and joint governmental activities are included in this service area that represents 33.7% of expenditures for governmental activities. Primary recipients of County funding are the Charlotte-Mecklenburg Schools, Central Piedmont Community College, 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 increased from \$351.6 million in fiscal year 2009 due to providing additional support to the schools for increased student

enrollment. In the interim, school expenditures were reduced from \$316.3 in fiscal year 2010 and again in 2011 to \$307.2 in accordance with the decreases in county revenues. In fiscal year 2012 allocations were increased to \$333.3 for current operations and capital outlay and increased again to \$342.4 in fiscal year 2013. Business Partners expenditures have decreased from \$468.6 million in 2009 to \$438.4 million in fiscal year 2013. The per capita expenditures for the five year period have decreased from \$524.23 in fiscal year 2009 to \$435.25 in fiscal year 2013, as the expenditures are spread over an 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 \$248.7 million in fiscal year 2009 to \$256.5 million in fiscal year 2013, primarily to meet the construction needs of the school system and CPCC. Debt service as a percent of total governmental expenditures has increased from 18.2% in fiscal year 2009 to 19.7% in fiscal year 2013, reflecting debt issuance from fiscal year 2009, no debt issuance in fiscal years 2010 and 2011 and a decrease in 2012 due to the refunding of existing debt at a lower interest rate. These are also reflected in the debt service expenditures per capita of \$278.20 in fiscal year 2009 and \$256.73 in fiscal year 2013.

## Board of County Commissioners



**Pat Cotham**  
*Chairman*  
*At-Large*



**Kim M. Ratliff**  
*Vice-Chairman*  
*At-Large*



**Trevor Fuller**  
*At-Large*



**Karen Bentley**  
*District 1*



**Vilma Leake**  
*District 2*



**George Dunlap**  
*District 3*



**Dumont Clarke**  
*District 4*



**Matthew Ridenhour**  
*District 5*



**Bill James**  
*District 6*

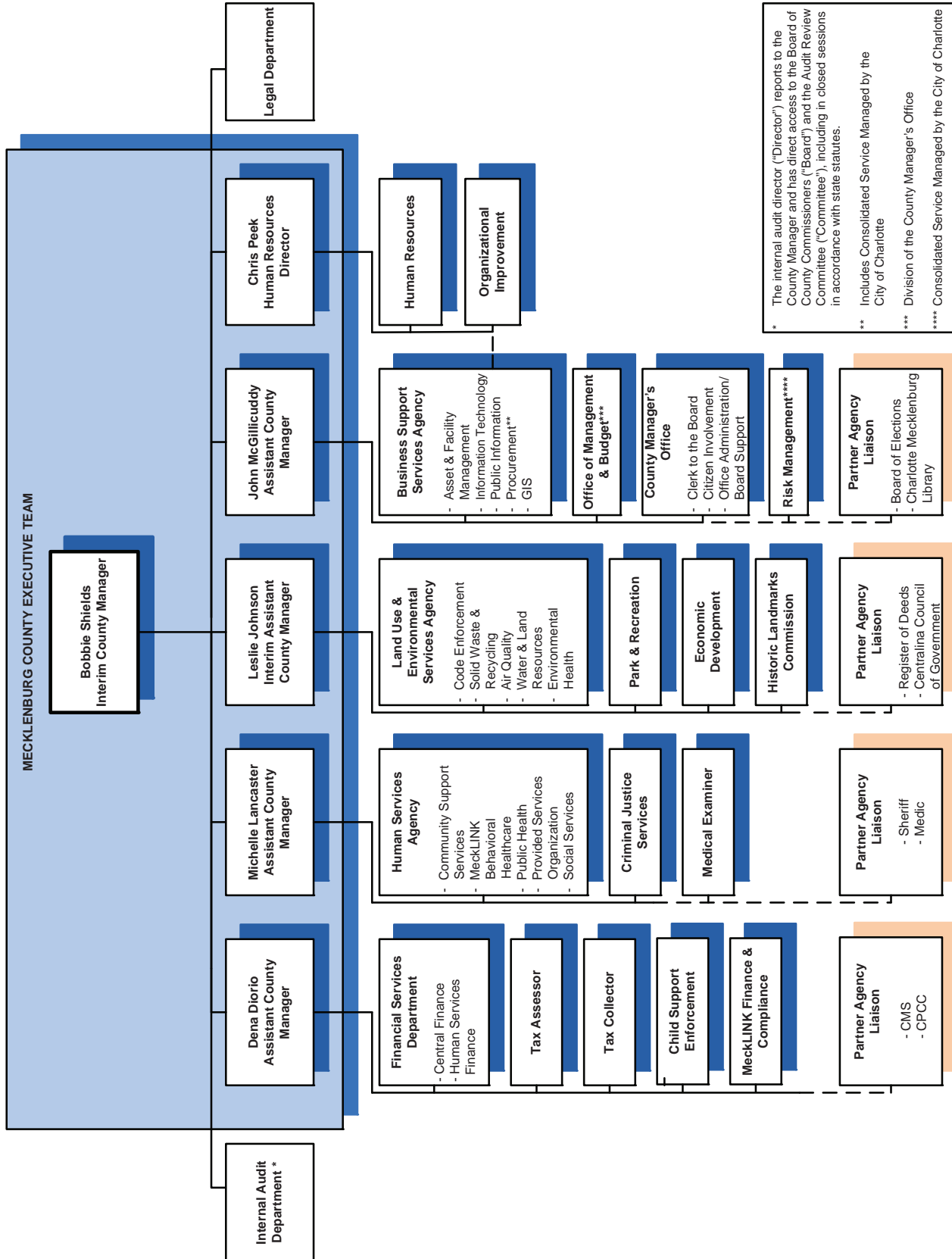


**Bobbie Shields**  
*Interim County Manager*



**Dena R. Diorio**  
*Finance Officer/Assistant*  
*County Manager*

# ORGANIZATIONAL CHART





Government Finance Officers Association

**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, 2012**

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is written in a cursive, flowing style.

Executive Director/CEO



**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2013**

*Prepared by the Mecklenburg County, North Carolina  
Financial Services Department*

**Finance CAFR Team**

**Wanda F. Reeves**

*Interim Director of Financial Services*

**Shyry G. Greene**

*Senior Fiscal Administrator*

**Patricia Gibson**

*Accounting Director*

**Terri H. Peters**

*Senior Fiscal Analyst*

**Kenneth Myers**

*Senior Fiscal Analyst*

**Stephanie Prioleau**

*Senior Fiscal Analyst*

**Shawn E. Phillips**

*Senior Fiscal Analyst*

**Dimitrios P. Foster**

*Senior Fiscal Analyst*

**Fatima Robaina**

*Senior Fiscal Analyst*

**Tiffany Reese**

*Senior Fiscal Analyst*

**Tyane Johnson**

*Fiscal Analyst*

**Ernestine Berry**

*Fiscal Analyst*

**Cheryl H. Duke**

*Investment Officer*

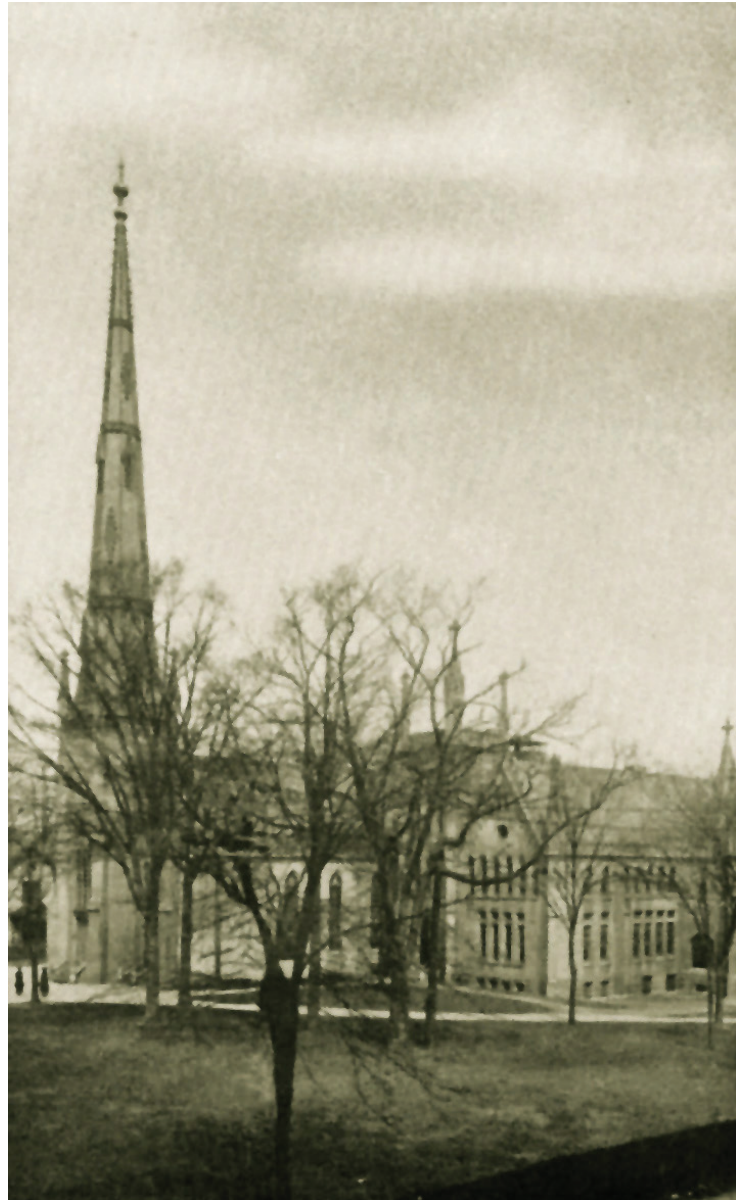
**Acknowledgements**

**Central Finance Department**

**Office of the Tax Collector**

**Human Services Finance Division**

**M'Lou Greene (photographs)**



**This page left blank intentionally**

CELEBRATING THE SESTERCENTENNIAL



## 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.







## Report of Independent Auditor

To the Honorable Members of the Board  
of County Commissioners  
Mecklenburg County, North Carolina

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Mecklenburg County, North Carolina (the "County"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Mecklenburg County ABC Board (the "ABC Board"). Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the ABC Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Mecklenburg Emergency Medical Services Agency (the "Agency") and the ABC Board were not audited in accordance with Governmental Auditing Standards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**To the Honorable Members of the Board  
of County Commissioners  
Mecklenburg County, North Carolina  
Page 2**

**Opinions**

In our opinion, based on our audit and the report of the 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund or the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in the notes to the basic financial statements, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective July 1, 2012.

**Other Matters**

*Required Supplementary Information*

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

*Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the County. The introductory section, combining and individual fund statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

To the Honorable Members of the Board  
of County Commissioners  
Mecklenburg County, North Carolina  
Page 3

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2013, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and on compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Charney Ruchel LLP

Raleigh, North Carolina  
October 31, 2013

# MANAGEMENT'S DISCUSSION AND ANALYSIS

---

## 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, 2013 with comparisons to the prior year, where appropriate. The information complements the data presented in the basic financial statements. Its purpose, along with the material in the Transmittal Letter in the Introduction, is to enhance the reader's understanding of the County's financial performance.

## Highlights Of The Year

---

- On the Statement of Net Position, 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 as well as for Mecklenburg County. The assets acquired with the debt are owned by each of these governmental units, and therefore, the assets are not included in the County's Statement of Net Position.
- For the year ended June 30, 2013, the Statement of Activities reflects an increase in net position of \$153.6 million as compared to an increase in net position in the prior year of \$267.3 million, resulting from a 15.6% increase in operating expenses as well as an increase of 4.9% in revenues, both program and general.
- The governmental funds total fund balances increased by \$110.0 million from the prior year total ending fund balance of \$676.5 million. The increase is the result of higher than expected revenues, in property tax, construction permits, charges for services and a decrease in investment income. Of the \$786.5 million of governmental fund balances, total fund balance of \$341.5 million is available for future years' spending as unassigned fund balance.
- The unassigned fund balance of the General Fund at June 30, 2013 is \$354.5 million, which represents 32.8% of fiscal year 2014 budgeted General Fund expenditures or 118.2 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 Position 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 Position presents assets and deferred outflows of resources less liabilities and deferred inflows of resources, thus presenting the County's financial condition at the end of the fiscal year, while the Statement of Activities presents information showing how the County's net position changed during the fiscal year.

The Statement of Net Position and the Statement of Activities divide the County's operations into three types of activities:

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



# MANAGEMENT'S DISCUSSION AND ANALYSIS

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

## **Reporting The County's Significant Funds**

Funds are sets of self-balancing accounts that reflect the assets, liabilities, fund balance/retained earnings, revenues and expenditures/expenses of resources that are segregated for specific activities or for compliance with legal provisions. The funds used by the County can be divided into three categories:

- **Governmental funds:** Most of the County's services are reported in governmental funds, which focus on the flows of money into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information may be useful in evaluating the resources available to finance County programs in the near future. The Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities allows the reader to compare the information presented for governmental funds with similar information presented for the governmental activities.

The County's governmental funds are: the General Fund; the Debt Service Fund; 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 and the MeckLink Fund are the County's proprietary funds and are presented in the business-type activities column of the government-wide financial statements, because those funds operate similar to private business enterprises.
- **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 Funds, the Grants Capital Project Fund, as well as the Landfill Construction, Final Development and Postclosure Reserve Fund.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Government-Wide Financial Analysis

The following summarizes Net Assets (Deficit) at June 30, 2013 and 2012:

### NET POSITION (in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
<b>ASSETS</b>						
Current and other assets	\$ 925,365	\$ 863,461	\$ 55,746	\$ 46,288	\$ 981,111	\$ 909,749
Capital assets, net	988,230	984,569	58,626	55,455	1,046,856	1,040,024
Total Assets	<u>1,913,595</u>	<u>1,848,030</u>	<u>114,372</u>	<u>101,743</u>	<u>2,027,967</u>	<u>1,949,773</u>
Total deferred outflows of resources	44,669	-	-	-	44,669	-
<b>LIABILITIES</b>						
Current and other liabilities	94,176	108,762	14,099	2,504	108,275	111,266
Long-term liabilities:						
Due within one year	171,171	182,033	1,004	1,147	172,175	183,180
Due after one year	1,862,654	1,861,400	21,047	21,870	1,883,701	1,883,270
Total Liabilities	<u>2,128,001</u>	<u>2,152,195</u>	<u>36,150</u>	<u>25,521</u>	<u>2,164,151</u>	<u>2,177,716</u>
Total deferred inflows of resources	34	-	-	-	34	-
<b>NET POSITION</b>						
Net investment in capital assets	582,275	554,597	50,935	50,534	633,210	605,131
Restricted	242,215	231,259	5,667	16,602	247,882	247,861
Unrestricted (Deficit)	(994,261)	(1,090,021)	21,621	9,087	(972,640)	(1,080,934)
Total Net Position	<u>\$ (169,771)</u>	<u>\$ (304,165)</u>	<u>\$ 78,223</u>	<u>\$ 76,223</u>	<u>\$ (91,548)</u>	<u>\$ (227,942)</u>

While total net position is often considered a useful indicator of a government's financial condition, it does not adequately reflect the County's position. In accordance with 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. This debt, which totals \$1.327 billion at June 30, 2013, is recorded in long-term liabilities with no offsetting capital assets recorded, as the assets are owned by the agencies. The agencies use the debt proceeds to acquire or construct capital assets. The effect of this accounting is to distort Net Position of the County, creating a deficit in Net Position. The deficit in Net Position decreased from \$227.9 million to \$91.5 million, a change of 59.8% resulting from a total assets increase of 4.0% while total liabilities decreased .06%. The contribution to net position from revenues and expenditures decreased from a gain of \$267.3 million at June 30, 2012 to \$153.6 million at June 30, 2013. These changes

relate to an increase in spending with a modest increase in revenues. Invested in capital assets, net of any related outstanding debt of those assets, relates to County only activities. This amount increased from \$605.1 million at June 30, 2012 to \$633.2 million at June 30, 2013 as new assets were acquired and the associated debt declined. In 2013, the County issued 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, restricted net position of \$247.9 million at June 30, 2012 and \$249.1 million at June 30, 2013 represent resources that are subject to external restrictions on how they may be used. The decrease in the deficit unrestricted net position is the result of the increase in assets and the increase contribution to net position of operations. Net position does 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 position this year, as indicated in the following table of changes in net position for the year ended June 30, 2013, with comparison to the prior year, for both governmental and business-type activities.

Note 5 to the Basic Financial Statements explain in detail the capital asset activities for year ended June 30, 2013.

## CHANGES IN NET POSITION

(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
<b>REVENUES</b>						
Program Revenues:						
Charges for services	\$ 107,333	\$ 97,268	\$ 11,584	\$ 12,394	\$ 118,917	\$ 109,662
Operating grants and contributions	166,069	182,135	79,796	109	245,865	182,244
Capital grants and contributions	2,746	2,364	314	-	3,060	2,364
General Revenues:						
Property taxes	943,809	941,943	-	-	943,809	941,943
Sales taxes	210,807	204,862	-	-	210,807	204,862
Other taxes	11,274	11,222	-	-	11,274	11,222
Investment income	(4,208)	2,878	155	243	(4,053)	3,121
Other	-	-	2,305	4,403	2,305	4,403
Total Revenues	1,437,830	1,442,672	94,154	17,149	1,531,984	1,459,821
<b>EXPENSES</b>						
Program Expenses:						
Customer Satisfaction and Management Services	13,609	13,385	-	-	13,609	13,385
Administrative Services	85,576	68,640	-	-	85,576	68,640
Financial Services	7,459	13,481	-	-	7,459	13,481
Land Use and Environmental Services	56,500	50,383	-	-	56,500	50,383
Community Services	66,071	62,444	-	-	66,071	62,444
Detention and Court Support Services	147,860	139,861	-	-	147,860	139,861
Health and Human Services	254,559	261,719	-	-	254,559	261,719
Business Partners	549,690	473,884	-	-	549,690	473,884
Interest Expense	96,272	94,148	-	-	96,272	94,148
Solid Waste	-	-	13,811	14,553	13,811	14,553
MeckLink	-	-	86,954	-	86,954	-
Total Expenses	1,277,596	1,177,945	100,765	14,553	1,378,361	1,192,498
Increase in net position before transfers	160,234	264,727	(6,611)	2,596	153,623	267,323
Transfers	(8,826)	(1,700)	8,826	1,700	-	-
Increase in net position after transfers	151,408	263,027	2,215	4,296	153,623	267,323
Net position, Beginning, previously reported	(304,165)	(567,192)	76,223	71,927	(227,942)	(495,265)
Restatement	(17,014)	-	(215)	-	(17,229)	-
Net position, Beginning, restated	(321,179)	(567,192)	76,008	71,927	(245,171)	(495,265)
Net position, End of year	\$ (169,771)	\$ (304,165)	\$ 78,223	\$ 76,223	\$ (91,548)	\$ (227,942)

# MANAGEMENT'S DISCUSSION AND ANALYSIS

---

## Governmental-Type Activities

Program revenues covered 23.7% of County expenses at June 30, 2012 and 21.4% at June 30, 2013, with general revenues covering the balance of expenses. The change in net position for the year ended June 30, 2013 results from higher revenues - primarily property taxes, sales taxes and charges for services. Property tax revenues increased \$1.9 million (.2%) from the prior year, primarily due to increases in the tax base as the tax rate was reduced between years. Sales tax revenue increased \$5.9 million (2.9%) from fiscal year 2012 reflecting the recapture of sales tax revenue by the State of North Carolina. Investment income decreased \$7.3 million from the year ended June 30, 2012 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 8.4% of County governmental operations for fiscal 2013 and 8.3% for fiscal year 2012. The County continued its strategy to secure a maximum amount of grant funds provided by state and federal agencies. Revenues from grants decreased \$16.1 million (8.8%) in fiscal year 2013. The County covered 13.0% of expenses with grant revenues in fiscal year 2013 and 15.5% in fiscal year 2012.

## Business-Type Activities

The Solid Waste Enterprise Fund 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 \$29.00 per ton for fiscal year 2013, reflecting a 5.4% increase over fiscal year 2012 and a fee of \$39 per ton charge for commercial waste, disposal fees and recycling sales. Solid Waste activity contributed .9% to the primary government's total revenue for fiscal year 2013 and 1.3% for the fiscal year 2012.

The MeckLink Enterprise Fund was fully implemented in March 2013. This fund accounts for activities related to the delivery of services to individuals with mental illness, intellectual and developmental disabilities and substance abuse disorders. In fiscal year 2013, revenue in the MeckLink Enterprise Fund totaled \$88.6 million. Of the \$88.6 million, 79.4% was federal funding, 10.6% was state funding and 10.0% was startup costs contributed by the County. At June 30, 2013, expenses in the MeckLink Enterprise Fund totaled \$87.0 million which 86.3% was for claims paid to providers, 11.5% was for utilities and 2.2% was for other expenses.

## 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, Debt Service Fund, Special Revenue Funds and Capital Projects Funds.

### General Fund

The General Fund, which is a major fund and the County's primary operating fund, had a fund balance of \$468.2 million, of which \$84.9 million is restricted for Stabilization by State Statute and \$24,144 is restricted for Health and Human Services; \$8.4 million is committed for Land Use and Environmental Services, \$1.2 million is committed for Detention and Court Support Services, \$190,000 is committed for Administrative Services, \$19.0 million is committed for Capital Reserves and \$354.5 million is unassigned. The General Fund total revenues were more than budget by \$11.6 million, and revenues exceeded expenditures by \$79.1 million, as explained more fully below.

Revenues for the General Fund decreased \$34.1 million, or 3.1% from fiscal 2012:

- Property tax revenues decreased 1.1% from the prior year due to the decrease in property tax rates. For 2013, the collection rates were consistent with the prior year. Current year collections represented 98.0% of the current year levy, while total tax collections represented 98.0% of the current year's tax levy.
- Sales tax revenues reported in the General Fund were \$135.1 million, an increase \$3.9 million from fiscal year 2012 reflecting the County's increase in consumer spending.



# MANAGEMENT'S DISCUSSION AND ANALYSIS

- Intergovernmental revenues totaled \$150.6 million as compared to \$169.4 million for fiscal year 2012. The change in revenue levels results from a decrease in grant funding. State and federal grant funds supported 165 service programs of varying size and complexity to help accommodate service needs of County residents while minimizing local costs. Grant programs are summarized in Exhibit 1.
- Charges for services revenue increased 9.1% from the prior year. Licenses and permit fees increased \$3.4 million (19.5%) from the prior year. Fees in both categories have increased due to the increase in construction permit revenue.
- Interest earned on investments declined (\$7.2 million) from the amount received in fiscal year 2012. 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

The composition of the General Fund revenue dollar for fiscal years 2013 and 2012 are illustrated in Exhibit 2

General Fund expenditures increased \$21.3 million (2.2%) over those of last year. Exhibit 3 graphically illustrates the County's expenditure dollar for the two years.

**Exhibit 1:**

## Grant Programs

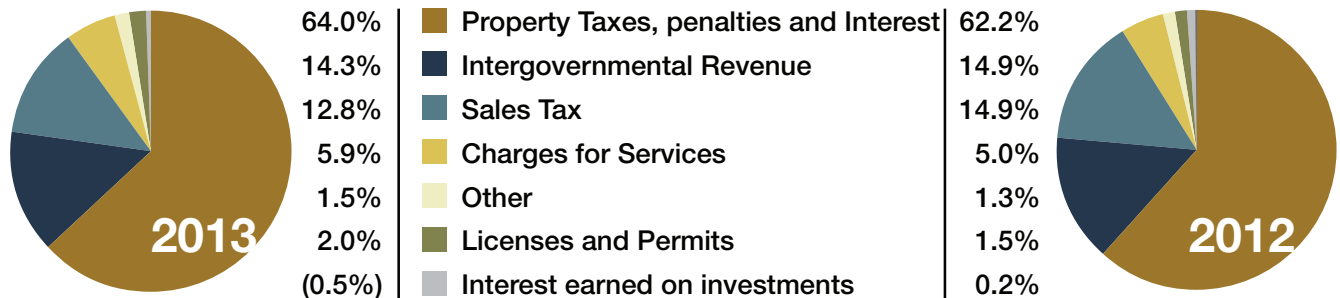
All Funds

Program Category	Number	Revenue (millions)
Social Services	57	\$ 113.1
Mental Health	17	27.0
Health	34	32.5
Other	57	7.1
<b>Total</b>	<b>165</b>	<b>\$ 179.7</b>

For some functional areas, such as Customer Satisfaction and Management Services expenditures remained comparable to the prior year. However, Detention and Court Support Services experienced an increase in spending of 6.2% due to increase costs of jail management. Land Use and Environmental Services experienced an increase in spending (5.6%) due to the improvement in the construction industry. Similarly Community Services, which includes Elections, Parks and Recreation and the Public Library of Charlotte and Mecklenburg County, increased 9.0% from the prior year. The Public Library of Charlotte and Mecklenburg County increased operating hours and the Elections office increase voting hours to meet the increased needs of the residents of the County.

**Exhibit 2:**

### Revenue Sources - Fiscal Year



**Exhibit 3:**

**Expenditures by Core Service - Fiscal Year**



Current expenditures for education, both the Charlotte-Mecklenburg Schools and Central Piedmont Community College, as well as the County’s contribution to the Mecklenburg Emergency Medical Services Agency and other outside agencies are included in Business Partners. Charlotte-Mecklenburg Schools and Central Piedmont Community College expenditures comprise 97.0% of Business Partners expenditures. Funds for the current operations of the Charlotte-Mecklenburg Schools were \$342.4 million, \$9.1 million more than the amount allocated for fiscal year 2012. Funding to Central Piedmont Community College was \$27.1 million, an increase of 3.6%. These changes, plus adjustments to other outside agencies resulted in an overall increase in expenditures to Business Partners of \$9.2 million from fiscal year 2012.

**Debt Service Fund**

Debt service, which has two components, remained comparable to fiscal year 2012. General debt service, which covers the capital needs of the County, primarily libraries, courts and parks and recreation, increased only slightly (.02%) from the prior year. The second component, debt service related to education, both for the Charlotte-Mecklenburg schools and Central Piedmont Community College, increased by 1.0% due to debt restructuring.

**Special Revenue Funds**

Total revenues for the seven Special Revenue Funds increased \$5.2 million, 7.8% over the prior year. The change in revenue is primarily attributable to the following: \$3.3 million increase for new fire district taxes, \$1.0 million increase in law enforcement service district taxes; Intergovernmental revenues related to storm water grants increased \$1.1 million; an increase in the Transit One-Half Cent Sales Tax of \$.4 million and a decrease in other revenues of \$.5 million.

**Capital Projects Funds**

More than half of each year’s expenditures are for construction, renovations and improvements to school facilities. The increase in expenditures of 55.6% between years results from the County’s focus on completing projects as well as adding new capital projects. Funding for capital projects is supplied by proceeds from new bonds, unexpended bond proceeds, and 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.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## 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 Financial Services for possible revenue shortfalls or potential overspending. Purchase orders and contracts are not considered valid until the Director of Financial Services has certified the funds are available to make payment upon satisfactory completion of the contract or delivery of the items ordered.

The County revised the General Fund budget on several occasions throughout the year. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, primarily Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Amendments adopted during the year increased the overall general fund budget \$3.4 million primarily for increases to grant funded activities.

General Fund revenues were more than final budget by \$11.6 million (1.09%) reflecting increased property tax collections (\$21.1 million), increases in licenses and fees (\$3.4 million) and increases in charges for services (\$1.1 million). In addition, a shortfall existed in sales tax distribution (\$6.1 million) and intergovernmental revenue (\$2.3 million) resulting primarily from reductions in federal funding for grants.

General Fund expenditures were under budget \$70.6 million, a variance of 7.2% from the final budget. This results from departments and business partners reduced spending as well as encumbrances remaining outstanding at June 30, 2013, as these amounts are not included in the GAAP actual numbers. Some variances, such as Health and Human Services (\$41.2 million) and Land Use and Environmental Services (\$8.6 million), include varied grants where program spending did not reach expected levels.

## CAPITAL ASSETS

The County's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities at June 30, 2013 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 funds financial statements. Governmental funds treat capital acquisitions as expenditures in the period in which they are purchased. The investment in capital assets, net of accumulated depreciation, increased .4% from last year for governmental

### Capital Assets, Net of Accumulated Depreciation

Description	(in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 438,641	\$ 436,841	\$ 28,688	\$ 28,688	\$ 467,329	\$ 465,529
Construction in progress	83,942	62,754	8,070	4,306	92,012	67,060
Land improvements	31,963	34,272	7,047	7,395	39,010	41,667
Buildings and improvements	410,831	429,815	6,438	7,045	417,269	436,860
Vehicles and heavy equipment	9,166	6,774	1,885	1,293	11,051	8,067
Furniture, machinery and equipment	5,031	4,661	6,115	6,728	11,146	11,389
Computer software	8,656	9,452	383	-	9,039	9,452
Total	<u>\$ 988,230</u>	<u>\$ 984,569</u>	<u>\$ 58,626</u>	<u>\$ 55,455</u>	<u>\$1,046,856</u>	<u>\$1,040,024</u>

# MANAGEMENT'S DISCUSSION AND ANALYSIS

activities and the business-type activities investment in capital assets, net of accumulated depreciation, increased 5.7%. The change in governmental activities assets results from: 1) a net increase to construction in progress totaling \$21.1 million 2) a decrease to buildings and improvements of \$19.0 million due to an increase in depreciation for buildings and improvements added; 3) and a decrease to land improvements of \$2.2 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 \$3.2 million increase in business-type activities (enterprise fund) is the result of an increase in construction and progress (\$3.8 million, decreases in buildings and improvements (\$.6 million) as well as furniture, machinery and equipment (\$.6 million) and plus the effect of depreciation for activities at the landfill.

Note 5 to the Basic Financial Statements explain in detail the capital asset activities for the year ended June 30, 2013.

## 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, 2013 and 2012, general obligation bonds and certificates of participation consisted of:

### General Obligation Bonds and Installment Financings

(in thousands)

Description	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Public Improvement Bonds	\$ 1,327,400	\$ 1,385,017	\$ -	\$ 28	\$ 1,327,400	\$ 1,385,045
Installment Financings	437,798	462,605	-	-	437,798	462,605
Special Obligation Bonds	-	-	11,555	12,220	11,555	12,220

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 \$1,329, a decrease of 7.3% from the prior year which results from a reduction in bonds payable and spreading the outstanding debt over a 3.4% increase in County population.

The County's net bonded debt is 1.1% of assessed valuation, well below the 8.0% of assessed valuation legal debt limit of \$9.2 billion, authorized by N.C. General Statute Chapter 159. See Exhibit 5

The County's strong financial management continues to insure a strong financial position and enabled the County to maintain its 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 7 to the Basic Financial Statements explains in detail the debt activities for the year ended June 30, 2013.



Exhibit 4:

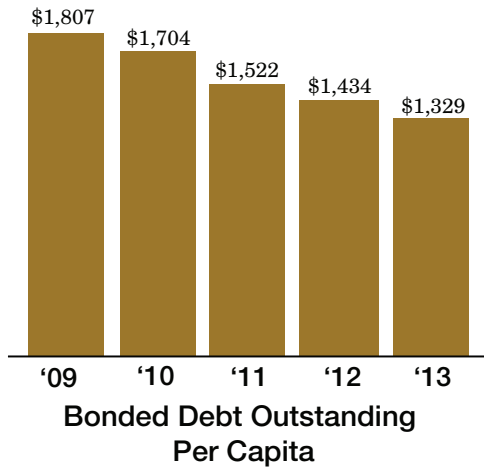
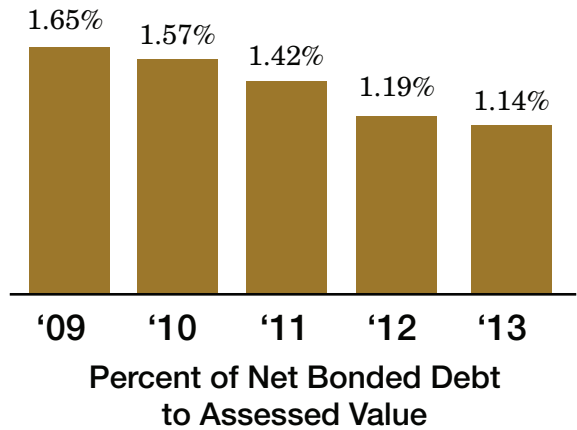


Exhibit 5:



**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 2013 and 2012. The County funded \$15.5 million of the annual required contribution of \$49.0 million at June 30, 2013, resulting in an increase in the OPEB liability in the entity-wide statements.

**OUTLOOK FOR THE NEXT YEAR**

The Board approved a \$1.7 billion annual budget for fiscal year 2014. The adopted budget reflects a 17.2% increase (\$255.3 million) over the fiscal year 2013. This increase in the 2014 fiscal year budget is due to the additional revenue provided by the Federal Government to operate the new Managed Care Organization (MeckLink). The 2014 tax rate is 81.57 cents per \$100 of assessed valuation, a 2.35 cent increase from the fiscal year 2013 countywide property tax rate of 79.22 cents.

The County has identified Critical Success Factors for achieving goals and as well as establishing funding priorities for the fiscal year 2014. 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 2014 are:
- Debt Service, funded at a 97.9% of the fiscal year 2013 budget
- Charlotte-Mecklenburg Schools, funded at 105.6% of the fiscal year 2013 budget
- Central Piedmont Community College funded at 114.0% of the fiscal year 2013 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 Financial Services, Mecklenburg County, P.O. Box 34486, Charlotte, North Carolina 28234.



A - 1  
MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF NET POSITION  
JUNE 30, 2013

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Public Library of Charlotte and Mecklenburg County	Mecklenburg Emergency Services Agency	Mecklenburg County Alcoholic Beverage Control Board
<b>ASSETS</b>						
Cash and investments	\$ 782,246,465	\$ 45,248,816	\$ 827,495,281	\$ 10,684,153	\$ 13,344,331	\$ 11,838,159
Receivables, net	142,279,986	8,819,377	151,099,363	314,670	6,858,347	15,486
Due from other governmental agencies	-	-	-	334,506	-	-
Advances to other governmental agencies	796,782	-	796,782	-	-	-
Prepaid expenses	42,485	15,370	57,855	214,214	62,111	311,567
Inventories	-	-	-	-	-	6,423,071
Restricted assets	-	284,263	284,263	2,998,076	-	-
Other assets	-	1,378,520	1,378,520	-	-	-
Capital assets						
Land	438,640,629	28,687,608	467,328,237	13,523,473	-	5,862,198
Construction in progress	83,942,599	8,070,275	92,012,874	44,047	-	22,951
Other capital assets, net of accumulated depreciation	465,646,391	21,868,324	487,514,715	69,041,676	6,852,708	21,812,171
<b>TOTAL ASSETS</b>	<b>1,913,595,337</b>	<b>114,372,553</b>	<b>2,027,967,890</b>	<b>97,154,815</b>	<b>27,117,497</b>	<b>46,285,603</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>44,668,712</b>	<b>-</b>	<b>44,668,712</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>						
Accounts payable and other accrued liabilities	92,160,441	14,098,735	106,259,176	544,699	4,983,699	8,458,924
Liabilities paid from restricted assets	2,015,079	-	2,015,079	960,664	-	-
Long-term liabilities						
Due within one year	171,171,324	1,003,857	172,175,181	1,368,742	1,833,375	-
Due in more than one year	1,862,654,249	21,047,104	1,883,701,353	17,767,126	16,192,950	-
<b>TOTAL LIABILITIES</b>	<b>2,128,001,093</b>	<b>36,149,696</b>	<b>2,164,150,789</b>	<b>20,641,231</b>	<b>23,010,024</b>	<b>8,458,924</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>34,414</b>	<b>-</b>	<b>34,414</b>	<b>11,000</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>						
Net investment in capital assets	582,274,527	50,935,215	633,209,742	81,861,168	6,852,708	27,697,320
Restricted						
Stabilization by State Statute	137,034,159	-	137,034,159	1,604,545	4,752,010	-
Land Use and Environmental Services	1,796,639	-	1,796,639	-	-	-
Capital Projects	102,963,950	4,288,285	107,252,235	-	-	-
Risk Reserve	-	1,378,520	1,378,520	-	-	-
Health and Human Services	24,144	-	24,144	-	-	-
Fire Protection	396,167	-	396,167	-	-	-
Grants	-	-	-	360,137	-	-
Facility Enhancements	-	-	-	2,339,769	-	-
By Law for Specific Purposes	-	-	-	2,998,076	-	3,281,454
Unrestricted (deficit)	(994,261,044)	21,620,837	(972,640,207)	(12,661,111)	(7,497,245)	6,847,905
<b>TOTAL NET POSITION</b>	<b>\$ (169,771,458)</b>	<b>\$ 78,222,857</b>	<b>\$ (91,548,601)</b>	<b>\$ 76,502,584</b>	<b>\$ 4,107,473</b>	<b>\$ 37,826,679</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, 2013

Functions / Programs	Net (Expense) / Revenue and Changes in Net Position													
	Program Revenues					Primary Government					Component Units			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Public Library of Charlotte and Mecklenburg County	Mecklenburg County Emergency Medical Services Agency	Mecklenburg County Alcoholic Beverage Control Board					
<b>PRIMARY GOVERNMENT</b>														
Governmental Activities														
Customer Satisfaction and Management Services	\$ 13,609,321	\$ -	\$ 189	\$ (13,609,132)	\$ -	\$ (13,609,132)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Services	85,575,766	2,280,690	278,572	(83,016,504)	-	(83,016,504)	-	-	-	-	-	-	-	-
Financial Services	7,458,198	9,013	-	(7,449,185)	-	(7,449,185)	-	-	-	-	-	-	-	-
Land Use and Environmental Services	56,500,219	53,034,595	5,962,398	2,496,774	-	2,496,774	-	-	-	-	-	-	-	-
Community Services	66,071,031	6,202,031	1,754,374	(55,368,854)	-	(55,368,854)	-	-	-	-	-	-	-	-
Detention and Court Support Services	147,860,118	31,619,904	10,508,387	(105,731,827)	-	(105,731,827)	-	-	-	-	-	-	-	-
Health and Human Services	254,559,254	8,814,650	135,829,958	(109,914,646)	-	(109,914,646)	-	-	-	-	-	-	-	-
Business Partners	549,689,692	5,372,084	11,735,070	(532,582,538)	-	(532,582,538)	-	-	-	-	-	-	-	-
Interest on long-term debt														
General purpose	28,612,761	-	-	(28,612,761)	-	(28,612,761)	-	-	-	-	-	-	-	-
Public schools	67,659,709	-	-	(67,659,709)	-	(67,659,709)	-	-	-	-	-	-	-	-
Total Governmental Activities	1,277,596,069	107,332,967	166,068,948	(1,001,448,382)	-	(1,001,448,382)	-	-	-	-	-	-	-	-
Business-type Activities														
Solid Waste	13,811,381	11,583,782	-	-	(1,913,603)	(1,913,603)	-	-	-	-	-	-	-	-
MeckLink	86,953,809	-	79,795,933	-	(7,157,876)	(7,157,876)	-	-	-	-	-	-	-	-
Total Business-type Activities	100,765,190	11,583,782	79,795,933	313,996	(9,071,479)	(9,071,479)	-	-	-	-	-	-	-	-
TOTAL PRIMARY GOVERNMENT	\$ 1,378,361,259	\$ 118,916,749	\$ 245,864,881	\$ (1,001,448,382)	\$ (9,071,479)	\$ (1,010,519,861)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>COMPONENT UNITS</b>														
Public Library of Charlotte and Mecklenburg County	\$ 37,148,453	\$ 2,053,641	\$ 4,965,271	\$ -	\$ -	\$ -	\$ (30,129,541)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mecklenburg Emergency Medical Services Agency	55,082,239	33,773,037	-	-	-	-	-	-	-	-	(21,309,202)	-	-	-
Mecklenburg County Alcoholic Beverage Control Board	82,790,875	85,526,227	-	-	-	-	-	-	-	-	(21,309,202)	-	-	-
TOTAL COMPONENT UNITS	\$ 175,021,567	\$ 121,352,905	\$ 4,965,271	\$ -	\$ -	\$ -	\$ (30,129,541)	\$ (21,309,202)	\$ (21,309,202)	\$ (21,309,202)	\$ -	\$ -	\$ -	\$ -
General Revenues														
Property taxes, levied for general purposes				927,867,539	-	927,867,539	-	-	-	-	-	-	-	-
Property taxes, levied for Law Enforcement Service District				12,685,826	-	12,685,826	-	-	-	-	-	-	-	-
Property taxes, levied for Fire Service Districts				3,255,447	-	3,255,447	-	-	-	-	-	-	-	-
Sales taxes				210,807,483	-	210,807,483	-	-	-	-	-	-	-	-
Other taxes				11,274,042	-	11,274,042	-	-	-	-	-	-	-	-
Investment earnings				(4,207,591)	155,445	(4,052,146)	520,540	15,025	15,025	15,025	37,231	37,231	37,231	37,231
Miscellaneous				-	2,305,470	2,305,470	323,162	835,459	835,459	835,459	393,474	393,474	393,474	393,474
Transfers				(8,826,133)	-	(8,826,133)	-	-	-	-	-	-	-	-
Payment from primary government				-	-	-	26,872,941	-	-	-	-	-	-	-
Library				-	-	-	-	-	-	-	13,080,000	-	-	-
Emergency Medical Services				-	-	-	-	-	-	-	-	-	-	-
Total General Revenues				1,152,856,613	11,287,048	1,164,143,661	27,716,643	13,930,484	13,930,484	13,930,484	430,705	430,705	430,705	430,705
Change in Net Position				151,408,231	2,215,569	153,623,800	(2,412,898)	(7,378,718)	(7,378,718)	(7,378,718)	3,166,057	3,166,057	3,166,057	3,166,057
Net Position, beginning previously reported				(304,165,048)	76,222,504	(227,942,544)	78,915,482	11,486,191	11,486,191	11,486,191	34,660,622	34,660,622	34,660,622	34,660,622
Restatement				(17,014,641)	(215,216)	(17,229,857)	-	-	-	-	-	-	-	-
Net Position, beginning, restated				(321,179,689)	76,007,288	(245,172,401)	-	-	-	-	-	-	-	-
Net Position, end of year				\$ (169,771,458)	\$ 78,222,857	\$ (91,548,601)	\$ 76,502,584	\$ 4,107,473	\$ 4,107,473	\$ 4,107,473	\$ 37,826,679	\$ 37,826,679	\$ 37,826,679	\$ 37,826,679

The accompanying notes are an integral part of this statement.

A - 3  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2013

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 477,888,397	\$ 70,497,797	\$ 233,860,271	\$ 782,246,465
Interest receivable	972,931	239,616	59,064	1,271,611
Accounts receivable	62,763,320	15,692,472	17,873,966	96,329,758
Prepaid expenses	42,485	-	-	42,485
Accounts receivable - clinics	569,850	-	-	569,850
Less allowance for uncollectible claims	(558,451)	-	-	(558,451)
Taxes receivable	70,045,484	-	1,101,734	71,147,218
Less allowance for uncollectible taxes	(26,000,000)	-	(480,000)	(26,480,000)
Advances to other governmental agencies	735,973	-	60,809	796,782
<b>TOTAL ASSETS</b>	<b>\$ 586,459,989</b>	<b>\$ 86,429,885</b>	<b>\$ 252,475,844</b>	<b>\$ 925,365,718</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 72,160,124	\$ -	\$ 20,000,317	\$ 92,160,441
Liabilities to be paid from restricted assets	2,015,079	-	621,734	2,636,813
<b>Total Liabilities</b>	<b>74,175,203</b>	<b>-</b>	<b>20,622,051</b>	<b>94,797,254</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>44,045,484</b>	<b>-</b>	<b>34,414</b>	<b>44,079,898</b>
<b>Fund Balances (Deficits)</b>				
<b>Restricted:</b>				
Stabilization by State Statute	84,949,362	15,932,088	36,152,709	137,034,159
Land Use and Environmental Services	-	-	1,796,639	1,796,639
Health and Human Services	24,144	-	-	24,144
Fire Protection	-	-	396,167	396,167
Capital Projects	-	-	102,963,950	102,963,950
<b>Committed:</b>				
Land Use and Environmental Services	8,432,768	-	25,292,375	33,725,143
Public Safety	-	-	1,747,697	1,747,697
Capital Projects	-	-	76,407,067	76,407,067
Detention and Court Support Services	1,177,912	-	-	1,177,912
Administrative Services	190,000	-	-	190,000
Debt Service	-	70,497,797	-	70,497,797
Capital Reserves	19,000,000	-	-	19,000,000
<b>Unassigned:</b>	<b>354,465,116</b>	<b>-</b>	<b>(12,937,225)</b>	<b>341,527,891</b>
<b>Total Fund Balances</b>	<b>468,239,302</b>	<b>86,429,885</b>	<b>231,819,379</b>	<b>786,488,566</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 586,459,989</b>	<b>\$ 86,429,885</b>	<b>\$ 252,475,844</b>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.				988,229,619
Other long-term assets are not available for current year expenditures and, therefore, are deferred in the funds.				44,667,218
Certain bond expenditures are capitalized for future amortization over the life of the bonds.				44,668,712
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.				<u>(2,033,825,573)</u>
<b>Net (deficit) of governmental activities</b>				<b>\$ (169,771,458)</b>

The accompanying notes are an integral part of this statement.



A - 4  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE PERIOD ENDED JUNE 30, 2013

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 822,443,026	\$ 277,707,980	\$ -	\$ 1,100,151,006
Law Enforcement Service District Taxes	-	-	13,115,502	13,115,502
Transit One-Half Cent Sales Tax	-	-	35,931,007	35,931,007
Fire Service Districts Property Taxes	-	-	3,255,447	3,255,447
Licenses and permits	20,886,622	-	-	20,886,622
Intergovernmental	150,599,921	13,584,436	6,702,533	170,886,890
Charges for services	61,994,383	-	16,544,248	78,538,631
Interest earned on investments	(4,743,835)	427,282	126,042	(4,190,511)
Administrative charges	2,544,040	-	-	2,544,040
Other	8,124,008	2,236,628	1,790,039	12,150,675
Total Revenues	<u>1,061,848,165</u>	<u>293,956,326</u>	<u>77,464,818</u>	<u>1,433,269,309</u>
<b>EXPENDITURES</b>				
Current				
Customer Satisfaction and Management	13,587,103	-	-	13,587,103
Administrative Services	72,332,559	-	-	72,332,559
Financial Services	17,336,544	-	-	17,336,544
Land Use and Environmental Services	42,141,451	-	13,575,704	55,717,155
Community Services	61,255,426	-	-	61,255,426
Detention and Court Support Services	133,529,202	-	-	133,529,202
Health and Human Services	252,497,144	-	-	252,497,144
Business Partners	389,994,359	-	48,398,203	438,392,562
Public Safety	-	-	3,199,990	3,199,990
Debt Service				
Principal payments	-	159,684,725	530,146	160,214,871
Interest and fiscal charges	-	96,217,898	54,572	96,272,470
Capital Outlay	-	-	138,813,366	138,813,366
Total Expenditures	<u>982,673,788</u>	<u>255,902,623</u>	<u>204,571,981</u>	<u>1,443,148,392</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER / (UNDER) EXPENDITURES</b>				
	<u>79,174,377</u>	<u>38,053,703</u>	<u>(127,107,163)</u>	<u>(9,879,083)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding bond proceeds	-	227,930,000	-	227,930,000
Premium on financing	-	57,723,544	11,002,450	68,725,994
Payment to refunding escrow agent	-	(268,657,051)	-	(268,657,051)
Sale of bonds	-	-	100,000,000	100,000,000
Gain on sale of fixed assets	-	-	184,246	184,246
Installment financing	-	-	500,000	500,000
Transfers in	754,400	-	60,866,400	61,620,800
Transfers out	(70,446,933)	-	-	(70,446,933)
Total Other Financing Sources (Uses)	<u>(69,692,533)</u>	<u>16,996,493</u>	<u>172,553,096</u>	<u>119,857,056</u>
<b>NET CHANGE IN FUND BALANCES</b>	9,481,844	55,050,196	45,445,933	109,977,973
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>458,757,458</u>	<u>31,379,689</u>	<u>186,373,446</u>	<u>676,510,593</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 468,239,302</u>	<u>\$ 86,429,885</u>	<u>\$ 231,819,379</u>	<u>\$ 786,488,566</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, 2013

Net change in fund balances - total governmental funds	\$ 109,977,973
Amounts reported for governmental activities in the Statement of Activities are different because:	
Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the State of Activities, the cost of those assets is not included as the assets have been capitalized.	29,567,397
Depreciation expense is reported in the Statement of Activities, but not in the fund statements.	(25,703,989)
Loss on disposal of assets and adjustment to accumulated depreciation is reported in the Statement of Activities, but not in the fund statements.	(202,771)
Bond, Certificate of Participation and capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position, therefore, these proceeds do not appear in the Statement of Activities.	(59,272,949)
Bond premiums and deferred charges, respectively, for the governmental funds are deferred and amortized in the Statement of Activities	(36,394,773)
Repayments of bond and capital lease principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position, so the expenses do not appear in the Statement of Activities.	160,845,391
Some revenues reported in the Statement of Activities do not represent the current financial resources and therefore are not reported as revenue in the governmental funds.	6,315,449
Other long-term liabilities are reported in the Statement of Net Position, but not in the fund statements.	<u>(33,723,497)</u>
Change in net position of governmental activities	<u>\$ 151,408,231</u>

The accompanying notes are an integral part of this statement.

A - 6  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance from Final Budget - Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes				
General property - current	\$ 659,603,490	\$ 659,603,490	\$ 667,477,952	\$ 7,874,462
General property - prior	11,827,500	11,827,500	11,405,503	(421,997)
Interest on delinquent taxes	3,000,000	3,000,000	3,730,010	730,010
Sales	127,958,000	127,958,000	135,087,996	7,129,996
Room occupancy	1,000,000	1,000,000	1,000,939	939
Vehicle rental	2,800,000	2,800,000	3,013,091	213,091
Other	395,000	395,000	727,535	332,535
Total Taxes	<u>806,583,990</u>	<u>806,583,990</u>	<u>822,443,026</u>	<u>15,859,036</u>
Licenses and permits				
Business licenses	250,000	250,000	262,343	12,343
Inspection permits	15,551,200	17,069,335	20,494,521	3,425,186
Marriage licenses	133,000	133,000	129,758	(3,242)
Total Licenses and Permits	<u>15,934,200</u>	<u>17,452,335</u>	<u>20,886,622</u>	<u>3,434,287</u>
Intergovernmental				
Federal	97,996,901	105,580,095	103,258,427	(2,321,668)
State	50,882,099	41,277,253	41,474,145	196,892
Local	5,764,243	5,764,243	5,867,349	103,106
Total Intergovernmental	<u>154,643,243</u>	<u>152,621,591</u>	<u>150,599,921</u>	<u>(2,021,670)</u>
Charges for services				
Administrative Services	-	239,608	314,356	74,748
Financial Services	1,080,000	1,080,000	247,694	(832,306)
Land Use and Environmental Services	13,364,736	14,217,073	17,736,407	3,519,334
Community Services	2,520,611	2,633,221	2,738,191	104,970
Detention and Court Support Services	25,514,348	26,070,337	31,108,039	5,037,702
Health and Human Services	14,088,783	14,298,608	8,014,931	(6,283,677)
Business Partners	2,300,000	2,300,000	1,834,765	(465,235)
Total Charges for Services	<u>58,868,478</u>	<u>60,838,847</u>	<u>61,994,383</u>	<u>1,155,536</u>
Interest earned on investments	2,140,000	2,140,000	(4,743,835)	(6,883,835)
Administrative Charges	2,544,040	2,544,040	2,544,040	-
Other				
Rental	2,066,080	2,066,080	2,165,191	99,111
Sale of properties	958,915	958,915	1,124,636	165,721
Miscellaneous	3,127,735	5,076,783	4,834,181	(242,602)
Total Other	<u>6,152,730</u>	<u>8,101,778</u>	<u>8,124,008</u>	<u>22,230</u>
Total Revenues	<u>1,046,866,681</u>	<u>1,050,282,581</u>	<u>1,061,848,165</u>	<u>11,565,584</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, 2013  
 (CONTINUED)

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance from Final Budget - (Positive) / Negative
	Original	Final		
Current				
Customer Satisfaction and Management				
County Commissioners	\$ 391,156	\$ 376,544	\$ 360,612	\$ (15,932)
Economic Development Office	9,895,282	9,904,634	7,593,373	(2,311,261)
Manager's Office	9,609,831	9,722,624	5,572,914	(4,149,710)
Public Service and Information	65,795	65,795	60,204	(5,591)
Total Customer Satisfaction and Management	<u>19,962,064</u>	<u>20,069,597</u>	<u>13,587,103</u>	<u>(6,482,494)</u>
Administrative Services				
Internal Audit	1,031,347	1,053,476	1,040,675	(12,801)
Business Support Agency	42,351,237	43,373,563	42,016,244	(1,357,319)
Human Resources	313,982	313,982	308,523	(5,459)
Information Services and Technology	298,540	298,540	208,213	(90,327)
Real Estate Services	827,238	985,261	889,851	(95,410)
Nondepartmental	68,548,954	30,721,074	27,869,053	(2,852,021)
Total Administrative Services	<u>113,371,298</u>	<u>76,745,896</u>	<u>72,332,559</u>	<u>(4,413,337)</u>
Financial Services				
Finance	9,530,939	9,707,801	8,837,317	(870,484)
Debt Service				
Installment Financing	2,834,559	2,834,559	921,690	(1,912,869)
Pay As You Go Funding	33,988,500	-	-	-
Payment to City of Charlotte	693,000	693,000	692,853	(147)
Tax Collection	7,414,756	7,473,296	6,884,684	(588,612)
Total Financial Services	<u>54,461,754</u>	<u>20,708,656</u>	<u>17,336,544</u>	<u>(3,372,112)</u>
Land Use and Environmental Services				
Geospatial Information	3,572,873	3,781,744	3,724,907	(56,837)
Code Administration	17,361,329	19,305,620	18,277,964	(1,027,656)
Property Assessment and Land Records	7,878,557	10,012,824	8,708,443	(1,304,381)
Air Quality	5,916,746	8,165,739	2,822,450	(5,343,289)
Environmental Health	4,727,061	4,778,642	4,635,482	(143,160)
Water and Land Resource	1,576,561	1,606,285	1,069,558	(536,727)
Register of Deeds	2,926,194	3,073,263	2,902,647	(170,616)
Total Land Use and Environmental Services	<u>43,959,321</u>	<u>50,724,117</u>	<u>42,141,451</u>	<u>(8,582,666)</u>
Community Services				
Public Libraries	25,689,393	26,027,268	24,890,301	(1,136,967)
Park and Recreation	32,684,050	33,112,630	31,992,652	(1,119,978)
Elections	4,186,153	4,508,218	4,372,473	(135,745)
Total Community Services	<u>62,559,596</u>	<u>63,648,116</u>	<u>61,255,426</u>	<u>(2,392,690)</u>
Detention and Court Support Services				
Medical Examiner	1,585,344	1,611,377	1,570,726	(40,651)
Criminal Justice Services	9,529,405	11,671,637	9,728,727	(1,942,910)
Child Support Enforcement	7,220,141	7,267,287	6,883,103	(384,184)
Sheriff and Jail	113,499,718	117,176,315	115,346,646	(1,829,669)
Total Detention and Court Support Services	<u>131,834,608</u>	<u>137,726,616</u>	<u>133,529,202</u>	<u>(4,197,414)</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, 2013  
 (CONCLUDED)

	Budgeted Amounts		Actual Amounts	Variance from Final Budget - (Positive) / Negative
	Original	Final		
Health and Human Services				
Public Health				
Public Health Services	\$ 5,657,188	\$ 5,789,668	\$ 4,416,840	\$ (1,372,828)
Public Health - CHS Contract	36,279,970	37,050,369	33,999,563	(3,050,806)
Community Health	4,520,851	6,883,980	4,801,471	(2,082,509)
Mental Health				
Infant and Toddler Preschool Services	675,132	675,132	35,625	(639,507)
Child and Adolescent Services	14,407,154	12,538,049	6,749,772	(5,788,277)
Adult Services	15,612,623	8,274,580	6,130,388	(2,144,192)
Centralized Services	3,631,938	1,633,825	1,431,167	(202,658)
Developmental Disabilities Services	10,377,205	5,445,302	4,927,589	(517,713)
Administrative Services	16,359,436	11,583,121	4,716,330	(6,866,791)
Grants and other	2,040,800	2,401,927	540,189	(1,861,738)
Social Services				
Administration and Support Services	12,083,064	12,787,318	12,146,065	(641,253)
Grants	14,454,125	15,339,894	13,447,246	(1,892,648)
Childcare Operations	46,605,481	46,172,375	45,291,662	(880,713)
Services for Adults	27,766,774	28,911,820	24,882,352	(4,029,468)
Economic Services	30,059,373	30,784,112	29,271,143	(1,512,969)
Youth and Family Services	36,533,188	38,968,803	35,805,988	(3,162,815)
Community Support Services	8,931,599	12,377,065	8,893,386	(3,483,679)
Provider Services Organization	15,738,194	16,066,218	15,010,368	(1,055,850)
Total Health and Human Services	<u>301,734,095</u>	<u>293,683,558</u>	<u>252,497,144</u>	<u>(41,186,414)</u>
Business Partners				
Emergency Medical Services	13,080,000	13,080,000	13,080,000	-
City - County Departments	3,846,608	3,846,608	3,846,606	(2)
Board of Education:				
Current	318,877,051	337,432,664	337,432,664	-
Capital Outlay	4,960,000	4,960,000	4,960,000	-
Central Piedmont Community College				
Current	27,099,486	27,099,486	27,099,486	-
Hospitals	247,433	247,433	247,433	-
Historic Landmarks Commission	194,336	202,403	197,054	(5,349)
Community Service Grants	3,066,116	3,131,116	3,131,116	-
Total Business Partners	<u>371,371,030</u>	<u>389,999,710</u>	<u>389,994,359</u>	<u>(5,351)</u>
Total Expenditures	<u>1,099,253,766</u>	<u>1,053,306,266</u>	<u>982,673,788</u>	<u>(70,632,478)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER / (UNDER) EXPENDITURES	<u>(52,387,085)</u>	<u>(3,023,685)</u>	<u>79,174,377</u>	<u>82,198,062</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	14,000,000	254,400	754,400	500,000
Transfers out	(371,338)	(70,503,530)	(70,446,933)	56,597
Appropriated fund balance	38,758,423	73,272,815	-	(73,272,815)
Total Other Financing Sources (Uses)	<u>52,387,085</u>	<u>3,023,685</u>	<u>(69,692,533)</u>	<u>(72,716,218)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>9,481,844</u>	<u>\$ 9,481,844</u>
FUND BALANCE - BEGINNING OF YEAR			<u>458,757,458</u>	
FUND BALANCE - END OF YEAR			<u>\$ 468,239,302</u>	

The accompanying notes are an integral part of this statement.

A - 7  
MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2013

	Business Type Activities		Total
	Solid Waste	MeckLink	
	Enterprise Fund	Fund	
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and investments	\$ 39,440,690	\$ 5,808,126	\$ 45,248,816
Interest receivable	58,543	-	58,543
Accounts receivable	506,323	8,254,511	8,760,834
Prepaid expense	-	15,370	15,370
<b>Total Current Assets</b>	<b>40,005,556</b>	<b>14,078,007</b>	<b>54,083,563</b>
<b>Noncurrent Assets</b>			
Restricted cash and investments	284,263	-	284,263
Risk Reserve	-	1,378,520	1,378,520
<b>Capital assets</b>			
Land	28,687,608	-	28,687,608
Construction in progress	8,070,275	-	8,070,275
Land improvements	10,514,617	-	10,514,617
Buildings	14,380,072	-	14,380,072
Vehicles and heavy equipment	5,708,365	371,337	6,079,702
Furniture, machinery and equipment	10,469,133	23,375	10,492,508
Intangibles	-	400,916	400,916
<b>Total Capital Assets</b>	<b>77,830,070</b>	<b>795,628</b>	<b>78,625,698</b>
Less accumulated depreciation	(19,954,217)	(45,274)	(19,999,491)
<b>Total Capital Assets, net of accumulated depreciation</b>	<b>57,875,853</b>	<b>750,354</b>	<b>58,626,207</b>
<b>Total Noncurrent Assets</b>	<b>58,160,116</b>	<b>2,128,874</b>	<b>60,288,990</b>
<b>TOTAL ASSETS</b>	<b>98,165,672</b>	<b>16,206,881</b>	<b>114,372,553</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	1,060,243	6,752,155	7,812,398
Claims payable	-	6,286,337	6,286,337
Compensated absences	76,821	5,715	82,536
Capital leases	163,019	-	163,019
Bonds payable	758,302	-	758,302
<b>Total Current Liabilities</b>	<b>2,058,385</b>	<b>13,044,207</b>	<b>15,102,592</b>
<b>Long-term Liabilities</b>			
Compensated absences	402,753	103,381	506,134
Landfill development and postclosure care costs	8,833,808	-	8,833,808
Bonds payable	11,707,162	-	11,707,162
<b>Total Long-term Liabilities</b>	<b>20,943,723</b>	<b>103,381</b>	<b>21,047,104</b>
<b>TOTAL LIABILITIES</b>	<b>23,002,108</b>	<b>13,147,588</b>	<b>36,149,696</b>
<b>NET POSITION</b>			
Net investment in capital assets	50,184,861	750,354	50,935,215
<b>Restricted net position</b>			
Restricted for capital projects	4,288,285	-	4,288,285
Restricted for risk reserve account	-	1,378,520	1,378,520
<b>Unrestricted</b>			
<b>TOTAL NET POSITION</b>	<b>\$ 75,163,564</b>	<b>\$ 3,059,293</b>	<b>\$ 78,222,857</b>

The accompanying notes are an integral part of this statement.

A - 8  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013

	Business Type Activities		Total
	Solid Waste	MeckLink	
	Enterprise Fund	Fund	
<b>OPERATING REVENUES</b>			
Charges for services:			
Residential Solid Waste fees	\$ 6,066,216	\$ -	\$ 6,066,216
Recycling sales	5,517,566	-	5,517,566
Intergovernmental:			
Federal	-	70,385,505	70,385,505
State	-	9,410,428	9,410,428
Other	2,266,765	-	2,266,765
Total Operation Revenues	<u>13,850,547</u>	<u>79,795,933</u>	<u>93,646,480</u>
<b>OPERATING EXPENSES</b>			
Personnel services and employee benefits	4,517,083	9,967,829	14,484,912
Utilities	197,522	143,386	340,908
Supplies	1,163,840	148,896	1,312,736
Depreciation	2,700,299	45,274	2,745,573
Maintenance and repairs	457,424	137,641	595,065
Rental and occupancy charges	537,015	129,234	666,249
Contractual services	4,007,994	-	4,007,994
Claims	-	75,075,327	75,075,327
Other	-	1,306,221	1,306,221
Final development and postclosure costs	40,088	-	40,088
Total Operation Expenses	<u>13,621,265</u>	<u>86,953,808</u>	<u>100,575,073</u>
<b>OPERATING INCOME / (LOSS)</b>	<u>229,282</u>	<u>(7,157,875)</u>	<u>(6,928,593)</u>
<b>NON-OPERATING REVENUES / (EXPENSES)</b>			
Grant revenue	87,538	-	87,538
Interest income	155,145	299	155,444
Interest expense	(190,116)	-	(190,116)
Gain on disposal of capital assets	38,705	-	38,705
Total Non-operating Revenues / (Expenses)	<u>91,272</u>	<u>299</u>	<u>91,571</u>
<b>INCOME / (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>320,554</u>	<u>(7,157,576)</u>	<u>(6,837,022)</u>
Capital contributions	226,458	-	226,458
Transfers from other funds	1,600,000	8,826,133	10,426,133
Transfers to other funds	(1,600,000)	-	(1,600,000)
<b>CHANGE IN NET POSITION</b>	547,012	1,668,557	2,215,569
NET POSITION - BEGINNING OF YEAR	74,831,768	1,390,736	76,222,504
RESTATEMENT	(215,216)	-	(215,216)
NET POSITION BEGINNING RESTATED	<u>74,616,552</u>	<u>1,390,736</u>	<u>76,007,288</u>
NET POSITION - END OF YEAR	<u>\$ 75,163,564</u>	<u>\$ 3,059,293</u>	<u>\$ 78,222,857</u>

The accompanying notes are an integral part of this statement.

A - 9  
MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	Business		
	Type Activities		
	Solid Waste Enterprise Fund	MeckLink Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from users	\$ 13,750,153	\$ 70,147,532	\$ 83,897,685
Cash paid to suppliers	(7,780,776)	(64,097,738)	(71,878,514)
Cash paid to employees	(4,542,259)	(9,700,794)	(14,243,053)
Net Cash Provided By Operating Activities	<u>1,427,118</u>	<u>(3,651,000)</u>	<u>(2,223,882)</u>
<b>CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Grant revenue	87,538	-	87,538
Transfers to other funds	(1,600,000)	-	(1,600,000)
Transfers from other funds	1,600,000	8,826,133	10,426,133
Net Cash Provided By Non-Capital And Related Financing Activities	<u>87,538</u>	<u>8,826,133</u>	<u>8,913,671</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal payments - bonds	(693,016)	-	(693,016)
Principal payments - capital leases	(317,301)	-	(317,301)
Interest paid	(521,174)	-	(521,174)
Acquisition of capital assets	(4,633,950)	(795,627)	(5,429,577)
Proceeds from sale of assets	38,705	-	38,705
Net Cash Used By Capital And Related Financing Activities	<u>(6,126,736)</u>	<u>(795,627)</u>	<u>(6,922,363)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	178,916	299	179,215
Net Cash Provided By Investing Activities	<u>178,916</u>	<u>299</u>	<u>179,215</u>
<b>INCREASE / DECREASE IN CASH AND INVESTMENTS</b>	(4,433,164)	4,379,805	(53,359)
<b>CASH AND INVESTMENTS - BEGINNING OF YEAR</b>	44,158,117	1,428,321	45,586,438
<b>CASH AND INVESTMENTS - END OF YEAR</b>	<u>\$ 39,724,953</u>	<u>\$ 5,808,126</u>	<u>\$ 45,533,079</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating income	\$ 229,282	\$ (7,157,875)	\$ (6,928,593)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	2,700,299	45,274	2,745,573
Change in accounts receivable	(100,394)	(8,254,511)	(8,354,905)
Change in risk reserve	-	(1,378,520)	(1,378,520)
Change in prepaid expense	-	(15,370)	(15,370)
Change in payroll accrual	(1,416,981)	170,627	(1,246,354)
Change in accounts payable	(1,938)	6,556,629	6,554,691
Change in compensated absences	(23,238)	96,409	73,171
Change in landfill activities	40,088	-	40,088
Change in claims payable	-	6,286,337	6,286,337
Total Adjustments	<u>1,197,836</u>	<u>3,506,875</u>	<u>4,704,711</u>
Net Cash Provided by Operating Activities	<u>\$ 1,427,118</u>	<u>\$ (3,651,000)</u>	<u>\$ (2,223,882)</u>
<b>Noncash investing, capital and financing activities</b>			
Amortization of premium	\$ (68,302)	\$ -	\$ (68,302)
Capital contribution	226,458	-	226,458

The accompanying notes are an integral part of this statement.



A - 10  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2013

	Post-Employment Healthcare Benefit Trust Fund	Agency Funds
ASSETS		
Cash investments	\$ -	\$ 51,389,403
Restricted for:		
State Other Postemployment Benefit Trust:		
Cash and Equivalents	120	-
Short-term OPEB Fund	14,678,797	-
Long-term OPEB Fund	5,558,380	-
OPEB Equity Funds	36,961,393	-
Receivables:		
Interest receivable	4,722	-
Accounts receivable	-	12,483
Paid to other governmental agencies	-	2,066,827
Due from other governmental agencies	-	93,100
TOTAL ASSETS	\$ 57,203,412	\$ 53,561,813
DEFERRED OUTFLOWS OF RESOURCES		
LIABILITIES AND NET POSITION		
Accounts payable and accrued liabilities	\$ -	\$ 51,786,404
Due to other governmental agencies	-	1,712,716
Due to NC Department of Motor Vehicles	-	62,693
TOTAL LIABILITIES	-	\$ 53,561,813
DEFERRED INFLOWS OF RESOURCES		
NET POSITION		
	\$ 57,203,412	

Held in trust for retiree healthcare benefits and related purposes

The accompanying notes are an integral part of this statement.

A - 11  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013

	Post-Employment Healthcare Benefit Trust Fund
ADDITIONS	
Employer Contributions	\$ 15,476,590
Investment income:	
Net appreciation in fair value of investment	4,974,974
Interest	1,117,059
Total Additions	21,568,623
DEDUCTIONS	
Management Fee	103,932
Claims Paid	7,476,590
Total Deductions	7,580,522
CHANGE IN NET POSITION	13,988,101
NET POSITION - BEGINNING OF YEAR	43,215,311
NET POSITION - END OF YEAR	\$ 57,203,412

The accompanying notes are an integral part of this statement.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

**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 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 Novant Healthcare, and one by the County. The County has budgetary approval over the annual allocation to the Medic Agency for current operating purposes. The Medic Agency is presented as a governmental activity.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

**b. Government-wide Financial Statements**

The Statement of Net Position (Deficit) and the Statement of Activities comprise the government-wide financial statements. These statements present information on all the non-fiduciary activities of the primary government and its discretely presented component units. For the most part the effect of interfund activity has been eliminated from the statements. The primary government consists of governmental activities, which are generally supported by taxes and intergovernmental revenues and business-type activities which charge for the services provided. Component units, which are legally separate entities for which the primary government is financially accountable, are also categorized as governmental or business-type activities and are reported separately on the government-wide financial statements.

The Statement of Net Position (Deficit) presents the difference between assets and liabilities at the end of the fiscal year, June 30, 2013. The difference, net position (deficit), is subdivided into three categories: amounts invested in capital assets; restricted net position; and unrestricted net position. Net position is reported as restricted when constraints on the use of the assets are imposed either externally by grantors, contributors, creditors, or laws or regulations of other governments, or by law through constitutional provisions or enabling legislation.

The Statement of Activities, which shows the change in net position, presents direct expenses offset by program revenues for each core service area. Program revenues include fees and charges to customers for specific services provided and grants and contributions restricted for use in specific operations of a core service area. Tax revenues, interest and other revenue items that benefit the entire primary government are considered general revenues.

**c. Financial Presentation, Measurement Focus and Basis of Accounting**

Separate financial statements are provided for governmental funds, the proprietary fund and the fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements because the funds are held by the County in a trust capacity only. The General Fund and the Debt Service Fund are the County's major governmental funds.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

The government-wide financial statements and the proprietary funds 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 is 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 revenue 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.

The County reports the following major governmental funds:

*General Fund* – The General Fund is the primary operating fund of the County and accounts for all financial resources except those to be accounted for in another fund. The Sheriff's Special Revenue fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement Number 54 it is consolidated in the General Fund.

*Debt Service Fund* – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

The County reports the following major proprietary funds:

*Solid Waste Enterprise Fund* – This fund accounts for activities related to recycling and landfill facilities and is self-supporting through the residential solid waste fee and recycling sales.



MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

*MeckLink Enterprise Fund* – This fund accounts for activities related to the delivery of services to individuals with mental illness, intellectual and developmental disabilities and substance abuse disorders and is primarily self-supporting through federal and state funds.

Additionally, the County reports the following funds:

i. Non-major 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 Project Funds* – Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the Proprietary Fund). The Capital Reserve fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement Number 54 it is included with the Capital Projects Funds.

ii. 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.

iii. Enterprise Funds:

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.

The MeckLink Enterprise Fund is also a proprietary type fund. The principal operating revenues of the MeckLink Enterprise Fund will be primarily Medicaid funds. Operating expenses consist of payments to providers delivering services to individuals with mental illness, intellectual and developmental disabilities and substance abuse disorders.

MECKLENBURG COUNTY, NORTH CAROLINA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2013

**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 State 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, 2013
Special Revenue Funds	\$ 66,337,684	\$ 7,766,713	\$ 74,104,397

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 yearend. 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.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

**e. Cash and Investments**

A cash and investments pool is maintained and used for all available funds except cash on hand of \$24,713 and funds held by others. A portion of the County's self-insurance funds in the amount of \$11,743,525 is held in one or more trusts administered by the City of Charlotte's Risk Management Division. Additionally, \$60,809 is held by the building management company for operating needs, \$250,735 is held by the bank for solid waste debt service on special obligation bonds, \$62,143 is held by a trustee for energy savings projects, \$4,494,746 is held by a trustee for solid waste capital projects, \$80,392 is held by a trustee for Park and Recreation equipment, and interest and proceeds of \$89,212 and \$10,829,626, respectively, from certificates of participation are held by a trustee. Cash of \$57,203,412 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 Bank of America. At year-end, the cash balance of County deposits was \$26,931,428 and the bank balance was \$37,248,061. Included in these balances are two money market accounts in the amount of \$3,145,892 and \$14,356,805 and one certificate of deposit totaling \$93,616 with Branch Banking & Trust; two certificates of deposit totaling \$15,000,000 with Mechanics and Farmers Bancorp; and two certificates of deposit totaling \$106,657 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 minimum capitalization for all pooling method financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The total bank balance of \$37,248,061 was covered by collateral or insured at June 30, 2013.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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, 2013, the Medic Agency's deposits had a carrying value of \$8,729,706 and a bank balance of \$9,232,647 of which \$324,378 was covered by federal depository insurance and \$8,908,269 was covered by collateral under the pooling method. At June 30, 2013, the carrying amount of the Library's bank deposits was \$10,674,153 and the bank balance was \$11,667,203 of which \$250,000 was covered by federal depository insurance, \$11,016,803 was covered by collateral held under the pooling method and the remaining \$395,217 was covered under the dedicated method. At June 30, 2013, the carrying amount of the ABC Board's bank deposits was \$11,757,570 and the bank balance was \$12,315,392. Of the bank balance at June 30, 2013, \$500,000 was covered by federal depository insurance and the remaining \$11,815,392 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, 2013, 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	\$ 597,108,987	\$ 10,022,450	\$ 6,545,565	\$ 580,540,972
Commercial Paper	27,992,100	27,992,100	-	-
NC Capital Management Trust - Cash Portfolio	154,935,498	155,377,219	N/A	N/A
NC Capital Management Trust - Term Portfolio*	45,519,457	-	45,077,736	-
Total	<u>\$ 825,556,042</u>	<u>\$ 193,391,769</u>	<u>\$ 51,623,301</u>	<u>\$ 580,540,972</u>

*\*Because the NC Capital Management Trust Term Portfolio has a duration of .3 years, it was presented as an investment with a maturity of 6 - 12 months.*

INTEREST RISK

As a means of limiting exposure to fair value losses resulting from rising interest rates, the County's investment policy limits investments to those with a maturity of no more than 60 months. In addition, the investment portfolio is structured so that maturities meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. At year end, the weighted average final maturity of the County's portfolio was 2.8 years. Of the investments with maturities greater than 12 months, \$309,649,020 was invested in securities with coupons that step up one or multiple times prior to maturity.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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, 2013, the County's investments in commercial paper were rated at least A-1 by Standard & Poor's, F-1 by Fitch Ratings, and P-1 by Moody's Investors Service. The County's investments in the N.C. Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2013. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The County's investments in U.S. Government Agencies (Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association) were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service at year-end.

CUSTODIAL CREDIT RISK

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

CONCENTRATION OF CREDIT RISK

The County's investment policy 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, 2013, investments in commercial paper comprised 3.3% of the total portfolio. No single issuer exceeded ten million dollars or ten percent of the total portfolio. There were no bankers' acceptances at year end.

The County'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. The securities of the NCCMT Term Portfolio had a duration of .3 years at June 30, 2013, and are valued at fair value, which is the share price. In accordance with State law, the County invests in securities that are callable prior to maturity and securities that provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value.

As of June 30, 2013, the County had \$57,203,412 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



MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

OPEB Trust was invested as follows: State Treasurer's Short Term Investment Fund (STIF) 25.7%, State Treasurer's Long-Term Investment Fund (LTIF) 9.7%; and BlackRock's Global Ex-US Alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B 64.6% (the equities were split with 75.6% in domestic securities and 24.4% 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 1.6 years at June 30, 2013. The State Treasurer's Long Term Investment Fund (LTIF) is unrated and had a weighted average maturity of 15.9 years at June 30, 2013.

The Library's investments consist of \$7,213,203 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, \$4,613,404, were invested in the N. C. Capital Management Trust Cash Portfolio at June 30, 2013.

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 carries a credit rating of AAAM by Standard & Poor's.

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

During 2013, no gains or losses from the sale of investments by the County were recognized. The calculation of realized gains is independent of the calculation of the net increase/decrease in the fair value of investments. The net change in the fair value of investments during 2013 was a decrease of \$7,633,721. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized loss on investments held at year-end for the County was \$7,991,534.

Interest on investments is recorded when earned and is distributed to each fund based on the fund's proportionate equity in pooled cash and investments, except that interest on investments of the Capital Projects Funds is distributed to the Debt Service Fund for debt service.

**f. Inventory**

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.

MECKLENBURG COUNTY, NORTH CAROLINA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2013

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

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

MECKLENBURG COUNTY, NORTH CAROLINA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2013

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 including vehicles, furniture and other equipment, patient equipment, computer equipment and buildings and improvements. Capital assets are defined as assets with an initial, individual, purchase of \$5,000 or more and an estimated useful life of one year or more. Capital assets are recorded at historical cost or estimated historical cost if the asset is purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized.

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

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

**h. Deferred Outflows/Inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. The separate financial statement section element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has one item that meets this criterion – a charge on refunding that had previously been classified as a contra liability. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has only two items that meet the criterion for this category – prepaid taxes and tax reservations.

**i. Compensated Absences**

For the County, Library and Medic Agency, the maximum amount of vacation that can be transferred to the next calendar year is 240 hours. Accrued vacation beyond the maximum will be converted to sick leave as of the last pay period ending on or before December 31 each year. Vacation leave is earned based on years of service and is fully vested when earned. 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, 2013

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

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

**j. Long-Term Obligations**

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities or the proprietary fund Statement of Net 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.

**k. Net Position / Governmental Fund Equity**

NET POSITION

Net position in government-wide and proprietary fund financial statement statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through State statute.

FUND BALANCES

In the governmental fund financial statements, fund balance is composed of 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:

- Restricted Fund Balance –This classification includes revenue resources that are restricted to specific purposes externally imposed by creditors or imposed by law.
  - ~ *Restricted for Stabilization by State Statute* – portion of fund balance that is restricted by State Statute [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, storm water grants and Register of Deeds document preservation and technology improvements.
  - ~ *Restricted for Health & Human Services* – portion of fund balance restricted by revenue source to pay for Health, Mental Health and Social Services.
  - ~ *Restricted for Fire Protection* – portion of fund balance restricted by revenue source to pay for Fire Protection Services.
  - ~ *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.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

- 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.
  - ~ *Committed for Land Use and Environmental Services* – portion of fund balance that can only be used for storm water operations and code enforcement and land resources.
  - ~ *Committed for Public Safety* – portion of fund balance that can only be used 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 jail and court operations.
  - ~ *Committed for Administrative Services* – portion of fund balance that has been budgeted by the Board of County Commissioners for support services to County Departments.
  - ~ *Committed for Debt Service* – portion of fund balance committed to pay debt service on outstanding debt.
  - ~ *Committed for Capital Reserve* – portion of fund balance committed for renovations, improvements to facilities, technology and fleet.
  
- Unassigned Fund Balance – portion of fund balance that has not 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, 2013:

	General Fund	Debt Service Fund	Nonmajor Funds	
			Special Revenue Funds	Capital Projects Funds
Fund Balance:				
<b>Restricted</b>				
Stabilization by State Statute	\$ 84,949,362	\$ 15,932,088	\$ 19,005,354	\$ 17,147,355
Land Use and Environmental Services	-	-	1,796,639	-
Fire Protection	-	-	396,167	-
Capital Projects	-	-	-	102,963,950
Health & Human Services	24,144	-	-	-
<b>Committed</b>				
Land Use and Environmental Services	8,432,768	-	25,292,375	-
Public Safety	-	-	1,747,697	-
Capital Projects	-	-	-	76,407,067
Detention and Court Support Services	1,177,912	-	-	-
Administrative Services	190,000	-	-	-
Debt Service	-	70,497,797	-	-
Capital Reserves	19,000,000	-	-	-
Unassigned	354,461,116	-	(11,615,502)	(1,321,723)
Total	<u>\$ 468,235,302</u>	<u>\$ 86,429,885</u>	<u>\$ 36,622,730</u>	<u>\$ 195,196,649</u>



MECKLENBURG COUNTY, NORTH CAROLINA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2013

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

	General Fund	Non-Major Funds
Encumbrances	\$ 21,201,712	\$ 18,219,681

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

Mecklenburg County Board of County Commissioners has also adopted a fund balance policy for the General Fund which requires that total fund balance be maintained at 28% of actual revenue. The general fund and debt service fund will be combined in calculating the 28% revenue requirement. Fund balance in excess of 28% of actual revenue may be appropriated to fund the capital, technology and fleet reserves. The amount appropriated for the reserves will not exceed 1.75 cents on the property tax rate. If total fund balance falls below 28% of actual revenue a two-year payback period will commence. Unassigned fund balance will be maintained at 8% of the subsequent years' general fund and debt service fund budgets. Fund balance will not be appropriated for on-going operations of the County except in extreme emergencies and will be used to fund items non-recurring in nature.

**i. Restricted Assets**

The 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.

**m. North Carolina State Lottery**

The North Carolina General Assembly adopted legislation allocating a portion of the net revenues from the North Carolina State Lottery Fund to be used to pay for school construction projects or to retire indebtedness for school construction. For the year ended June 30, 2013, the County received \$9,500,000 from the North Carolina Lottery Fund that was used to reduce outstanding school debt.

**n. 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.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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	\$ 875,054,459
Temporary Assistance to Needy Families	8,879,142
Domiciliary Care	6,061,212
Aid to the Blind	104,116
Supplemental Food Program	17,106,115
Low Income Energy Assistance	1,168,800
Refugee Assistance	333,678
Adoption Assistance	6,607,167
Foster Care	2,875,424
Total	<u>\$ 918,190,113</u>

**o. Deferred outflows/inflows of Resources**

The balances in deferred outflows/inflows at June 30, 2013 are composed of the following:

	Unavailable Revenue	Unearned Revenue
Deferred Refunding	\$ 44,668,712	\$ -
Total	\$ 44,668,712	\$ -

	Unavailable Revenue	Unearned Revenue
Prepaid taxes	\$ -	\$ 34,414
Tax Reservations	44,045,485	-
Total	\$ 44,045,485	\$ 34,414

**p. Statement of Cash Flows**

All cash and investments of the proprietary funds 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 Position (Deficit) at June 30, 2013:

	Governmental Activities			Business-type Activities		Total Receivables
	General Fund	Debt Service Fund	Nonmajor Funds	Solid Waste Fund	MeckLink Fund	
General	\$ 26,814,621	\$ 2,761,386	\$ 5,672,808	\$ 506,323	\$ -	\$ 35,755,138
State and Federal Government	35,948,699	12,931,086	12,201,158	-	8,254,511	69,335,454
Taxes	70,045,484	-	1,101,734	-	-	71,147,218
Less allowance for doubtful accounts	(26,000,000)	-	(480,000)	-	-	(26,480,000)
Clinic billings	569,850	-	-	-	-	569,850
Less allowance for doubtful accounts	(558,451)	-	-	-	-	(558,451)
Interest	972,931	239,616	59,064	58,543	-	1,330,154
Total Accounts Receivable	<u>\$ 107,793,134</u>	<u>\$ 15,932,088</u>	<u>\$ 18,554,764</u>	<u>\$ 564,866</u>	<u>\$ 8,254,511</u>	<u>\$ 151,099,363</u>

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

### **3. Property Tax**

The County's property tax levy effective for fiscal year 2013, was based on the assessed values listed as of January 1, 2012, 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, 2012. The property tax rate for the 2013 fiscal year was \$.7922 per \$100 valuation. A revaluation of all real property is required to be performed at least every eight years. The County's last revaluation was completed in fiscal year 2011 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 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 2012 through February 2013 apply to the fiscal year ended June 30, 2013. 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, 2013 because they are intended to finance the County's operations during the 2014 fiscal year. Beginning with July 2013 renewals on registered motor vehicles will be collected by the Department of Motor Vehicles on behalf of Mecklenburg County and the Towns of Cornelius, Davidson, Huntersville, Matthews, Mint Hill and Pineville effective for fiscal year 2014.

### **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.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

**5. Capital Assets**

	Primary Government				Balance June 30, 2013
	Balance July 1, 2012	Additions	Deletions	Transfers	
Governmental activities:					
<i>Capital assets not being depreciated :</i>					
Land	\$ 436,840,813	\$ 1,799,816	\$ -	\$ -	\$ 438,640,629
Construction in progress	62,753,644	21,188,955	-	-	83,942,599
Total capital assets not being depreciated	499,594,457	22,988,771	-	-	522,583,228
<i>Capital assets being depreciated :</i>					
Land improvements	60,461,374	108,711	-	-	60,570,085
Buildings and improvements	697,816,326	62,009	-	-	697,878,335
Vehicles and heavy equipment	25,190,951	3,887,417	(1,351,805)	-	27,726,563
Furniture, machinery and equipment	26,586,215	1,820,448	(11,078)	-	28,395,585
Intangibles-software and licenses	14,964,967	700,041	-	-	15,665,008
Total capital assets being depreciated	825,019,833	6,578,626	(1,362,883)	-	830,235,576
Less accumulated depreciation:					
Land improvements	(26,188,933)	(2,418,370)	-	-	(28,607,303)
Buildings and improvements	(268,000,819)	(19,046,880)	-	-	(287,047,699)
Vehicles and heavy equipment	(18,417,283)	(1,292,568)	1,149,034	-	(18,560,817)
Furniture, machinery and equipment	(21,925,356)	(1,450,314)	11,078	-	(23,364,592)
Intangibles-software and licenses	(5,512,917)	(1,495,857)	-	-	(7,008,774)
Total accumulated depreciation	(340,045,308)	(25,703,989)	1,160,112	-	(364,589,185)
Total capital assets being depreciated, net	484,974,525	(19,125,363)	(202,771)	-	465,646,391
<b>Governmental activities capital assets, net</b>	<b>\$ 984,568,982</b>	<b>\$ 3,863,408</b>	<b>\$ (202,771)</b>	<b>\$ -</b>	<b>\$ 988,229,619</b>

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

Primary Government continued

Business-type activities

	Business-type activities				Balance June 30, 2013
	Balance July 1, 2012	Additions	Deletions	Transfers	
<i>Capital assets not being depreciated:</i>					
Land	\$ 28,687,608	\$ -	\$ -	\$ -	\$ 28,687,608
Construction in progress	4,305,927	3,764,348	-	-	8,070,275
<b>Total capital assets not being depreciated</b>	<b>32,993,535</b>	<b>3,764,348</b>	<b>-</b>	<b>-</b>	<b>36,757,883</b>
<i>Capital assets being depreciated:</i>					
Land improvements	10,514,617	-	-	-	10,514,617
Buildings and improvements	14,380,072	-	-	-	14,380,072
Vehicles and heavy equipment	5,197,473	882,229	-	-	6,079,702
Furniture, machinery and equipment	9,622,707	869,801	-	-	10,492,508
Intangibles-software and licenses	-	400,916	-	-	400,916
<b>Total capital assets being depreciated</b>	<b>39,714,869</b>	<b>2,152,946</b>	<b>-</b>	<b>-</b>	<b>41,867,815</b>
<i>Less accumulated depreciation:</i>					
Land improvements	(3,119,950)	(347,677)	-	-	(3,467,627)
Buildings and improvements	(7,335,380)	(606,489)	-	-	(7,941,869)
Vehicles and heavy equipment	(3,903,658)	(291,105)	-	-	(4,194,763)
Furniture, machinery and equipment	(2,894,930)	(1,482,178)	-	-	(4,377,108)
Intangibles-software and licenses	-	(18,124)	-	-	(18,124)
<b>Total accumulated depreciation</b>	<b>(17,253,918)</b>	<b>(2,745,573)</b>	<b>-</b>	<b>-</b>	<b>(19,999,491)</b>
<b>Total capital assets being depreciated, net</b>	<b>22,460,951</b>	<b>(592,627)</b>	<b>-</b>	<b>-</b>	<b>21,868,324</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 55,454,486</b>	<b>\$ 3,171,721</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 58,626,207</b>

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

<b>Governmental activities:</b>	
Customer Satisfaction and Management Services	\$ 3,389
Administrative Services	2,185,820
Financial Services	1,120,452
Land Use and Environmental Services	626,108
Community Services	4,936,382
Detention and Court Support Services	14,238,735
Health and Human Services	1,989,048
Business Partners	604,055
<b>Total Governmental activities</b>	<b>25,703,989</b>
<b>Business-type activities:</b>	
Solid Waste Enterprise Fund	2,700,299
MeckLink Enterprise Fund	45,274
<b>Total depreciation expense</b>	<b>\$ 28,449,562</b>



MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

	Estimated Project Authorization	Expended to June 30, 2013	Costs to Complete
<b>Projects:</b>			
<b>Governmental Funds:</b>			
Park and Recreational facilities	\$ 97,850,205	\$ 68,822,129	\$ 29,028,076
Law Enforcement/Court facilities	22,165,000	13,422,853	8,742,147
County facilities	18,317,217	1,697,617	16,619,600
Total Governmental Funds	138,332,422	83,942,599	54,389,823
<b>Business-type activities</b>			
Solid Waste Enterprise Fund	9,700,000	8,070,275	1,629,725
Total	\$ 148,032,422	\$ 92,012,874	\$ 56,019,548

Activity in the Library's capital assets for the year ended June 30, 2013 is as follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<i>Capital assets not being depreciated :</i>				
Land	\$ 13,523,473	\$ -	\$ -	\$ 13,523,473
Construction in progress	204,007	260,351	(420,311)	44,047
Total capital assets not being depreciated	13,727,480	260,351	(420,311)	13,567,520
<i>Capital assets being depreciated :</i>				
Buildings and improvements	90,525,488	237,170	-	90,762,658
Books	18,508,593	2,305,036	(2,006,571)	18,807,058
Furniture and equipment	6,295,438	101,931	(104,141)	6,293,228
Total capital assets being depreciated	115,329,519	2,644,137	(2,110,712)	115,862,944
<b>Less accumulated depreciation:</b>				
Buildings	(25,067,826)	(2,280,543)	-	(27,348,369)
Books	(14,679,058)	(1,705,487)	2,006,571	(14,377,974)
Furniture and equipment	(4,745,237)	(453,063)	103,375	(5,094,925)
Total accumulated depreciation	(44,492,121)	(4,439,093)	2,109,946	(46,821,268)
Total capital assets being depreciated, net	70,837,398	(1,794,956)	(766)	69,041,676
Total Capital assets, net	\$ 84,564,878	\$ (1,534,605)	\$ (421,077)	\$ 82,609,196

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

Activity in the Medic Agency's capital assets for the year ended June 30, 2013 is as follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<i>Capital assets being depreciated:</i>				
Vehicles	\$ 11,388,422	\$ 1,788,094	\$ (1,204,901)	\$ 11,971,615
Furniture and equipment	3,295,063	204,709	-	3,499,772
Patient equipment	2,097,570	76,243	-	2,173,813
Computer equipment	4,277,653	46,840	-	4,324,493
Buildings and improvements	6,701,311	337,134	-	7,038,445
Total capital assets being depreciated	<u>27,760,019</u>	<u>2,453,020</u>	<u>(1,204,901)</u>	<u>29,008,138</u>
<i>Less accumulated depreciation:</i>				
Vehicles	(9,720,743)	(1,037,147)	1,204,901	(9,552,989)
Furniture and equipment	(2,336,789)	(250,385)	-	(2,587,174)
Patient equipment	(1,491,292)	(305,195)	-	(1,796,487)
Computer equipment	(3,535,876)	(296,707)	-	(3,832,583)
Buildings and improvements	(3,986,729)	(399,468)	-	(4,386,197)
Total accumulated depreciation	<u>(21,071,429)</u>	<u>(2,288,902)</u>	<u>1,204,901</u>	<u>(22,155,430)</u>
Total Capital assets, net	<u>\$ 6,688,590</u>	<u>\$ 164,118</u>	<u>\$ -</u>	<u>\$ 6,852,708</u>

Activity in the ABC Board's capital assets for the year ended June 30, 2013 is as follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<i>Capital assets not being depreciated:</i>				
Land	\$ 5,953,125	\$ -	\$ (90,927)	\$ 5,862,198
Construction in progress	144,982	-	(122,031)	22,951
Total capital assets not being depreciated	<u>6,098,107</u>	<u>-</u>	<u>(212,958)</u>	<u>5,885,149</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	28,189,871	1,690,188	(655,013)	29,225,046
Furniture, machinery and equipment	3,424,417	176,718	(42,753)	3,558,382
Motor vehicles	784,945	298,437	(190,296)	893,086
Total capital assets being depreciated	<u>32,399,233</u>	<u>2,165,343</u>	<u>(888,062)</u>	<u>33,676,514</u>
<i>Less accumulated depreciation:</i>				
Buildings and improvements	(7,898,765)	(1,050,450)	521,872	(8,427,343)
Furniture, machinery and equipment	(2,756,036)	(188,477)	42,244	(2,902,269)
Motor vehicles	(601,273)	(122,915)	189,457	(534,731)
Total accumulated depreciation	<u>(11,256,074)</u>	<u>(1,361,842)</u>	<u>753,573</u>	<u>(11,864,343)</u>
Total capital assets being depreciated, net	<u>21,143,159</u>	<u>803,501</u>	<u>(134,489)</u>	<u>21,812,171</u>
Total Capital assets, net	<u>\$ 27,241,266</u>	<u>\$ 803,501</u>	<u>\$ (347,447)</u>	<u>\$ 27,697,320</u>

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

## 6. Accounts Payable and Accrued Liabilities

The components of accounts payable and accrued liabilities at June 30, 2013 for the governmental activities and the business-type activities as reported in the Statement of Net Position (Deficit) are as follows:

	Governmental Activities			Business-type Activities		Total Accounts Payable and Accrued Liabilities
	General Fund	Debt Service Fund	Nonmajor Funds	Solid Waste Enterprise Fund	MeckLink Fund	
General payables	\$ 40,253,073	\$ -	\$ 19,902,434	\$ 763,108	\$ 6,573,216	\$ 67,491,831
Claims payable	-	-	-	-	6,286,337	6,286,337
Salaries & benefits payable	17,573,731	-	62,589	297,135	-	17,933,455
Reserve for self insurance	7,239,513	-	-	-	-	7,239,513
Other accrued liabilities	7,093,807	-	35,294	-	178,939	7,308,040
Total	<u>\$ 72,160,124</u>	<u>\$ -</u>	<u>\$ 20,000,317</u>	<u>\$ 1,060,243</u>	<u>\$ 13,038,492</u>	<u>\$ 106,259,176</u>

## 7. Long Term Debt

### General Obligation Bonds

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

General obligation bonds outstanding at June 30, 2013:

	Issue Date	Due Serially To	Average Interest Rate %	Original Issue	Balance June 30, 2013
Public Improvement 2004 - Series A	February 1, 2004	2020	3.4130	\$ 105,000,000	\$ 6,575,000
Public Improvement 2005 - Series A	February 1, 2005	2026	3.9849	32,300,000	3,230,000
Refunding Bonds 2005 – Series C	May 1, 2005	2016	3.4368	172,125,000	60,870,000
Public Improvement 2007 - Series A	February 1, 2007	2027	4.1690	102,000,000	13,635,000
Parks and Recreation Bonds 2008 – Series A	February 1, 2008	2028	3.6115	12,000,000	3,000,000
Public Improvement 2008 – Series B	February 1, 2008	2028	3.7954	148,500,000	27,500,000
Refunding Bonds 2009 – Series A	March 10, 2009	2020	2.2523	243,965,000	213,780,000
Public Improvement 2009 – Series B	September 1, 2009	2030	3.5372	100,000,000	85,000,000
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	111,845,000
Refunding Bonds 2010 – Series A	March 16, 2010	2026	3.1098	114,940,000	113,370,000
Public Improvement 2011 – Series A	October 27, 2011	2020	1.4854	49,000,000	44,000,000
Qualified School Construction Bonds – Series B	October 27, 2011	2031	0.0156	51,000,000	51,000,000
Refunding Bonds 2011 – Series C	October 27, 2011	2026	2.9501	164,015,000	153,390,000
Refunding Bonds 2013 – Series A	January 29, 2013	2027	1.7506	209,815,000	209,815,000
Public Improvement 2013 – Series B	February 20, 2013	2033	2.3210	100,000,000	100,000,000
Total				<u>\$1,855,050,000</u>	<u>\$1,327,400,000</u>

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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 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, 2013, \$111,090,000 in outstanding bonds is considered defeased.

In fiscal year 2012, the County issued \$164,015,000 General Obligation Refunding Bonds at a true interest cost of 2.95%. The purpose was to defease \$39,450,000 of the principal amount outstanding of the Public Improvements 2004 Series A bonds and refund the 2000 Series C bonds, 2001 Series B bonds and 2006 Series A bonds. At June 30, 2013 \$39,450,000 in outstanding bonds is considered defeased.

In fiscal year 2013, the County issued \$209,815,000 General Obligation Refunding Bonds at a true interest cost of 1.75%. The total amount refunded was \$250,440,000 and it resulted in the net debt savings of approximately \$7.67 million. The purpose was to defease \$95,040,000 of the principal amount outstanding of the Public Improvements 2005 Series A, 2007 Series A, 2008 Series A , 2008 Series B and refund 2003 Series B, 2004 Series B and a portion of the 2005 series C bonds. At June 30, 2013 \$95,040,000 in outstanding bonds are considered defeased. General obligation bonds are due serially and mature during the fiscal years 2014 to 2033 at average interest rates at date of issuance ranging from 1.75% to 4.95% for the fixed rate bonds. The effective rate of interest paid on the average principal balance of outstanding bonds during the year was 5.3%.

The County also has \$111,845,000 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. Fees paid in fiscal year 2013 pursuant to the remarketing agreement totaled \$113,040, and the interest rate at year-end was 0.16%. 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 \$105,943,650.

The following schedule shows annual requirements to amortize all bonded debt outstanding as of June 30, 2013. Interest on the variable rate bonds has been estimated using the rate in effect at June 30, 2013.

Fiscal Year	Governmental Activities	
	Principal	Interest
2014	\$ 116,995,000	\$ 56,451,091
2015	127,240,000	49,770,782
2016	135,760,000	44,195,746
2017	126,260,000	37,991,320
2018	120,160,000	32,419,906
2019 - 2023	410,775,000	96,264,880
2024 - 2028	204,210,000	36,064,859
2029 - 2033	86,000,000	8,426,225
Total	\$ 1,327,400,000	\$ 361,584,809

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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, 2013, such statutory limit for the County was \$9,233,252,490 providing a legal debt margin of \$6,975,014,295.

As of June 30, 2013, \$493,040,000 of general obligation bonds was authorized but unissued.

Special Obligation Bonds

In fiscal year 2012, the County issued \$12,220,000 of Special Obligation Bonds pursuant to the North Carolina Solid Waste Management Loan Program and Local Government Special Obligation Bond Act. The true interest cost of the bonds is 3.22% with an average life of 8.33 years. The final maturity date is January 1, 2026. The bonds are used to acquire and construct certain additions and improvements to the County's existing solid waste management facilities, acquire equipment and pay certain costs related to the issuance of the Special Obligation Bonds.

Special Obligation Bonds outstanding at June 30, 2013:

Fiscal Year	Principal	Interest
2014	\$ 690,000	\$ 492,000
2015	720,000	464,400
2016	745,000	435,600
2017	775,000	405,800
2018	810,000	374,800
2019 - 2023	4,600,000	1,309,050
2023 - 2026	3,215,000	326,750
Total	<u>\$ 11,555,000</u>	<u>\$ 3,808,400</u>

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. In addition, Mecklenburg County entered into a North Carolina Clean Water State revolving loan agreement and entered into a Guaranteed Energy Savings Contract.



MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

Installment Financings outstanding at June 30, 2013:

	Issue Date	Due Serially To	Average Interest Rate %	Original Issue	Balance June 30, 2013
2006 Certificates	February 1, 2006	2026	variable	\$ 108,000,000	\$ 75,600,000
2008A Certificates	February 1, 2008	2028	variable	124,960,000	86,130,000
2008B Certificates	February 1, 2008	2028	4.435	34,720,000	18,495,000
2009A Certificates	February 1, 2009	2029	4.224	90,765,000	72,700,000
2009 Limited Obligation Bond	September 3, 2009	2027	3.742	223,980,000	159,530,000
NC Clean Water State Revolving Loan	April 11, 2011	2030		2,493,625	891,751
Guaranteed Energy Savings Contract	December 16, 2011	2025		6,291,281	6,336,444
2013 Taxable Limited Obligation Bond	March 13, 2013	2028	2.780	18,115,000	18,115,000
			Total	<u>\$ 609,324,906</u>	<u>\$ 437,798,195</u>

The installment financings are due serially and mature during the fiscal years 2014 to 2030 at average interest rates at date of issuance ranging from 2.78% to 4.43% for the fixed rate obligations. The effective rate of interest paid on the average principal balance outstanding during the year was 3.92%.

The Corporation has outstanding \$161,730,000 in variable rate certificates of participation. The County has Remarketing 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 fees paid in fiscal year 2013 pursuant to the 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 LIBOR rate. The interest rates, per the Remarketing Agreements, cannot exceed 12%. The maximum interest required for these certificates through maturity would be \$127,289,094.

In fiscal year 2013, US Bank purchased all of the \$75,600,000 in 2006 COPs. The 2006 COPs were converted to a Bank-Bought rate that resets monthly. In the same fiscal year Wells Fargo purchased all of the \$86,130,000 in 2008A COPs. The 2008A COPs were converted to Floating Rate Notes and the rate resets weekly.

Issue	Balance June 30, 2013	Term Expiration	Fees Paid Fiscal Year 2013	Interest Rate June 30, 2013
2006	\$ 75,600,000	January 10, 2018	\$ 46,368	0.66 %
2008A	86,130,000	February 1, 2016	94,657	0.30

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

The following table shows the annual debt service requirements to maturity. Interest on the variable rate certificates has been estimated using the rate effect at June 30, 2013.

Fiscal Year	Principal	Interest
2014	\$ 32,814,737	\$ 13,122,476
2015	31,055,346	12,211,948
2016	30,744,282	11,306,573
2017	27,947,388	10,351,652
2018	27,851,633	9,385,005
2019 - 23	173,233,045	32,545,051
2024 - 28	109,506,852	10,160,693
2029 - 30	4,644,912	232,675
	<u>\$ 437,798,195</u>	<u>\$ 99,316,073</u>

Changes in Long-Term Liabilities

The following presents the changes in long-term liabilities for the year ended June 30, 2013:

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013	Due within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$ 1,385,016,983	\$ 309,815,000	\$ (367,431,983)	\$ 1,327,400,000	\$ 116,995,000
Bond premium	106,939,956	68,725,994	(21,503,547)	154,162,403	17,939,112
Total bonds payable	1,491,956,939	378,540,994	(388,935,530)	1,481,562,403	134,934,112
Capital leases	650,000	500,000	(130,520)	1,019,480	227,763
Compensated absences	25,932,076	20,131,373	(19,422,985)	26,640,464	3,194,712
Installment financings	462,605,488	18,115,000	(42,922,293)	437,798,195	32,814,737
Interest rate swap	27,691,231	-	(27,691,231)	-	-
Unfunded OPEB liability	49,772,033	32,696,032	-	82,468,065	-
Unfunded pension liability	4,017,888	319,078	-	4,336,966	-
Total Governmental Activities	<u>2,062,625,655</u>	<u>450,302,477</u>	<u>(479,102,559)</u>	<u>2,033,825,573</u>	<u>171,171,324</u>
<b>Business-type activities:</b>					
General obligation bonds	28,016	-	(28,016)	-	-
Special Obligation Bonds	12,220,000	-	(665,000)	11,555,000	690,000
Plus: Bond Premium	978,766	-	(68,302)	910,464	68,302
Total bonds payable	13,226,782	-	(761,318)	12,465,464	758,302
Capital leases	480,320	-	(317,301)	163,019	163,019
Compensated absences	515,500	457,735	(384,565)	588,670	82,536
Landfill development and postclosure care costs	8,793,720	40,088	-	8,833,808	-
Total Business-type Activities	<u>23,016,322</u>	<u>497,823</u>	<u>(1,463,184)</u>	<u>22,050,961</u>	<u>1,003,857</u>
Total Government-wide	<u>\$ 2,085,641,977</u>	<u>\$ 450,800,300</u>	<u>\$ (480,565,743)</u>	<u>\$ 2,055,876,534</u>	<u>\$ 172,175,181</u>

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

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

The following presents the changes in long-term liabilities for the year ended June 30, 2013 for the Library.

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Due within One Year
Governmental activities:					
Capital leases	\$ 911,715	\$ -	\$ (163,686)	\$ 748,029	\$ 168,742
Compensated Absences	1,717,329	1,279,297	(1,216,002)	1,780,624	1,200,000
OPEB Liability	12,756,139	4,647,885	(796,809)	16,607,215	-
Total Governmental activities	<u>\$ 15,385,183</u>	<u>\$ 5,927,182</u>	<u>\$ (2,176,497)</u>	<u>\$ 19,135,868</u>	<u>\$ 1,368,742</u>

The \$1,833,375 of long-term liabilities due within one year for the Medic Agency represents compensated absences at June 30, 2013. The \$16,192,950 of long-term liabilities due in more than one year represents the unfunded liability for future post employment healthcare benefits.

## 8. Leases

The County leases certain equipment, primarily computer and heavy equipment, under agreements classified as capital leases according to provisions of Financial Accounting Standards Board Statement No. 13 "Accounting for Leases". Obligations of these lease agreements are accounted for in the governmental activities of the government-wide statements and in the business-type activities Enterprise Fund. The net book value of those assets recorded in the Enterprise Fund, capital assets – vehicles and heavy equipment, is \$995,816.

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, 2013, 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		
2014	\$ 246,759	\$ 166,002	\$ 55,469	
2015	243,926	-	58,000	
2016	241,094	-	58,000	
2017	235,486	-	-	
2018	104,966	-	-	
	<u>1,072,231</u>	<u>166,002</u>	<u>171,469</u>	
Less: amount representing interest	(52,751)	(2,983)	-	
Total	<u>\$ 1,019,480</u>	<u>\$ 163,019</u>	<u>\$ 171,469</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. Two of the branch facility leases have been classified as capital leases. Monthly lease payments of \$1,500 are required

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

on the first capital lease until September 2045. The second capital lease requires monthly payments, which are changed annually (ranging from \$17,051 to \$6,560), through June 2017. Beginning July 2017 through July 2051 the annual lease payment is \$1.

The following is a summary of the Library's future minimum lease payments under the capital lease together with the present value of net minimum lease payments, and approximate future minimum rental commitments under non-cancelable operating leases with initial or remaining terms of one year or more as of June 30, 2013:

Year Ending June 30,	Capital Leases	Operating Leases
2014	\$ 205,958	\$ 339,987
2015	196,210	343,311
2016	172,696	343,420
2017	80,223	310,387
2018	206,109	250,819
2019 - 2023	7,505	410,483
2024 - 2028	7,505	5
2029 - 2033	7,505	5
2034 - 2038	7,505	5
2039 - 2043	7,505	5
2044 - 2048	3,380	4
2049 - 2051	3	-
Total minimum payments	902,104	\$ 1,998,431
Less: amount representing interest	(154,075)	
Present value of net minimum capital lease payments	\$ 748,029	

Total interest costs for the year ended June 30, 2013 were \$49,335 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. On November 23, 2004; the first amendment to the lease was executed. The amended lease includes additional square footage and expires August 31, 2015. 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, 2013 follows:

Year Ending June 30,	Amount
2014	664,608
2015	668,884
2016	111,600
	<u>\$ 1,445,092</u>

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

The ABC Board’s minimum annual rentals on store properties and equipment leased, with lease terms extending to July 10, 2027, at June 30, 2013 are summarized as follows:

Year Ending June 30,	Operating Leases
2014	1,393,823
2015	1,403,159
2016	1,275,355
2017 - 2019	3,204,489
2020 - 2024	2,547,715
2025 - 2027	605,002
Total	<u>\$ 10,429,543</u>

For the year ended June 30, 2013 rent expense for operating leases for the County was \$476,536, for the Library was \$719,000, for the Medic Agency was \$701,665, and for the ABC Board was \$1,445,609.

**9. Transfers**

The General Fund transferred \$26,141,100 to the non-major Capital Reserve fund, \$33,988,500 to the non-major Pay-As-You-Go Capital Projects fund authorized by the Board of County Commissioners to fund capital projects, \$174,000 to the Mint Hill Fire District Fund and \$562,800 to the Technology Reserve Fund. The General Fund transferred \$8,826,133 to the MeckLink Fund to cover operations.

**10. 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 2013 for employees not engaged in law enforcement is 6.74%. The rate for law enforcement officers was 6.77%. The rate is a percentage 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, 2013, 2012, and 2011 were \$14,716,982, \$14,462,001, and \$12,835,918, respectively. The contributions made by the County equaled the required contributions for the year.



MECKLENBURG COUNTY, NORTH CAROLINA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2013

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, 2013, 2012, and 2011 were \$894,583, \$879,948, and \$841,898 respectively. The rate for fiscal year 2013 for employees is 6.74% of covered payroll. The Medic Agency's contributions to LGERS for the year ended June 30, 2013, 2012, and 2011 were \$1,760,731, \$1,696,964, and \$1,314,512 respectively, and the rate for fiscal year 2013 for employees is 6.92% of covered payroll. The ABC Board's contributions to LGERS for the years ended June 30, 2013, 2012, and 2011 were \$368,531, \$370,233, and \$342,463, respectively. The ABC Board's required contributions for employees not engaged in law enforcement and for law enforcement officers are 6.74% and 6.77% 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, 2012, the Separation Allowance's membership consisted of:

	County
Retirees	35
Active plan members	307
Total	342

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 \$623,278 for the fiscal year ended June 30, 2013, 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, 2011 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 4.25% to 7.85% per year, as well as an inflation component of 3.00%. 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, 2011, was 19 years.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

Annual required contribution	\$ 991,500
Interest on net pension obligation	200,894
Adjustment to annual required contribution	<u>(250,038)</u>
Annual pension cost	942,356
Contributions made	<u>(623,278)</u>
Increase in net pension obligation	319,078
Net pension obligation beginning of year	4,017,888
Net pension obligation end of year	<u>\$ 4,336,966</u>

Three Year Trend Information:

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation End of Year
2013	\$ 942,365	66.14%	\$ 4,336,966
2012	844,145	74.26	4,017,888
2011	942,365	50.91	3,800,626

As of December 31, 2012, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$9,874,484, and there was no actuarial value of assets, resulting in an unfunded accrued liability (UAAL) of \$9,874,484. The covered payroll (annual payroll of active employees covered by the plan) was \$17,482,456, and the ratio of UAAL to covered payroll was 56.48%.

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, 2013 was \$906,121 compared to \$880,170 for the year ended June 30, 2012. Contributions for the ABC Board for the year ended June 30, 2013, were \$110,158, which consisted of \$70,751 from the ABC Board and \$39,407 from the law enforcement officers' voluntary contributions and contributions for June 30, 2012 were \$98,356, which consisted of \$65,011 from the ABC Board and \$33,345 from law enforcement officers' voluntary contributions.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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, 2013 and 2012 were \$469,616 and \$421,452, respectively, which consisted of \$285,563 for 2013 and \$250,876 for 2012 from the ABC Board and \$196,065 for 2013 and \$170,576 for 2012 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 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, 2013, the County's required and actual contributions were \$89,412.

## **11. Supplemental Retirement Plans**

The County, Library and Medic Agency offer their employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and a 401(k) supplemental retirement income plan through the State of North Carolina that is also in compliance with the Internal Revenue Code. All regular, full-time and part-time employees are eligible to participate in one or both 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 401(k) supplemental retirement income plan allows eligible participants to contribute up to the maximum allowable under the law as a percentage of base salary.

In fiscal year 2013 the County and Library matched 100% of the first 5%, and 100% of the first 3% in 2012 of each participant's total annual contribution. Total contributions to the plan by the County were \$6,839,589 and \$4,313,161, respectively, for years ended June 30, 2013 and 2012. The Library total contributions were \$335,822, and \$221,802, respectively, for years ended June 30, 2013 and 2012. Contributions by the Medic Agency for June 30, 2013 and 2012 were \$737,360 and \$678,941, respectively. Medic agency matches 100% of the first 5% of each participant's total annual contribution.

MECKLENBURG COUNTY, NORTH CAROLINA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2013

**12. 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, 2013, the date of the latest actuarial valuation was:

Retired employees	1,142
Spouses/Domestic Partners of retired employees	167
Deferred Vested Members	686
Active employees	3,326
<b>Total</b>	<b>5,321</b>

Contributions to be paid by members are established by the Board of County Commissioners, which also has the authority to amend the program. For 2013, retiree annual contribution rates are:

	Pre-Medicare Standard	Pre-Medicare Enhanced	Medicare Eligible Indemnity
<b>20 or more years of service:</b>			
Retiree	\$ -	\$ 1,220	\$ -
Spouse	3,027	3,027	4,607
<b>10 to 19 years of service:</b>			
Retiree	4,565	6,133	3,499
Spouse	3,027	4,464	4,607

The County contributed \$15,476,590 of the actuarially calculated annual required contribution (ARC) of \$48,983,161 for fiscal year 2013. 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	\$ 48,983,161
Interest on net OPEB obligation	2,443,807
Adjustment to annual required contribution	<u>(3,254,346)</u>
Annual OPEB cost	48,172,622
Contributions made	<u>(15,476,590)</u>
Increase in net OPEB obligation	32,696,032
Net OPEB obligation beginning of year	49,772,033
Net OPEB obligation end of year	<u>\$ 82,468,065</u>

MECKLENBURG COUNTY, NORTH CAROLINA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2013

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, 2013, 2012, and 2011 are as follows:

Fiscal Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 48,172,622	32.13 %	\$ 82,468,065
2012	38,654,483	40.52	49,772,033
2011	32,253,235	21.05	26,780,606

The County's contribution was deposited in the North Carolina State Treasurer's Local Government Other Post-Employment Benefit Trust Fund, an irrevocable trust fund for Fiscal Year 2013 and 2012.

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, 2013, the most recent actuarial valuation date, the plan was funded on the pay-as-you-go basis. The actuarially accrued liability for benefits was \$490,423,588 and the actuarial value of assets was \$48,536,553 resulting in an unfunded actuarial accrued liability (UAAL) of \$441,887,035. The annual payroll of active employees covered by the plan was \$227,162,263 and the ratio of the UAAL to the covered payroll was 194.52%.

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 sharing of benefit costs between the employer and members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

At January 1, 2013, the actuarial valuation used the projected unit credit actuarial cost method. The assumptions included a 4.91% 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 7.90% to 4.70% over seventy years 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 dollar amount on a closed basis. The remaining amortization period at January 1, 2013 was 28 years.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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, 2012 was \$590,565 for the one hundred and two qualified retirees. The current ARC rate is 37.0% of annual covered payroll and the Library contributed \$769,809 or 6% of covered payroll which leaves a net OPEB obligation of \$16,607,215 recorded to liabilities in the Statement of Net Assets. Complete information regarding the Library's plan appears in the separately issued June 30, 2013 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 \$281,521 of the \$5,525,496 ARC with the \$16,192,950 remaining OPEB obligation recorded to liabilities in the Statement of Net Assets. The ARC rate is 12% of annual covered payroll and the contribution is 1% of annual covered payroll. Complete information regarding Medic Agency's post employment healthcare benefits appears in Medic Agency's separately issued June 30, 2013 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 \$1,250,000 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, 2009 do not have the option of remaining on the Board's retiree health plan, but instead are eligible to receive a reimbursement stipend for private coverage. As of June 30, 2013, the most recent valuation date, the plan was not funded. The remaining OPEB obligation of \$1,939,974 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, 2013 financial statements.

### **13. 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



MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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, 2013, the County did not make a contribution to the State for death benefits. For the year ended June 30, 2013 and 2012, the ABC Board made contributions to the State for death benefits of \$0 and \$7,757, respectively.

**14. 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, 2013, 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:

	2013	2012
Accounts payable and accrued liabilities - beginning of fiscal year	\$ 12,278,298	\$ 8,749,376
Additions	7,923,572	9,355,800
Payments	(5,234,587)	(5,826,878)
Accounts payable and accrued liabilities - end of fiscal year	\$ 14,967,283	\$ 12,278,298

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

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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.

### **15. Closure and Postclosure Care Costs – U. S. 521 Landfill**

State and federal laws require the County to place a final cover on its U.S.521 Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 25 years after closure. Although closure and postclosure care costs will only be paid near or after the date the landfill stops accepting waste, the County reports a portion of these costs as an operating expense each fiscal year based on the landfill capacity used as of the balance sheet date. The accrued landfill development and postclosure care costs totals \$8,833,808 and has two components. The cumulative amount reported, based on the use of 48% of the total estimated capacity of the landfill, for closure and postclosure care costs is \$7,487,925. The estimated capacity use decreased by 40% from 2012 to 2013 due to a major expansion of the landfill during the past year. The County will recognize the remaining estimated cost of closure and postclosure care of \$7.5 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 2013. 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, 2013 is \$1,345,883. The County will recognize the remaining estimated cost of future use development of \$567,408 as the remaining capacity is filled. These funds are held in investments with a cost of \$1,345,883 (market value, \$1,345,883) 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.

### **16. Commitments and Contingencies**

The County participates in a number of Federal and State of North Carolina grant programs, principally Social Services Administration, Temporary Assistance to Needy Families, Mental Health Area Matching Funds, and Medical Assistance programs. For the fiscal year ended June 30, 2013, 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

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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 \$76,407,067 at June 30, 2013, are committed for various projects in accordance with related Capital Projects Ordinances. These funds are included in Restricted Net Position and are included in committed fund balance of the appropriate capital projects funds.

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.

## **17. Jointly Governed Organization**

The County, in conjunction with seven other counties and 50 municipalities, established the Centralina Council of Governments (COG) (Region F). The participating governments established COG to coordinate funding received from various federal and state agencies. Each participating government appoints one member to COG's 58-member governing board. The County paid membership fees of \$236,113 to COG during fiscal year 2013.

## **18. Joint Ventures**

The County, along with the State of North Carolina, participates in a joint venture to operate Central Piedmont Community College (CPCC). The County, State of North Carolina and the Charlotte-Mecklenburg Board of Education make four appointments each to the 12-member board of trustees. CPCC is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of CPCC and also provides some financial support for operations. In addition to providing annual appropriations for facilities, the County periodically issues general obligation bonds and certificates of participation to provide financing for new and restructured facilities. The County contributed \$26,899,486 for operations and \$22,562,718 for capital purposes during fiscal year 2013, and made debt service payments of \$16,478,118 in fiscal year 2013 on general obligation bonds and certificates of participation issued for CPCC. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest is reflected in the County's financial statements. Complete financial statements for CPCC may be obtained from the following address:

Central Piedmont Community College  
P.O. Box 35009  
Charlotte, NC 28235

The County, in conjunction with Catawba, Iredell and Lincoln Counties participates in a joint venture to operate the Lake Norman Marine Commission (the Commission). Each participating government appoints one

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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 \$21,584 to the Commission in fiscal year 2013. 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, 2013. 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 2013. 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, 2013. 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 2013. 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, 2013. 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 \$196,204 to the HLC in fiscal year 2013 for operations for historic site preservation.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

## 19. Conduit Debt Obligation

In December 2001, the County issued \$16,480,000 Multifamily Housing Revenue Bonds on behalf of Sycamore Green, LLC for the acquisition, construction and equipping of a low and moderate income multifamily rental housing development. These bonds are secured by rents from the property and a letter of credit. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for the repayment of these bonds. Accordingly, the outstanding bonds in the amount of \$15,165,000 at June 30, 2013 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 \$8,150,000 at June 30, 2013 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 \$4,070,000 at June 30, 2013 are not reported as liabilities in the accompanying financial statements.

## 20. 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.

## 21. Change in Accounting Principle/Restatement

The County implemented Governmental Accounting Standards Board (GASB) Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and Statement 65, Items Previously reported as Assets and Liabilities, in the fiscal year ending June 30, 2013. In accordance with GASB Statement 63, the Statement of Net Position has been replaced with the Statement of Net Position. Items in the Statement of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position. Additionally, GASB Statement 65 requires that

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

deferred costs from the refunding of debt, which were previously deferred and amortized, be presented as deferred outflow of resources. Bond issuance costs, which were previously deferred and amortized must be included in current expenditures. Previously deferred bond issuance costs totaling \$17,229,857 were recognized as an expenditure in the current year. As a result, beginning net position decreased from (\$227,942,544) to (\$245,172,401).

**22. Subsequent Event**

The County has evaluated subsequent events through October 31, 2013, in connection with the preparation of these financial statements which is the date the financial statements were available to be issued.



CELEBRATING THE SESTERCENTENNIAL



## Required Supplementary Information

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





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

Year Ended Dec. 31,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
2012	-	\$ 9,874,484	\$ 9,874,484	0.00 %	\$ 17,482,456	56.48 %
2011	-	9,430,333	9,430,333	0.00	17,098,231	55.15
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

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

Fiscal Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2013	\$ 991,500	62.86 %
2012	880,841	71.17
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

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	12/31/2011
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	19 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25% - 7.85%
Cost-of-living adjustments	None

\* Includes inflation at 3.00%

B - 3  
 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 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)
2013	\$ 48,536,553	\$ 490,423,588	\$ 441,887,035	9.90 %	\$ 227,162,263	194.52 %
2012	38,317,546	463,282,925	424,965,379	8.27	210,482,384	201.90
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

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. Complete information regarding the County's plan is located in the notes to the financial statements.

B - 4  
 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
2013	\$ 48,983,161	\$ 15,476,590	31.60 %
2012	39,173,259	15,663,056	39.98
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

Notes to the Required Schedules:

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

Valuation date	01/01/2013
Actuarial cost method	Projected unit credit
Amortization method	Level dollar amount
Remaining amortization period	28 years
Asset valuation method	5-Year Smooth Market
Actuarial assumptions:	
Investment rate of return*	4.91%
Projected salary increases*	0.00%
Healthcare cost trend rate*	7.9% graded 4.7% over 70 years
Cost-of-living adjustments	None

\* Includes an inflation assumption of 0.0%

Complete information regarding the County's plan is located in the notes to the financial statements.



CELEBRATING THE SESTERCENTENNIAL



## Combining and Individual Fund Statements and Schedules

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

**Fire Service Districts:** Accounts for the ad valorem taxes for the fire protection service districts which are levied in the unincorporated areas of the County.

### 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.

**2000A Public Improvement Fund:** This fund is used to account for the construction of and renovations to Parks, Government, and Law Enforcement Facilities.

**2006A Public Improvement Fund:** This fund accounts for the renovations at the Community College along with Land Acquisition, Law Enforcement Facilities, School Facilities, Park and Government Facilities.

**2007A Public Improvement Fund:** Accounts for the construction, renovations and development of Community College, Law Enforcement facilities along with the construction of Sports facilities and Recreation Centers, Park Development and Improvement.

**2008A Park and Recreation:** This fund is for the construction of Greenways.

**2008B Public Improvement Fund:** Accounts for the financing and construction of various capital assets and improvements throughout the county which includes, School facilities, Law Enforcement Facility, Park Development, Park Improvements, Land Acquisition and Greenways

**2011A Public Improvement Fund:** This fund is for the construction and renovation of School facilities, Land acquisition along with Parks and Greenways.

**2011B Qualified School Construction Bonds:** Accounts for the financing and construction of School facilities.

**2013A Public Improvement Fund:** This fund is for the construction and renovation of School facilities, Land acquisition along with Parks and Greenways also the construction and renovation of Community College.

**Certificates of Participation Fund:** This fund is for the construction and renovation of Community College, School, County, Law Enforcement, Courthouse facilities and Parks.

**Capital Reserve Fund:** Accounts for the renovation and improvement of County facilities, Community College facilities, Library facilities and Park improvements.

**Other Capital Funding:** Accounts for acquisition and renovation of various historic facilities, Grants and Pay-As-You-Go funding.

C - 1  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2013

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 31,549,228	\$ 202,311,043	\$ 233,860,271
Accrued interest receivable	46,289	12,775	59,064
Accounts receivable	15,463,660	2,410,306	17,873,966
Taxes receivable	1,101,734	-	1,101,734
Less allowance for uncollectible taxes	(480,000)	-	(480,000)
Advance to other governments	-	60,809	60,809
<b>TOTAL ASSETS</b>	<b><u>\$ 47,680,911</u></b>	<b><u>\$ 204,794,933</u></b>	<b><u>\$ 252,475,844</u></b>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	\$ 10,402,033	\$ 9,598,284	\$ 20,000,317
Tax Reservation	621,734	-	621,734
Total Liabilities	<u>11,023,767</u>	<u>9,598,284</u>	<u>20,622,051</u>
DEFERRED INFLOWS OF RESOURCES	<u>34,414</u>	<u>-</u>	<u>34,414</u>
Fund Balance			
<b>Restricted</b>			
Stabilization by State Statute	19,005,354	17,147,355	36,152,709
Land Use and Environmental Services	1,796,639	-	1,796,639
Fire Protection	396,167	-	396,167
Capital Projects	-	102,963,950	102,963,950
<b>Committed</b>			
Land Use and Environmental Services	25,292,375	-	25,292,375
Public Safety	1,747,697	-	1,747,697
Capital Projects	-	76,407,067	76,407,067
<b>Unassigned</b>	<u>(11,615,502)</u>	<u>(1,321,723)</u>	<u>(12,937,225)</u>
Total Fund Balances	<u>36,622,730</u>	<u>195,196,649</u>	<u>231,819,379</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 47,680,911</u></b>	<b><u>\$ 204,794,933</u></b>	<b><u>\$ 252,475,844</u></b>

C - 2  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Law Enforcement Service District taxes	\$ 13,115,502	\$ -	\$ 13,115,502
Transit One-half Cent sales tax	35,931,007	-	35,931,007
Fire Service Districts property taxes	3,255,447	-	3,255,447
Intergovernmental	3,956,761	-	3,956,761
Federal	-	2,744,338	2,744,338
State	-	1,434	1,434
Charges for services	15,110,479	1,433,769	16,544,248
Interest earned on investments	123,869	2,173	126,042
Other	226,977	1,563,062	1,790,039
Total Revenues	<u>71,720,042</u>	<u>5,744,776</u>	<u>77,464,818</u>
<b>EXPENDITURES</b>			
Land Use and Environmental Services	13,575,704	-	13,575,704
Public Safety	3,199,990	-	3,199,990
Business Partners	48,398,203	-	48,398,203
Debt Service:			
Principal	530,146	-	530,146
Interest	54,572	-	54,572
Capital Outlay	1,670,204	137,143,162	138,813,366
Total Expenditures	<u>67,428,819</u>	<u>137,143,162</u>	<u>204,571,981</u>
REVENUES OVER / (UNDER) EXPENDITURES	4,291,223	(131,398,386)	(127,107,163)
<b>OTHER FINANCING SOURCES</b>			
Sale of bonds	-	100,000,000	100,000,000
Premium on financing	-	11,002,450	11,002,450
Installment financing	-	500,000	500,000
Gain on sale of fixed assets		184,246	184,246
Transfers from other funds	174,000	60,692,400	60,866,400
Total Other Financing Sources	174,000	172,379,096	172,553,096
NET CHANGE IN FUND BALANCE	4,465,223	40,980,710	45,445,933
FUND BALANCES - BEGINNING OF YEAR	32,157,507	154,215,939	186,373,446
FUND BALANCES - END OF YEAR	<u>\$ 36,622,730</u>	<u>\$ 195,196,649</u>	<u>\$ 231,819,379</u>

C - 3  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING BALANCE SHEET  
 SPECIAL REVENUE FUNDS  
 JUNE 30, 2013

	Storm Water Management	Law Enforcement Service District	Transit One-half Cent Sales Tax	Scrap Tire Disposal	Discarded White Goods	Register of Deeds	Fire Service Districts Funds	Total Special Revenue Funds
<b>ASSETS</b>								
Cash and investments	\$ 25,228,029	\$ 1,784,717	\$ -	\$ 715,868	\$ 1,864,791	\$ 1,726,366	\$ 229,457	\$ 31,549,228
Accrued interest receivable	42,205	2,723	-	1,361	-	-	-	46,289
Accounts receivable	5,446,065	608	10,016,987	-	-	-	-	15,463,660
Taxes receivable	-	1,101,734	-	-	-	-	-	1,101,734
Less allowance for uncollectible taxes	-	(480,000)	-	-	-	-	-	(480,000)
<b>TOTAL ASSETS</b>	<b>\$ 30,716,299</b>	<b>\$ 2,409,782</b>	<b>\$ 10,016,987</b>	<b>\$ 717,229</b>	<b>\$ 1,864,791</b>	<b>\$ 1,726,366</b>	<b>\$ 229,457</b>	<b>\$ 47,680,911</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable and accrued liabilities	\$ 247,105	\$ 2,606	\$ 10,016,987	\$ 93,912	\$ 4,341	\$ 37,082	\$ -	\$ 10,402,033
Tax Reservation	-	621,734	-	-	-	-	-	621,734
<b>Total Liabilities</b>	<b>247,105</b>	<b>624,340</b>	<b>10,016,987</b>	<b>93,912</b>	<b>4,341</b>	<b>37,082</b>	<b>-</b>	<b>11,023,767</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Fund Balance	-	34,414	-	-	-	-	-	34,414
<b>Restricted:</b>								
Stabilization by State Statute	8,508,731	3,331	10,016,987	374,403	7,301	52,890	41,711	19,005,354
Land Use and Environmental Services	160,245	-	-	-	-	1,636,394	-	1,796,639
Fire Protection	-	-	-	-	-	-	396,167	396,167
<b>Committed:</b>								
Land Use and Environmental Services	23,190,312	-	-	248,914	1,853,149	-	-	25,292,375
Public Safety	-	1,747,697	-	-	-	-	-	1,747,697
<b>Unassigned:</b>								
	(1,390,094)	-	(10,016,987)	-	-	-	(208,421)	(11,615,502)
<b>Total Fund Balances</b>	<b>30,469,194</b>	<b>1,751,028</b>	<b>-</b>	<b>623,317</b>	<b>1,860,450</b>	<b>1,689,284</b>	<b>229,457</b>	<b>36,622,730</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 30,716,299</b>	<b>\$ 2,409,782</b>	<b>\$ 10,016,987</b>	<b>\$ 717,229</b>	<b>\$ 1,864,791</b>	<b>\$ 1,726,366</b>	<b>\$ 229,457</b>	<b>\$ 47,680,911</b>



MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013

	Storm Water Management	Law Enforcement Service District	Transit One-half Cent Sales Tax	Scrap Tire Disposal	Discarded White Goods	Register of Deeds	Fire Service Districts Funds	Total Special Revenue Funds
<b>REVENUES</b>								
Law Enforcement Service District taxes	\$ -	\$ 13,115,502	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,115,502
Transit one-half cent sales tax	-	-	35,931,007	-	-	-	-	35,931,007
Fire Service Districts property taxes	-	-	-	-	-	-	3,255,447	3,255,447
Intergovernmental	2,254,903	-	-	1,412,987	288,871	-	-	3,956,761
Charges for services	14,418,767	-	-	-	-	691,712	-	15,110,479
Interest earned on investments	113,396	7,577	-	2,896	-	-	-	123,869
Other	299,708	(218,787)	-	98,413	47,643	-	-	226,977
<b>TOTAL REVENUES</b>	<b>17,086,774</b>	<b>12,904,292</b>	<b>35,931,007</b>	<b>1,514,296</b>	<b>336,514</b>	<b>691,712</b>	<b>3,255,447</b>	<b>71,720,042</b>
<b>EXPENDITURES</b>								
Land Use and Environmental Services	11,649,414	-	-	1,173,099	233,109	520,082	-	13,575,704
Public Safety	-	-	-	-	-	-	3,199,990	3,199,990
Business Partners	-	12,467,196	35,931,007	-	-	-	-	48,398,203
Debt Service:								
Principal	530,146	-	-	-	-	-	-	530,146
Interest	54,572	-	-	-	-	-	-	54,572
Capital Outlay	1,428,860	-	-	-	226,452	14,892	-	1,670,204
<b>TOTAL EXPENDITURES</b>	<b>13,662,992</b>	<b>12,467,196</b>	<b>35,931,007</b>	<b>1,173,099</b>	<b>459,561</b>	<b>534,974</b>	<b>3,199,990</b>	<b>67,428,819</b>
<b>REVENUES OVER / (UNDER) EXPENDITURES</b>	<b>3,423,782</b>	<b>437,096</b>	<b>-</b>	<b>341,197</b>	<b>(123,047)</b>	<b>156,738</b>	<b>55,457</b>	<b>4,291,223</b>
<b>OTHER FINANCING SOURCES</b>								
Transfers from other funds	-	-	-	-	-	-	174,000	174,000
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>174,000</b>	<b>174,000</b>
<b>EXCESS / (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER / (UNDER) EXPENDITURES</b>	<b>3,423,782</b>	<b>437,096</b>	<b>-</b>	<b>341,197</b>	<b>(123,047)</b>	<b>156,738</b>	<b>229,457</b>	<b>4,465,223</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>27,045,412</b>	<b>1,313,932</b>	<b>-</b>	<b>282,120</b>	<b>1,983,497</b>	<b>1,532,546</b>	<b>-</b>	<b>32,157,507</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 30,469,194</b>	<b>\$ 1,751,028</b>	<b>\$ -</b>	<b>\$ 623,317</b>	<b>\$ 1,860,450</b>	<b>\$ 1,689,284</b>	<b>\$ 229,457</b>	<b>\$ 36,622,730</b>

C - 5  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING BALANCE SHEET  
 CAPITAL PROJECTS FUNDS  
 JUNE 30, 2013

	2000A Public Improvement	2011A Public Improvement	2011B Qualified School Construction Bonds	2013A Public Improvement	Certificates of Participation	Capital Reserve	Other Capital Funding	Total Capital Projects
Cash and investments	\$ 18,008	\$ 18,638,190	\$ 13,196,867	\$ 80,595,578	\$ 1,019,523	\$ 42,913,190	\$ 45,929,687	\$ 202,311,043
Interest receivable	-	6,774	6,001	-	-	-	-	12,775
Accounts receivable	-	-	-	-	-	2,367,428	42,878	2,410,306
Advance to other governments	-	-	-	-	-	60,809	-	60,809
<b>TOTAL ASSETS</b>	<b>\$ 18,008</b>	<b>\$ 18,644,964</b>	<b>\$ 13,202,868</b>	<b>\$ 80,595,578</b>	<b>\$ 1,019,523</b>	<b>\$ 45,341,427</b>	<b>\$ 45,972,565</b>	<b>\$ 204,794,933</b>

LIABILITIES AND FUND BALANCES

Liabilities								
Accounts payable and accrued liabilities	\$ -	\$ 1,490,929	\$ 1,925,851	\$ 2,127,825	\$ 52,794	\$ 2,084,090	\$ 1,916,795	\$ 9,598,284
Total Liabilities	-	1,490,929	1,925,851	2,127,825	52,794	2,084,090	1,916,795	9,598,284

Fund Balances

Restricted								
Stabilization by State Statute	-	4,018,150	6,001	919,476	99,187	7,117,502	4,987,039	17,147,355
Capital Projects	18,008	13,135,885	11,271,016	77,548,277	867,542	60,809	62,413	102,963,950
Committed	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	36,338,360	40,068,707	76,407,067
Unassigned	-	-	-	-	-	(259,334)	(1,062,389)	(1,321,723)
Total Fund Balances	18,008	17,154,035	11,277,017	78,467,753	966,729	43,257,337	44,055,770	195,196,649

TOTAL LIABILITIES AND FUND BALANCES

TOTAL LIABILITIES AND FUND BALANCES	\$ 18,008	\$ 18,644,964	\$ 13,202,868	\$ 80,595,578	\$ 1,019,523	\$ 45,341,427	\$ 45,972,565	\$ 204,794,933
-------------------------------------	-----------	---------------	---------------	---------------	--------------	---------------	---------------	----------------

MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013

	2000A Public Improvement	2006A Public Improvement	2007A Public Improvement	2008A Park and Recreation	2008B Public Improvement	2011A Public Improvement	2011B Qualified School Const. Bonds	2013A Public Improvement	Certificates of Participation	Capital Reserve	Other Capital Funding	Total Capital Projects
Project Authorization	\$ 34,000,000	\$ 89,000,000	\$ 102,000,000	\$ 12,000,000	\$ 148,500,000	\$ 49,000,000	\$ 51,000,000	\$ 100,000,000	\$ 672,520,000	\$ 98,456,682	\$ 375,698,878	\$ 1,732,175,560
Prior Year's Revenues	34,000,000	89,000,000	102,000,000	12,000,000	148,500,000	55,393,762	51,047,813	-	670,078,982	95,508,784	369,337,487	1,626,866,828
Prior Year's Expenditures	33,981,992	88,994,459	101,913,989	11,989,050	148,424,443	16,639,037	6,083,764	-	666,813,380	65,320,059	332,490,716	1,472,650,889
Fund Balances - Beginning of Year	18,008	5,541	86,011	10,950	75,557	38,754,725	44,964,049	-	3,265,602	30,188,725	36,846,771	154,215,939
<b>REVENUES</b>												
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-
Federal	-	-	-	-	-	-	-	-	-	2,367,275	377,063	2,744,338
State	-	-	-	-	-	-	-	-	-	-	1,434	1,434
Charges for services	-	-	-	-	-	-	-	-	-	1,433,769	-	1,433,769
Interest earned on investments	-	-	-	-	-	-	-	93	-	523	1,557	2,173
Other	-	-	-	-	-	-	-	-	-	1,093,642	469,420	1,563,062
Total Revenues	-	-	-	-	-	-	-	93	-	4,895,209	849,474	5,744,776
<b>EXPENDITURES</b>												
Management Services	-	-	-	-	-	-	-	-	-	-	-	-
County Buildings	-	-	-	-	-	402	-	-	2,203,823	12,268,371	95,215	14,567,409
Land	-	-	-	-	-	-	-	-	-	-	1,003,349	1,003,751
Land Use and Environmental Services	-	-	-	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-	-	577,120	577,120
Historic Preservation	-	-	-	-	-	-	-	-	-	-	257,863	257,863
Community Services	-	-	-	-	-	-	-	-	-	-	-	-
Park and Recreation Facilities	-	-	-	10,950	9,902	14,858,616	-	3,480,229	-	3,917,019	3,092,916	25,369,632
Library Facilities	-	-	-	-	-	-	-	-	-	356,127	-	356,127
Detention and Court Support Services	-	-	-	-	-	-	-	-	-	-	-	-
Energy Conservation Measure	-	-	-	-	-	-	-	-	-	-	1,852,294	1,852,294
Court Facilities	-	-	-	-	-	-	-	-	10	407,128	3,798,372	4,205,510
Jail / Detention Facilities	-	5,541	86,011	-	65,655	-	-	-	95,040	1,342,462	4,830,271	6,424,980
Business Partners	-	-	-	-	-	-	-	-	-	-	12,159,845	23,062,993
Community College Facilities	-	-	-	-	-	-	-	-	-	-	(38,270)	59,465,483
School Facilities	-	5,541	86,011	10,950	75,557	6,741,672	33,687,032	19,075,049	2,298,873	19,214,743	27,628,975	137,143,162
Total Expenditures	-	5,541	86,011	10,950	75,557	21,600,690	33,687,032	32,534,790	2,298,873	19,214,743	27,628,975	137,143,162
REVENUES UNDER EXPENDITURES	-	(5,541)	(86,011)	(10,950)	(75,557)	(21,600,690)	(33,687,032)	(32,534,697)	(2,298,873)	(14,319,534)	(26,779,501)	(131,398,386)
<b>OTHER FINANCING SOURCES</b>												
Sale of bonds	-	-	-	-	-	-	-	100,000,000	-	-	-	100,000,000
Premium on financing	-	-	-	-	-	-	-	11,002,450	-	-	-	11,002,450
Installment financing / Capital Lease	-	-	-	-	-	-	-	-	-	500,000	-	500,000
Gain on sale of fixed assets	-	-	-	-	-	-	-	-	-	184,246	-	184,246
Transfer from other funds	-	-	-	-	-	-	-	-	-	26,703,900	33,988,500	60,692,400
Total Other Financing Sources	-	-	-	-	-	-	-	111,002,450	-	27,388,146	33,988,500	172,379,096
NET CHANGE IN FUND BALANCES	-	(5,541)	(86,011)	(10,950)	(75,557)	(21,600,690)	(33,687,032)	78,467,753	(2,298,873)	13,068,612	7,208,999	40,980,710
FUND BALANCES - END OF YEAR	\$ 18,008	\$ -	\$ -	\$ -	\$ -	\$ 17,154,035	\$ 11,277,017	\$ 78,467,753	\$ 966,729	\$ 43,257,337	\$ 44,055,770	\$ 195,196,649

C - 7  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - DEBT SERVICE FUND  
 FOR THE YEAR ENDED JUNE 30, 2013

	Budget	Actual	Variance (Positive) / Negative
<b>REVENUES</b>			
Property taxes	\$ 237,919,500	\$ 237,919,500	\$ -
Sales taxes	37,800,000	39,788,480	1,988,480
Intergovernmental	13,616,990	13,584,436	(32,554)
Interest earned on investments	540,000	427,282	(112,718)
Other	-	2,236,628	2,236,628
Total Revenues	<u>289,876,490</u>	<u>293,956,326</u>	<u>4,079,836</u>
<b>EXPENDITURES</b>			
Board of Education			
Debt service			
Principal payments	96,067,298	91,116,659	(4,950,639)
Interest	58,264,109	62,964,748	4,700,639
Central Piedmont Community College			
Debt service			
Principal payments	13,035,270	11,783,156	(1,252,114)
Interest	3,442,848	4,694,961	1,252,113
Debt Service			
Principal payments	55,262,046	56,784,910	1,522,864
Interest and fiscal charges	22,292,259	28,558,189	6,265,930
Debt service reduction	41,512,660	-	(41,512,660)
Total Expenditures	<u>289,876,490</u>	<u>255,902,623</u>	<u>(33,973,867)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER / (UNDER) EXPENDITURES</b>			
	<u>-</u>	<u>38,053,703</u>	<u>38,053,703</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Refunding bond proceeds	209,815,000	227,930,000	18,115,000
Premium on financing	56,766,971	57,723,544	956,573
Payments to refunding escrow agent	(266,581,971)	(268,657,051)	(2,075,080)
Total Other Financing Sources (Uses)	<u>-</u>	<u>16,996,493</u>	<u>16,996,493</u>
<b>NET CHANGE IN FUND BALANCE</b>			
	-	55,050,196	55,050,196
<b>FUND BALANCE - BEGINNING OF YEAR</b>			
	-	31,379,689	31,379,689
<b>FUND BALANCE - END OF YEAR</b>			
	<u>\$ -</u>	<u>\$ 86,429,885</u>	<u>\$ 86,429,885</u>

D - 1  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF ASSETS AND LIABILITIES  
 AGENCY FIDUCIARY FUNDS  
 JUNE 30, 2013

	Municipalities' Taxes	Employees' Insurance	Fee Collection for State	Food and Beverage Tax	Other	Total
<b>ASSETS</b>						
Cash and investments	\$ 3,493,750	\$ 43,552,771	\$ 3,512,544	\$ 245,859	\$ 584,479	\$ 51,389,403
Accounts receivable	831	11,397	-	-	255	12,483
Paid to other governmental agencies	-	-	-	2,066,827	-	2,066,827
Due from other governmental agencies	18,393	74,707	-	-	-	93,100
<b>TOTAL ASSETS</b>	<b>\$ 3,512,974</b>	<b>\$ 43,638,875</b>	<b>\$ 3,512,544</b>	<b>\$ 2,312,686</b>	<b>\$ 584,734</b>	<b>\$ 53,561,813</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 2,037,724	\$ 43,638,875	\$ 3,449,851	\$ 2,075,220	\$ 584,734	\$ 51,786,404
Due to other governmental agencies	1,475,250	-	-	237,466	-	1,712,716
Due to NC Department of Motor Vehicles	-	-	62,693	-	-	62,693
<b>TOTAL LIABILITIES</b>	<b>\$ 3,512,974</b>	<b>\$ 43,638,875</b>	<b>\$ 3,512,544</b>	<b>\$ 2,312,686</b>	<b>\$ 584,734</b>	<b>\$ 53,561,813</b>

D - 2  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b>Municipalities' Taxes</b>				
ASSETS				
Cash and investments	\$ 1,848,422	\$ 638,903,785	\$ (637,258,457)	\$ 3,493,750
Accounts receivables	-	831	-	831
Due from other governmental agencies	8,393	10,000	-	18,393
<b>TOTAL ASSETS</b>	<b>\$ 1,856,815</b>	<b>\$ 638,914,616</b>	<b>\$ (637,258,457)</b>	<b>\$ 3,512,974</b>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,937,876	\$ 9,247,350	\$ (9,147,502)	\$ 2,037,724
Due to other governmental agencies	(81,059)	599,064,747	(597,508,438)	1,475,250
<b>TOTAL LIABILITIES</b>	<b>\$ 1,856,817</b>	<b>\$ 608,312,097</b>	<b>\$ (606,655,940)</b>	<b>\$ 3,512,974</b>
<b>Employees' Insurance</b>				
ASSETS				
Cash and investments	\$ 33,903,006	\$ 102,226,649	\$ (92,576,884)	\$ 43,552,771
Accounts receivables	190,857	114,630	(294,090)	11,397
Due from other governmental agencies	61,001	74,707	(61,001)	74,707
<b>TOTAL ASSETS</b>	<b>\$ 34,154,864</b>	<b>\$ 102,415,986</b>	<b>\$ (92,931,975)</b>	<b>\$ 43,638,875</b>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 20,166,762	\$ 218,530,003	\$ (195,057,890)	\$ 43,638,875
<b>TOTAL LIABILITIES</b>	<b>\$ 20,166,762</b>	<b>\$ 218,530,003</b>	<b>\$ (195,057,890)</b>	<b>\$ 43,638,875</b>
<b>Fee Collection for State</b>				
ASSETS				
Cash and investments	\$ 3,930,351	\$ 10,061,896	\$ (10,479,703)	\$ 3,512,544
Paid to other governmental agencies	-	989,586	(989,586)	-
<b>TOTAL ASSETS</b>	<b>\$ 3,930,351</b>	<b>\$ 11,051,482</b>	<b>\$ (11,469,289)</b>	<b>\$ 3,512,544</b>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 3,852,155	\$ 25,840,615	\$ (26,242,919)	\$ 3,449,851
Due to NC Department of Motor Vehicles	78,196	983,583	(999,086)	62,693
<b>TOTAL LIABILITIES</b>	<b>\$ 3,930,351</b>	<b>\$ 26,824,198</b>	<b>\$ (27,242,005)</b>	<b>\$ 3,512,544</b>
<b>Food and Beverage Tax</b>				
ASSETS				
Cash and investments	\$ 164,918	\$ 23,907,713	\$ (23,826,772)	\$ 245,859
Paid to other governmental agencies	1,932,252	25,893,527	(25,758,952)	2,066,827
<b>TOTAL ASSETS</b>	<b>\$ 2,097,170</b>	<b>\$ 49,801,240</b>	<b>\$ (49,585,724)</b>	<b>\$ 2,312,686</b>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,940,645	\$ 2,066,899	\$ (1,932,324)	\$ 2,075,220
Due to other governmental agencies	156,525	23,907,785	(23,826,844)	237,466
<b>TOTAL LIABILITIES</b>	<b>\$ 2,097,170</b>	<b>\$ 25,974,684</b>	<b>\$ (25,759,168)</b>	<b>\$ 2,312,686</b>
<b>Other</b>				
ASSETS				
Cash and investments	\$ 1,147,321	\$ 433,303	\$ (996,145)	\$ 584,479
Accounts receivables	8,446	515	(8,706)	255
<b>TOTAL ASSETS</b>	<b>\$ 1,155,767</b>	<b>\$ 433,818</b>	<b>\$ (1,004,851)</b>	<b>\$ 584,734</b>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,155,767	\$ 1,615,497	\$ (2,186,530)	\$ 584,734
<b>TOTAL LIABILITIES</b>	<b>\$ 1,155,767</b>	<b>\$ 1,615,497</b>	<b>\$ (2,186,530)</b>	<b>\$ 584,734</b>
<b>Totals - All Agency Funds</b>				
ASSETS				
Cash and investments	\$ 40,994,018	\$ 775,533,346	\$ (765,137,961)	\$ 51,389,403
Accounts receivables	199,303	115,976	(302,796)	12,483
Paid to other governmental agencies	1,932,252	26,883,113	(26,748,538)	2,066,827
Due from other governmental agencies	69,394	84,707	(61,001)	93,100
<b>TOTAL ASSETS</b>	<b>\$ 43,194,967</b>	<b>\$ 802,617,142</b>	<b>\$ (792,250,296)</b>	<b>\$ 53,561,813</b>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 29,053,205	\$ 257,300,364	\$ (234,567,165)	\$ 51,786,404
Due to other governmental agencies	75,466	622,972,532	(621,335,282)	1,712,716
Due to NC Department of Motor Vehicles	78,196	983,583	(999,086)	62,693
<b>TOTAL LIABILITIES</b>	<b>\$ 29,206,867</b>	<b>\$ 881,256,479</b>	<b>\$ (856,901,533)</b>	<b>\$ 53,561,813</b>



E - 1  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL - GRANTS PROJECT FUND  
 FOR THE YEAR ENDING JUNE 30, 2013

	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	\$ 1,383,550	\$ 461,258	\$ 334,955	\$ 796,213	\$ 587,337
Total Revenues	<u>1,383,550</u>	<u>461,258</u>	<u>334,955</u>	<u>796,213</u>	<u>587,337</u>
EXPENDITURES					
Rehabilitation	1,106,550	337,493	261,758	599,251	507,299
Administration	277,000	123,765	73,197	196,962	80,038
Total Expenditures	<u>1,383,550</u>	<u>461,258</u>	<u>334,955</u>	<u>796,213</u>	<u>587,337</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>North Carolina Clean Water Management Trust</b>					
<b>Little Sugar Creek - Phase 9 (Midtown)</b>					
<b>Project 2007 - 404</b>					
REVENUES					
Grant Proceeds	\$ 615,000	463,174	(45,156)	\$ 418,018	\$ 196,982
Mecklenburg County	662,000	662,000	(195,613)	466,387	195,613
Total Revenues	<u>1,277,000</u>	<u>1,125,174</u>	<u>(240,769)</u>	<u>884,405</u>	<u>392,595</u>
EXPENDITURES					
Construction	1,277,000	1,125,174	(240,769)	884,405	392,595
Total Expenditures	<u>1,277,000</u>	<u>1,125,174</u>	<u>(240,769)</u>	<u>884,405</u>	<u>392,595</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>North Carolina Clean Water Management Trust</b>					
<b>Little Sugar Creek - Phase VIII</b>					
<b>Project 2006 - 404</b>					
REVENUES					
Grant Proceeds	\$ 1,000,000	\$ 637,497	\$ (229,030)	\$ 408,467	\$ 591,533
Mecklenburg County	300,000	273,385	10,665	284,050	15,950
Total Revenues	<u>1,300,000</u>	<u>910,882</u>	<u>(218,365)</u>	<u>692,517</u>	<u>607,483</u>
EXPENDITURES					
Construction	1,300,000	910,882	(218,365)	692,517	607,483
Total Expenditures	<u>1,300,000</u>	<u>910,882</u>	<u>(218,365)</u>	<u>692,517</u>	<u>607,483</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

(Continued)

E - 1  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL - GRANTS PROJECT FUND  
 FOR THE YEAR ENDING JUNE 30, 2013  
 (CONTINUED)

	Project Authorization	Actual		Total to Date	Project Authorization Balance
		Prior Year	Current Year		
<b>North Carolina Clean Water Management Trust</b>					
<b>McAlpine Creek</b>					
<b>Project 2006A - 405</b>					
REVENUES					
Grant Proceeds	\$ 845,000	\$ 845,000	\$ -	\$ 845,000	\$ -
City of Charlotte	1,350,000	753,449	515,249	1,268,698	81,302
Mecklenburg County	345,000	82,686	44,997	127,683	217,317
Total Revenues	<u>2,540,000</u>	<u>1,681,135</u>	<u>560,246</u>	<u>2,241,381</u>	<u>298,619</u>
EXPENDITURES					
Construction	<u>2,540,000</u>	<u>1,681,135</u>	<u>560,246</u>	<u>2,241,381</u>	<u>298,619</u>
Total Expenditures	<u>2,540,000</u>	<u>1,681,135</u>	<u>560,246</u>	<u>2,241,381</u>	<u>298,619</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>U.S Department of Environmental Protection</b>					
<b>Passed through N.C. Department of Environment</b>					
<b>and Natural Resources</b>					
<b>McDowell Creek Watershed Ange Property</b>					
<b>Project EW8021</b>					
REVENUES					
Grant Proceeds	\$ 381,661	\$ 355,258	\$ 26,403	\$ 381,661	\$ -
City of Charlotte	90,000	85,031	-	85,031	4,969
Mecklenburg County	223,406	176,316	-	176,316	47,090
Total Revenues	<u>695,067</u>	<u>616,605</u>	<u>26,403</u>	<u>643,008</u>	<u>52,059</u>
EXPENDITURES					
Construction	<u>695,067</u>	<u>616,605</u>	<u>26,403</u>	<u>643,008</u>	<u>52,059</u>
Total Expenditures	<u>695,067</u>	<u>616,605</u>	<u>26,403</u>	<u>643,008</u>	<u>52,059</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 - ARRA	\$ 2,576,000	\$ 2,493,635	\$ -	\$ 2,493,635	\$ 82,365
Grant Proceeds - State	370,000	250,149	-	250,149	119,851
Mecklenburg County	1,996,813	1,246,813	-	1,246,813	750,000
Total Revenues	<u>4,942,813</u>	<u>3,990,597</u>	<u>-</u>	<u>3,990,597</u>	<u>952,216</u>
EXPENDITURES					
Construction	<u>4,942,813</u>	<u>3,990,597</u>	<u>-</u>	<u>3,990,597</u>	<u>952,216</u>
Total Expenditures	<u>4,942,813</u>	<u>3,990,597</u>	<u>-</u>	<u>3,990,597</u>	<u>952,216</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

(Continued)

E - 1  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL - GRANTS PROJECT FUND  
 FOR THE YEAR ENDING JUNE 30, 2013  
 (CONTINUED)

	Project Authorization	Actual		Project Authorization Balance	
		Prior Year	Current Year		Total to Date
<b>North Carolina Clean Water Management Trust</b>					
<b>Torrence Creek Restoration</b>					
<b>Project 2011-404</b>					
REVENUES					
Grant Proceeds	\$ 364,711		\$ 354,711	\$ 354,711	\$ 10,000
Town of Huntersville	45,000		31,688	31,688	13,312
Mecklenburg County	593,089		239,349	239,349	353,740
Total Revenues	<u>1,002,800</u>	<u>-</u>	<u>625,748</u>	<u>625,748</u>	<u>377,052</u>
EXPENDITURES					
Construction	\$ 1,002,800	\$ -	\$ 625,748	\$ 625,748	\$ 377,052
Total Expenditures	<u>1,002,800</u>	<u>-</u>	<u>625,748</u>	<u>625,748</u>	<u>377,052</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>Federal Department of Transportation</b>					
<b>Passed through N.C. Department of Transportation</b>					
<b>Barton Creek Greenway</b>					
<b>Project C-5537 CMS-1003-(119)</b>					
REVENUES					
Grant Proceeds	\$ 881,280	\$ -	\$ 42,109	\$ 42,109	\$ 839,171
Mecklenburg County	267,320	-	-	-	267,320
Total Revenues	<u>1,148,600</u>	<u>-</u>	<u>42,109</u>	<u>42,109</u>	<u>1,106,491</u>
EXPENDITURES					
Construction	1,148,600	-	42,109	42,109	1,106,491
Total Expenditures	<u>1,148,600</u>	<u>-</u>	<u>42,109</u>	<u>42,109</u>	<u>1,106,491</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

(Continued)

E - 1  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL - GRANTS PROJECT FUND  
 FOR THE YEAR ENDING JUNE 30, 2013  
 (CONCLUDED)

	Project Authorization	Actual			Project Authorization Balance
		Prior Year	Current Year	Total to Date	
<b>U.S. Department of Transportation</b>					
<b>Toby Creek Greenway Phase II</b>					
<b>Project C-5525</b>					
REVENUES					
Grant Proceeds	\$ 1,448,000	\$ -	\$ 664	\$ 664	\$ 1,447,336
City of Charlotte	100,000	100,000	(30,485)	69,515	30,485
Mecklenburg County	262,000	-	-	-	262,000
Total Revenues	<u>1,810,000</u>	<u>100,000</u>	<u>(29,821)</u>	<u>70,179</u>	<u>1,739,821</u>
EXPENDITURES					
Construction	1,810,000	100,000	(29,821)	70,179	1,739,821
Total Expenditures	<u>1,810,000</u>	<u>100,000</u>	<u>(29,821)</u>	<u>70,179</u>	<u>1,739,821</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>Federal Department of Transportation</b>					
<b>Passed through N.C. Department of Transportation</b>					
<b>Little Creek Greenway</b>					
<b>Project EB-4715</b>					
REVENUES					
Grant Proceeds- Federal	\$ 5,248,000	\$ -	\$ 4,702,225	\$ 4,702,225	\$ 545,775
Grant Proceeds- State	80,000	-	-	-	80,000
Mecklenburg County	1,108,000	-	-	-	1,108,000
Total Revenues	<u>6,436,000</u>	<u>-</u>	<u>4,702,225</u>	<u>4,702,225</u>	<u>1,733,775</u>
EXPENDITURES					
Construction	\$ 6,436,000	-	4,702,225	4,702,225	1,733,775
Total Expenditures	<u>6,436,000</u>	<u>-</u>	<u>4,702,225</u>	<u>4,702,225</u>	<u>1,733,775</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>Federal Department of Transportation</b>					
<b>Passed through N.C. Department of Transportation</b>					
<b>Torrence Creek Greenway</b>					
<b>Project E-4954</b>					
REVENUES					
Grant Proceeds	\$ 400,000	\$ -	\$ 16,692	\$ 16,692	\$ 383,308
Mecklenburg County	200,000	-	-	-	200,000
Total Revenues	<u>600,000</u>	<u>-</u>	<u>16,692</u>	<u>16,692</u>	<u>583,308</u>
EXPENDITURES					
Grant	600,000	-	16,692	16,692	583,308
Total Expenditures	<u>600,000</u>	<u>-</u>	<u>16,692</u>	<u>16,692</u>	<u>583,308</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>	

F - 1  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - STORM WATER MANAGEMENT SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2013

	Budget	Actual
<b>REVENUES</b>		
Intergovernmental		
Federal	\$ 506,757	\$ 1,351,723
State	364,711	79,231
Local	-	823,949
Charges for services	14,733,587	14,418,767
Interest earned on investments	-	113,396
Other	160,275	299,708
Total Revenues	15,765,330	17,086,774
 <b>EXPENDITURES</b>		
Land Use and Environmental Services:		
Storm Water Services	9,101,519	11,649,414
Debt Service:		
Principal retirement - bonds	530,146	530,146
Interest	61,351	54,572
Capital outlay	6,072,314	1,428,860
Total Expenditures	15,765,330	13,662,992
 <b>OTHER FINANCING SOURCES (USES)</b>		
Appropriated fund balance	-	-
Installment financing	-	-
Total Other Financing Sources (Uses)	-	-
 <b>REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>		
	\$ -	3,423,782
 <b>FUND BALANCE - BEGINNING OF YEAR</b>		
		27,045,412
<b>FUND BALANCE - END OF YEAR</b>		
		\$ 30,469,194

F - 2  
 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, 2013

	Budget	Actual
<b>REVENUES</b>		
Law Enforcement Service District taxes	\$ 12,467,196	\$ 12,896,715
Interest earned on investments	-	7,577
Total Revenue	12,467,196	12,904,292
<b>EXPENDITURES</b>		
Public Safety	12,467,196	12,467,196
Total Expenditures	12,467,196	12,467,196
<b>REVENUES OVER EXPENDITURES</b>	\$ -	437,096
<b>FUND BALANCE - BEGINNING OF YEAR</b>		1,313,932
<b>FUND BALANCE - END OF YEAR</b>		\$ 1,751,028



F - 3  
 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, 2013

	Budget	Actual
REVENUES		
Transit one-half cent sales tax	\$ 36,000,000	\$ 35,931,007
Total Revenue	36,000,000	35,931,007
EXPENDITURES		
Business Partners	36,000,000	35,931,007
Total Expenditures	36,000,000	35,931,007
REVENUES OVER EXPENDITURES	\$ -	-
FUND BALANCE - BEGINNING OF YEAR		-
FUND BALANCE - END OF YEAR		\$ -

F - 4  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - SCRAP TIRE DISPOSAL SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2013

	Budget	Actual
REVENUES		
Intergovernmental		
State	\$ 1,214,733	\$ 1,412,987
Interest earned on investments	-	2,896
Other	98,413	98,413
Total Revenues	1,313,146	1,514,296
 EXPENDITURES		
Land Use and Environmental Services	1,313,146	1,173,099
Total Expenditures	1,313,146	1,173,099
 REVENUES OVER EXPENDITURES	\$ -	341,197
 FUND BALANCE - BEGINNING OF YEAR		282,120
FUND BALANCE - END OF YEAR		\$ 623,317

F - 5  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - DISCARDED WHITE GOODS SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2013

	Budget	Actual
<b>REVENUES</b>		
Intergovernmental		
State	\$ 302,870	288,871
Other	110,634	47,643
Total Revenues	413,504	336,514
 <b>EXPENDITURES</b>		
Land Use and Environmental Services	338,504	233,109
Capital outlay	265,933	226,452
Total Expenditures	604,437	459,561
 REVENUES UNDER EXPENDITURES	 (190,933)	 (123,047)
 <b>OTHER FINANCING SOURCES (USES)</b>		
Appropriated fund balance	190,933	-
Total Other Financing Sources (Uses)	190,933	-
 REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES	 \$ -	 (123,047)
 FUND BALANCE - BEGINNING OF YEAR		1,983,497
FUND BALANCE - END OF YEAR		\$ 1,860,450

F - 6  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - REGISTER OF DEEDS SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2013

	Budget	Actual
REVENUES		
Charges for services	\$ 850,000	\$ 691,712
Total Revenues	850,000	691,712
EXPENDITURES		
Land Use and Environmental Services	-	520,082
Capital outlay	850,000	14,892
Total Expenditures	850,000	534,974
REVENUES OVER EXPENDITURES	\$ -	156,738
FUND BALANCE - BEGINNING OF YEAR		1,532,546
FUND BALANCE - END OF YEAR		\$ 1,689,284

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - FIRE SERVICE DISTRICTS SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013

	Budget	Actual
<b>REVENUES</b>		
Fire Service Districts property taxes	\$ 3,296,101	\$ 3,255,447
Total Revenues	3,296,101	3,255,447
<b>EXPENDITURES</b>		
Business Partners:		
Land Use and Environmental Services	-	-
Public Safety	3,296,101	3,199,990
Total Expenditures	3,296,101	3,199,990
REVENUES OVER EXPENDITURES	\$ -	55,457
<b>OTHER FINANCING SOURCES</b>		
Transfers in		174,000
Total Other Financing Sources		174,000
REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES		229,457
FUND BALANCE - BEGINNING OF YEAR		-
FUND BALANCE - END OF YEAR		\$ 229,457

G - 1  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES AND EXPENSES - BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL  
 SOLID WASTE FUND  
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budget</u>	<u>Actual</u>
<b>REVENUES</b>		
Residential Solid Waste fees	\$ 5,800,000	\$ 6,066,216
Recycling sales	6,669,547	5,517,566
Other	<u>3,010,500</u>	<u>2,266,765</u>
Total Revenues	<u>15,480,047</u>	<u>13,850,547</u>
<b>EXPENDITURES</b>		
Personnel services and employee benefits	4,794,387	4,517,083
Utilities	197,522	197,522
Supplies	1,320,218	1,163,840
Maintenance and repairs	673,149	457,424
Rental and occupancy charges	694,409	537,015
Contractual services	4,529,882	4,007,994
Postclosure reserve contribution	<u>40,088</u>	<u>40,088</u>
Total Expenditures	<u>12,249,655</u>	<u>10,920,966</u>
<b>EXCESS REVENUES OVER EXPENDITURES</b>	<u>3,230,392</u>	<u>2,929,581</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Grant revenue	125,000	87,538
Interest income	60,000	155,145
Interest expense	(960,718)	(190,116)
Capital outlay	(854,674)	-
Capital contribution	-	226,458
Transfer from other funds	-	1,600,000
Transfer to other funds	<u>(1,600,000)</u>	<u>(1,600,000)</u>
Total Other Financing Sources (Uses)	(3,230,392)	279,025
<b>EXCESS REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES</b>	<u>\$ -</u>	3,208,606
<b>Reconciliation to full accrual basis</b>		
Depreciation		(2,700,299)
Gain on sale of capital assets		<u>38,705</u>
<b>Net Income - Full Accrual Basis</b>		<u>\$ 547,012</u>

G - 2  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 LANDFILL CLOSURE AND POSTCLOSURE RESERVE FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION FOR THE YEAR ENDED JUNE 30, 2013

	Project Authorization	Actual		Total to Date
		Prior Years'	Current Year	
<b>REVENUES</b>				
Fees and charges	\$ 3,100,000	\$ 3,100,000	\$ -	\$ 3,100,000
Total Revenues	<u>3,100,000</u>	<u>3,100,000</u>	<u>-</u>	<u>3,100,000</u>
<b>EXPENDITURES</b>				
Landfill construction	2,223,684	1,232,145	-	1,232,145
Land improvements	2,286,511	3,764,034	1,288,300	5,052,334
Final development and postclosure costs	10,669,587	6,995,430	-	6,995,430
Total Expenditures	<u>15,179,782</u>	<u>11,991,609</u>	<u>1,288,300</u>	<u>13,279,909</u>
REVENUES OVER (UNDER) EXPENDITURES	(12,079,782)	(8,891,609)	(1,288,300)	(10,179,909)
<b>OTHER FINANCING SOURCES</b>				
Interest earned on investments	583,910	2,573,368	38,122	2,611,490
Miscellaneous other - Gain on sale of fixed assets	-	179,602	38,705	218,307
Operating transfer from Solid Waste Enterprise Fund	<u>11,495,872</u>	<u>12,785,872</u>	<u>1,600,000</u>	<u>14,385,872</u>
Total Other Financing Sources	<u>12,079,782</u>	<u>15,538,842</u>	<u>1,676,827</u>	<u>17,215,669</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 6,647,233</u>	<u>\$ 388,527</u>	<u>\$ 7,035,760</u>



G - 3  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 SPECIAL OBLIGATION BOND FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

	Project Authorization	Actual		Total to Date
		Prior Years'	Current Year	
<b>REVENUES</b>				
Interest earned on investment	\$ -	\$ -	\$ 2,883	\$ 2,883
Total Revenues	-	-	2,883	2,883
<b>EXPENDITURES</b>				
Landfill construction	9,700,000	2,645,316	3,223,255	5,868,571
Landfill equipment	3,300,000	2,855,771	299,360	3,155,131
Total Expenditures	13,000,000	5,501,087	3,522,615	9,023,702
REVENUES OVER (UNDER) EXPENDITURES	(13,000,000)	(5,501,087)	(3,519,732)	(9,020,819)
<b>OTHER FINANCING SOURCES (USES)</b>				
Special obligation bonds issued	13,000,000	12,220,000	-	12,220,000
Premium on bonds issued	-	1,024,527	-	1,024,527
Bond discounts and fees	-	(225,278)	-	(225,278)
Total Other Financing Sources (Uses)	13,000,000	13,019,249	-	13,019,249
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	\$ -	\$ 7,518,162	\$ (3,519,732)	\$ 3,998,430

G - 4  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL  
 MECKLINK FUND  
 FOR THE YEAR ENDED JUNE 30, 2013

	Budget	Actual
<b>REVENUES</b>		
Charges for services	\$ 410,175	\$ -
Intergovernmental		
Federal	75,675,500	70,385,505
State	13,069,723	9,410,428
Interest earned on investment	-	299
Total Revenues	89,155,398	79,796,232
<b>EXPENDITURES</b>		
Personnel services and employee benefits	13,032,208	9,967,829
Utilities	230,348	143,386
Supplies	249,299	148,896
Claims	82,557,740	75,075,327
Maintenance and repairs	516,018	137,641
Rent	260,840	129,234
Other	1,541,834	1,303,226
Total Expenditures	98,388,287	86,905,539
<b>REVENUES OVER EXPENDITURES</b>	<b>(9,232,889)</b>	<b>(7,109,307)</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Capital outlay	(595,695)	(2,995)
Transfer from General Fund	8,813,807	8,826,133
From fund balance	1,014,777	-
Total Other Financing Sources (Uses)	9,232,889	8,823,138
<b>EXCESS REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES</b>	<b>\$ -</b>	<b>1,713,831</b>
Reconciliation to full accrual basis		
Depreciation		(45,274)
Net Income - Full Accrual Basis		<b>\$ 1,668,557</b>

**This page left blank intentionally**

CELEBRATING THE SESTERCENTENNIAL



## 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 POSITION BY COMPONENT  
FISCAL YEAR ENDED JUNE 30, 2013  
(Accrual Basis of Accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 582,274,527	\$ 554,597,039	\$ 499,385,868	\$ 463,345,867	\$ 531,275,904	\$ 304,151,869	\$ 356,614,648	\$ 310,896,185	\$ 213,635,383	\$ 127,817,905
Restricted	242,215,059	231,258,801	139,415,700	97,770,660	91,391,765	327,384,574	231,207,128	182,178,629	236,984,909	169,123,657
Unrestricted	(994,261,044)	(1,090,020,888)	(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)
Total Governmental Activities	(169,771,458)	(304,165,048)	(567,192,246)	(756,253,862)	(824,520,751)	(678,366,880)	(596,523,322)	(643,845,576)	(730,838,846)	(705,322,500)
<b>Business-type Activities</b>										
Net investment in capital assets	50,935,215	50,534,165	49,670,011	49,923,326	43,152,758	43,086,496	42,315,856	38,801,651	34,801,339	31,603,515
Restricted	5,666,805	16,601,737	8,424,632	8,374,290	8,618,465	7,887,353	7,103,682	6,136,846	4,633,253	3,633,177
Unrestricted	21,620,837	9,086,602	13,832,478	9,497,989	14,515,731	12,011,366	7,489,702	6,062,071	6,313,736	5,508,645
Total Business-type Activities	78,222,857	76,222,504	71,927,121	67,795,605	66,286,954	62,985,215	56,909,240	51,000,568	45,748,328	40,745,337
<b>Primary Government</b>										
Net investment in capital assets	633,209,742	605,131,204	549,055,879	513,269,193	574,428,662	347,238,365	398,930,504	349,697,836	248,436,722	159,421,420
Restricted	247,881,864	247,860,538	147,840,332	106,144,950	100,010,230	335,271,927	238,310,810	188,315,475	241,618,162	172,756,834
Unrestricted	(972,640,207)	(1,080,934,286)	(1,192,161,336)	(1,307,872,400)	(1,432,672,689)	(1,297,891,957)	(1,176,855,396)	(1,130,856,319)	(1,175,145,402)	(996,755,417)
Total Primary Government	\$ (91,548,601)	\$ (227,942,544)	\$ (495,265,125)	\$ (688,458,257)	\$ (758,233,797)	\$ (615,381,665)	\$ (539,614,082)	\$ (592,845,008)	\$ (685,090,518)	\$ (664,577,163)



TABLE 2  
MECKLENBURG COUNTY, NORTH CAROLINA  
CHANGE IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2013  
(Accrual Basis of Accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Expenses:</b>										
<b>Governmental Activities:</b>										
Customer Satisfaction and Management Services	\$ 13,609,321	\$ 13,385,404	\$ 14,828,864	\$ 10,390,706	\$ 10,140,258	\$ 9,432,409	\$ 9,386,599	\$ 8,036,587	\$ 5,071,173	\$ 4,713,506
Administrative Services	85,575,766	68,640,008	66,877,549	43,718,532	64,375,308	61,279,620	44,273,000	40,844,068	43,750,891	39,279,980
Financial Services	7,458,199	13,481,365	14,865,465	16,659,248	25,160,033	7,120,138	6,326,773	5,567,686	5,180,393	3,800,229
Land Use and Environmental Services	56,500,219	50,382,764	50,518,072	50,748,375	58,372,377	57,010,773	52,666,098	48,392,098	47,169,106	44,964,169
Community Services	66,071,031	62,443,524	74,658,684	81,446,000	88,287,519	81,126,150	72,095,240	69,988,542	60,041,146	55,180,957
Detention and Court Support Services	147,860,118	139,861,092	127,614,457	128,870,916	129,925,222	121,321,357	108,416,665	100,440,768	91,010,118	90,163,414
Health and Human Services	254,559,254	261,719,406	290,064,943	305,754,444	313,323,869	316,744,954	293,701,918	302,912,035	295,466,889	284,575,085
Business Partners	549,689,692	473,884,009	441,256,690	467,838,393	667,379,265	617,922,536	525,688,223	544,344,802	535,387,248	535,387,248
Interest on long term debt: general purpose	28,612,761	31,667,766	49,402,013	39,944,614	38,561,238	35,127,967	34,635,394	34,393,453	27,162,389	37,554,279
public schools	67,659,709	62,480,382	33,562,244	46,320,997	45,518,250	52,334,375	47,444,414	47,180,788	47,180,788	39,134,034
Total Governmental Activities Expenses	1,277,596,069	1,177,945,720	1,163,648,981	1,283,484,662	1,541,862,467	1,407,863,008	1,291,758,728	1,183,707,874	1,166,377,695	1,134,752,901
<b>Business-Type Activities:</b>										
Solid Waste	13,811,381	14,553,401	13,272,793	12,970,552	13,679,582	13,504,089	12,491,152	11,840,983	10,222,626	10,137,235
MeckLink	86,953,809									
Total Primary Government Expenses	1,378,361,259	1,192,499,121	1,176,921,774	1,296,455,214	1,555,542,049	1,421,367,097	1,304,249,880	1,195,548,857	1,176,600,321	1,144,890,136
<b>Program Revenues:</b>										
<b>Governmental Activities:</b>										
Charges for services		5,149		1,250	400		4,425	3,000	3,288	-
Customer Satisfaction and Management Services	2,280,690	4,704,868	4,602,230	2,012,917	1,413,531	1,989,748	1,432,914	2,418,970	2,351,459	2,786,765
Administrative Services	9,013	8,620	822,100	481,537	482,146	7,795	9,536	25,784	322,643	801,132
Financial Services	53,034,595	46,602,695	40,356,281	38,966,978	42,341,007	57,513,158	62,589,961	52,333,602	50,788,661	48,230,572
Land Use and Environmental Services	6,202,031	4,745,409	4,590,010	4,821,374	5,031,383	5,108,761	4,834,221	4,226,162	4,094,909	3,871,825
Community Services	31,619,904	25,140,485	23,184,791	23,841,485	26,829,284	34,652,378	34,443,731	31,401,913	26,582,127	21,663,604
Detention and Court Support Services	8,814,650	11,090,714	13,320,478	18,656,783	16,423,520	17,897,027	14,392,646	30,306,153	23,087,794	25,028,178
Health and Human Services	5,372,084	4,970,124	3,255,246	3,989,324	3,625,969	6,497,024	4,542,827	4,549,316	5,851,361	3,547,264
Business Partners	166,068,948	182,135,099	204,811,753	197,617,627	209,249,190	202,018,874	176,316,481	161,050,616	163,656,851	157,802,215
Operating grants and contributions	2,745,772	2,363,939	2,576,257	1,755,888	562,247	2,324,212	2,599,824	625,975	152,290	1,367,318
Capital grants and contributions	276,147,687	281,767,102	297,519,146	292,145,158	305,958,677	328,008,982	303,166,566	286,941,491	276,891,383	265,098,873
Total Governmental Activities Program Revenues	11,583,782	12,394,000	12,350,331	12,086,857	13,372,703	18,404,455	17,332,509	16,400,768	14,919,683	12,746,983
Charges for services	79,795,933	108,818	64,411	15,000					40,000	
Operating grants and contributions	313,996									
Capital grants and contributions	91,693,711	12,502,818	12,414,742	12,101,857	13,372,703	18,404,455	17,332,509	16,400,768	14,959,683	12,746,983
Total Business-type activities Program Revenues	367,841,398	294,269,920	309,933,888	304,247,015	319,331,380	346,413,437	320,499,075	303,342,259	291,851,066	277,845,856
Total Primary Government Program Revenues	(1,001,448,382)	(896,178,618)	(866,129,835)	(991,339,504)	(1,235,903,790)	(1,079,854,026)	(988,592,162)	(896,766,383)	(889,486,312)	(869,654,028)
Business-type activities	(9,071,479)	(2,050,583)	(858,051)	(306,879)	(306,879)	4,900,366	4,841,357	4,559,785	4,737,057	2,609,748
Total Primary Government Net Expense	(1,010,519,861)	(898,229,201)	(866,987,886)	(992,208,199)	(1,236,210,669)	(1,074,953,660)	(983,750,805)	(892,206,598)	(884,749,255)	(867,044,280)
<b>General Revenues</b>										
<b>Governmental Activities</b>										
Property taxes, general purpose	927,867,539	930,006,268	850,300,416	840,297,024	820,787,407	790,150,824	743,452,736	725,530,314	630,068,242	606,101,525
Property taxes, Law Enforcement Service District	3,255,447	11,937,234	12,426,379	11,037,298	13,660,948	12,348,157	12,585,852	12,251,561	13,441,010	12,948,398
Property taxes, Fire Service Districts	210,807,483	204,862,019	178,706,265	186,765,702	199,787,001	247,551,124	244,421,759	218,196,848	201,685,317	180,631,909
Sales taxes	11,274,042	11,221,927	10,383,116	9,379,388	8,989,608	9,209,619	8,132,918	7,805,251	6,571,325	5,852,083
Other taxes	(4,207,591)	2,878,368	3,051,914	4,067,591	18,000,502	29,575,757	26,466,482	17,883,110	11,109,807	5,337,180
Investment earnings			323,361	555,887	1,785,466	1,108,328	854,669	2,092,569	1,047,340	1,729,319
Miscellaneous	(8,826,133)	(1,700,000)								
Transfers	1,152,856,613	1,159,205,816	1,055,191,451	1,052,102,890	1,063,010,932	1,089,943,809	1,035,914,416	983,759,653	863,923,041	812,600,414
Total Governmental Activities General Revenues	1,152,856,613	1,159,205,816	1,055,191,451	1,052,102,890	1,063,010,932	1,089,943,809	1,035,914,416	983,759,653	863,923,041	812,600,414
<b>Business-Type Activities</b>										
Investment earnings	155,445	242,917	237,505	305,027	829,411	1,137,656	1,067,315	692,455	312,859	148,908
Miscellaneous	2,305,470	4,403,049	4,752,062	2,072,319	2,779,207	37,953	-	-	-	-
Transfers	8,826,133	1,700,000								
Total Business-type Activities General Revenues	11,287,048	6,345,966	4,989,567	2,377,346	3,608,618	1,175,609	1,067,315	692,455	312,859	148,908
Total Primary Government General Revenues	1,164,143,661	1,165,551,782	1,060,181,018	1,054,480,236	1,066,619,550	1,091,119,418	1,036,981,731	984,452,108	864,235,900	812,749,322
<b>Change in Net Position</b>										
Governmental Activities	151,408,231	263,027,198	189,061,616	60,763,386	(172,892,858)	10,089,783	47,322,254	86,993,270	(25,563,271)	(57,035,614)
Business-Type Activities	2,215,569	4,295,363	4,131,516	1,508,651	3,301,739	6,075,975	5,908,672	5,252,240	5,049,916	2,758,656
Total Primary Government Change in Net Position	\$ 153,623,800	\$ 267,322,561	\$ 193,193,132	\$ 62,272,037	\$ (169,591,119)	\$ 16,165,758	\$ 53,230,926	\$ 92,245,510	\$ (20,513,355)	\$ (54,294,958)

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	Assigned	Unassigned	Total	All Governmental Funds Total
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total	Nonspendable	Restricted	Committed	Assigned					
2013	\$ -	\$ 84,973,506	\$ 28,800,680	\$ -	\$ 354,465,116	\$ 468,239,302	\$ -	\$ 157,241,553	\$ 173,944,936	\$ -	\$ -	\$ (12,937,225)	\$ 318,249,264	\$ 786,488,566	
2012	4,960	95,633,765	26,272,171	12,655,395	340,191,167	474,757,458	-	108,737,919	118,500,452	-	-	(9,485,236)	217,753,135	692,510,593	
2011	4,960	98,731,155	972,406	1,903,795	271,018,383	372,630,699	-	40,684,545	67,802,190	-	-	(16,869,661)	91,617,074	464,247,773	
2010	4,960	110,211,354	1,404,961	117,284,010	102,036,224	330,941,509	-	53,744,422	43,803,780	-	-	(8,211,526)	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	Unassigned	Special Revenue Funds Unreserved	Capital Projects Funds Unreserved	Total	Reserved for Encumbrances	Reserved by State Statute	Total	
2010	\$ 20,538,100	\$ 87,950,368	\$ 220,980,457	\$ 329,468,925	\$ 31,995,899	\$ 10,477,931	\$ 29,267,911	\$ 19,067,519	\$ 90,809,260	\$ 420,278,185			\$ 420,278,185	
2009	19,427,882	79,280,685	260,840,285	359,548,852	42,929,488	7,749,028	32,950,716	3,575,567	87,204,799	446,753,651			446,753,651	
2008	23,067,756	73,790,931	265,285,330	362,144,017	101,422,120	16,698,476	28,301,001	235,059,360	381,480,957	743,624,974			743,624,974	
2007	21,626,933	77,459,022	244,382,297	343,468,252	36,133,168	11,083,386	34,144,388	176,601,035	257,961,977	601,430,229			601,430,229	
2006	25,594,209	71,727,868	194,232,627	291,554,704	32,175,939	9,050,935	31,337,721	152,167,587	224,732,182	516,286,886			516,286,886	
2005	15,868,220	75,378,590	149,048,699	240,295,509	54,824,194	10,548,021	19,046,705	168,920,112	253,339,032	493,634,541			493,634,541	
2004	13,349,881	90,196,834	106,511,731	210,058,446	101,131,886	11,424,512	6,416,518	132,562,611	251,535,527	461,593,973			461,593,973	

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)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>REVENUES</b>										
Taxes	\$ 1,100,151,006	\$ 1,102,414,039	\$ 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
Law Enforcement Service District taxes	13,115,502	12,188,234	12,800,239	11,399,237	13,660,948	12,348,157	12,585,852	12,251,561	13,441,010	12,948,398
Transit One-Half Cent sales tax	35,931,007	35,529,884	31,145,231	33,658,337	33,766,238	38,621,351	38,167,932	35,410,666	32,094,987	29,235,677
Fire Service Districts property taxes	3,255,447	-	-	-	-	-	-	-	-	-
License and permits	20,886,622	17,473,904	14,233,457	12,440,081	14,896,152	23,769,577	26,667,640	25,435,596	22,250,864	20,810,125
Intergovernmental	170,886,890	186,961,164	208,011,550	198,522,521	208,268,483	202,763,758	177,779,577	158,813,796	163,916,973	159,880,651
Charges for services	78,538,631	71,906,110	70,407,373	77,150,985	78,323,901	93,854,623	92,926,023	96,750,617	86,897,555	80,854,424
Interest earned on investments	(4,190,511)	2,878,368	3,051,914	4,067,591	18,000,502	29,575,757	26,466,482	17,883,110	11,109,807	5,337,180
Administrative charges	2,544,040	2,525,641	2,444,287	2,744,287	4,186,330	4,102,899	3,812,899	3,003,655	2,119,573	2,868,492
Other	12,150,675	12,055,616	11,182,632	10,678,845	12,185,718	15,791,573	11,052,022	13,503,610	8,649,858	8,035,568
Total Revenues	1,433,269,309	1,443,932,960	1,355,004,460	1,347,485,421	1,371,643,548	1,422,960,042	1,338,238,246	1,279,500,360	1,141,893,880	1,077,913,497
<b>EXPENDITURES</b>										
Current										
Customer Satisfaction and Management	13,587,103	13,373,798	14,790,104	10,436,098	10,040,369	9,335,137	9,345,322	7,933,172	4,996,350	4,625,991
Administrative Services	72,332,559	68,179,870	51,256,990	61,936,299	60,733,760	60,651,676	45,881,538	40,684,412	41,561,961	37,377,104
Financial Services	17,336,544	17,725,841	9,564,937	9,284,883	9,094,428	9,285,342	7,392,488	6,757,139	5,828,781	5,343,695
Land Use and Environmental Services	55,717,155	52,590,001	53,087,901	53,482,276	62,205,728	59,788,568	55,319,765	50,845,010	47,229,852	46,404,385
Community Services	61,255,426	56,220,129	63,729,362	77,281,017	82,584,269	78,353,413	71,197,222	67,668,009	58,294,732	53,533,773
Detention and Court Support Services	133,529,202	125,715,537	113,512,049	115,483,860	116,146,771	108,381,204	99,542,545	91,453,555	82,636,365	81,525,311
Health and Human Services	252,497,144	259,728,965	287,565,513	304,143,599	310,977,979	315,306,697	293,423,556	301,585,511	293,523,030	283,596,456
Business Partners	438,392,562	427,762,120	413,832,728	427,868,575	468,609,273	478,299,087	444,142,474	402,885,075	373,999,218	367,724,761
Public Safety	3,199,990	-	-	-	-	-	-	-	-	-
Debt Service	160,214,871	165,281,714	174,300,586	172,516,990	164,288,423	148,389,990	136,698,950	124,519,648	107,184,279	92,128,738
Principal payments	96,272,470	91,252,603	82,964,257	86,265,613	84,392,437	86,448,342	87,443,865	81,837,867	76,155,339	76,688,313
Interest and fiscal charges	138,813,366	76,770,706	47,660,085	165,138,075	416,730,076	270,970,375	234,148,772	277,678,617	264,557,921	239,833,978
Capital outlay	1,443,148,392	1,354,601,284	1,311,264,512	1,483,837,285	1,785,803,513	1,625,209,831	1,484,536,497	1,453,848,015	1,355,967,828	1,288,782,505
Total Expenditures	(9,879,083)	89,331,676	43,739,948	(136,351,864)	(414,159,965)	(202,249,789)	(146,298,251)	(174,347,655)	(214,073,948)	(210,869,008)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>										
OTHER FINANCING SOURCES (USES)										
Refunding bond proceeds	227,930,000	164,015,000	-	589,310,000	-	-	-	-	172,125,000	135,470,000
Premium on financing	68,725,994	30,994,281	-	58,708,355	38,993,762	13,282,440	6,306,594	-	17,010,007	21,921,756
Payment to refunding escrow agent	(268,657,051)	(179,813,043)	-	(638,141,957)	(276,841,503)	-	-	-	(188,732,416)	(148,763,086)
Sale of bonds	100,000,000	100,000,000	-	100,000,000	334,730,000	320,180,000	225,135,000	197,000,000	245,665,000	223,155,000
Gain on sale of fixed assets	184,246	-	-	-	-	-	-	-	-	-
Installment financing	500,000	9,434,906	-	-	2,500,000	-	-	-	-	1,426,923
Transfers in	61,620,800	46,741,107	36,784,079	62,382,485	57,599,303	46,085,408	29,583,692	38,992,801	7,769,837	23,980,299
Transfers out	(70,446,933)	(48,441,107)	(36,554,439)	(62,382,485)	(57,467,613)	(46,085,408)	(29,583,692)	(38,992,801)	(7,722,912)	(23,980,299)
Total Other Financing Sources (Uses)	119,857,056	122,931,144	229,640	109,876,398	99,513,949	333,462,440	231,441,594	197,000,000	246,114,516	233,210,593
<b>NET CHANGE IN FUND BALANCES</b>	109,977,973	212,262,820	43,969,588	(26,475,466)	(314,646,016)	131,212,651	85,143,343	22,652,345	32,040,568	22,341,585
<b>FUND BALANCE - BEGINNING OF YEAR</b>	676,510,593	464,247,773	420,278,185	446,753,651	743,624,974	601,430,229	516,286,886	493,634,541	461,593,973	439,252,388
<b>RECLASSIFICATION</b>	-	-	-	-	17,774,693	10,982,094	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	\$ 786,488,566	\$ 676,510,593	\$ 464,247,773	\$ 420,278,185	\$ 446,753,651	\$ 743,624,974	\$ 601,430,229	\$ 516,286,886	\$ 493,634,541	\$ 461,593,973
Debt service as a percentage of non-capital expenditures	18.14 %	20.11 %	19.96 %	19.62 %	14.70 %	15.24 %	16.00 %	15.06 %	14.57 %	16.15 %

TABLE 5

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Tax Revenues										
General Property	\$ 920,532,965 (A/D)	\$ 928,391,353 (A/D)	\$ 848,994,485	\$ 840,331,467	\$ 818,740,877	\$ 789,623,586	\$ 738,775,024	\$ 729,765,134	\$ 627,924,349	\$ 602,098,773 (A)
Sales	174,876,476 (D)	169,332,135 (D)	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 (B)
Room Occupancy	1,000,939	1,122,799	1,841,340	902,852	927,151	669,476	993,378	1,356,706	1,162,122	1,230,086
Vehicle Rental	3,013,091	2,846,035	2,846,805	2,178,666	2,526,632	2,863,679	2,724,891	2,510,499	1,979,056	1,801,182
Other	727,535	721,717	484,113	303,192	139,853	45,868	32,699	29,228	27,371	45,707
Total Tax Revenues	\$ 1,100,151,006	\$ 1,102,414,039	\$ 1,001,727,777	\$ 996,823,542	\$ 988,355,276	\$ 1,002,132,382	\$ 948,779,819	\$ 916,447,749	\$ 800,683,228	\$ 756,571,980

## NOTES:

- (A) Revaluation  
(B) Additional 1/2 cent sales tax levied  
(C) The State reduced the distribution of a 1/2 cent sales tax and the general economy contracted  
(D) Includes property tax and sales tax revenue in the Debt Service Fund

TABLE 6

MECKLENBURG COUNTY, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY  
FOR THE YEAR ENDED JUNE 30, 2013

	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	\$ 107,773,252,927	\$ 0.7922	\$ 853,779,710	\$ 853,779,710	\$ -
Motor vehicles taxed at current year's rate	5,733,666,962	0.7922	45,422,110	-	45,422,110
Motor vehicles taxed at prior year's rate	1,908,736,242	0.8166	15,586,740	-	15,586,740
Total	<u>115,415,656,131</u>		<u>914,788,560</u>	<u>853,779,710</u>	<u>61,008,850</u>
Discoveries:					
Prior year taxes	285,972,955	Various	8,400,079	8,134,352	265,727
Penalties	-		981,453	981,453	-
Total	<u>285,972,955</u>		<u>9,381,532</u>	<u>9,115,805</u>	<u>265,727</u>
Total property valuation	<u>\$ 115,701,629,086</u>				
Net levy			924,170,092	862,895,515	61,274,577
Uncollected taxes at June 30, 2013			(18,772,640)	(10,403,250)	(8,369,390)
Current year's taxes collected			<u>\$ 905,397,452</u>	<u>\$ 852,492,265</u>	<u>\$ 52,905,187</u>
Current net levy collection percentage			97.97%	98.79%	86.34%

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
2013	95,935.5	14,570.7	3,430.4	-	(3)	113,936.6	0.7922
2012	96,421.2	16,001.8	3,322.2	-	(4)	115,745.2	0.8166
2011	82,522.5	14,501.7	3,213.7	-	(3)	100,237.9	0.8387
2010	81,628.2	14,990.3	3,273.2	-	(3)	99,891.7	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

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 2012.
- (2) Assessed valuation equals estimated actual value, which approximates market value.
- (3) Elderly Exemption is net Real Property beginning fiscal year 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	
2013	\$ 0.7922	\$ 0.4370	\$ 0.240	\$ 0.350	\$ 0.283	\$ 0.3025	\$ 0.270	\$ 0.32	
2012	(A)	0.8166	0.4370	0.250	0.350	0.283	0.3025	0.270	0.32
2011		0.8387	0.4586	0.275	0.365	0.290	0.3325	0.275	0.32
2010		0.8387	0.4586	0.275	0.365	0.290	0.3325	0.275	0.32
2009		0.8387	0.4586	0.275	0.365	0.290	0.3325	0.275	0.32
2008		0.8387	0.4586	0.275	0.345	0.290	0.3075	0.275	0.30
2007		0.8189	0.4586	0.275	0.345	0.290	0.3075	0.275	0.30
2006		0.8368	0.4200	0.260	0.345	0.280	0.3075	0.275	0.30
2005		0.7567	0.4200	0.260	0.345	0.280	0.3075	0.275	0.30
2004	(A)	0.7364	0.4200	0.260	0.325	0.280	0.3000	0.275	0.30

NOTES: (A) Revaluation  
Mecklenburg County has a flat Direct Tax Rate. Municipalities set their own Direct Rate.  
This rate, combined with the County Direct Rate is the Total Overlapping Tax Rate.

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	2013			2004		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy	Utility	\$ 2,114,958,237	1	1.86 %	\$ 2,211,213,206	1	2.65 %
Bank of America	Financial Services	1,643,304,341	2	1.44	1,108,871,866	2	1.33
Wells Fargo / Wachovia	Financial Services	1,479,723,560	3	1.30	874,200,135	3	1.05
U S Airways, Incorporated	Transportation	556,308,956	4	0.49	419,748,379	6	0.50
A T & T / Bellsouth	Utilities	491,135,745	5	0.43	582,628,205	4	0.70
Bissell	Real Estate	-	-	-	466,332,542	5	0.56
Piedmont Natural Gas Company	Utilities	387,750,552	6	0.34	286,311,421	8	0.34
Southpark Mall	Retail	342,442,340	7	0.30	-	-	-
Time Warner Cable	Utilities	325,524,928	8	0.29	190,502,646	10	0.23
Teachers Insurance	Insurance	321,033,187	9	0.28	-	-	-
CK-Southern Associates	Property Management	183,424,313	10	0.16	355,280,604	7	0.43
Carolina Stadium / Panthers	Football Stadium	-	-	-	193,886,977	9	0.23
Total		\$ 7,845,606,159		6.89 %	\$ 6,688,975,981		8.02 %

113,936,736,466

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
2013	2012	\$ 921,589,480	\$ 902,816,840	97.96 %	\$ -	\$ 902,816,840	97.96 %
2012	(B) 2011	947,064,890	927,878,581	97.97	1,837,892	929,716,473	98.17
2011	2010	849,850,762	830,922,286	97.77	10,981,735	841,904,021	99.06
2010	2009	838,891,650	820,748,317	97.84	13,030,365	833,778,682	99.39
2009	2008	821,454,282	801,438,087	97.56	15,090,560	816,528,647	99.40
2008	2007	798,235,098	778,803,875	97.57	14,240,118	793,043,993	99.35
2007	2006	744,389,072	726,036,272	97.53	14,404,102	740,440,374	99.47
2006	2005	737,016,999	719,159,556	97.58	15,149,785	734,309,341	99.63
2005	2004	638,223,219	621,013,346	97.30	15,698,183	636,711,529	99.76
2004	(B) 2003	618,204,112	600,442,660	97.13	15,181,671	615,624,331	99.58

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, 2013

Description	Issue Date	Due Serially To	Average Interest Rate	Original Issue	Balance July 1, 2012	Sold	Retired	Balance July 1, 2013	Interest Paid in Current Year
Refunding 2001C	May 1, 2001	2013	4.3714	\$ 149,455,000	\$ 8,350,000	-	\$ 8,350,000	\$ -	\$ 459,250
Public Improvements 2003A	February 1, 2003	2020	4.0699	193,000,000	15,000,000	-	15,000,000	-	600,000
Variable Rate Demand Bonds 2003B	February 1, 2003	2023	Variable	40,000,000	40,000,000	-	40,000,000	-	306,585
Public Improvements 2004A	February 1, 2004	2020	3.4130	105,000,000	13,150,000	-	6,575,000	6,575,000	2,235,500
Variable Rate Demand Bonds 2004B	February 1, 2004	2024	Variable	100,000,000	100,000,000	-	100,000,000	-	109,202
Refunding 2004C	April 1, 2004	2013	3.0951	135,470,000	24,455,000	-	24,455,000	-	1,222,750
Public Improvements 2005A	February 1, 2005	2026	3.9849	32,300,000	22,610,000	-	19,380,000	3,230,000	918,935
Refunding 2005C	May 1, 2005	2016	3.4368	172,125,000	86,905,000	-	26,035,000	60,870,000	4,345,250
Public Improvements 2007A	February 1, 2007	2027	4.1690	102,000,000	30,910,000	-	17,275,000	13,635,000	1,349,034
Parks and Recreation Bonds 2008A	February 1, 2008	2028	3.6115	12,000,000	9,600,000	-	6,600,000	3,000,000	114,000
Public Improvements 2008B	February 1, 2008	2028	3.7954	148,500,000	86,500,000	-	59,000,000	27,500,000	1,525,000
Refunding 2009A	March 10m 2009	2020	2.2523	243,965,000	237,300,000	-	23,520,000	213,780,000	10,170,650
Public Improvements 2009B	September 1, 2009	2030	3.5372	100,000,000	90,000,000	-	5,000,000	85,000,000	3,831,250
Refunding 2009C	September 1, 2009	2020	2.6227	130,390,000	130,390,000	-	-	130,390,000	6,427,400
Variable Rate Demand Bonds 2009D	July 10, 2009	2026	Variable	120,000,000	113,875,000	-	2,030,000	111,845,000	18,603,126
Refunding 2010	March 16, 2010	2026	3.1098	114,940,000	113,685,000	-	315,000	113,370,000	4,772,850
Public Improvements 2011A	October 27, 2011	2019	1.4854	49,000,000	49,000,000	-	5,000,000	44,000,000	2,275,000
Qualified School Construction Bonds 2011B	October 27, 2011	2030	0.0156	51,000,000	51,000,000	-	-	51,000,000	2,217,990
Refunding 2011C	October 27, 2011	2025	2.9501	164,015,000	162,315,000	-	8,925,000	153,390,000	7,062,675
Public Improvements 2013B	February 5, 2013	2033	1.7506	100,000,000	-	100,000,000	-	100,000,000	-
Public Improvements 2013A	January 29, 2013	2027	2.3210	209,815,000	-	209,815,000	-	209,815,000	3,427,082
				\$ 2,472,975,000	\$ 1,385,045,000	\$ 309,815,000	\$ 367,460,000	\$ 1,327,400,000	\$ 71,973,529

TABLE 12

MECKLENBURG COUNTY, NORTH CAROLINA  
SCHEDULE OF INSTALLMENT FINANCINGS  
JUNE 30, 2013

Description	Issue Date	Due Serially To	Average Interest Rate	Original Issue	Balance July 1, 2012	Issued	Retired	Balance June 30, 2013	Interest Paid Current Year
2006 Certificates of Participation	February 1, 2006	2026	Variable	\$ 108,000,000	\$ 75,600,000	\$ -	\$ -	\$ 75,600,000	\$ 3,705,300
2008A Certificates of Participation	February 1, 2008	2028	Variable	124,960,000	93,020,000	-	6,890,000	86,130,000	251,686
2008B Certificates of Participation	February 1, 2008	2028	4.435	34,720,000	34,720,000	-	16,225,000	18,495,000	1,600,069
2009A Certificates of Participation	February 1, 2009	2029	4.224	90,765,000	77,245,000	-	4,545,000	72,700,000	3,530,925
2009A Limited Obligation Bonds	September 3, 2009	2027	3.742	223,980,000	174,785,000	-	15,255,000	159,530,000	8,478,000
NC Clean Water State Revolving Loan	April 11, 2011	2030	-	2,493,625	944,207	-	52,456	891,751	-
Guaranteed Energy Savings Contract	December 16, 2011	2025	3.100	6,291,281	6,291,281	-	(45,163)	6,336,444	82,604
2013 Taxable Limited Obligation Bonds	March 13, 2013	2028	2.779	18,115,000	-	18,115,000	-	18,115,000	-
				<u>\$ 609,324,906</u>	<u>\$ 462,605,488</u>	<u>\$ 18,115,000</u>	<u>\$ 42,922,293</u>	<u>\$ 437,798,195</u>	<u>\$ 17,648,584</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	Certificate of Participation	Capital Leases	General Obligation Bonds	Special Obligation Bonds	Capital Leases					
2013	\$ 1,481,562,403	\$ 437,798,195	\$ 1,019,480	\$ -	\$ 12,465,464	\$ 163,019	\$	1,933,008,561	7.98	%	1,780
2012	1,385,016,983	462,605,488	650,000	28,016	12,220,000	480,320		1,861,000,807	8.23		1,926
2011	1,427,884,428	488,670,000	435,858	605,572	-	930,543		1,918,526,401	8.31		2,045
2010	1,567,343,885	522,085,000	1,861,985	1,186,115	-	1,462,569		2,093,939,554	9.09		2,277
2009	1,615,700,430	578,240,000	3,857,430	1,769,570	-	2,053,262		2,201,620,692	9.84		2,463
2008	1,757,830,836	517,980,000	3,158,397	2,754,164	-	940,759		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		2,112,685,668	9.75		2,507
2006	1,739,419,853	274,055,000	6,515,686	5,280,147	-	153,731		2,025,424,417	9.68		2,485
2005	1,762,947,787	177,025,000	8,592,716	7,102,213	-	304,332		1,955,972,048	9.72		2,471
2004	1,738,467,066	68,900,000	10,562,343	9,432,938	-	626,242		1,827,988,589	9.78		2,379

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

TABLE 14

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

Fiscal Year Ended June 30,	General Bonded Debt	Payable from Enterprise Fund	Net General Bonded Debt	Percent of Assessed Value	Per Capita
2013	\$ 1,481,562,403	\$ -	\$ 1,481,562,403	1.15 %	\$ 1,329
2012	1,385,045,000	28,017	1,385,016,983	1.19	1,434
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	2.10	2,227
2004	1,747,900,000	9,432,938	1,738,467,062	2.08	2,262

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

TABLE 15

MECKLENBURG COUNTY, NORTH CAROLINA  
COMPUTATION OF DIRECT AND OVERLAPPING  
GOVERNMENTAL ACTIVITIES DEBT  
FOR THE YEAR ENDED JUNE 30, 2013

Mecklenburg County:	Assessed Valuation (1)	Percent of Countywide Total	Pro Rata Share of Governmental Activities Debt	Municipalities' Debt (2)	Total Overlapping Debt
Charlotte	\$ 89,177,779,293	77.27 %	\$ 1,364,696,743	\$ 835,647,000	\$ 2,200,343,743
Cornelius	4,894,636,200	4.24	74,903,122	1,775,000	76,678,122
Davidson	1,627,153,480	1.41	24,900,497	-	24,900,497
Huntersville	6,006,167,685	5.20	91,913,003	14,200,000	106,113,003
Matthews	3,385,976,472	2.93	51,815,947	1,810,000	53,625,947
Mint Hill	2,293,374,487	1.99	35,095,746	2,800,000	37,895,746
Pineville	1,621,877,627	1.41	24,819,760	-	24,819,760
Unincorporated Areas	<u>6,408,690,887</u>	<u>5.55</u>	<u>98,072,857</u>	<u>-</u>	<u>98,072,857</u>
Countywide Totals	<u><u>\$ 115,415,656,131</u></u>	<u><u>100.00 %</u></u>	<u><u>\$ 1,766,217,675</u></u>	<u><u>\$ 856,232,000</u></u>	<u><u>\$ 2,622,449,675</u></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 2012, 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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Assessed Value	\$ 115,415,656,131	\$ 116,691,859,209	\$ 100,267,938,569	\$ 99,891,780,607	\$ 97,813,551,380	\$ 95,099,766,372	\$ 90,718,949,214	\$ 88,359,891,735	\$ 84,302,416,591	\$ 83,487,630,734
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	9,233,252,490	9,335,348,737	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
Amount of Debt Applicable to Debt Limit:										
Total Bonded Debt	1,327,400,000	1,385,045,000	1,428,490,000	1,568,530,000	1,617,470,000	1,760,585,000	1,725,145,000	1,744,700,000	1,770,050,000	1,747,900,000
Bonds Authorized and Unissued	493,040,000	625,540,000	729,140,000	729,140,000	829,140,000	579,140,000	146,000,000	248,000,000	276,000,000	339,300,000
Total Amount of Debt Applicable to Debt Limit	1,820,440,000	2,010,585,000	2,157,630,000	2,297,670,000	2,446,610,000	2,339,725,000	1,871,145,000	1,992,700,000	2,046,050,000	2,087,200,000
Legal Debt Margin	\$ 7,412,812,490	\$ 7,324,763,737	\$ 5,863,805,086	\$ 5,693,672,449	\$ 5,378,474,110	\$ 5,268,256,310	\$ 5,386,370,937	\$ 5,076,091,339	\$ 4,698,143,327	\$ 4,591,810,459

TABLE 17

MECKLENBURG COUNTY, NORTH CAROLINA  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS

Year	Population	Total Personal Income	Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2013	999,060	\$ 22,270,607,500	\$ 22,292	N/A	141,171	9.4 %
2012	966,160	22,605,735,000	23,398	33.9	138,012	9.9
2011	938,020	23,109,445,000	24,636	35.2	135,638	11.1
2010	919,628	23,046,007,500	25,060	35.2	133,664	11.2
2009	893,892	22,365,015,000	25,020	35.1	134,060	11.5
2008	869,954	21,920,959,643	25,198	35.1	132,281	6.1
2007	842,674	21,657,699,496	25,701	35.1	129,011	4.5
2006	815,218	20,933,932,894	25,679	34.4	126,903	4.3
2005	791,473	20,127,796,478	25,431	34.7	121,640	5.0
2004	768,421	18,684,117,114	24,315	33.4	115,517	5.2

NOTES: 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

Employer	2013			2004		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Carolinas HealthCare System	32,500	1	7.17	17,700	2	4.46
Wells Fargo	20,600	2	4.54	18,000	1	4.54
Charlotte-Mecklenburg Schools	18,143	3	4.00	-	-	-
Bank of America Corporation	15,000	4	3.31	12,000	3	3.02
Wal-Mart Stores, Inc.	12,220	5	2.69	8,140	6	2.05
Presbyterian Healthcare / Novant Health	10,573	6	2.33	6,037	8	1.52
Lowe's Companies	8,500	7	1.87	4,062	11	1.02
Food Lion, Inc.	7,734	8	1.71	8,658	5	2.18
Duke Energy Corporation	7,700	9	1.70	10,000	4	2.52
State of North Carolina	7,684	10	1.69	-	-	-
U.S. Airways, Inc.	7,060	11	1.56	5,681	9	1.43
Daimler Trucks North America LLC	6,400	12	1.41	-	-	-
City of Charlotte	6,000	13	1.32	-	-	-
U. S. Government	4,800	14	1.06	-	-	-

NOTES:

Data per Charlotte Chamber of Commerce

Most recent data per Charlotte Chamber of Commerce publication,  
 Charlotte's Largest Employers, dated May 2013

TABLE 19

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

Function / Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Customer Satisfaction and Management Service	49	63	61	68	74	76	61	59	52	48
Administrative Services	307	218	216	228	274	285	293	283	288	292
Financial Services	157	160	89	91	90	83	84	81	80	80
Land Use and Environmental Services	564	537	519	526	636	642	619	590	581	567
Community Services	758	772	837	740	688	650	635	565	559	550
Detention and Court Support Services	1,380	1,379	1,300	1,330	1,352	1,294	1,197	1,189	1,136	1,132
Health and Human Services	1,646	1,391	1,466	1,484	1,533	1,567	1,515	1,515	1,541	1,674
	<u>4,861</u>	<u>4,520</u>	<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>

NOTES: Excludes library positions

TABLE 20

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Governmental Activities:</b>										
Land Use and Environmental Services										
Residential permits issued	45,287	40,086	40,097	38,889	38,024	45,093	44,740	44,935	42,592	38,958
Commercial permits issued	30,584	29,753	24,807	22,296	27,505	38,748	44,079	37,866	32,305	29,842
Inspections performed	212,546	181,087	164,153	181,664	229,147	315,885	376,678	354,008	321,984	318,630
Inspection response time	1.42 days	1.40 days	1.35 days	1.23 days	1.05 days	1.06 days	1.07 days	1.31 days	1.78 days	1.69 days
Deeds and real estate documents indexed	201,736	166,551	153,597	168,130	184,125	247,105	281,814	280,875	256,015	318,543
Volunteer firefighters	612	648	745	895	760	690	644	672	630	630
Fire marshall and assistants	7	6	6	6	8	8	8	8	9	9
<b>Community Services</b>										
Registered voters	652,424	637,219	606,122	599,651	588,700	579,000	536,000	518,000	501,000	446,000
Library customers	31,990,135	35,028,396	37,806,860	76,042,780	76,434,664	21,685,405	19,900,021	15,419,416	11,971,217	-
Volume of library books	1.1 million	1.1 million	1 million	1.3 million	1.4 million	1.4 million	1.4 million	1.6 million	1.8 million	1.7 million
Participants using park athletic facilities	1,896,837	4,942,647	2,519,490	5,526,320	4,710,219	3,513,873	4,214,571	1,090,131	253,759	-
Park recreation program participants	218,462	188,960	414,065	298,026	296,814	481,145	719,292	512,168	486,676	-
Users of park pools - indoor and outdoor	496,888	489,808	554,151	551,991	549,604	283,432	261,607	255,707	219,892	-
Park visitors	7,566,063	5,142,469	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	38,641	40,282	44,385	44,143	49,577	44,583	43,046	41,663	35,021	35,233
Civil processes served	78,448	78,694	126,125	132,747	136,549	126,788	108,981	122,871	43,591	-
Hand gun permits processed	15,730	10,011	8,783	8,990	11,790	9,447	7,965	7,589	8,064	-
Average daily jail population	2,042	1,928	2,164	2,274	2,496	2,610	2,647	2,335	2,047	2,008
<b>Health and Human Services</b>										
Area Mental Health										
Children receiving mental health services	10,353	19,536	16,521	14,856	14,052	4,878	4,332	5,777	7,242	-
Adults receiving mental health services	10,087	12,742	12,149	10,997	10,991	120	147	584	2,755	-
Clients receiving developmental disabilities services	2,688	4,230	3,050	3,632	2,108	90	84	81	2,346	-
<b>Social Services</b>										
Avg monthly # children receiving subsidized childcare	7,019	7,116	7,624	8,148	8,066	7,850	8,111	6,927	8,054	-
Number of transportation trips provided by Services for Adults Division	417,995	437,995	391,456	585,857	542,853	499,686	562,346	608,341	556,787	-
Senior Nutrition meals served	288,432	297,204	252,137	288,516	282,918	350,823	358,034	397,142	477,449	-
Health Department										
Patient visits	169,309	222,385	226,509	245,076	242	195,139	177,041	174,549	-	-
Food service inspections	9,434	9,600	10,121	10,478	9,926	9,836	8,086	5,999	7,505	-
<b>Business Partners</b>										
Public school full-time teachers	9,221	8,890	8,565	8,965	9,363	8,860	8,432	8,682	7,739	7,354
Students attending public school	141,171	138,012	135,638	133,664	134,060	132,281	129,011	126,903	121,640	115,517
Community college faculty	990	914	872	886	843	796	802	733	1,129	1,494
Community college students	20,413	19,470	20,110	20,176	19,148	18,321	17,942	16,772	16,400	16,215
<b>Business-type Activities</b>										
Solid Waste Enterprise Fund										
Tons of solid waste processed	988,227	1,089,624	1,046,569	1,200,636	1,442,987	1,543,924	1,500,194	1,315,356	1,282,489	1,280,888
Tons of yard waste processed	100,525	100,173	98,279	95,760	92,980	79,012	81,504	75,404	71,424	80,223
Tons of recyclables processed	73,947	72,268	74,203	61,724	59,716	59,202	54,911	53,257	55,489	52,065

NOTES:  
A - Library customer count methodology has changed  
B - Large tournaments excluded from prior years

TABLE 21

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities										
Land Use & Environmental Services										
Volunteer Fire Stations	19	19	19	17	19	18	18	16	16	20
Community Services										
Libraries	20	20	20	20	24	24	24	24	23	23
Voting Machines	2,223	2,223	2,223	2,223	2,223	1,522	1,512	1,000	-	-
Parks & Greenways	256	254	266	241	238	238	231	128	126	123
Golf Courses	5	5	5	5	5	5	5	5	5	5
Parks & Greenways Acreage	20,472	18,825	18,489	18,489	18,068	17,753	17,896	17,480	16,000	16,000
Detention & Court Support Services										
Jail Beds	2,715	2,715	2,715 (A)	3,095	2,668	2,668	2,668	2,668	2,668	2,668
Business Partners										
Public Schools	159	159	178	176	172	167	161	150	143	142
Historic Sites	8	8	5	5	5	4	4	4	4	4
Business-type Activities										
Solid Waste Enterprise Fund										
Landfills	1	1	1	1	1	1	1	1	1	1
Recycling & Yard Waste Processing Facilities	139	135	111	70	70	59	29	29	28	26
Material / Metal / Tire Recovery Facilities	2	2	1	1	1	1	2	2	2	2

(A) Jail Annex closed

CELEBRATING THE SESTERCENTENNIAL

250  
**MECKLENBURG COUNTY**  
S I N C E 1 7 6 3



Mecklenburg County North Carolina  
Financial Services Department  
600 East Fourth Street  
Charlotte, NC 28202-2842