



2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30TH



Charlotte-Mecklenburg Board of Education

COMPREHENSIVE

ANNUAL

FINANCIAL REPORT

Fiscal Year Ended June 30, 2018

Prepared by Finance Department
Sheila W. Shirley, Chief Financial Officer
Clayton M. Wilcox, Ed.D., Superintendent

600 East Fourth Street
Charlotte, North Carolina 28202



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2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Introductory Section

Letter of Transmittal



**To the members of the Charlotte-Mecklenburg
Board of Education and citizens of
Mecklenburg County, North Carolina**

October 29, 2018

In compliance with the *Public School Laws of North Carolina*, the Comprehensive Annual Financial Report of the Charlotte-Mecklenburg Board of Education (Board) for the year ended June 30, 2018, is herewith submitted. Responsibility for accuracy, completeness and clarity of the report rests with management.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The report has been prepared by the Finance department following the requirements and guidelines prescribed by the Governmental Accounting Standards Board. We believe the data presented is accurate in all material respects and that it is presented in a manner designed to fairly reflect the financial position and results of operations of the Board. All disclosures necessary to enable the reader to gain the maximum understanding of the Board's financial activity have been included.

REPORTING ENTITY

The Charlotte-Mecklenburg Board of Education has responsibility and control over the activities related to public school education in Mecklenburg County, North Carolina. The members of the Board are elected by the public and have decision-making authority. Although the county levies all taxes, the Board determines how the school system will spend the funds generated for schools. The county cannot modify the school district's budget, nor is the county entitled to share in any surpluses or required to finance any deficits of the school system. For these reasons, the Board is not fiscally dependent on the county and therefore is recognized as a primary government as defined by the Governmental Accounting Standards Board. The Board also receives funding from state and federal government sources and must comply with the affiliated requirements of those funding entities. The Board does not have any component units, nor is it a component unit of any other entity.

In 1997 the North Carolina General Assembly passed legislation creating charter schools, an alternative to traditional public schools. Charter schools receive a per-pupil allocation of local county funds as defined by the legislation. Although county funds to the charter schools pass through the Board, the Board has no authority or responsibility related to the charter schools; therefore, they are not a component unit of the Board.

LOCAL ECONOMIC CONDITION AND OUTLOOK

Mecklenburg County is the largest county in the state and Charlotte is North Carolina's largest city. There are six additional municipalities in Mecklenburg County: Davidson, Cornelius, Matthews, Mint Hill, Pineville, and Huntersville. The county's total population in 2017 was 1.1 million. Mecklenburg County is the third-largest financial center in the United States and the center of the nation's sixth-largest urban region.

Letter of Transmittal

Charlotte is home to some of the world's largest companies. Five Fortune 500 companies are headquartered in Mecklenburg County: Duke Energy, Nucor, Sonic Automotive, Bank of America, and Sealed Air. A sixth Fortune 500 company, Lowe's, is headquartered in adjacent Iredell County. In addition to its best-known American company, Bank of America, Charlotte is also home to a branch of the Federal Reserve Bank of Richmond. Many of the top 20 banks in the U.S. also have operations here.

Although Charlotte is widely known as a banking town, the economy of the city and Mecklenburg County has a broad and diverse base. Construction, educational services, finance and insurance, information, manufacturing, real estate, retail, transportation, and warehousing are well represented in the regional economy.

The city is an important transportation and distribution center, with Charlotte Douglas International Airport coming in as the fifth-largest (by operations) airport in the country. Charlotte is home to more than 500 trucking and transportation firms.

Moreover, the area continues to grow steadily – and much of that growth is younger people. It is worth noting that the median age for the county is 34.7, well below the median ages of North Carolina (38.0) and the nation (37.6). County economic reports suggest that there are several factors keeping the median age in Mecklenburg County relatively low: growing families, high levels of international immigration, a growing university/college population, and young professionals who are attracted to the area.

Charlotte-Mecklenburg Schools (CMS) mirrors the area's diversity, as well as its continued growth. CMS, which is a consolidated city-county district, is almost certainly affected by the rising number of growing families in the county. For the 2017-2018 year, the district served over 150,000 students (including pre-kindergarten) in Charlotte and Mecklenburg County. The district enrollment has increased nearly every year for more than a decade and growth is expected to continue.

Students in CMS in the 2017-2018 school year came from 183 countries and spoke 197 native languages. The district remains racially as well as culturally diverse: 38.1 percent of students were African-American, 28.0 percent Caucasian, 24.1 percent Hispanic, 6.6 percent Asian, and 3.2 percent American Indian/multiracial/other.

The district had 176 schools in the 2017-2018 year. There were 11 magnet programs in 53 full or partial magnet schools. Career and Technical Education serves over 50,000 middle and high school students in CMS. In middle school, students have the opportunity to explore pathways that are offered in all large comprehensive high schools. The new strategy of the district is for students to opt in to a career pathway by the end of their sophomore year. This career pathway is a four course sequence that allows students to not only study their career interest deeply but obtain industry relevant credentials and have the opportunity to engage in work based learning opportunities.

The district's buildings range in age, with the oldest built in 1922 and the newest completed in 2017. Most of the school buildings were constructed between 1990 and 2009. CMS has also built modular structures to facilitate college level education programs at Central Piedmont Community College and UNC Charlotte.

The district's operating budget in 2017-2018 was \$1.4 billion, with a budgeted per-pupil expenditure of \$9,532. CMS is the fifth-largest largest employer in Mecklenburg County: the district had 19,163 employees, including 9,401 teachers, in 2017-2018. In November of 2017, voters in Mecklenburg County approved the largest school bond request in county history (and the second-largest one in state history) for \$922 million to be spent on the district's capital program.

The political landscape for education in North Carolina remained volatile in 2017-2018. Multiple bills affecting public education were introduced in the North Carolina General Assembly. This high level of legislative attention to public education – in particular, how (and how much) schools are funded and how

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those funds can be used – seems likely to continue in North Carolina. In 2017, the legislature passed a bill permitting four Mecklenburg municipalities to open their own charter schools. If and how that will affect CMS operations remains unclear. The Charlotte-Mecklenburg Board of Education and the municipalities are in discussions about possible outcomes.

The 2017-2018 school year was also the first full year for the new superintendent, Dr. Clayton M. Wilcox, who took on full leadership of the district July 1 after a shared transition with his predecessor, Ann Clark.

ACADEMIC PROGRESS AND INITIATIVES

Academic performance across the district experienced some steps forward and some steps backward in the 2017-2018 school year. Across the multitude of key academic indicators for the district, the following areas were noteworthy.

The district continued its focus on literacy instruction, and the use of an instructional-planning approach. Principals and teacher leaders districtwide attended professional development sessions on strengthening Instructional Leadership Teams. More than 8,000 staff members engaged in professional development in a variety of subjects in core content areas (mathematics, reading, science, humanities), as well as complementary areas including, but not limited to, use of technology in the classroom, personalized learning, and cultural proficiency.

The district's four-year cohort graduation rate declined after a change in business rules at the state level, falling to 85.4 percent from 89.4 percent. Though graduation rates declined overall, graduation rates increased for our Limited English Proficient (LEP) students, who exhibited marked increases.

Charlotte-Mecklenburg Schools had mixed results on End-of-Grade (EOG) and End-of-Course (EOC) exams. College and Career Ready (CCR) rates on EOG reading tests for grades three through eight declined for the second year in a row to 44.9 percent, down from 45.9 percent a year earlier. In math for grades three through eight, new state business rules made 2017-2018 a baseline year for math performance. Under the new rules CCR rates came in at 53.3 percent. In science (tested in grades five and eight), the percent of students College and Career Ready rebounded from the previous year, rising to 65.0 percent from 63.9 percent a year earlier. For End-of-Course (EOC) tests, which are given primarily to high school students, the results were also mixed. The percentage of students who were College and Career Ready in English II declined to 50.6 percent, down from 54.3 percent. The percentage of College and Career Ready students in Biology I increased, reaching 53.5 percent, up from 48.6 percent the prior year. In 2017-2018, accountability for math performance in the high school grades changed. Math grades (9-12) is the new metric. Thus, as with Math in grades 3-8, last year's high school math performance constituted a baseline year. Overall, 50.4 percent of students in grades 9-12 were College and Career Ready in mathematics. In each of the six EOG and EOC tested areas – reading, math, science, English II, Math 9-12, and Biology – CMS outperformed the state in the percentage of students who were College and Career Ready. Additionally, CMS outperformed all but one of our peer districts in these areas.

Another way of evaluating student performance is to measure improvement over time: Did every student experience at least a year's worth of growth for a year's worth of instruction? The state of North Carolina attempts to measure this growth with its Education Value-Added Assessment System (EVAAS). Schools are given one of three ratings: met expected growth, exceeded expected growth, or did not meet expected growth. Approximately 75.1 percent of CMS schools met or exceeded growth expectations. This was an increase, up from 72.6 percent the prior year.

On the ACT, which measures college-readiness, performance was flat. The ACT assesses performance in four subjects: English, math, reading and science. Scores are provided in each subject and a composite score is also provided. Scores range from 1-36. The state monitors and reports the percent of 11th graders that earn a composite score of 17 or higher, the minimum ACT score required by North Carolina state

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universities to be considered for admission. In 2017-2018, 56.3 percent of 11th graders earned a 17 or higher, the same as the prior year.

An important aspect of our work is preparing students for college-level work. Advanced Placement courses are widely considered college-level work and students who pass Advanced Placement (AP) exams with a score of 3, 4 or 5 (out of 5) are considered ready for college courses. The number of students in grades 9 through 12 taking AP exams increased 3 percent to 9,298. This increase was surpassed by the percentage of test-takers scoring a 3, 4, or 5, which increased more than four percentage points to approximately 61 percent. North Carolina also assigns schools a letter grade based on a variety of indicators, including EOG and EOC results, the number of high school juniors who pass NC Math III or Integrated Math III and the percentage of students who graduate from high school in four years. The number of CMS schools earning an A declined slightly to 19 schools, which is 11 percent of schools receiving a letter grade. The number of schools earning a B increased to 48, or 27 percent of all schools. Schools with a grade of C was 60, or 34 percent of schools. The number of schools with a grade of D decreased to 38, or 22 percent of schools. Ten schools, or five percent, received an F grade, including four schools that received a letter grade for the first time. Three of those schools are our alternative schools: Metro School, Lincoln Heights, and Turning Point Academy.

FINANCIAL AND BUDGETARY POLICIES

Financial Reporting: CMS reports its financial activities through the use of fund accounting. This is a system wherein transactions are reported in self-balancing sets of accounts to reflect the results of activities. (See Note I in the Notes to Basic Financial Statements for a summary of significant accounting policies and a description of fund types).

The cost of public school education in North Carolina is financed primarily by the state, which establishes minimum programs. Local funds, in varying amounts by district, supplement the basic program and are generated primarily from the general tax levies of the county. Local boards of education in North Carolina have no direct tax levying and limited borrowing authority.

Accounting records of the school system must be maintained in a uniform state format. Reports of transactions of state and federal funds and details of disbursements from these funds are submitted monthly to the North Carolina Department of Public Instruction for review. A report of county funded expenditures by purpose code is provided to the county monthly. Interim financial statements for all funds are presented monthly to the Board of Education. Annual reports are prepared as requested for special grants and programs.

Financial activities throughout the year are controlled in accordance with the **North Carolina School Budget and Fiscal Control Act** which requires a pre-audit procedure to ensure availability of funds prior to issuance of purchase orders or payment of claims. We believe that the Board's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. Additionally, the activity funds of individual schools are examined each year by the internal audit staff for compliance with applicable federal and state regulations along with local board policy.

State law (G.S. 115C-432) establishes that the district's budget resolution shall conform to the uniform budget format established by the State Board of Education. State law (G.S. 115C-429) allows the board of county commissioners to allocate part or all of its appropriation by purpose/function code as defined in the uniform budget format. Mecklenburg County allocates all of the local funding to CMS by purpose/function code. State and Federal funds are allocated to the district by program/report code as defined in the uniform budget format.

The **North Carolina School Budget and Fiscal Control Act** requires the Board accounts to be maintained on an encumbered budgetary basis. Encumbrances are commitments for goods which have not

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been received or for services not yet rendered. The GAAP financial statements in the report do not include encumbrances; the budgetary basis statements do. Reconciliations between these bases are included in the Notes to Basic Financial Statements.

Internal Control Structure: The CMS financial management staff is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the school system are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal, state, and local financial assistance, the school system is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management.

INDEPENDENT AUDIT

The financial statements have been audited by Dixon Hughes Goodman LLP, independent certified public accountants, whose opinion is expressed on pages 1-3.

The Charlotte-Mecklenburg Board of Education complies with the requirements of the Single Audit Act for which a separate report is issued.

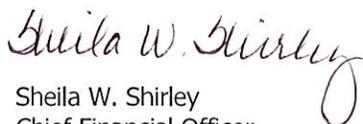
FINANCIAL REPORTING AWARDS

Since 1977 and 1981, respectively, our Comprehensive Annual Financial Report has earned the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting award. These awards are made only to governmental units which publish a comprehensive annual financial report that is easily readable, efficiently organized, and conforms to program standards as well as satisfy generally accepted accounting principles and applicable legal requirements. The awards are valid for a period of one year only. We believe this report continues to conform to GFOA and ASBO requirements, and we will submit it for determination of its eligibility for renewed awards.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire finance staff. We would like to express appreciation to the finance team for their assistance in the timely closing of the school system's financial records and to all individuals who assisted in the preparation of this report.

Respectfully submitted,



Sheila W. Shirley
Chief Financial Officer

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Vice-Chairperson, District 1

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Charlotte-Mecklenburg Schools

Executive Staff

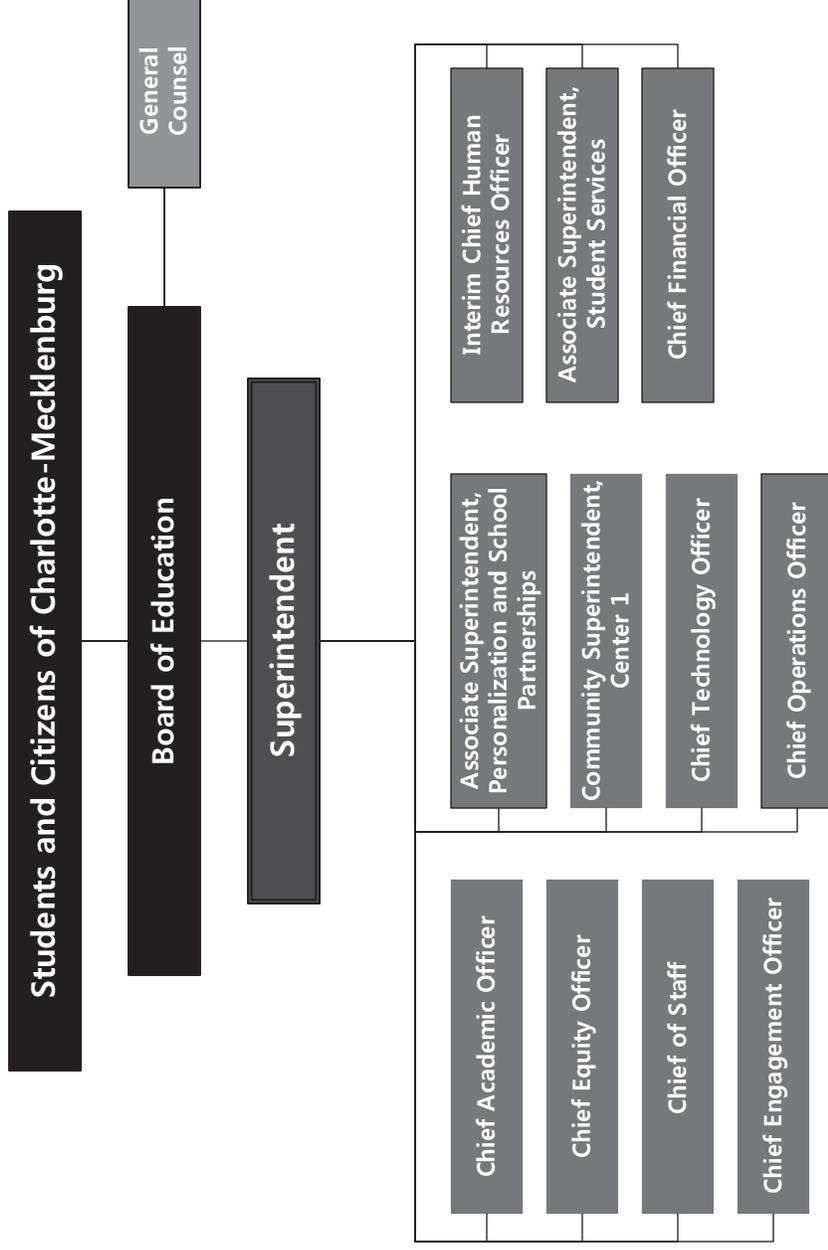
June 30, 2018

Clayton M. Wilcox, Ed.D.	Superintendent
Valerie Truesdale, Ed.D.	Associate Superintendent, Personalized Learning and School Partnerships
Carol Stamper	Chief Operations Officer
Sheila W. Shirley	Chief Financial Officer
Derek Root	Chief Technology Officer
Earnest Winston	Chief Community Relations & Engagement Officer/Ombudsman
Tracy Russ	Chief Communications Officer
Gerri Parker	Chief Human Resources Officer
Kathleen Elling	Chief School Performance Officer
Frank Barnes, Ed.D.	Chief Accountability Officer
Laura Francisco	Chief of Staff
George Battle III	General Counsel
Tara Lynn Sullivan	Community Superintendent – Central
Nancy Brightwell	Community Superintendent – East
Matthew Hayes, Ed.D.	Community Superintendent – North
Stephen Esposito, Ed.D.	Community Superintendent – Northeast
John Wall	Community Superintendent – LEAD
Avery Mitchell	Community Superintendent – South
Trish Sexton	Community Superintendent – West (West Mecklenburg)
Curtis Carroll, Ed.D.	Community Superintendent – West (Harding/Phillip O. Berry)
Denise Watts, Ed.D.	Community Superintendent – Project L.I.F.T.
Kondra Rattley, Ed.D.	Community Superintendent – Beacon
LaTarzja Henry	Assistant Superintendent for Community Partnerships and Family Engagement
Ann Stalnaker, Ed.D.	Assistant Superintendent for Exceptional Children
Akeshia Craven-Howell	Assistant Superintendent, Magnets, Student Assignment and Advanced Programs
Chris Triolo	Executive Director, Learning and Teaching
Talla Rittenhouse	Executive Director, Strategy Management
Sonja Gantt	Executive Director for CMS Foundation
Kelly Price	Executive Director, Title I
Charlotte Nadja Trez	Executive Director, English Language Learner Services

Charlotte-Mecklenburg Schools

District Organizational Chart

2017 – 2018





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Charlotte-Mecklenburg
Board of Education, North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO



**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

**The Certificate of Excellence in Financial Reporting
is presented to**

Charlotte Mecklenburg Board of Education

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.' The signature is written in a cursive style and is positioned above a horizontal line.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink, reading 'John D. Musso'. The signature is written in a cursive style and is positioned above a horizontal line.

John D. Musso, CAE
Executive Director

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2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Financial Section



Independent Auditors' Report

Charlotte-Mecklenburg Board of Education
Charlotte, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charlotte-Mecklenburg Board of Education, North Carolina, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Charlotte-Mecklenburg Board of Education'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 statement that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 entity'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 entity'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.



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Charlotte-Mecklenburg Board of Education as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, State Public School Fund, Direct Federal Grants Fund and Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Change in Accounting Principal

As discussed in Note 20 to the financial statements, the financial statements as of and for the year ended June 30, 2018 were restated due to the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, in 2018. Our opinion is not modified with respect to these changes.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 10 and the Schedules of the Board's Proportionate Share of the Net Pension Liability and OPEB Asset and Liability and the Schedule of Board Contributions on pages 50 through 55, respectively 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 an opinion on the financial statements that collectively comprise the Charlotte-Mecklenburg Board of Education's basic financial statements. The introductory section, individual non-major fund financial statements, budgetary schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual non-major fund financial statements and budgetary 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 individual non-major fund financial statements and budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2018 on our consideration of Charlotte-Mecklenburg Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charlotte-Mecklenburg Board of Education's internal control over financial reporting and compliance.

Dixon Hughes Goodman LLP

**Winston-Salem, North Carolina
October 29, 2018**

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2018

INTRODUCTION

Our discussion and analysis of Charlotte-Mecklenburg Board of Education's (the Board or CMS) financial performance provides a narrative overview of the Board's financial activities for the fiscal year ended June 30, 2018. This information should be read in conjunction with the audited financial statements included in this report. All amounts, unless otherwise indicated, are presented in thousands of dollars.

FINANCIAL HIGHLIGHTS

- The Board's enrollment decreased by 9 students (or 0.006%) from the previous year based on the ninth month enrollment.
- The liabilities and deferred inflows of the Board exceeded its assets and deferred outflows at the close of the fiscal year by \$520 million.
- The Board's total net position decreased by \$2.3 billion in FY 2018 after restating beginning net position (a decrease of \$2.2 billion) related to implementation of GASB 75 – *Accounting and Financial Reporting for Other Postemployment Benefits Other Than Pensions*.
- As of the close of the current fiscal year, the Board's governmental funds reported a combined fund balance of \$99.1 million, a decrease of \$15.5 million in comparison with the prior year. Approximately 21% of this total amount, or \$21.3 million, is available for spending at the government's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements of the Charlotte-Mecklenburg Board of Education consist of four components. They are as follows:

- *Independent Auditor's Report*
- *Management's Discussion and Analysis*
- *Basic Financial Statements*
- *Required Supplemental section that presents budgetary statements for governmental and proprietary funds*

The *Basic Financial Statements* include two types of statements that present different views of the Board's finances. The first is the *government-wide statements*. The government-wide statements are presented on the full accrual basis of accounting and include the Statement of Net Position and the Statement of Activities. The Statement of Net Position includes all the Board's assets and deferred outflows of resources and liabilities and deferred inflows of resources. Assets and liabilities are classified in the order of relative liquidity for assets and due date for liabilities. This statement provides a summary of the Board's investment in assets and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The Statement of Activities summarizes the Board's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The second type of statement included in the basic financial statements is the *fund financial statements*, which are presented for the Board's governmental and proprietary funds. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. The proprietary funds are presented on the full accrual basis of accounting. The fund financial statements focus on the Board's most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statements provide information about the Board as an economic unit while the fund financial statements provide information on the current financial resources of the Board's funds.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the Board as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position presents information on all of the Board's assets and liabilities, with the difference between the two reported as Net Position. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2018 (continued)**

The two government-wide statements report the Board’s net position and how it has changed during the most recent year. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Board is improving or declining. To assess the Board’s overall health, you need to consider additional non-financial factors such as changes in Mecklenburg County’s property tax base and the condition of its school buildings and other physical assets.

The Board’s activities are divided into two categories in the government-wide statements:

- **Governmental activities:** Most of the Board’s basic services are included here, such as regular and special education, transportation, and administration. County, state and federal funds finance most of these activities.
- **Business-type activities:** The Board charges fees to help cover the costs of certain services it provides. Child Nutrition and After School Enrichment are included in the Board’s business-type activities.

The government-wide statements are shown on pages 11-13 of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Board’s funds, focusing on its most significant or “major” funds – not the Board as a whole. Funds are accounting devices the Board uses to keep track of specific sources of funding and spending on particular programs.

- Some funds, such as the State Public School Fund, are required by state law.
- The Board has established other funds to control and manage money for a particular purpose or to show that it is properly using certain revenues, such as in the Federal Grants fund.

Charlotte-Mecklenburg Board of Education has two types of funds:

Governmental Funds: Most of the Board’s basic services are included in the governmental funds, which generally focus on two things – how cash and other assets can readily be converted to cash flow in and out and the balances left at year-end that are available for spending. As a result of this current financial resource focus, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Board’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the end of the governmental funds statements, in the form of reconciliation, explains the relationship (or differences) between the government-wide and the fund financial statements. The Board has several governmental funds: the General Fund, the State Public School Fund, the Individual Schools Fund, the Capital Projects Fund, the Special Revenue Fund, the Direct Federal Grants Fund and the State Administered Federal Grants Fund.

The governmental fund statements are shown on pages 14-27 of this report.

Proprietary Funds: Services for which the Board charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same full accrual basis of accounting as the government-wide statements. Charlotte-Mecklenburg Board of Education has two proprietary funds, both enterprise funds. They are the Child Nutrition Program and the After-School Enrichment Program.

The proprietary fund statements are shown on pages 28-30 of this report.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2018 (continued)**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position is an indicator of the fiscal health of the Board. Liabilities and deferred inflows exceeded assets and deferred outflows by \$520 million as of June 30, 2018. The largest component of net position is net investment in capital assets, of \$2.0 billion. Net Other Post Employment Benefit (OPEB) liability of \$1.8 billion, is being presented on the financial statements for the first time in 2018, due to Governmental Accounting Standards Board (GASB) 75 requirements, contributing to an unrestricted net position of \$(2.5) billion.

Following is a summary of the Statement of Net Position:

**Condensed Statement of Net Position
as of June 30, 2018 and 2017
(Amounts expressed in thousands)**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current assets	\$ 189,378	\$ 204,236	\$ 51,635	\$ 48,261	\$ 241,013	\$ 252,497
Capital assets	1,954,681	1,947,002	7,163	7,750	1,961,844	1,954,752
Total assets	2,144,059	2,151,238	58,798	56,011	2,202,857	2,207,249
Deferred Outflows of Resources	368,282	344,613	7,335	6,825	375,617	351,438
Current liabilities	89,617	92,845	2,451	2,329	92,068	95,174
Net Pension Liability	465,062	528,693	9,262	10,472	474,324	539,165
Net OPEB Liability	1,760,477	-	35,062	-	1,795,539	-
Other Long-Term liabilities	90,324	81,445	1,829	1,694	92,153	83,139
Long-Term liabilities	2,315,863	610,138	46,153	12,166	2,362,016	622,304
Total liabilities	2,405,480	702,983	48,604	14,495	2,454,084	717,478
Deferred Inflows of Resources	631,800	30,393	12,583	602	644,383	30,995
Net investment in capital assets	1,945,042	1,939,956	7,163	7,750	1,952,205	1,947,706
Restricted net position	73,342	93,170	64	-	70,122	93,170
Unrestricted net position	(2,543,323)	(270,651)	(2,281)	39,989	(2,542,320)	(230,662)
Total net position	\$ (524,939)	\$ 1,762,475	\$ 4,946	\$ 47,739	\$ (519,993)	\$ 1,810,214

Note that the total net position decreased by \$2.3 billion during the year primarily due to GASB 75 *Accounting and Financial Reporting for Other Postemployment Benefits Other Than Pensions* reporting requirement as noted above. Also, note that the Board carries capital assets for which Mecklenburg County carries the offsetting debt.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2018 (continued)**

The following table shows the revenue and expenses for the Board for the current and previous fiscal year.

Condensed Statement of Revenues, Expenses, and Changes in Net Positions
for the years ended June 30, 2018 and 2017
(Amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
REVENUES:						
Program revenues:						
Charges for services	\$ 3,115	\$ 2,231	\$ 25,163	\$ 25,857	\$ 28,278	\$ 28,088
Operating grants and contributions	109,081	114,040	58,716	57,213	167,797	171,253
Capital grants and contributions	-	-	709	420	709	420
General revenues:						
Unrestricted state appropriations	836,103	797,167	-	-	836,103	797,167
Unrestricted county appropriations	517,101	512,908	-	-	517,101	512,908
Other revenues	26,509	47,764	550	360	27,059	48,124
Total revenues	1,491,909	1,474,110	85,138	83,850	1,577,047	1,557,960
EXPENSES:						
Governmental activities:						
Instructional programs	1,299,707	1,181,655	-	-	1,299,707	1,181,655
Supporting services	301,336	274,995	-	-	301,336	274,995
Community service	853	1,085	-	-	853	1,085
Other	15	85	-	-	15	85
Business-type activities:						
After-School Enrichment	-	-	14,993	13,477	14,993	13,477
Child Nutrition	-	-	69,813	66,706	69,813	66,706
Total expenses	1,601,911	1,457,820	84,806	80,183	1,686,717	1,538,003
Excess before transfers	(110,002)	16,290	332	3,667	(109,670)	19,957
Transfers in (out)	(234)	(261)	234	261	-	-
Increase (decrease) in net position	(110,236)	16,029	566	3,928	(109,670)	19,957
Net Position, beginning, previously reported	1,762,475	1,746,446	47,739	43,811	1,810,214	1,790,257
Restatement	(2,177,178)	-	(43,359)	-	(2,220,537)	-
Net Position, beginning, restated	(414,703)	-	4,380	-	(410,323)	-
Net Position, ending	\$ (524,939)	\$ 1,762,475	\$ 4,946	\$ 47,739	\$ (519,993)	\$ 1,810,214

Total governmental activities generated revenues of \$1.5 billion while expenses in this category totaled \$1.6 billion for the year ended June 30, 2018. Comparatively, revenues were \$1.5 billion and expenses totaled \$1.5 billion for the year ended June 30, 2017. After transfers to the business-type activities, the decrease in net position of governmental activities stands at \$110.2 million at June 30, 2018, compared to an increase of \$16.0 million in 2017.

Instructional expenses comprised 81.1% of total governmental-type expenses while support services made up 18.8% of those expenses for 2018. County funding comprised 34.7% (28.8% operating and 5.9% capital) of total governmental revenue while state funding added another 56.0% for 2018. In 2017, county funding was 34.8% (28.1% operating and 6.7% capital) of total governmental revenue while state funding added another 54.1%. Most of the remaining 9.3% of total governmental revenue for 2018 consists of federal funding and revenue generated from other local sources. Comparable revenue from those sources in 2017 generated 11.1% of total governmental revenue.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2018 (continued)**

Business-type activities generated revenue of \$85.1 million and had expenses of \$84.8 million for the year ended June 30, 2018. Comparatively, revenues were \$83.9 million and expenses totaled \$80.2 million for the year ended June 30, 2017. Net position increased in the business-type activities by \$0.6 million after transfers in from the governmental activities of \$0.2 million, compared to an increase of \$3.9 million in 2017.

FINANCIAL ANALYSIS OF THE BOARD’S FUNDS

GOVERNMENT FUNDS:

The focus of the Board’s governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Board’s financing requirements.

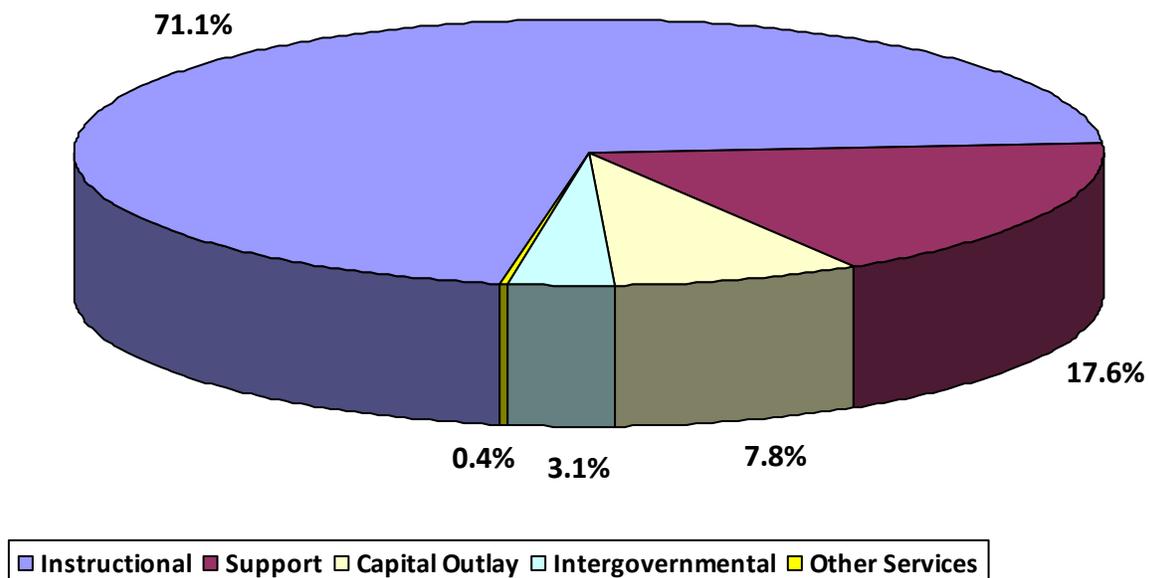
The Board’s governmental funds reported a combined fund balance of \$99.1 million, a decrease of \$15.5 million from the prior year. At the close of the year, state funding was \$847.2 million, compared to \$807.4 million in 2017, an increase of approximately \$39.8 million for the year. County funding was \$517.1 million, compared to \$512.9 million in 2017, an increase approximately \$4.2 million for the year. Federal grant funding, which includes both Direct Federal Grants and State Administered Federal Grants was \$91.4 million, compared to \$95.8 million in 2017, a decrease of \$4.4 million for the year.

At the end of the year, the General Fund net fund balance decreased \$18.4 million primarily due to a decrease in encumbrances from the prior year of \$22.1 million. This decrease was offset by an increase in the Insurance Fund net fund balance of \$1.7 million and revenues exceeding expenditures on a non-GAAP budgetary basis of \$2.0 million. In 2017, there was a decrease in net fund balance of \$0.8 million. The Capital Projects Fund decrease in net fund balance of \$1.8 million is primarily due to a decrease in miscellaneous revenue in 2018 and compares to an increase in net fund balance of \$10.4 million in 2017. The Special Revenue Fund had an increase in net fund balance of \$5.2 million compared to an increase in fund balance of \$26 thousand in the prior year primarily because revenues allocated to utility costs were not required to be expended. The Direct Federal Grants Fund’s net fund balance decreased \$0.7 million as a result of encumbrances being lower than in the prior year.

The Board’s business-type funds reflected a total increase in net position of \$0.6 million. The smaller increase in comparison to previous years is due to the restatement of net position due to implementation of GASB 75. The Child Nutrition Program reflected an increase in net position over the last year of \$1.6 million. In 2017, there was an increase in net position of \$3.4 million. The After School Enrichment Program reflected a decrease in net position of \$1.1 million compared to an increase of \$0.6 million in 2017.

Categorization of Expenditures for Governmental Funds

(presented on the modified accrual basis of accounting)



**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2018 (continued)**

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Board revised the budget to account for changes in revenue expectations for the General Fund. Additional information related to Budget activity is included in Note I, Section D in the Notes to the Basic Financial Statements. Fund balance appropriated in the current year budget for middle school athletics, mobile units and school options facility needs was not required as these costs were covered with other current year funding.

CAPITAL ASSETS

At June 30, 2018, CMS had \$3.0 billion invested in a broad range of capital assets, including land, buildings and improvements, and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of \$7.1 million. The increase is primarily due to land acquisitions and improvements.

**Summary of Capital Assets
as of June 30, 2018 and 2017**
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/18	6/30/17	6/30/18	6/30/17	6/30/18	6/30/17
Land	\$ 135,918	\$ 130,090	\$ -	\$ -	135,918	\$ 130,090
Construction in Progress	69,723	110,783	-	-	69,723	110,783
Buildings	2,536,579	2,455,893	-	-	2,536,579	2,455,893
Equipment	220,390	211,232	33,369	32,596	253,759	243,828
	2,962,610	2,907,998	33,369	32,596	2,995,979	2,940,594
Less accumulated depreciation	(1,007,929)	(960,996)	(26,206)	(24,845)	(1,034,135)	(985,842)
Total	\$1,954,681	\$ 1,947,002	\$7,163	\$7,750	\$1,961,844	\$ 1,954,752

Additional information related to Capital Assets activity is included in Notes 5 and 12 in the Notes to the Basic Financial Statements.

DEBT OUTSTANDING

During the year, the Board's debt decreased by \$0.5 million due mainly to the decrease in net pension liability, and the inclusion of the net OPEB liability (after restatement of the beginning OPEB balance). The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. The County holds all debt issued for school capital construction. Additional information related to Debt Outstanding is included in Note 16 in the Notes to the Basic Financial Statements.

ECONOMIC FACTORS

County funding is a significant source of operating revenue for CMS. Therefore, the County's economic outlook directly affects that of the school district. The County's unemployment rate has remained at 4.0% in 2018. The County's unemployment rate is below the state rate of 4.2% and the same as the national rate of 4.0%. Charlotte-Mecklenburg enjoys a balanced economy that encompasses many sectors, as well as companies that range in size from multinational to microbusiness. Diverse business interests, once thought to shelter the County from problems that resulted from slowdowns in certain sectors, are still showing signs of vulnerability, but overall County revenue is increasing. Additionally, the state provides the majority of the Board's funding and remains in a relatively better financial position than some states.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2018 (continued)**

REQUEST FOR INFORMATION

This report is intended to provide a summary of the financial condition of Charlotte-Mecklenburg Board of Education. Questions or requests for additional information should be addressed to:

Sheila W. Shirley, Chief Financial Officer
Charlotte-Mecklenburg Board of Education
4421 Stuart Andrew Boulevard
Charlotte, NC 28217

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2018
(Amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 142,398	\$ 46,620	\$ 189,018
Receivables:			
Mecklenburg County	7,785	-	7,785
State of North Carolina	25,969	-	25,969
US Government Agencies	4,971	2,068	7,039
Other	3,919	314	4,233
Net OPEB Asset	3,220	64	3,284
Inventories	1,116	2,569	3,685
Capital Assets			
Land, Improvements and Construction in Progress	205,641	-	205,641
Other Capital Assets, net of depreciation	1,749,040	7,163	1,756,203
Total Capital Assets	<u>1,954,681</u>	<u>7,163</u>	<u>1,961,844</u>
TOTAL ASSETS	<u>2,144,059</u>	<u>58,798</u>	<u>2,202,857</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>368,282</u>	<u>7,335</u>	<u>375,617</u>
LIABILITIES			
Accounts Payable	19,172	817	19,989
Accrued Wages Payable	49,743	407	50,150
Unearned Revenue	8,493	1,152	9,645
Long-term Liabilities:			
Due Within One Year			
Obligations Under Capital Lease and Installment Purchases	3,568	-	3,568
Liability for Compensated Absences	5,401	75	5,476
Claims Liability	3,240	-	3,240
Due in More than One Year			
Net Pension Liability	465,062	9,262	474,324
Net OPEB Liability	1,760,477	35,062	1,795,539
Obligations Under Capital Lease and Installment Purchases	6,071	-	6,071
Claims Liability	6,376	-	6,376
Liability for Compensated Absences	77,877	1,829	79,706
TOTAL LIABILITIES	<u>2,405,480</u>	<u>48,604</u>	<u>2,454,084</u>
DEFERRED INFLOWS OF RESOURCES	<u>631,800</u>	<u>12,583</u>	<u>644,383</u>
NET POSITION			
Net Investment in Capital Assets	1,945,042	7,163	1,952,205
Restricted:			
Stabilization by State Statute	55,396	-	55,396
Individual School Activities	5,550	-	5,550
Insurance Claims	9,176	-	9,176
DIPNC OPEB plan	3,220	64	3,284
Unrestricted	(2,543,323)	(2,281)	(2,545,604)
TOTAL NET POSITION	<u>\$ (524,939)</u>	<u>\$ 4,946</u>	<u>\$ (519,993)</u>

The notes to the basic financial statements are an integral part of this statement.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

(Amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Instructional Programs				
Regular	\$ 872,091	\$ 1,004	\$ 6,714	\$ -
Special	260,169	-	80,177	-
School Leadership	76,909	-	1,178	-
Co-Curricular	14,061	-	-	-
School-Based Support	76,477	-	6,640	-
Support and Development	10,759	-	1,766	-
Special Population Support	8,124	-	3,306	-
Technology Support	17,002	-	-	-
Operational Support	209,706	-	6,553	-
Financial and Human Resources	29,753	-	2,480	-
Accountability Services	4,058	-	-	-
System-Wide Pupil Support	4,070	-	-	-
Policy, Leadership and Public Relations	17,864	-	265	-
Community Services	853	2,111	2	-
Debt Service-Interest	15	-	-	-
Total Governmental Activities	1,601,911	3,115	109,081	-
Business-Type Activities:				
After School Program	14,993	13,854	-	-
Child Nutrition Program	69,813	11,309	58,716	709
Total Business-Type Activities	84,806	25,163	58,716	709
TOTAL PRIMARY GOVERNMENT	\$ 1,686,717	\$ 28,278	\$ 167,797	\$ 709

General Revenues:

Unrestricted State Appropriations-Operating
 Unrestricted State Appropriations-Capital
 Unrestricted Mecklenburg County Appropriations-Operating
 Unrestricted Mecklenburg County Appropriations-Capital
 Interest Income
 Miscellaneous

Transfers

Total general revenues and transfers
 Change in net position
 Net Position, beginning, previously reported
 Restatement
 Net Position, beginning, restated
 Net Position, ending

The notes to the basic financial statements are an integral part of this statement.

Continued on Next Page

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (864,373)	\$ -	\$ (864,373)
(179,992)	-	(179,992)
(75,731)	-	(75,731)
(14,061)	-	(14,061)
(69,837)	-	(69,837)
(8,993)	-	(8,993)
(4,818)	-	(4,818)
(17,002)	-	(17,002)
(203,153)	-	(203,153)
(27,273)	-	(27,273)
(4,058)	-	(4,058)
(4,070)	-	(4,070)
(17,599)	-	(17,599)
1,260	-	1,260
(15)	-	(15)
(1,489,715)	-	(1,489,715)
-	(1,139)	(1,139)
-	921	921
-	(218)	(218)
(1,489,715)	(218)	(1,489,933)
832,192	-	832,192
3,911	-	3,911
428,745	-	428,745
88,356	-	88,356
1,653	550	2,203
24,856	-	24,856
(234)	234	-
1,379,479	784	1,380,263
(110,236)	566	(109,670)
1,762,475	47,739	1,810,214
(2,177,178)	(43,359)	(2,220,537)
(414,703)	4,380	(410,323)
\$ (524,939)	\$ 4,946	\$ (519,993)

The notes to the basic financial statements are an integral part of this statement.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

(Amounts expressed in thousands)

	MAJOR FUNDS			
	GENERAL	STATE PUBLIC SCHOOL	INDIVIDUAL SCHOOLS	CAPITAL PROJECTS
ASSETS				
Cash and Cash Equivalents	\$ 102,619	\$ -	\$ 5,550	\$ 21,832
Receivables:				
Mecklenburg County	-	-	-	7,785
State of North Carolina	2,699	23,270	-	-
U.S. Government Agencies	-	-	-	-
Other	169	3,184	-	-
Inventories	1,116	-	-	-
TOTAL ASSETS	\$ 106,603	\$ 26,454	\$ 5,550	\$ 29,617
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 17,657	\$ 383	\$ -	\$ 7,900
Accrued Wages Payable	25,359	22,887	-	-
Unearned Revenue	-	3,184	-	-
Total Liabilities	43,016	26,454	-	7,900
Fund Balance				
Nonspendable:				
Inventories	1,116	-	-	-
Restricted:				
Stabilization by State Statute	32,043	-	-	21,717
Individual Schools	-	-	5,550	-
Insurance Claims	9,176	-	-	-
Assigned:				
Special Revenue	-	-	-	-
Subsequent Years Expenditures	5,600	-	-	-
Unassigned:				
Unassigned	15,652	-	-	-
Total Fund Balance	63,587	-	5,550	21,717
TOTAL LIABILITIES AND FUND BALANCES	\$ 106,603	\$ 26,454	\$ 5,550	\$ 29,617

The notes to the basic financial statements are an integral part of this statement.

Continued on Next Page

MAJOR FUNDS		NON-MAJOR FUND		TOTAL
SPECIAL REVENUE	DIRECT FEDERAL GRANTS	STATE ADMINISTERED FEDERAL		
\$ 12,397	\$ -	\$ -	\$	142,398
-	-	-		7,785
-	-	-		25,969
-	2,889	2,082		4,971
566	-	-		3,919
-	-	-		1,116
<u>\$ 12,963</u>	<u>\$ 2,889</u>	<u>\$ 2,082</u>	\$	<u>186,158</u>
\$ 227	\$ 1,941	\$ 680	\$	28,788
95	-	1,402		49,743
<u>5,208</u>	<u>101</u>	<u>-</u>		<u>8,493</u>
<u>5,530</u>	<u>2,042</u>	<u>2,082</u>		<u>87,024</u>
-	-	-		1,116
789	847	-		55,396
-	-	-		5,550
-	-	-		9,176
6,644	-	-		6,644
-	-	-		5,600
-	-	-		15,652
<u>7,433</u>	<u>847</u>	<u>-</u>		<u>99,134</u>
<u>\$ 12,963</u>	<u>\$ 2,889</u>	<u>\$ 2,082</u>	\$	<u>186,158</u>

The notes to the basic financial statements are an integral part of this statement.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

(Amounts expressed in thousands)

Total fund balances--governmental funds \$ 99,134

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in the governmental funds. The Statement of Net Position includes those capital assets among the assets of the CMS as a whole. The cost of those capital assets are allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of capital assets	\$ 2,962,610	
Accumulated depreciation	<u>(1,007,929)</u>	1,954,681

Deferred outflows of resources related to pensions and OPEB 368,282

Net OPEB asset 3,220

Long-term liabilities applicable to the CMS governmental activities are not due and payable in the current period and accordingly are not reported as governmental fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.

Liability for compensated absences	\$ (83,278)	
Net pension liability	(465,062)	
Net OPEB liability	(1,760,477)	
Deferred inflows of resources related to pensions and OPEB	(631,800)	
Obligations under installment purchases	<u>(9,639)</u>	<u>(2,950,256)</u>

Net Position \$ (524,939)

The notes to the basic financial statements are an integral part of this statement.

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CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

(Amounts expressed in thousands)

	MAJOR FUNDS			
	GENERAL	STATE PUBLIC SCHOOL	INDIVIDUAL SCHOOLS	CAPITAL PROJECTS
REVENUES				
State of North Carolina:				
State Public School	\$ -	\$ 832,192	\$ -	\$ -
Other:				
Donated Textbooks	-	-	-	-
Other	-	-	-	3,911
Total State	<u>-</u>	<u>832,192</u>	<u>-</u>	<u>3,911</u>
Mecklenburg County:				
County Public Schools	382,835	-	-	88,356
Charter Schools	45,910	-	-	-
Total County	<u>428,745</u>	<u>-</u>	<u>-</u>	<u>88,356</u>
U.S. Government Agencies:				
Title I--Education of Children of Low Income Families	-	-	-	-
Title VI-- Education of Handicapped Children	-	-	-	-
School Improvement	-	-	-	-
Improving Teacher Quality	-	-	-	-
Title III--Language Acquisition	-	-	-	-
CTE Program Involvement	-	-	-	-
Title IV--Student Support and Academic Other	-	-	-	-
Total U.S. Government Agencies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other:				
Insurance Proceeds	-	-	-	30
Miscellaneous	8,754	-	7,344	6,131
Total Other	<u>8,754</u>	<u>-</u>	<u>7,344</u>	<u>6,161</u>
Total Revenues	<u>437,499</u>	<u>832,192</u>	<u>7,344</u>	<u>98,428</u>
CURRENT OPERATING EXPENDITURES				
Instructional Programs:				
Regular	177,537	497,742	20	-
Special	24,588	136,119	-	-
School Leadership	26,710	43,891	-	-
Co-Curricular	5,015	-	7,015	-
School-Based Support	12,145	52,331	-	-
Total Instructional Programs	<u>245,995</u>	<u>730,083</u>	<u>7,035</u>	<u>-</u>

The notes to the basic financial statements are an integral part of this statement.

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CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018
(Amounts expressed in thousands)

MAJOR FUNDS		NON-MAJOR FUND	
SPECIAL REVENUE	DIRECT FEDERAL GRANTS	STATE ADMINISTERED FEDERAL	TOTAL
\$ -	\$ -	\$ -	\$ 832,192
-	-	-	-
11,110	-	-	15,021
<u>11,110</u>	<u>-</u>	<u>-</u>	<u>847,213</u>
-	-	-	471,191
-	-	-	45,910
<u>-</u>	<u>-</u>	<u>-</u>	<u>517,101</u>
-	-	42,902	42,902
-	-	28,337	28,337
-	-	1,288	1,288
-	-	4,578	4,578
-	-	2,909	2,909
-	-	1,944	1,944
-	-	637	637
-	6,986	1,856	8,842
<u>-</u>	<u>6,986</u>	<u>84,451</u>	<u>91,437</u>
-	-	-	30
16,728	-	-	38,957
<u>16,728</u>	<u>-</u>	<u>-</u>	<u>38,987</u>
<u>27,838</u>	<u>6,986</u>	<u>84,451</u>	<u>1,494,738</u>
1,461	2,949	4,493	684,202
12,222	3,909	66,375	243,213
148	-	95	70,844
1,595	-	-	13,625
266	113	6,366	71,221
<u>15,692</u>	<u>6,971</u>	<u>77,329</u>	<u>1,083,105</u>

The notes to the basic financial statements are an integral part of this statement.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018
(Amounts expressed in thousands)

	MAJOR FUNDS			
	GENERAL	STATE PUBLIC SCHOOL	INDIVIDUAL SCHOOLS	CAPITAL PROJECTS
CURRENT OPERATING EXPENDITURES (Continued)				
Support and Development:				
Regular Support	\$ 6,714	\$ 848	\$ -	\$ -
Career and Technical Support	127	375	-	-
Total Support and Development	<u>6,841</u>	<u>1,223</u>	<u>-</u>	<u>-</u>
Special Population Support:				
Special Population Support	1,603	164	-	-
Alternative Programs	1,551	333	-	-
Total Special Population Support	<u>3,154</u>	<u>497</u>	<u>-</u>	<u>-</u>
Technology Support:				
Technology Support	14,162	1,681	-	-
Total Technology Support	<u>14,162</u>	<u>1,681</u>	<u>-</u>	<u>-</u>
Operational Support:				
Communication Services	1,921	-	-	-
Printing and Copying	1,165	-	-	-
Public Utility and Energy	25,696	-	-	-
Custodial/Housekeeping	7,377	29,401	-	-
Transportation	12,376	67,125	-	-
Warehouse and Delivery	3,308	-	-	-
Facilities Planning	7,245	-	-	-
Maintenance of Plant	33,482	142	-	-
Total Operational Support	<u>92,570</u>	<u>96,668</u>	<u>-</u>	<u>-</u>
Financial and Human Resources:				
Financial Services	11,731	275	-	-
Insurance Claims	5,691	-	-	-
Human Resources Services	6,866	134	-	-
Staff Development Services	1,224	-	-	-
Total Financial and Human Resources	<u>25,512</u>	<u>409</u>	<u>-</u>	<u>-</u>
Accountability Services:				
Student Testing	3,110	-	-	-
Planning and Research	644	-	-	-
Total Accountability Services	<u>3,754</u>	<u>-</u>	<u>-</u>	<u>-</u>
System-Wide Pupil Support:				
Educational Media	528	-	-	-
Student Accounting	666	-	-	-
Guidance Support	306	-	-	-
Health Support	94	-	-	-
Safety and Security	2,124	52	-	-
Total System-Wide Pupil Support	<u>3,718</u>	<u>52</u>	<u>-</u>	<u>-</u>

The notes to the basic financial statements are an integral part of this statement.

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CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

(Amounts expressed in thousands)

MAJOR FUNDS		NON-MAJOR FUND	
SPECIAL REVENUE	DIRECT FEDERAL GRANTS	STATE ADMINISTERED FEDERAL	TOTAL
\$ 128	\$ 633	\$ 1,198	\$ 9,521
-	-	-	502
<u>128</u>	<u>633</u>	<u>1,198</u>	<u>10,023</u>
8	85	1,646	3,506
571	-	1,532	3,987
<u>579</u>	<u>85</u>	<u>3,178</u>	<u>7,493</u>
10	-	-	15,853
<u>10</u>	<u>-</u>	<u>-</u>	<u>15,853</u>
5	-	-	1,926
2	-	-	1,167
3,320	-	-	29,016
-	-	-	36,778
147	-	49	79,697
-	-	-	3,308
-	-	-	7,245
195	-	-	33,819
<u>3,669</u>	<u>-</u>	<u>49</u>	<u>192,956</u>
168	-	-	12,174
-	-	-	5,691
12	-	542	7,554
168	-	4	1,396
<u>348</u>	<u>-</u>	<u>546</u>	<u>26,815</u>
34	-	-	3,144
18	-	-	662
<u>52</u>	<u>-</u>	<u>-</u>	<u>3,806</u>
-	-	-	528
-	-	-	666
-	-	-	306
-	-	-	94
-	-	-	2,176
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,770</u>

The notes to the basic financial statements are an integral part of this statement.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

(Amounts expressed in thousands)

	MAJOR FUNDS			
	GENERAL	STATE	INDIVIDUAL SCHOOLS	CAPITAL PROJECTS
		PUBLIC SCHOOL		
Policy, Leadership and Public Relations:				
Board of Education	\$ 402	\$ -	\$ -	\$ -
Legal Services	1,891	-	-	-
Audit Services	91	-	-	-
Leadership	-	-	-	-
Office of Superintendent	572	272	-	-
Deputy, Associate, Assistant Superintendent	8,870	1,261	-	-
Public Relations and Marketing	1,684	-	-	-
Total Policy, Leadership and Public Relations	<u>13,510</u>	<u>1,533</u>	<u>-</u>	<u>-</u>
Ancillary Services:				
Community Services	-	-	-	-
Nutrition Services	14	-	-	-
Total Ancillary Services	<u>14</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Operating Expenditures	<u>409,230</u>	<u>832,146</u>	<u>7,035</u>	<u>-</u>
DEBT SERVICE EXPENDITURES				
Principal	567	-	-	3,911
Interest	15	-	-	-
Total Debt Service Expenditures	<u>582</u>	<u>-</u>	<u>-</u>	<u>3,911</u>
CAPITAL OUTLAY EXPENDITURES				
Building and Site Improvements	-	-	-	90,806
Furniture and Equipment	-	-	-	5,496
Vehicles	-	-	-	6,504
Total Capital Outlay Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,806</u>
INTERGOVERNMENTAL EXPENDITURES				
Charter Schools	45,910	-	-	-
Other	-	-	-	-
Total Intergovernmental Expenditures	<u>45,910</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>455,722</u>	<u>832,146</u>	<u>7,035</u>	<u>106,717</u>
REVENUES OVER (UNDER) EXPENDITURES	(18,223)	46	309	(8,289)
OTHER FINANCING SOURCES (USES)				
Installment Purchases Issued	-	-	-	6,504
Transfer Out	(188)	(46)	-	-
Total Other Financing Sources (Uses)	<u>(188)</u>	<u>(46)</u>	<u>-</u>	<u>6,504</u>
CHANGE IN NET FUND BALANCE	(18,411)	-	309	(1,785)
FUND BALANCE--Beginning of Year	81,998	-	5,241	23,502
FUND BALANCE--End of Year	<u>\$ 63,587</u>	<u>\$ -</u>	<u>\$ 5,550</u>	<u>\$ 21,717</u>

The notes to the basic financial statements are an integral part of this statement.

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CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

(Amounts expressed in thousands)

MAJOR FUNDS		NON-MAJOR FUND	
SPECIAL REVENUE	DIRECT FEDERAL GRANTS	STATE ADMINISTERED FEDERAL	TOTAL
\$ -	\$ -	\$ -	\$ 402
1	-	-	1,892
-	-	-	91
-	-	-	-
-	-	-	844
1,401	4	261	11,797
9	-	-	1,693
<u>1,411</u>	<u>4</u>	<u>261</u>	<u>16,719</u>
771	2	-	773
1	-	-	15
<u>772</u>	<u>2</u>	<u>-</u>	<u>788</u>
22,661	7,695	82,561	1,361,328
-	-	-	4,478
-	-	-	15
-	-	-	<u>4,493</u>
-	-	-	90,806
-	-	-	5,496
-	-	-	6,504
-	-	-	<u>102,806</u>
-	-	-	45,910
-	21	1,890	1,911
-	21	1,890	<u>47,821</u>
22,661	7,716	84,451	1,516,448
5,177	(730)	-	(21,710)
-	-	-	6,504
-	-	-	(234)
-	-	-	<u>6,270</u>
5,177	(730)	-	(15,440)
2,256	1,577	-	114,574
<u>\$ 7,433</u>	<u>\$ 847</u>	<u>\$ -</u>	<u>\$ 99,134</u>

The notes to the basic financial statements are an integral part of this statement.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE WITH THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**
(Amounts expressed in thousands)

Total net change in fund balances-- governmental funds \$ (15,440)

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for government-wide activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlays exceed the depreciation in the period:

Capital outlay/equipment	\$ 84,432	
Depreciation expense	<u>(67,420)</u>	17,012

Contributions to the pension and OPEB plans in the current fiscal year are not included on the Statement of Activities. 134,661

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Payments related to energy contract	567
Obligations issued for installment purchase	(6,504)
Payments related to capital leases and installment purchase	3,911

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds:

Compensated absences	(6,263)
Disposal of capital assets	(319)
Loss on disposal of capital assets	(9,014)
Pension and OPEB expense	<u>(228,847)</u>

Change in net position of governmental activities \$ (110,236)

The notes to the basic financial statements are an integral part of this statement.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2018
(Amounts expressed in thousands)

	GENERAL FUND			VARIANCE FROM AMENDED BUDGET
	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	
REVENUES				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Mecklenburg County	428,745	428,745	428,745	-
U.S. Government Agencies	-	-	-	-
Other	1,090	1,090	1,360	270
Total Revenues	429,835	429,835	430,105	270
EXPENDITURES				
Current Operating Expenditures:				
Instructional Programs:				
Regular	166,868	158,028	156,837	1,191
Special	22,508	24,619	24,584	35
School Leadership	24,921	26,753	26,717	36
Co-Curricular	4,955	5,299	5,011	288
School-Based Support	10,669	10,920	10,895	25
Total Instructional Programs	229,921	225,619	224,044	1,575
Support and Development	6,268	6,840	6,828	12
Special Population Support	3,028	3,153	3,153	-
Technology Support	13,132	13,326	13,191	135
Operational Support	91,803	97,881	92,451	5,430
Financial and Human Resources	20,018	20,695	20,245	450
Accountability Services	4,267	4,015	3,880	135
System-Wide Pupil Support	4,067	4,029	4,019	10
Policy, Leadership and Public Relations	13,272	13,935	13,631	304
Ancillary Services	254	66	14	52
Total Current Operating Expenditures	386,030	389,559	381,456	8,103
Intergovernmental Expenditures:				
Charter Schools	49,627	45,910	45,910	-
Other	-	-	-	-
Total Intergovernmental Expenditures	49,627	45,910	45,910	-
Debt Service				
Principal	567	567	567	-
Interest	15	15	15	-
Total Debt Service Expenditures	582	582	582	-
Total Expenditures	436,239	436,051	427,948	8,103
REVENUES OVER (UNDER) EXPENDITURES	(6,404)	(6,216)	2,157	8,373
OTHER FINANCING SOURCES (USES):				
Appropriated Fund Balance	6,404	6,404	-	(6,404)
Transfer Out	-	(188)	(188)	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ -	\$ -	\$ 1,969	\$ 1,969

The notes to the basic financial statements are an integral part of this statement.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2018
(Amounts expressed in thousands)

	STATE PUBLIC SCHOOL FUND			
	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE FROM AMENDED BUDGET
REVENUES				
State of North Carolina	\$ 837,796	\$ 846,182	\$ 829,738	\$ (16,444)
Mecklenburg County	-	-	-	-
U.S. Government Agencies	-	-	-	-
Other	-	-	-	-
Total Revenues	837,796	846,182	829,738	(16,444)
EXPENDITURES				
Current Operating Expenditures:				
Instructional Programs:				
Regular	515,708	505,867	497,896	7,971
Special	131,014	140,177	135,283	4,894
School Leadership	48,394	44,279	43,891	388
Co-Curricular	-	-	-	-
School-Based Support	54,736	52,348	52,314	34
Total Instructional Programs	749,852	742,671	729,384	13,287
Support and Development	947	1,798	1,224	574
Special Population Support	785	498	497	1
Technology Support	644	2,199	1,491	708
Operational Support	83,412	96,959	96,613	346
Financial and Human Resources	554	416	409	7
Accountability Services	254	-	(2)	2
System-Wide Pupil Support	59	60	48	12
Policy, Leadership and Public Relations	1,243	1,535	1,535	-
Ancillary Services	46	-	-	-
Total Current Operating Expenditures	837,796	846,136	831,199	14,937
Intergovernmental Expenditures:				
Charter Schools	-	-	-	-
Other	-	-	-	-
Total Intergovernmental Expenditures	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Debt Service Expenditures	-	-	-	-
Total Expenditures	837,796	846,136	831,199	14,937
REVENUES OVER (UNDER) EXPENDITURES	-	46	(1,461)	(1,507)
OTHER FINANCING USES:				
Appropriated Fund Balance	-	-	-	-
Transfer Out	-	(46)	(46)	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ -	\$ (1,507)	\$ (1,507)

The notes to the basic financial statements are an integral part of this statement.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2018
(Amounts expressed in thousands)

	SPECIAL REVENUE			VARIANCE FROM AMENDED BUDGET
	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	
REVENUES				
State of North Carolina	\$ 9,856	\$ 11,587	\$ 11,173	\$ (414)
Mecklenburg County	-	-	-	-
U.S. Government Agencies	-	-	-	-
Other	16,755	23,258	16,887	(6,371)
Total Revenues	26,611	34,845	28,060	(6,785)
EXPENDITURES				
Current Operating Expenditures:				
Instructional Programs:				
Regular	1,817	5,461	1,257	4,204
Special	9,665	12,578	12,173	405
School Leadership	301	373	152	221
Co-Curricular	1,367	1,608	1,566	42
School-Based Support	386	411	264	147
Total Instructional Programs	13,536	20,431	15,412	5,019
Support and Development	139	260	138	122
Special Population Support	755	838	575	263
Technology Support	-	36	29	7
Operational Support	8,159	7,500	3,667	3,833
Financial and Human Resources	1,351	1,500	347	1,153
Accountability Services	177	244	35	209
System-Wide Pupil Support	-	-	-	-
Policy, Leadership and Public Relations	1,954	2,457	1,393	1,064
Ancillary Services	540	1,574	774	800
Total Current Operating Expenditures	26,611	34,840	22,370	12,470
Intergovernmental Expenditures:				
Charter Schools	-	-	-	-
Other	-	5	-	5
Total Intergovernmental Expenditures	-	5	-	5
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Debt Service Expenditures	-	-	-	-
Total Expenditures	26,611	34,845	22,370	12,475
REVENUES OVER (UNDER) EXPENDITURES	-	-	5,690	5,690
OTHER FINANCING SOURCES:				
Appropriated Fund Balance	-	-	-	-
Transfer Out	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	\$ -	\$ -	\$ 5,690	\$ 5,690

The notes to the basic financial statements are an integral part of this statement.

CHARLOTTE MECKLENBURG BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2018
(Amounts expressed in thousands)

	DIRECT FEDERAL GRANTS			VARIANCE FROM AMENDED BUDGET
	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	
REVENUES				
U.S. Government Agencies	\$ 8,376	\$ 7,807	\$ 7,014	\$ (793)
Total Revenues	<u>8,376</u>	<u>7,807</u>	<u>7,014</u>	<u>(793)</u>
EXPENDITURES				
Current Operating Expenditures:				
Instructional Programs:				
Regular	3,415	3,492	2,921	571
Special	3,469	3,407	2,982	425
School-Based Support	356	145	105	40
Total Instructional Programs	<u>7,240</u>	<u>7,044</u>	<u>6,008</u>	<u>1,036</u>
Support and Development	1,098	644	621	23
Special Population Support	-	85	85	-
Technology Support	-	-	-	-
Operational Support	-	-	-	-
Financial and Human Resources	-	-	-	-
Accountability Services	-	-	-	-
System-Wide Pupil Support	-	-	-	-
Policy, Leadership and Public Relations	3	4	4	-
Total Current Operating Expenditures	<u>8,341</u>	<u>7,777</u>	<u>6,718</u>	<u>1,059</u>
Intergovernmental Expenditures:				
Other	35	30	21	9
	<u>35</u>	<u>30</u>	<u>21</u>	<u>9</u>
Total Expenditures	<u>8,376</u>	<u>7,807</u>	<u>6,739</u>	<u>1,068</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>275</u>	<u>275</u>
OTHER FINANCING SOURCES (USES):				
Appropriated Fund Balance	-	-	-	-
Transfer Out	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 275</u>	<u>\$ 275</u>

The notes to the basic financial statements are an integral part of this statement.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

(Amounts expressed in thousands)

	MAJOR FUNDS		
	CHILD NUTRITION PROGRAM	AFTER SCHOOL ENRICHMENT PROGRAM	TOTAL
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 40,517	\$ 6,103	\$ 46,620
Receivables:			
U.S. Government Agencies	2,068	-	2,068
Other	249	65	314
Net OPEB Asset	47	17	64
Inventories	2,569	-	2,569
Total Current Assets	<u>45,450</u>	<u>6,185</u>	<u>51,635</u>
Noncurrent Assets			
Capital Assets, Net of Depreciation	<u>7,163</u>	<u>-</u>	<u>7,163</u>
Total Assets	<u>52,613</u>	<u>6,185</u>	<u>58,798</u>
DEFERRED OUTFLOWS OF RESOURCES			
	<u>5,326</u>	<u>2,009</u>	<u>7,335</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	641	176	817
Accrued Salaries, Wages and Benefits	320	87	407
Unearned Revenue	1,045	107	1,152
Compensated Absences Due Within One Year	54	21	75
Total Current Liabilities	<u>2,060</u>	<u>391</u>	<u>2,451</u>
Noncurrent Liabilities			
Net Pension Liability	6,725	2,537	9,262
Net OPEB Liability	25,459	9,603	35,062
Compensated Absences Due In More Than One Year	1,078	751	1,829
Total Noncurrent Liabilities	<u>33,262</u>	<u>12,891</u>	<u>46,153</u>
Total Liabilities	<u>35,322</u>	<u>13,282</u>	<u>48,604</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>9,137</u>	<u>3,446</u>	<u>12,583</u>
NET POSITION			
Net Investment in Capital Assets	7,163	-	7,163
DIPNC OPEB Plan	47	17	64
Unrestricted Net Position	6,270	(8,551)	(2,281)
Total Net Position	<u>\$ 13,480</u>	<u>\$ (8,534)</u>	<u>\$ 4,946</u>

The notes to the basic financial statements are an integral part of this statement.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

(Amounts expressed in thousands)

	MAJOR FUNDS		
	CHILD NUTRITION PROGRAM	AFTER SCHOOL ENRICHMENT PROGRAM	TOTAL
OPERATING REVENUES			
Food Sales	\$ 11,309	\$ -	\$ 11,309
Participant Fees	-	13,854	13,854
Total Operating Revenues	<u>11,309</u>	<u>13,854</u>	<u>25,163</u>
OPERATING EXPENSES			
Food Cost	27,944	418	28,362
Salaries	22,773	9,003	31,776
Employee Benefits	7,129	2,562	9,691
Materials and Supplies	1,944	1,044	2,988
Utilities	125	-	125
Depreciation	1,687	-	1,687
Contracted Services	4,035	398	4,433
Indirect Costs	3,385	1,374	4,759
Other	791	194	985
Total Operating Expenses	<u>69,813</u>	<u>14,993</u>	<u>84,806</u>
OPERATING INCOME (LOSS)	<u>(58,504)</u>	<u>(1,139)</u>	<u>(59,643)</u>
NON-OPERATING REVENUES			
U.S. Government Subsidy	54,004	-	54,004
U.S. Government Commodities	4,687	-	4,687
Other	25	-	25
Interest Revenues	463	87	550
Total Non-Operating Revenues	<u>59,179</u>	<u>87</u>	<u>59,266</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFER	<u>675</u>	<u>(1,052)</u>	<u>(377)</u>
CAPITAL CONTRIBUTIONS	709	-	709
TRANSFER IN	<u>234</u>	<u>-</u>	<u>234</u>
CHANGE IN NET POSITION	1,618	(1,052)	566
TOTAL NET POSITION--Beginning of Year	43,346	4,393	47,739
Restatement	(31,484)	(11,875)	(43,359)
TOTAL NET POSITION--Beginning of Year, RESTATED	<u>11,862</u>	<u>(7,482)</u>	<u>4,380</u>
TOTAL NET POSITION--End of Year	<u>\$ 13,480</u>	<u>\$ (8,534)</u>	<u>\$ 4,946</u>

The notes to the basic financial statements are an integral part of this statement.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018
(Amounts expressed in thousands)

	MAJOR FUNDS		
	CHILD NUTRITION PROGRAM	AFTER SCHOOL ENRICHMENT PROGRAM	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Participants	\$ 11,386	\$ 13,705	\$ 25,091
Cash Paid to Employees	(28,453)	(10,942)	(39,395)
Cash Paid to Suppliers	(33,595)	(3,260)	(36,855)
Net Cash Provided (Used) In Operating Activities	<u>(50,662)</u>	<u>(497)</u>	<u>(51,159)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Non-Operating Grants Received	54,320	-	54,320
Transfer In	234	-	234
Net Cash Provided (Used) By Non-Capital Financing Activities	<u>54,554</u>	<u>-</u>	<u>54,554</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Equipment	(392)	-	(392)
Proceeds from Disposal of Capital Assets	17	-	17
Net Cash Provided (Used) In Capital and Related Financing Activities	<u>(375)</u>	<u>-</u>	<u>(375)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	463	87	550
Net Cash Provided (Used) By Investing Activities	<u>463</u>	<u>87</u>	<u>550</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
CASH AND CASH EQUIVALENTS--Beginning of Year	36,537	6,513	43,050
CASH AND CASH EQUIVALENTS--End of Year	<u>\$ 40,517</u>	<u>\$ 6,103</u>	<u>\$ 46,620</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (58,504)	\$ (1,139)	\$ (59,643)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) In Operating Activities:			
Depreciation	1,687	-	1,687
Loss on Disposals	1	-	1
Donated Commodities	4,687	-	4,687
Change in Assets, Deferred Outflows and Inflows of Resources and Liabilities:			
Accounts Receivable	(14)	1	(13)
Net OPEB Asset	-	-	-
Inventories	(15)	-	(15)
Accounts Payable	(44)	168	124
Due to/from Other Funds	-	(22)	(22)
Accrued Salaries, Wages and Benefits	-	14	14
Net OPEB Liability	(6,762)	(2,550)	(9,312)
Deferred Outflows of Resources	371	68	439
Deferred Revenue	92	(128)	(36)
Net Pension Liability	(958)	(251)	(1,209)
Longevity Payable	49	-	49
Compensated Absences	53	56	109
Deferred Inflows of Resources	8,695	3,286	11,981
Total Adjustments	<u>7,842</u>	<u>642</u>	<u>8,484</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (50,662)</u>	<u>\$ (497)</u>	<u>\$ (51,159)</u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfer of Equipment from Other Funds	\$ 709	\$ -	\$ 709

The State Public School Fund paid salaries and benefits of \$46 thousand to administrative personnel of the Child Nutrition Fund during the fiscal year. The General Fund paid \$188 thousand for uncollectible meal sales. The payments are reflected as a transfer on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 29. The Child Nutrition Fund received donated commodities with a value of \$4.7 million during the fiscal year. The receipt of the commodities is recognized as a Non-Operating Revenue. Capital Assets of \$709 thousand were donated to the Child Nutrition Fund.

The notes to the basic financial statements are an integral part of this statement.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2018

I. Summary of Significant Accounting Policies and Detail Notes on All Funds

The accounting policies of Charlotte-Mecklenburg Board of Education conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies.

A. Reporting Entity

The Charlotte-Mecklenburg Board of Education (the Board or CMS) is a Local Education Agency empowered by State law [Chapter 115C of the North Carolina General Statutes] with the responsibility to oversee and control the activities related to public school education in Charlotte-Mecklenburg, North Carolina. The Board receives State, local, and federal government funding and must adhere to the legal requirements of each funding entity. Although Mecklenburg County (the County) levies all taxes, the Board determines how the school system will spend the funds generated for schools. The County cannot modify the school system's budget, nor is the County entitled to share in any surpluses or required to finance any deficits of the school system. For these reasons, the Board is not fiscally dependent on the County and therefore is recognized as a primary government.

B. Basis of Presentation

Government-wide Statements: The Statement of Net Position and the Statement of Activities present information about the Board. These statements include the financial activities of the overall government. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the Board. Governmental activities generally are financed through intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Board and for each function of the Board's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Board's funds. Separate statements for each fund category – *governmental* and *proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The Board reports the following major governmental funds:

General Fund: The General Fund is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. This fund is the "Local Current Expense Fund," which is mandated by State law [G.S. 115C-426].

State Public School Fund: The State Public School Fund includes appropriations from the Department of Public Instruction for the current operating expenditures of the public school system.

Individual Schools Fund: The Individual Schools Fund includes revenues and expenditures of the activity funds of the individual schools. The primary revenue sources include funds held on the behalf of various clubs and organizations, receipts from athletic events, and proceeds from various fund raising activities. The primary expenditures are for athletic teams, club programs, activity buses, and instructional needs.

Capital Projects Fund: The Capital Projects Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). It is mandated by State law [G.S. 115C-426]. Capital projects are funded by Mecklenburg County appropriations and proceeds of Mecklenburg County bonds issued for public school construction.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2018

Direct Federal Grants Fund: The Direct Federal Grants Fund is used to account for grant monies administered through the US Department of Education, US Department of Health and Human Services and other federal grants from various government agencies.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes including local, state, and federal government grants and private donations received from individual and corporate donors.

The Board reports the following major enterprise funds:

Child Nutrition Program: The Child Nutrition Program is used to account for the food service program within the school system.

After School Enrichment Program: The After School Enrichment Program is used to account for the before and after school child care service program within the school system.

C. Measurement Focus and Basis of Accounting

Government-wide and Proprietary Fund Financial Statements: The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Board gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Board considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. These could include federal, state, and county grants, and some charges for services. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Board funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions available to finance the program. It is the Board's policy to first apply cost-reimbursement grant resources to such programs and then, general revenues.

All governmental and business-type activities of the Board follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

D. Budgetary Data

The **North Carolina School Budget and Fiscal Control Act** requires separate budgeting and accounting for resources entitled "Local Current Expense" (General), "State Public School Fund", "Capital Projects", "State Administered Federal Fund", "Special Revenue Fund" and "Direct Federal Grants." These represent the principal operating resources available to the Board. Formal budgetary integration, including encumbrance accounting, is used during the fiscal year for the Governmental Funds. Budgetary comparisons, therefore, are on an encumbered, non-GAAP basis.

(Amounts expressed in thousands)

	General	State Public School Fund	Capital Projects	State Administered Federal Fund	Special Revenue Fund	Direct Federal Grants
Revenues over (under) expenditures and other financing sources (uses), Budgetary Basis	\$ 1,969	\$ (1,507)	\$ (65,003)	\$ (1,447)	\$ 5,690	\$ 275
Increase in Insurance Fund Balance	1,703	-	-	-	-	-
Encumbrances at June 30, 2018	29,175	1,507	77,956	1,447	223	297
Encumbrances at June 30, 2017	(51,258)	-	(14,738)	-	(736)	(1,302)
Change in Fund Balance, GAAP Basis	\$ (18,411)	\$ -	\$ (1,785)	\$ -	\$ 5,177	\$ (730)

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2018

CMS operates under an annual balanced budget adopted and administered in accordance with the *North Carolina School Budget and Fiscal Control Act*. The State law promulgates a standard budget format, which defines budgetary control at the fund, purpose/function or project level. The State law also provides for budget amendments and transfers. The budget amounts reported in the financial statements reflect approved amendments and transfers made during the year.

Annual budgets are adopted for all funds, except the individual schools fund, as required by the North Carolina General Statutes. State law for individual school funds requires no budget. All budgets are prepared using the modified accrual basis of accounting. The primary sources of revenues for the General Fund are budgeted allocations and appropriations from the State of North Carolina, Mecklenburg County and the Federal Government. Unexpended allocations from the State of North Carolina generally lapse at the end of the fiscal year; unexpended federal program allocations lapse on the program termination date. If any appropriations from Mecklenburg County are unexpended at the end of the fiscal year, they are included in the ending fund balance of the General Fund.

The appropriations in the various funds are formally budgeted and controlled at the functional level. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. By resolution of the Board, the Financial Officer, with the approval of the Superintendent, is authorized to transfer appropriations within a fund as follows:

- Proposed expenditures from State, Federal, or other sources of revenues, may be amended upon the receipt of information altering the anticipated revenues. A report of such budget amendments shall be made to the Board of Education on a monthly basis.
- Allocations may be transferred within a function with a report of such transfers made to the Board of Education on a monthly basis.
- Transfers between functions or from contingency appropriations may be made with a report of such transfers made to the Board of Education.
- Transfers between funds shall not be made without prior approval of the Board of Education.
- The Board and the Board of County Commissioners must approve transfers to or from the "Capital Outlay" allocation.

North Carolina state law prohibits school systems from raising funds via direct taxation or issuance of debt. Mecklenburg County raises revenue to be used by the school system for capital projects from bond issues. The Board approves capital projects on a project-by-project basis. Although projects may continue for longer than one year, detail budgets, including encumbrance accounting are used to manage the projects. Bonds are available to the school system as project costs become measurable and do not lapse at year-end. Capital project revenues recognized from the State of North Carolina represent funds available to county governments to help them meet public school facility capital needs. The Board obtains state funds through the County on a cost reimbursement basis. The funds do not lapse at year-end.

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Fund Equity

1. Deposits

All deposits of the Board are made in board-designated official depositories and are secured as required by State law [G.S. 115C-444]. The Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit. The Board also has money credited in its name with the State Treasurer and may issue State warrants against these funds.

All of the Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Board's agents in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Board, these deposits are considered to be held by the agent in the entity's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Board under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2018

North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Board has no policy regarding custodial credit risk for deposits.

On June 30, 2018, \$2.2 million of bank balances were covered by federal depository insurance and \$26.0 million were covered by collateral using the Pooling Method. Cash related to insurance reserves of \$18.7 million is held by the Division of Insurance and Risk Management, City of Charlotte, as administrator, for payment of insurance premiums or claims.

The carrying value of cash and cash equivalents at June 30, 2018 (expressed in thousands) is:

North Carolina Short-Term Investment Fund	\$	149,946
North Carolina Capital Management Trust		576
Cash in Banks		<u>38,496</u>
	\$	<u>189,018</u>

2. Investments

State statutes authorize the Board to invest in obligations of the U.S. Treasury; obligations of any agency of the United States of America, provided the payment of interest and principal of such obligations is fully guaranteed by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; certain non-guaranteed federal agencies; certain issues of commercial paper and banker's acceptances; the North Carolina Capital Management Trust (NCCMT), a SEC-registered (2a-7) money market mutual fund; and the North Carolina Short Term Investment Fund (STIF).

The STIF is managed by the staff of the Department of State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC. It consists of an internal portion and an external portion in which the board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

At June 30, 2018, the Board of Education had \$0.6 million invested with the North Carolina Capital Management Trust's Term Portfolio which is unrated and has a weighted average maturity of 0.09 years. There was \$149.9 million invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and has a weighted average maturity of 1.4 years. The Board has no policy for managing interest rate risk or credit risk.

The Board's investments are reported at fair value determined by either quoted market prices or a matrix pricing model. Valuation of the underlying assets is performed by the custodian. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to external participants of the fund.

All investments are measured using the market approach. The NCCMT is classified in level 1 of the fair value hierarchy and is valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. The STIF is classified in level 2 of the fair value hierarchy and is valued using prices that are either directly or indirectly observable for an asset or liability.

3. Cash and Cash Equivalents

The Board pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

4. Inventories

The Board uses the purchases method to account for inventories in the governmental funds. The inventories of the Board's General Fund consist of expendable materials and supplies, which are recorded as expenditures when purchased. At the end of each fiscal year, inventory and applicable expense accounts are adjusted to reflect actual inventory on hand. The inventories are valued at average cost.

The Board uses the consumption method to account for inventories in the proprietary funds. Inventories consist of food and supplies and are recorded as expenses when consumed.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2018

5. Capital Assets

Donated assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other capital assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Land, buildings and building improvements are recorded at historical cost or estimated historical cost if purchased or constructed.

The County holds title to certain properties, which are reflected as capital assets in the financial statements of the Board. The properties have been deeded to the County to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board give the schools full use of the facilities, full responsibility for maintenance of the facilities, and provides that the County will convey title of the property back to the Board, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met.

It is the policy of the Board to capitalize all capital assets costing \$5,000 or more with an estimated useful life of two or more years. In addition, library books purchased as part of a full library collection for a new school library or library renovation are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

	<u>Years</u>
Buildings	35 - 50
Equipment	10 - 12
Library books	7
Vehicles and motorized equipment	6
Computer equipment	3

Land and construction in progress are not depreciated.

6. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement 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 Board has several items that meet this criterion – pension and OPEB related deferrals and contributions made to the plans subsequent to the measurement date. The statement of financial position also reports 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 Board has several items that meet this criterion – pension and OPEB related deferrals.

7. Unearned Revenue

Unearned revenue in the State Public School Fund, Special Revenue Fund and Direct Federal Grants Fund is principally for textbooks, summer school tuition, and programs for which funds have been received but not earned.

Unearned revenue in the Enterprise Funds represents registration and program fees received for the After School Enrichment Program and prepaid lunches for the Child Nutrition Program.

8. Compensated Absences

The Board follows the State’s policy for vacation and sick leave. Employees may accumulate up to fifty-five (55) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board’s liability for accumulated earned vacation and the salary-related payments as of June 30, 2018 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made, based on prior years’ records, of the current portion of compensated absences. Compensated absences are reported in governmental funds only if there is unused leave still outstanding at year-end following an employee’s resignation or retirement.

The sick leave policy of the Board provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2018

service for retirement benefit purposes. Since the board has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

9. Intergovernmental Expenditures

The 1997 North Carolina General Assembly passed legislation creating charter schools, an alternative to traditional public schools. Charter schools are separate entities and are not a component unit of the local 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 to charter schools.

The portion of local county education funds redirected to the charter schools for Mecklenburg County students in fiscal year 2018 was \$45.9 million. The amount was calculated in accordance with the legislation and passed through the Board.

10. Net Position/Fund Balances

Net Position in the government-wide and proprietary fund financial statements is classified as net investment in capital assets; restricted; and unrestricted. Fund Balance noted as restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or the law or regulations of other governments, or imposed by law through state statute.

In the governmental fund financial statements, fund balance is composed of four classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent. The government fund types classify fund balances as follows:

Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Inventories – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Restricted Fund Balance – This classification includes amounts 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. 115C-425(a)]. The district's reserve for encumbrances and accounts receivables are included in this section.

Restricted for Individual Schools – revenue sources restricted for expenditures for the various clubs and organizations, athletic events, and various fund raising activities for which they were collected.

Restricted for Insurance Claims – portion of fund balance that is restricted to meet claims incurred or expected to be incurred as determined by actuarial studies.

Assigned Fund Balance – This classification includes a portion of fund balance that Charlotte-Mecklenburg Board of Education intends to use for specific purposes.

Special Revenue – portion of fund balance that will be used by special revenue fund activities, as determined by the governing body.

Subsequent Year's Expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the Superintendent to transfer appropriations as disclosed in the notes to the basic financial statements at Note I (D).

Unassigned Fund Balance – This classification includes a portion of fund balance that has not been restricted, committed, or assigned to specific purposes. The general fund is the only fund that reports a positive unassigned fund balance amount.

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For the Year Ended June 30, 2018

11. Defined Benefit Pension Plan and OPEB Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' and State Employees' Retirement System (TSERS), the Retiree Health Benefit Fund (RHBF), and the Disability Income Plan of NC (DIPNC) and additions to/deductions from TSERS, RHBF, and DIPNC's fiduciary net position have been determined on the same basis as they are reported by TSERS, RHBF, and DIPNC. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Board's employer contributions are recognized when due and the Board has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of TSERS, RHBF, and DIPNC. Investments are reported at fair value.

12. Capital Assets

Capital asset activity for the year ended June 30, 2018, was as follows (expressed in thousands):

	Beginning Balance 6/30/17	Increases	Decreases and Transfers to In-Service	Ending Balance 6/30/18
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 130,090	\$ 5,874	\$ (46)	\$ 135,918
Construction in progress	110,783	77,520	(118,580)	69,723
Total capital assets not being depreciated	240,873	83,394	(118,626)	205,641
Capital assets being depreciated:				
Buildings and Improvements	2,455,893	104,891	(24,205)	2,536,579
Equipment, Library and Vehicles	211,232	15,031	(5,873)	220,390
Total capital assets being depreciated	2,667,125	119,922	(30,078)	2,756,969
Total Assets	2,907,998	203,316	(148,704)	2,962,610
Less accumulated depreciation for:				
Buildings and Improvements	(807,820)	(54,458)	14,926	(847,352)
Equipment, Library and Vehicles	(153,176)	(12,962)	5,561	(160,577)
Total accumulated depreciation	(960,996)	(67,420)	20,487	(1,007,929)
Government activities capital assets, net	\$ 1,947,002	\$ 135,896	\$ (128,217)	\$ 1,954,681
Business-type Activities				
Child Nutrition Fund:				
Capital assets being depreciated:				
Equipment and Vehicles	\$ 32,596	\$ 1,101	\$ (328)	\$ 33,369
Less accumulated depreciation for:				
Equipment and Vehicles	(24,846)	(1,687)	327	(26,206)
Business-type activities capital assets, net	\$ 7,750	\$ (586)	\$ (1)	\$ 7,163

Depreciation expense was charged to functions/programs of CMS as follows (expressed in thousands):

Governmental activities:	
Regular Instructional	\$ 63,732
Special Instructional	405
Co-Curricular	3,169
Technology Support	13
Operational Support	88
Policy, Leadership, and PR	13
	\$ <u>67,420</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2018

13. Retirement Plan, Other Employment, and Post-Employment Benefits

a. Teachers' and State Employees' Retirement System

Plan Description. The Board is a participating employer in the statewide Teachers' and State Employees' Retirement System (TSERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. TSERS membership is comprised of employees of the State (state agencies and institutions), universities, community colleges, and certain proprietary component units along with the employees of Local Education Agencies and charter schools. Article 1 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the TSERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Teachers' and State 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 TSERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation.

General employee plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2018, was 10.78% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$87.2 million for the year ended June 30, 2018.

Refunds of Contributions. Board employees who have terminated service as a contributing member of TSERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by TSERS.

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

At June 30, 2018, the Board reported a liability of \$474.3 million for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2017 and at June 30, 2016, the Board's proportion was 6.0% and 5.9%, respectively.

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For the year ended June 30, 2018, the Board recognized pension expense of \$125.3 million. At June 30, 2018, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 10,282	\$ 15,518
Changes in assumptions	74,936	-
Net difference between projected and actual earnings on pension plan investments	64,192	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	918	4,698
Employer contributions subsequent to the measurement date	<u>87,246</u>	-
	<u>\$ 237,574</u>	<u>\$ 20,216</u>

\$87.2 million reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

Year ended June 30:

2019	\$	23,747
2020		89,060
2021		42,996
2022		<u>(25,690)</u>
	\$	<u>130,112</u>

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.20 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

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The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset liability and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Board's proportionate share of the net pension asset to changes in the discount rate. The following, expressed in thousands, presents the Board's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the Board's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate (expressed in thousands):

	1% Decrease Rate (6.20%)	Discount Rate (7.20%)	1% Increase Rate (8.20%)
Board's proportionate share of the net pension liability (asset)	\$976,357	\$474,324	\$53,686

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

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b. Other Postemployment Benefits

1. Healthcare Benefits

Plan description. The Retiree Health Benefit Fund (RHBF) has been established as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is established by General Statute 135-7, Article 1. It is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of former employees of the State, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools, and some select local governments also participate.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. RHBF is supported by a percent of payroll contribution from participating employing units. Each year the percentage is set in legislation, as are the maximum per retiree contributions from RHBF to the State Health Plan. The State Treasurer, with the approval of the State Health Plan Board of Trustees, then sets the employer contributions (subject to the legislative cap) and the premiums to be paid by retirees, as well as the health benefits to be provided through the State Health Plan.

The financial statements and other required disclosures for the plan are presented in the State of North Carolina's CAFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

Benefits provided. Plan benefits received by retired employees and disabled employees from RHBF are OPEB. The healthcare benefits for retired and disabled employees who are not eligible for Medicare are the same as for active employees. The plan options change when former employees become eligible for Medicare. Medicare retirees have the option of selecting one of two fully-insured Medicare Advantage/Prescription Drug Plan (MA-PDP) options of the self-funded Traditional 70/30 preferred Provider Organization plan option that is also offered to non-Medicare members. If the Traditional 70/30 Plan is selected by a Medicare retiree, the self-funded State Health Plan coverage is secondary to Medicare.

Those former employees who are eligible to receive medical benefits from RHBF are long-term disability beneficiaries of the Disability Income Plan of North Carolina (DIPNC) and retirees of the TSERS, the Consolidated Judicial Retirement System (CJRS), the Legislative Retirement System (LRS), the University Employees' Optional Retirement Program (ORP), and a small number of local governments, with five or more years of contributory membership service in their retirement system prior to disability or retirement, with the following exceptions: for employees first hired on or after October 1, 2006, and members of the General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on or after October 1, 2006 and members of the General Assembly first taking office on or after February 1, 2007 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's noncontributory premium.

Section 35.21 (c) and (d) of Session Law 2017-57 repeals retiree medical benefits for employees first hired January 1, 2021. The new legislation amends Article 3B of Chapter 135 of the General Statutes to require that retirees must earn contributory retirement service in TSERS (or in an allowed local system unit), CJRS, or LRS prior to January 1, 2021, and not withdraw that service, in order to be eligible for retiree medical benefits under the amended law. Consequently, members first hired on and after January 1, 2021 will not be eligible to receive retiree medical benefits.

RHBF's benefit and contribution provisions are established by Chapter 135-7, Article 1 and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. RHBF does not provide for automatic post-retirement benefit increases.

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Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state-supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the current fiscal year, the Board contributed 6.05% of covered payroll which amounted to \$49.0 million.

At June 30, 2018, Board reported a liability of \$1.8 billion for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. The total OPEB liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2017, the Board's proportion was 5.48%.

\$49.0 million reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Year ended June 30:

2019	\$	(107,547)
2020	\$	(107,547)
2021	\$	(107,547)
2022	\$	(107,547)
2023	\$	(107,380)

Actuarial assumptions. Common actuarial assumptions for both OPEB plans follow individual note disclosures for each OPEB plan.

Inflation	2.75 percent
Salary increases	3.50 to 8.10 percent, including 3.50 percent inflation and productivity factor
Investment rate of return	7.20 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate – medical	5.00 to 6.50 percent
Healthcare cost trend rate – prescription drug	5.00 to 7.25 percent
Healthcare cost trend rate – Medicare Advantage	4.00 to 5.00 percent
Healthcare cost trend rate – administrative	3.00 percent

Discount rate. The discount rate used to measure the total OPEB liability for the RHBF was 3.58%. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 3.58% was used as the discount rate used to measure the total OPEB liability. The 3.58% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2017.

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage point higher (4.58 percent) than the current discount rate (expressed in thousands):

	1% Decrease (2.58%)	Discount Rate (3.58%)	1% Increase (4.58%)
Net OPEB liability	\$ 2,141,974	\$ 1,795,539	\$ 1,520,766

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Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the healthcare trend rates. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage point higher (4.58 percent) than the current discount rate (expressed in thousands):

	1% Decrease (Medical - 4.00-5.50%, Pharmacy - 4.00-6.25%, Medicare Advantage - 3.00- 4.00%, Administrative - 2.00%)	Healthcare Trend Rates (Medical - 5.00-6.50%, Pharmacy - 5.00-7.25%, Medicare Advantage - 4.00- 5.00%, Administrative - 3.00%)	1% increase (Medical - 6.00-7.50%, Pharmacy - 6.00-8.25%, Medicare Advantage - 5.00- 6.00%, Administrative - 4.00%)
Net OPEB liability	\$ 1,466,790	\$ 1,795,539	\$ 2,232,488

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CAFR for the State of North Carolina.

2. Disability Benefits

Plan description. Short-term and long-term disability benefits are provided through the Disability Income Plan of North Carolina (DIPNC), a cost-sharing, multiple-employer defined benefit plan, to the eligible members of TSERS which includes employees of the State, the University of North Carolina System, community colleges, certain Local Education Agencies, and ORP.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members.

The financial statements and other required disclosures for the plan are presented in the State of North Carolina's CAFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

Benefits Provided. Long-term disability benefits are payable as an OPEB from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as an employee is disabled. An employee is eligible to receive long-term disability benefits provide the following requirements are met: (1) the employee has five or more years of contributing membership service in TSERS or ORP, earned within 96 months prior to the end of the short-term disability period or cessation of salary continuation payments, whichever is later; (2) the employee must make application to receive long-term benefits within 180 days after the conclusion of the short-term disability period or after salary continuation payments cease or after monthly payments for Workers' Compensation cease (excluding monthly payments for permanent partial benefits), whichever is later; (3) the employee must be certified by the Medical Board to be mentally or physically disabled for the further performance of his/her usual occupation; (4) the disability must have been continuous, likely to be permanent, and incurred at the time of active employment; (5) the employee must not be eligible to receive an unreduced retirement benefit from TSERS after (1) reaching the age of 65 and completing 5 years of membership service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of service at any age.

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2018, employers made a statutory contribution of 0.14% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$1.1 million for the year ended June 30, 2018.

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The contributions cannot be separated between the amounts that relate to other postemployment benefits and employment benefits for active employees. Those individuals who are receiving extended short-term disability benefit payments cannot be separated from the number of members currently eligible to receive disability benefits as an other postemployment benefit.

OPEB Assets, OPEB Expense, and Deferred Outflows and Inflows of Resources of Related to OPEB

At June 30, 2018, Board reported an asset of \$3.3 million for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2017, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2016. The total OPEB asset was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB asset was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2017, the Board's proportion was 5.37%.

\$1.1 million reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB asset in the year ending June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Year ended June 30		
2019	\$	389
2020	\$	389
2021	\$	389
2022	\$	180

Actuarial assumptions. Common actuarial assumptions for both OPEB plans follow individual note disclosures for each OPEB plan.

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including 3.50 percent inflation and productivity factor
Investment rate of return	3.75 percent, net of OPEB plan expense, including inflation

Sensitivity of the Board's proportionate share of the net OPEB asset to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB asset, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage point higher (4.75 percent) than the current discount rate (expressed in thousands):

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
Net OPEB asset	\$ 2,792	\$ 3,284	\$ 3,778

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2016 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. teacher, general, law enforcement officer), and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions were based on the results of an actuarial experience review for the period January 1, 2010 through December 31, 2014.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These

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NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2018

ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29%	1.4%
Global Equity	42%	5.3%
Real Estate	8%	4.3%
Alternatives	8%	8.9%
Opportunistic Fixed Income	7%	6.0%
Inflation Sensitive	6%	4.0%
Total	100%	

Total OPEB Expense, OPEB Liabilities, and Deferred Outflows and Inflows of Resources of Related to OPEB

Following is information related to the proportionate share and pension expense (expressed in thousands):

	RHBF	DIPNC	Total
OPEB Expense	\$ 106,285	\$ 1,654	\$ 107,939
OPEB Liability (Asset)	1,795,539	(3,284)	1,792,255
Proportionate share of the net OPEB liability (asset)	5.48%	5.37%	

Deferred Outflows of Resources

Differences between expected and actual experience	-	901	901
Changes of assumptions	-	-	-
Net difference between projected and actual earnings on plan investments	-	720	720
Changes in proportion and differences between Board contributions and proportionate share of contributions	86,324	-	86,324
Board contributions subsequent to the measurement date	48,965	1,133	50,098
	<u>\$ 135,289</u>	<u>\$ 2,754</u>	<u>\$ 138,043</u>

Deferred Inflows of Resources

Differences between expected and actual experience	128,743	-	128,743
Changes of assumptions	494,483	-	494,483
Net difference between projected and actual earnings on plan investments	667	-	667
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	274	274
	<u>\$ 623,893</u>	<u>\$ 274</u>	<u>\$ 624,167</u>

Charlotte-Mecklenburg Schools does provide benefit eligible employees with paid basic term life insurance of \$10,000. Employees who are permanent full-time or part-time employees are eligible to receive the paid benefit. The benefit does not continue post-employment. The benefit is paid in the event of the employee's death while employed with CMS to the employee's designated beneficiary.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2018

14. Commitments and Contingencies

State law requires that all contracts be recorded as encumbrances when signed. At year end, the Board's commitments with contractors for school construction totaled approximately \$51.7 million. These commitments will be funded by future revenues from Mecklenburg County.

CMS is involved in various pending and threatened claims and legal actions pertaining to the normal course of business activities. In the opinion of CMS's management, the ultimate resolution of these contingencies individually or in the aggregate will not have a material adverse effect on CMS's financial position.

CMS receives funds from state and federal grantor agencies that require periodic audits of the grant funds. Certain costs may be questioned during the audits as to appropriateness under the grant terms, and such questioned costs could result in a refund of grant monies to the grantor agency. CMS's management believes any required refunds resulting from such audits would be immaterial.

15. Risk Management

On July 1, 1993, the Board established a Self-Funded Loss Program (the Program) administered by the Risk Management Division of the City of Charlotte Finance Department. The Program includes the following areas of risks: Commercial General Liability, Automobile Liability and Physical Damage, and Workers' Compensation. Property and other insurance coverage is purchased for risks that are best covered by an independent insurance carrier. There has been minimal change in the level of insurance coverage between years and no settlements by independent carriers have exceeded insurance coverage in the last three years.

The Program establishes a Loss Fund for accumulating resources to meet the financial needs of the Program not otherwise covered by insurance contracts. Contributions will be made to the fund as needed, preferably annually, in amounts believed to be sufficient to meet claims incurred or expected to be incurred as determined by actuarial studies. Payments for claims under the terms of the Program are limited to a total of \$1 million per any one occurrence for General Liability and Automobile Liability, \$500,000 per any one claim for Workers Compensation and \$25,000 per any one claim for property damage.

The Program is reported as part of the General Fund. The excess of revenues over expenditures in the amount of \$1.7 million results in the increase in retained earnings from fiscal year 2017. The gain increases the prior year's net position of \$7.5 million to \$9.2 million.

The claims liability related to self-insurance in the General Fund for the current and prior year is based on GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Claims liabilities are based on the estimated ultimate cost of settling the claims, which includes incremental claim adjustment expenditures/expenses (i.e. outside legal assistance) and estimated recoveries on unsettled claims as required by GASB Statement No. 30. The current portion of the claims liability was determined by using the average of the claims paid over the past three years. The changes in the claims liability are as follows:

	2018	2017
Claims liability, Beginning of year	\$ 9,403	\$ 9,922
Payments	(3,223)	(3,028)
Additions	3,436	2,509
Claims liability, End of year	<u>\$ 9,616</u>	<u>\$ 9,403</u>

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's monies at any given time are performance bonded through a commercial surety bond. The finance officer is bonded for \$250,000. The remaining employees who have access to funds are bonded under a blanket bond for \$250,000.

16. Long-Term Obligations

a. Operating Leases

The Board has various annual lease agreements principally for office equipment, which are classified as operating leases. Operating lease expense for the year ended June 30, 2018 totaled \$1.0 million.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2018

b. Installment Purchases

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through a special third party financing arrangement by Banc of America Public Capital Corp at total payments less than the purchase price.

The future minimum payment of the installment purchases as of June 30, 2018, are as follows (expressed in thousands):

Year Ending June 30	Government Activities
2019	\$ 3,568
2020	3,632
2021	2,439
Total Payments	<u>\$ 9,639</u>

c. Compensated Absences

The Board follows the State's policy for vacation leave. Employees may accumulate up to fifty-five (55) days earned vacation leave with such leave being fully vested when earned. Compensated absences as of June 30, 2018 are as follows (expressed in thousands):

Government Activities	\$ 83,278
Proprietary Funds	\$ 1,904

d. Energy Performance Contract

The Board had an Energy Performance Contract Agreement for the purpose of furnishing certain professional services designed to reduce energy consumption and operational costs. The agreement was financed by Wells Fargo Bank. Energy savings resulting from the project were equal to or exceeded the total costs paid. The debt service requirement for the agreement was completed as of June 30, 2018.

e. Long-Term Obligation Activity

The following is a summary of changes in the Board's long-term obligations outstanding for the fiscal year ended June 30, 2018 (expressed in thousands):

Governmental activities:	Beginning Balance, restated	Increases	Decreases	Ending Balance	Current Portion
Claims liability	\$ 9,403	\$ 3,436	\$ 3,223	\$ 9,616	\$ 3,240
Installment purchase	7,046	6,504	3,911	9,639	3,568
Net pension liability	528,693	-	63,631	465,062	-
Net OPEB liability	2,228,280	-	467,803	1,760,477	-
Compensated absences	77,015	11,664	5,401	83,278	5,401
Energy performance	567	-	567	-	-
Total Governmental	<u>\$ 2,851,004</u>	<u>\$ 21,604</u>	<u>\$ 544,536</u>	<u>\$ 2,328,072</u>	<u>\$ 12,209</u>
Business-type activities:					
Net pension liability	10,472	-	1,210	9,262	-
Net OPEB liability	44,133	-	9,071	35,062	-
Compensated absences	1,796	183	75	1,904	75
Total Business-type	<u>\$ 56,401</u>	<u>\$ 183</u>	<u>\$ 10,356</u>	<u>\$ 46,228</u>	<u>\$ 75</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2018

Compensated absences for governmental activities are typically liquidated by the general and other governmental funds.

17. Interfund Balances and Activity

Transfers to/from other funds for the year ended June 30, 2018, consist of the following (expressed in thousands):	Amount
From the State Public School Fund to the Child Nutrition Fund for administrative costs	\$ 46
From the General Fund to the Child Nutrition Fund for uncollectible meals sales	188
	\$ 234

18. Fund Balance

The Board of Education has a revenue spending practice that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local board of education 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 Finance Officer has the authority to deviate from this policy if it is in the best interest of the Board of Education.

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation (expressed in thousands):

Total fund balance – General Fund	\$ 63,587
Less:	
Inventories	1,116
Stabilization by State Statute	32,043
Insurance Claims	9,176
Subsequent Years Expenditures	5,600
Remaining Fund Balance	\$ 15,652

19. Encumbrances

Encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end (expressed in thousands):

General Fund	\$ 29,175
State Public School Fund	\$ 1,507
Capital Projects Fund	\$ 77,956
State Administered Federal Fund	\$ 1,447
Special Revenue Fund	\$ 223
Direct Federal Grants Fund	\$ 297

20. Change in Accounting Principles/Restatement

The Board implemented Governmental Accounting Standards Board (GASB) Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the fiscal year ending June 30, 2017. The implementation of the statement required the Board to record beginning net OPEB asset, net OPEB liability, and the effects on net position (deficit) from contributions made by the Board during the measurement period (fiscal year end June 30, 2017). As a result, beginning net position for the governmental and business-type activities decreased by \$2.2 billion and \$43.4 million, respectively.

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Required Supplementary Information

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST FIVE FISCAL YEARS*
(Amounts expressed in thousands)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Board's proportion of the net pension liability (asset)	5.978%	5.866%	5.679%	5.698%	5.666%
Board's proportionate share of the net pension liability (asset)	\$ 474,324	\$ 539,165	\$ 209,272	\$ 66,800	\$ 344,002
Board's covered payroll	\$ 788,109	\$ 751,856	\$ 736,769	\$ 695,981	\$ 704,973
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	60.19%	71.71%	28.40%	9.60%	48.80%
Plan fiduciary net position as a percentage of the total pension liability	89.51%	87.32%	94.64%	98.24%	90.60%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30. Due to implementation of GASB 68, Accounting and Financial Reporting for Pensions, information is not required to be presented retroactively. This schedule will not present 10 years' worth of information until fiscal year 2024.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHEDULE OF BOARD CONTRIBUTIONS
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST FIVE FISCAL YEARS***
(Amounts expressed in thousands)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 87,246	\$ 78,355	\$ 68,385	\$ 66,636	\$ 60,166
Contributions in relation to the contractually required contribution	87,246	78,355	68,385	66,636	60,166
Contribution deficiency (excess)	<u>\$ -</u>				
Board's covered payroll	\$ 813,559	\$ 788,109	\$ 751,856	\$ 736,769	\$ 695,981
Contributions as a percentage of covered payroll	10.72%	9.94%	9.10%	9.04%	8.64%

* Due to implementation of GASB 68, Accounting and Financial Reporting for Pensions, information is not required to be presented retroactively. This schedule will not present 10 years' worth of information until fiscal year 2024.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
RETIREE HEALTH BENEFIT FUND
FOR THE LAST TWO FISCAL YEARS*
(Amounts expressed in thousands)

	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability (asset)	5.48%	5.22%
Board's proportionate share of the net OPEB liability (asset)	\$ 1,795,539	\$ 2,272,413
Board's covered payroll	\$ 788,109	\$ 751,856
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	227.83%	302.24%
Plan fiduciary net position as a percentage of the total OPEB liability	3.52%	2.41%

* The amounts presented for the fiscal year were determined as of the prior fiscal year ending June 30. Due to implementation of GASB 75 Accounting and Financial Reporting for Other Post-Employment Benefits, information is not required to be presented retroactively unless available. This schedule will not present 10 years' worth of information until fiscal year 2027

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHEDULE OF BOARD CONTRIBUTIONS
RETIREES HEALTH BENEFIT FUND
FOR THE LAST TWO FISCAL YEARS*
(Amounts expressed in thousands)

	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 48,964	\$ 45,710
Contributions in relation to the contractually required contribution	<u>48,964</u>	<u>45,710</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 813,559	\$ 788,109
Contributions as a percentage of covered payroll	6.02%	5.80%

* Due to implementation of GASB 75, Accounting and Financial Reporting for OPEB Liability, information is not required to be presented retroactively unless available. This schedule will not present 10 years' worth of information until fiscal year 2027.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB ASSET
DISABILITY INCOME PLAN OF NORTH CAROLINA
FOR THE LAST TWO FISCAL YEARS***
(Amounts expressed in thousands)

	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB asset	5.37%	5.33%
Board's proportionate share of the net OPEB asset	\$ 3,284	\$ 3,307
Board's covered payroll	\$ 788,109	\$ 751,856
Board's proportionate share of the net OPEB asset as a percentage of its covered payroll	0.42%	0.44%
Plan fiduciary net position as a percentage of the total OPEB asset	116.23%	116.06%

* The amounts presented for the fiscal year were determined as of the prior fiscal year ending June 30. Due to implementation of GASB 75 Accounting and Financial Reporting for Other Post-Employment Benefits, information is not required to be presented retroactively unless available. This schedule will not present 10 years' worth of information until fiscal year 2027

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHEDULE OF BOARD CONTRIBUTIONS
DISABILITY INCOME PLAN OF NORTH CAROLINA
FOR THE LAST TWO FISCAL YEARS***
(Amounts expressed in thousands)

	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 1,133	\$ 2,948
Contributions in relation to the contractually required contribution	<u>1,133</u>	<u>2,948</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 813,559	\$ 788,109
Contributions as a percentage of covered payroll	0.14%	0.37%

* Due to implementation of GASB 75, Accounting and Financial Reporting for OPEB Liability, information is not required to be presented retroactively unless available. This schedule will not present 10 years' worth of information until fiscal year 2027.

**CHARLOTTE MECKLENBURG BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2018**

(Amounts expressed in thousands)

	BUDGET	ACTUAL	VARIANCE FROM BUDGET
REVENUES			
Mecklenburg County:			
Appropriation	\$ 36,703	\$ 20,865	\$ (15,838)
Land Proceeds	4,712	4,712	-
Capital Improvement Fund	597,862	67,491	(530,371)
	<u>639,277</u>	<u>93,068</u>	<u>(546,209)</u>
State:			
School Bus	3,911	3,911	-
	<u>3,911</u>	<u>3,911</u>	<u>-</u>
Other:			
Sale of School Property	309	319	10
Insurance Proceeds on Property Damage and Loss	30	30	-
Interest	276	273	(3)
Other	822	827	5
	<u>1,437</u>	<u>1,449</u>	<u>12</u>
Total Revenues	<u>644,625</u>	<u>98,428</u>	<u>(546,197)</u>
EXPENDITURES			
Land and Buildings:			
Land:			
Purchase of New Sites	9,282	1,894	7,388
Buildings:			
General Contracts	114,374	94,805	19,569
Heating Contracts	7,236	4,341	2,895
Electrical Contracts	2,950	2,609	341
Plumbing Contracts	1,425	954	471
Architect Fees	16,715	13,433	3,282
Miscellaneous Contracts	474,716	18,332	456,384
	<u>617,416</u>	<u>134,474</u>	<u>482,942</u>
Improvements to Sites	7,845	4,208	3,637
Furniture, Fixtures and Equipment	12,182	9,211	2,971
Vehicles	4,007	13,644	(9,637)
Total Expenditures	<u>650,732</u>	<u>163,431</u>	<u>487,301</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(6,107)</u>	<u>(65,003)</u>	<u>(58,896)</u>
OTHER FINANCING SOURCES			
Appropriated Fund Balance	6,107	-	(6,107)
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ (65,003)</u>	<u>\$ (65,003)</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
PROPRIETARY FUNDS
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2018

(Amounts expressed in thousands)

	CHILD NUTRITION PROGRAM			AFTER SCHOOL ENRICHMENT PROGRAM		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
OPERATING REVENUES						
Food Sales	\$ 13,115	\$ 11,309	\$ 1,806	\$ -	\$ -	\$ -
Participant Fees	-	-	-	13,647	13,854	207
Total Operating Revenues	<u>13,115</u>	<u>11,309</u>	<u>1,806</u>	<u>13,647</u>	<u>13,854</u>	<u>207</u>
OPERATING EXPENSES						
Food Costs	30,580	27,958	2,622	418	418	-
Salaries and Benefits	28,555	28,503	52	11,012	10,956	56
Other Operating Expenses	14,103	11,381	2,722	3,111	3,010	101
Total Operating Expenses	<u>73,238</u>	<u>67,842</u>	<u>5,396</u>	<u>14,541</u>	<u>14,384</u>	<u>157</u>
OPERATING INCOME (LOSS)	<u>(60,123)</u>	<u>(56,533)</u>	<u>3,590</u>	<u>(894)</u>	<u>(530)</u>	<u>364</u>
NON-OPERATING REVENUES:						
U.S. Government Subsidy	54,005	54,004	(1)	-	-	-
U.S. Government Commodities	4,687	4,687	-	-	-	-
Other	25	25	-	-	-	-
Interest Income	463	463	-	87	87	-
Total Non-Operating Revenues	<u>59,180</u>	<u>59,179</u>	<u>(1)</u>	<u>87</u>	<u>87</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE TRANSFER	(943)	2,646	3,589	(807)	(443)	364
OTHER FINANCING SOURCES:						
Appropriated Net Position	-	-	-	807	-	(807)
Capital Contributions	709	709	-	-	-	-
Transfer In	234	234	-	-	-	-
Total Other Financing Sources	<u>943</u>	<u>943</u>	<u>-</u>	<u>807</u>	<u>-</u>	<u>(807)</u>
Excess of revenues and other financing sources over (under) expenses	<u>\$ -</u>	<u>3,589</u>	<u>\$ 3,589</u>	<u>\$ -</u>	<u>(443)</u>	<u>\$ (443)</u>
Reconciliation of modified accrual to full accrual basis:						
Reconciling items:						
Depreciation		(1,687)			-	
Equipment purchases		1,101			-	
Decrease in net OPEB asset		-			-	
Decrease in net OPEB liability		6,762			2,550	
Decrease in net pension liability		958			251	
Increase in deferred inflows		(8,695)			(3,286)	
Decrease in deferred outflows		(371)			(68)	
Decrease in compensated absences payable		(53)			(56)	
Increase in inventories		14			-	
Change in net position (full accrual)		<u>\$ 1,618</u>			<u>\$ (1,052)</u>	

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - STATE ADMINISTERED FEDERAL FUND
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2018

(Amounts expressed in thousands)

	BUDGET	ACTUAL	VARIANCE FROM BUDGET
REVENUES			
U.S. Government Agencies	\$ 104,210	\$ 83,206	\$ (21,004)
Total Revenues	<u>104,210</u>	<u>83,206</u>	<u>(21,004)</u>
EXPENDITURES			
Current Operating Expenditures:			
Instructional Programs:			
Regular	9,068	3,899	5,169
Special	77,484	67,150	10,334
School Leadership	108	95	13
School-Based Support	9,131	6,534	2,597
Total Instructional Programs	<u>95,791</u>	<u>77,678</u>	<u>18,113</u>
Support and Development	1,432	1,205	227
Special Population Support	3,636	3,178	458
Operational Support	70	49	21
Financial and Human Resources	604	392	212
Policy, Leadership and Public Relations	272	261	11
Ancillary Services	-	-	-
Total Current Operating Expenditures	<u>101,805</u>	<u>82,763</u>	<u>19,042</u>
Intergovernmental Expenditures:			
Other	<u>2,405</u>	<u>1,890</u>	<u>515</u>
Total Intergovernmental Expenditures	<u>2,405</u>	<u>1,890</u>	<u>515</u>
Total Expenditures	<u>104,210</u>	<u>84,653</u>	<u>19,557</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ (1,447)</u>	<u>\$ (1,447)</u>

2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Statistical Section

STATISTICAL SECTION
(UNAUDITED)

This section of Charlotte Mecklenburg Schools' Comprehensive Annual Financial Report presents detailed information for understanding what the information in the financial statements, note disclosures, and required supplementary information says about CMS' overall financial health.

Contents	Page
Financial Trends.....	60-98
These schedules provide trend information to help the reader understand how CMS' financial performance and well-being have changed over time.	
Revenue Capacity.....	99-101
Since CMS revenues are primarily provided by Mecklenburg County, these schedules on the county's revenue sources are relevant to an understanding of Mecklenburg County's most significant local revenue source, the property tax.	
Debt Capacity.....	102
Since CMS construction funding is primarily provided by Mecklenburg County, these schedules of the county's debt capacity assist the reader in assessing the affordability of Mecklenburg County's current levels of outstanding debt and Mecklenburg County's ability to issue additional debt in the future.	
Demographic and Economic Information.....	103-104
Details found in these schedules offer demographic and economic indicators to aid the reader in understanding the environment within which CMS' financial activities take place.	
Operating Information.....	105-115
These schedules contain select operating indicators to help the reader understand how the information in CMS' financial report relates to the services CMS provides and the activities it performs.	

Charlotte-Mecklenburg Board of Education

Facts and Information About

Mecklenburg County, North Carolina

Charlotte-Mecklenburg was first settled by Scots-Irish immigrants in the 1740's. The County of Mecklenburg was established in 1762 and the City of Charlotte was incorporated in 1768. The city was named for Queen Charlotte, wife of England's King George III. The county was named for her birthplace, the German principality of Mecklenburg.

Charlotte grew as a crossroads of commerce with effective government and a strong business environment. In 1799, America's first major gold discovery occurred near Charlotte. The city quickly became the center of gold production in the United States until the California Gold Rush of 1849.

The Charlotte area became industrialized in the late 19th century when the "Cotton Mill Campaign" brought the textile industry from the New England area to the Carolinas. The first graded school system was established in Charlotte in 1882 with an enrollment of 500. Prior to that there had been a separate male academy and female institute. By 1903, over half of the textile production in the United States was located within a 100-mile radius of Charlotte. The Charlotte school system had grown to 2,600 pupils, the largest school system south of Baltimore.

By 1949, the Charlotte school system had an enrollment of 20,000 students and employed 672 staff. Railroads and the early development of an excellent state highway system encouraged the development of wholesale and distribution facilities in Charlotte to serve the Carolinas and Southeastern United States. Today, because of on-going attention to transportation development, over half of the population of the United States can be reached from Charlotte within one hour's flight time or one day by truck.

In 1960, the city and county school systems were consolidated resulting in the Charlotte-Mecklenburg Board of Education.

Facts of interest about the Charlotte-Mecklenburg Schools:

County area served	524 square miles
Number of schools	
Elementary	96
Middle	27
High	33
PreK – 8	6
K – 8	8
6 – 12	2
7 – 12	1
Alternative Schools	3
Number of support facilities	14
Class Size:	
Grades K-3	19 student average
Grades 4-9	23 student average
Grades 10-12	20 student average
Pupil Transportation data:	
Total number of buses	1,079
Total average number of students transported daily	92,402
Average miles traveled daily	122,629
Average number of routes	1,079
Cost per mile	\$3.43

A Profile of Charlotte-Mecklenburg Schools

Charlotte-Mecklenburg Schools serves just over 150,000 students and has experienced continued enrollment growth for the past few years. The district is consolidated and serves students who live in the city of Charlotte, in Mecklenburg County, and in all the small towns and communities throughout the county.

Charlotte-Mecklenburg Schools does not discriminate against any person on the basis of sex, national origin, race, ethnic background, color, religion, age or disability in any of its educational or employment programs or activities.

The district operates 96 elementary schools, 27 middle schools, 33 high schools, six PreK-8 schools, eight K-8 schools, two 6-12 schools, one 7-12 school, and three alternative schools.

ORGANIZATION

The Charlotte-Mecklenburg Board of Education has nine members, three elected at large and six elected by district. Members serve four-year terms. The Board appoints the superintendent.

The district is administratively divided into nine geographic communities. Under this plan, each school becomes more closely aligned with the community it serves. It puts resources and administration closer to the parents and other members of the public. Learning community superintendents are assigned administrative responsibilities for these sections. There is a rich variety of school offerings that address the learning styles and interests of all students. Many schools use new and innovative techniques and strategies, and technology is emphasized in all schools.

Performance standards have been developed for all grades and courses and criterion-referenced tests ensure that high standards are maintained. Site-based management is an expectation for all schools.

ELEMENTARY SCHOOLS

CMS provides free kindergarten. Attendance is not required but is strongly recommended. Students must be five years old on or before August 31 to be eligible for kindergarten.

The elementary curriculum is standardized to ensure that each child receives a quality education in the basics of language arts, social studies, math, science, health and physical education. A strong emphasis is placed on literacy in the primary grades and computers are used in all elementary schools.

MIDDLE SCHOOLS

Middle schools, for grades six through eight, use a team approach where each instructional team teaches one group of students. This allows teachers to personalize instruction and helps ease the transition from elementary school.

The middle school instructional program emphasizes language arts, math, science and social studies while allowing students to explore interests through Career and Technical Education, fine arts, and foreign language courses. There is a diversified program of physical activities which includes intramural sports.

MAGNET SCHOOLS

Charlotte-Mecklenburg Schools is committed to the magnet school concept, with 11 magnet programs operating in 53 schools. Each program focuses on an area of special interest such as Visual and Performing Arts, STEM, World Language, and IB, or an instructional style such as Montessori or traditional. Selection is based on application, with more than 25,000 students attending magnet programs. The district also offers both virtual and blended learning opportunities through its eLearning Academy and iMeck program. In recent years, CMS added four middle colleges and two early colleges to its portfolio, allowing students the

A Profile of Charlotte-Mecklenburg Schools

opportunity to earn their high school diploma while pursuing an associate's degree or up to two years of transferable college credit.

HIGH SCHOOLS

Charlotte-Mecklenburg Schools has stringent graduation requirements. A hybrid form of the 4 x 4 scheduling format is used in high schools.

High schools offer a variety of courses from those that reinforce basic skills to advanced ones. Students may earn college credits in general education or career-specific courses through a special agreement with Central Piedmont Community College.

54 percent of the system's high school students, compared to only 46 percent nationwide, took the Scholastic Aptitude Test (SAT) in 2017. Local scores are above the national average but below the state average. Programs are in place in each high school to help students boost their scores. All 10th-graders take the preliminary SAT for exposure to the actual test.

ADDITIONAL PROGRAMS

The school system provides services to students with special education needs. Programs operate for students who meet eligibility in the following areas: intellectually impaired, learning disabled, traumatic brain injury, emotionally disabled, orthopedic impairment, autism spectrum disorder, speech language impairment, visual impairment, deafness, deaf-blindness, hearing impairment or other health impairment. Most services are provided in the regular school setting. Services are also provided in separate programs located at Metro School and Lincoln Heights Academy.

Services are also provided in other programs such as Performance Learning Center (PLC) for students who prefer a smaller learning environment than our comprehensive high schools, Turning Point Academy serving students in an alternative setting, and Northwest School of the Arts for the artistically talented.

The district also has a number of schools that are career-focused such as Hawthorne Academy of Health Sciences, Phillip O. Berry Academy of Technology, Harding Institute of Technology, Charlotte Engineering Early College, and Charlotte Teachers Early College.

Services are also available for students whose native language is not English. The English as a Second Language program concentrates on helping students adjust to a new language and culture so they can be successful in a regular classroom setting.

BEFORE- AND AFTER-SCHOOL CARE

Mecklenburg County has a high percentage of working parents. As a result, before- and after-school care for children is a challenge for many parents.

Therefore, before-school and after-school care is provided at many schools. The programs serve children in pre-kindergarten through middle school for a weekly fee.

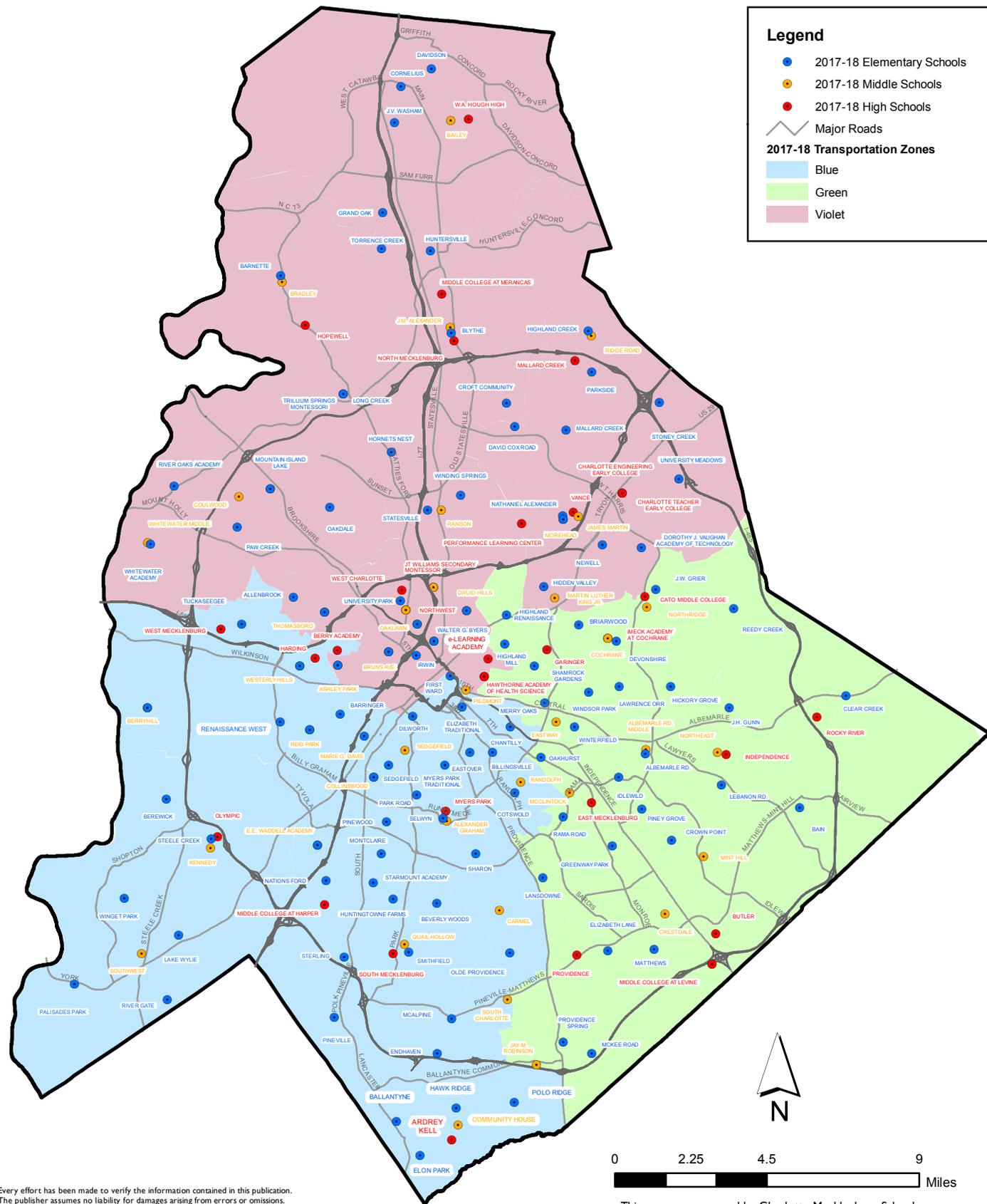
The programs offer students supervised recreational, snack and homework time and opportunities for cultural enrichment.

PRE-KINDERGARTEN PROGRAM

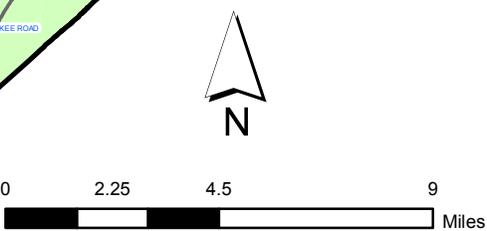
The pre-kindergarten program, initiated in 1996, serves more than 3,900 four-year-olds. This innovative and creative full-day program focusing on language development and literacy is designed for children who demonstrate educational need. The program is funded by federal and local sources.

CHARLOTTE-MECKLENBURG SCHOOLS

2017-2018 ELEMENTARY, MIDDLE, AND HIGH SCHOOLS



Every effort has been made to verify the information contained in this publication. The publisher assumes no liability for damages arising from errors or omissions. Users are urged to contact Charlotte-Mecklenburg Schools, Planning Services, for verification of specific street addresses and their school assignments. Phone: 980.343.6246



This map was prepared by Charlotte-Mecklenburg Schools, Planning Services, September 2017.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
COMPARATIVE AVERAGE DAILY MEMBERSHIP - SCHOOLS AND SPECIAL PROGRAMS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	ADM 2018	ADM 2017		ADM 2018	ADM 2017
PRESCHOOL PROGRAMS:					
Distributed Sites	3,988	3,811	Myers Park Traditional	645	673
Total Preschool Programs	<u>3,988</u>	<u>3,811</u>	Nathaniel Alexander	791	828
ELEMENTARY SCHOOLS:					
Albemarle Road	1,089	1,139	Nations Ford	818	795
Allenbrook	518	570	Newell	804	864
Bain	946	924	Oakdale	614	676
Ballantyne	872	872	Oakhurst STEAM	660	626
Barnette	776	740	Olde Providence	718	720
Barringer	527	578	Palisades Park	747	832
Berewick	782	724	Park Road Montessori	438	433
Beverly Woods	762	763	Parkside	376	394
Billingsville	317	324	Paw Creek	674	554
Blythe	1,138	1,114	Pineville	782	786
Briarwood	789	758	Pinewood	494	509
Chantilly Montessori	292	271	Piney Grove	794	820
Clear Creek	523	549	Polo Ridge	1,009	1,024
Cornelius	631	617	Providence Spring	958	944
Cotswold	772	817	Rama Road	579	604
Croft Community	524	584	Reedy Creek	812	804
Crown Point	654	701	Renaissance West STEAM	411	-
David Cox Road	583	597	River Gate	789	811
Davidson	716	723	River Oaks	592	585
Devonshire	627	612	Sedgefield	328	378
Dilworth	676	733	Selwyn	822	857
Eastover	439	434	Shamrock Gardens	492	485
Elizabeth Lane	1,084	1,093	Sharon	862	835
Elizabeth Traditional	512	529	Smithfield	634	663
Elon Park	1,142	1,150	Starmount	424	455
Endhaven	746	733	Statesville Road	577	564
First Ward	570	549	Steele Creek	758	774
Grand Oak	598	601	Sterling	623	667
Greenway Park	494	520	Stoney Creek	770	801
Hawk Ridge	885	922	Torrence Creek	600	597
Hickory Grove	601	636	Trillium Springs Montessori	135	122
Hidden Valley	930	1,009	Tuckaseegee	713	784
Highland Creek	608	636	University Meadows	681	680
Highland Mill Montessori	234	227	University Park Creative Arts	428	482
Highland Renaissance	435	504	Vaughan Academy of Technology	366	-
Hornets Nest	696	633	Whitewater	769	796
Huntersville	801	820	Winding Springs	886	907
Huntingtowne Farms	783	786	Windsor Park	719	773
Idlewild	1,011	995	Winget Park	658	457
Irwin Academic Center	418	483	Winterfield	617	691
J.H. Gunn	775	757	Total Elementary Schools	<u>64,370</u>	<u>64,543</u>
J.V. Washam	1,100	1,043	PreK-8:		
Joseph W. Grier	775	808	Ashley Park	538	562
Lake Wylie	651	689	Berryhill	527	700
Lansdowne	562	576	Druid Hills	491	577
Lawrence Orr	694	718	Mountain Island Lake	876	915
Lebanon Road	766	771	Reid Park	728	898
Long Creek	454	468	Walter G. Byers	406	495
Mallard Creek	644	660	Total PreK-8 Schools	<u>3,566</u>	<u>4,147</u>
Matthews	962	924			
McAlpine	537	491			
McKee Road	523	528			
Merry Oaks	620	650			
Montclair	439	440			

Source: Charlotte-Mecklenburg Schools Planning Services. Membership for the ninth month of the 2017-2018 school year.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
COMPARATIVE AVERAGE DAILY MEMBERSHIP - SCHOOLS AND SPECIAL PROGRAMS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	ADM 2018	ADM 2017		ADM 2018	ADM 2017
K-8 SCHOOLS:					
Bruns	694	721	Olympic, Biotech, Health & Public Admin	612	569
Collinswood Language	793	765	Olympic, Executive Leadership	389	388
E.E. Waddell Language	1,367	1,371	Olympic, Math, Engineering, Tech & Sci	588	617
John M. Morehead STEM	1,016	1,046	Olympic, Renaissance School of Arts	596	583
Marie G. Davis	486	662	Olympic, Tech Entre & Adv Manufacturing	348	347
Oaklawn Language	555	547	Performance Learning Center	152	201
Thomasboro	677	721	Phillip O. Berry Academy of Technology	1,596	1,504
Westerly Hills	499	519	Providence	2,007	2,020
Total K-8 Schools	<u>6,087</u>	<u>6,352</u>	Rocky River	1,452	1,510
MIDDLE SCHOOLS:					
Albemarle Road	1,139	1,156	South Mecklenburg	2,946	2,906
Alexander Graham	1,460	1,423	West Charlotte	1,274	1,432
Bailey	1,614	1,672	West Mecklenburg	1,483	1,675
Carmel	1,079	1,096	William Amos Hough	2,582	2,516
Community House	1,843	1,806	Zebulon B. Vance	1,628	1,644
Coulwood STEM	746	651	Total High Schools	<u>41,364</u>	<u>40,606</u>
Crestdale	778	774	6-12 SCHOOLS:		
Eastway	839	926	Cochrane Collegiate	903	809
Francis Bradley	1,041	1,078	Northwest School of the Arts	1,044	1,024
J.M. Alexander	891	744	Total 6-12 Schools	<u>1,947</u>	<u>1,833</u>
James Martin	1,055	1,075	7-12 SCHOOLS:		
Jay M. Robinson	1,185	1,152	J.T. Williams Secondary Montessori	166	-
Kennedy	983	918	Total 7-12 Schools	<u>166</u>	<u>-</u>
Martin Luther King, Jr.	941	963	ALTERNATIVE SCHOOLS:		
McClintock	1,091	1,040	Lincoln Heights	86	86
Mint Hill	1,211	1,210	Metro School	231	229
Northeast	636	651	Turning Point	305	316
Northridge	729	713	Total Alternative Schools	<u>622</u>	<u>631</u>
Piedmont	1,054	1,074	TOTAL AVERAGE DAILY MEMBERSHIP (ADM)		
Quail Hollow	965	915		<u>146,385</u>	<u>146,394</u>
Randolph	1,114	1,141	(Does not include Pre-K)		
Ranson	906	945	TOTAL AVERAGE DAILY ATTENDANCE (ADA)		
Ridge Road	1,243	1,263		<u>137,531</u>	<u>137,501</u>
Sedgefield	579	782	ADA/ADM		
South Charlotte	968	882		<u>94.0%</u>	<u>93.9%</u>
Southwest	1,406	1,389			
Whitewater	767	843			
Total Middle Schools	<u>28,263</u>	<u>28,282</u>			
HIGH SCHOOLS:					
Ardrey Kell	3,165	2,952			
Butler	2,058	2,058			
Cato Middle College	241	237			
Charlotte Engineering Early College	295	262			
Charlotte Teacher Early College	46	-			
East Mecklenburg	1,985	1,839			
eLearning Academy	253	178			
Garinger	1,617	1,749			
Harding University	1,452	1,531			
Harper Middle College	169	108			
Hawthorne Academy of Health Sciences	237	167			
Hopewell	1,561	1,582			
Independence	2,189	2,333			
Levine Middle College	238	235			
Mallard Creek	2,529	2,457			
Merancas Middle College	109	-			
Military and Global Leadership	154	-			
Myers Park	3,102	2,906			
North Mecklenburg	2,311	2,100			

Source: Charlotte-Mecklenburg Schools Planning Services. Membership for the ninth month of the 2017-2018 school year.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
NET POSITION BY COMPONENTS
FOR THE LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

	Fiscal Year				
	<u>6/30/2009</u>	<u>6/30/2010</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>
Governmental activities					
Net Investment in capital assets	\$ 1,806,272	\$ 1,842,883	\$ 1,809,700	\$ 1,768,069	\$ 1,794,832
Restricted	3,111	3,197	69,707	70,163	55,711
Unrestricted	<u>18,380</u>	<u>37,392</u>	<u>(13,592)</u>	<u>(8,893)</u>	<u>(31,498)</u>
Total governmental activities net position	<u>1,827,763</u>	<u>1,883,472</u>	<u>1,865,815</u>	<u>1,829,339</u>	<u>1,819,045</u>
Business-type activities					
Net Investment in capital assets	9,524	10,706	10,341	9,714	8,920
Unrestricted	<u>17,003</u>	<u>20,731</u>	<u>24,663</u>	<u>29,494</u>	<u>29,440</u>
Total business-type activities net position	<u>26,527</u>	<u>31,437</u>	<u>35,004</u>	<u>39,208</u>	<u>38,360</u>
Primary government					
Net Investment in capital assets	1,815,796	1,853,589	1,820,041	1,777,783	1,803,752
Restricted	3,111	3,197	69,707	70,163	55,711
Unrestricted	<u>35,383</u>	<u>58,123</u>	<u>11,071</u>	<u>20,601</u>	<u>(2,058)</u>
Total primary government net position	<u>\$ 1,854,290</u>	<u>\$ 1,914,909</u>	<u>\$ 1,900,819</u>	<u>\$ 1,868,547</u>	<u>\$ 1,857,405</u>

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CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
NET POSITION BY COMPONENTS
FOR THE LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

	Fiscal Year				
	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>
Governmental activities					
Net Investment in capital assets	\$ 1,830,641	\$ 1,872,793	\$ 1,902,658	\$ 1,939,956	\$ 1,945,042
Restricted	57,893	62,675	76,176	93,170	70,122
Unrestricted	<u>(37,853)</u>	<u>(278,217)</u>	<u>(232,388)</u>	<u>(270,651)</u>	<u>(2,540,103)</u>
Total governmental activities net position	<u>1,850,681</u>	<u>1,657,251</u>	<u>1,746,446</u>	<u>1,762,475</u>	<u>(524,939)</u>
Business-type activities					
Net Investment in capital assets	8,477	9,016	8,766	7,750	7,163
Unrestricted	<u>30,205</u>	<u>27,739</u>	<u>35,045</u>	<u>39,989</u>	<u>(2,217)</u>
Total business-type activities net position	<u>38,682</u>	<u>36,755</u>	<u>43,811</u>	<u>47,739</u>	<u>4,946</u>
Primary government					
Net Investment in capital assets	1,839,118	1,881,809	1,911,424	1,947,706	1,952,205
Restricted	57,893	62,675	76,176	93,170	70,122
Unrestricted	<u>(7,648)</u>	<u>(250,478)</u>	<u>(197,343)</u>	<u>(230,662)</u>	<u>(2,542,320)</u>
Total primary government net position	<u>\$ 1,889,363</u>	<u>\$ 1,694,006</u>	<u>\$ 1,790,257</u>	<u>\$ 1,810,214</u>	<u>\$ (519,993)</u>

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in thousands)

	<u>Fiscal Year</u>				
<u>Functions/Programs</u>	<u>6/30/2009</u>	<u>6/30/2010</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>
Primary government:					
EXPENSES					
Governmental Activities:					
Instructional Programs					
Regular	\$ 660,155	\$ 575,153	\$ 583,406	\$ 626,593	\$ 674,212
Special	197,082	190,130	196,333	193,693	197,054
School Leadership	68,850	64,696	65,811	66,231	71,219
Co-Curricular	11,702	11,287	11,787	11,805	12,337
School-Based Support	54,521	54,238	51,180	49,344	56,544
Support and Development	5,882	5,728	5,662	5,304	5,526
Special Population Support	6,575	6,619	6,662	6,655	6,605
Technology Support	14,962	16,628	15,076	14,313	15,447
Operational Support	185,100	158,984	167,760	167,319	182,972
Financial and Human Resources	28,940	25,963	28,654	27,919	27,139
Accountability Services	8,407	6,568	7,791	7,480	6,854
System-Wide Pupil Support	3,542	3,054	2,950	3,227	3,248
Policy, Leadership and Public Relations	14,101	13,710	10,429	11,434	12,847
Community Services	1,376	1,527	1,017	986	1,142
Debt Service-Interest	6,455	238	9,485	3,709	653
Total Governmental Activities Expenses	<u>1,267,650</u>	<u>1,134,523</u>	<u>1,164,003</u>	<u>1,196,012</u>	<u>1,273,799</u>
Business Type Activities:					
After School Program	15,579	14,085	14,211	12,002	12,585
Child Nutrition	60,686	59,035	60,862	60,496	66,554
Total Business Type Activities Expenses	<u>76,265</u>	<u>73,120</u>	<u>75,073</u>	<u>72,498</u>	<u>79,139</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>1,343,915</u>	<u>1,207,643</u>	<u>1,239,076</u>	<u>1,268,510</u>	<u>1,352,938</u>
REVENUES					
Governmental Activities:					
Charges for services:					
Instructional Programs - Regular	510	355	559	538	815
Community Services	1,397	1,682	1,797	1,975	969
Operating Grants and Contributions	82,807	145,049	161,565	121,101	120,477
Total Governmental Activities Revenues	<u>84,714</u>	<u>147,086</u>	<u>163,921</u>	<u>123,614</u>	<u>122,261</u>
Business Type Activities:					
Charges for services:					
After School Program	15,647	14,583	14,718	13,156	13,426
Child Nutrition	22,842	20,301	18,216	16,627	16,035
Operating Grants and Contributions:					
After School Program	-	-	-	-	-
Child Nutrition	38,039	40,583	44,225	46,072	48,207
Capital Grants and Contributions:					
Child Nutrition	1,309	1,777	765	170	-
Total Business Type Activities Revenues	<u>77,837</u>	<u>77,244</u>	<u>77,924</u>	<u>76,025</u>	<u>77,668</u>
TOTAL PRIMARY GOVERNMENT REVENUES	<u>162,551</u>	<u>224,330</u>	<u>241,845</u>	<u>199,639</u>	<u>199,929</u>

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**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in thousands)

	<u>Fiscal Year</u>				
<u>Functions/Programs</u>	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>
Primary government:					
EXPENSES					
Governmental Activities:					
Instructional Programs					
Regular	\$ 658,029	\$ 690,385	\$ 705,467	\$ 780,834	\$ 872,091
Special	203,086	215,586	217,382	241,720	260,169
School Leadership	72,628	62,045	71,223	79,038	76,909
Co-Curricular	12,700	12,663	13,100	13,329	14,061
School-Based Support	58,368	57,790	58,872	66,734	76,477
Support and Development	5,515	6,998	6,700	8,505	10,759
Special Population Support	6,944	6,770	6,911	7,881	8,124
Technology Support	15,169	16,209	14,498	15,319	17,002
Operational Support	168,947	163,761	173,325	187,220	209,706
Financial and Human Resources	27,683	32,305	26,077	31,124	29,753
Accountability Services	6,164	4,475	4,087	4,038	4,058
System-Wide Pupil Support	3,145	2,909	3,772	4,124	4,070
Policy, Leadership and Public Relations	15,579	15,535	15,183	16,784	17,864
Community Services	1,262	873	1,289	1,085	853
Debt Service-Interest	582	354	173	85	15
Total Governmental Activities Expenses	<u>1,255,801</u>	<u>1,288,658</u>	<u>1,318,059</u>	<u>1,457,820</u>	<u>1,601,911</u>
Business Type Activities:					
After School Program	13,718	12,106	12,239	13,477	14,993
Child Nutrition	65,004	65,527	64,891	66,706	69,813
Total Business Type Activities Expenses	<u>78,722</u>	<u>77,633</u>	<u>77,130</u>	<u>80,183</u>	<u>84,806</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>1,334,523</u>	<u>1,366,291</u>	<u>1,395,189</u>	<u>1,538,003</u>	<u>1,686,717</u>
REVENUES					
Governmental Activities:					
Charges for services:					
Instructional Programs - Regular	138	960	558	537	1,004
Community Services	1,032	2,112	1,770	1,694	2,111
Operating Grants and Contributions	99,024	111,283	102,429	114,040	109,081
Total Governmental Activities Revenues	<u>100,194</u>	<u>114,355</u>	<u>104,757</u>	<u>116,271</u>	<u>112,196</u>
Business Type Activities:					
Charges for services:					
After School Program	12,678	13,141	13,295	13,972	13,854
Child Nutrition	15,204	11,908	12,109	11,885	11,309
Operating Grants and Contributions:					
After School Program	-	-	-	-	-
Child Nutrition	49,737	55,334	57,479	57,213	58,716
Capital Grants and Contributions:					
Child Nutrition	790	214	743	420	709
Total Business Type Activities Revenues	<u>78,409</u>	<u>80,597</u>	<u>83,626</u>	<u>83,490</u>	<u>84,588</u>
TOTAL PRIMARY GOVERNMENT REVENUES	<u>178,603</u>	<u>194,952</u>	<u>188,383</u>	<u>199,761</u>	<u>196,784</u>

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CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

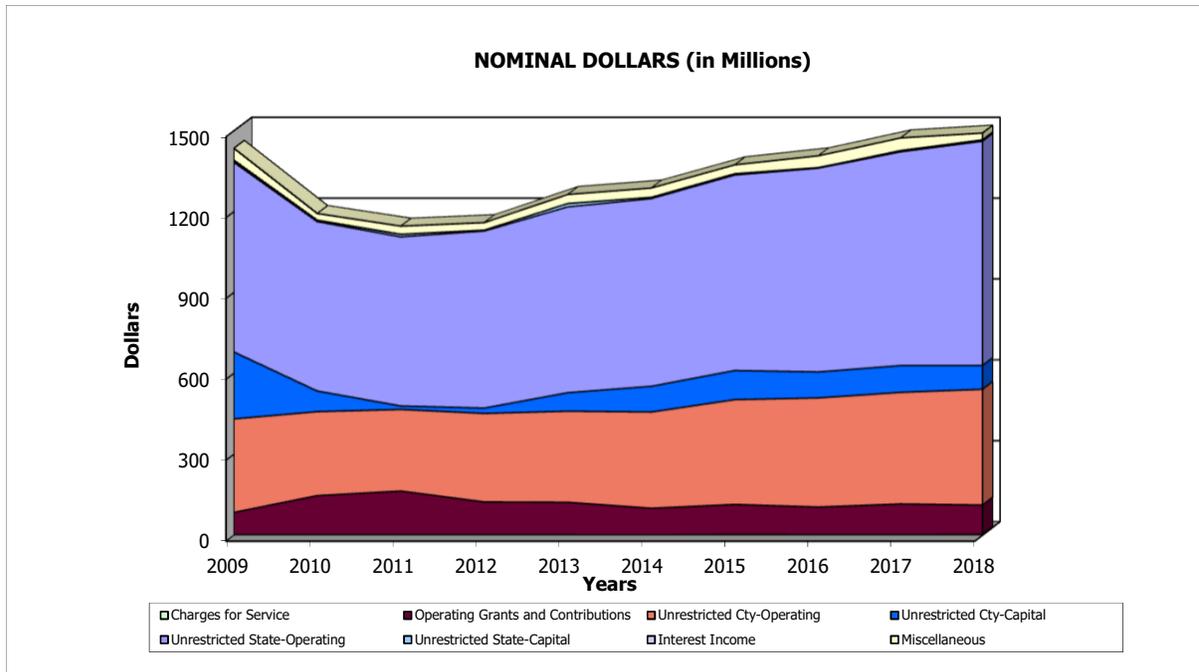
	<u>Fiscal Year</u>				
	<u>6/30/2009</u>	<u>6/30/2010</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>
Net (Expense)/Revenue					
Governmental Activities	(1,182,936)	(987,437)	(1,000,082)	(1,072,398)	(1,151,538)
Business Type Activities	1,572	4,124	2,851	3,527	(1,471)
TOTAL PRIMARY GOVERNMENT NET EXPENSES	<u>(1,181,364)</u>	<u>(983,313)</u>	<u>(997,231)</u>	<u>(1,068,871)</u>	<u>(1,153,009)</u>
General Revenues and Other Changes in Net Position					
Unrestricted State Appropriations-Operating	704,112	628,705	627,573	657,062	689,568
Unrestricted State Appropriations-Capital	5,825	4,267	8,859	3,028	12,409
Unrestricted Mecklenburg County Appropriations-Operating	346,367	311,067	302,250	327,880	337,433
Unrestricted Mecklenburg County Appropriations-Capital	248,610	76,519	13,019	19,832	68,748
Interest Income	2,684	1,500	911	676	405
Miscellaneous	44,064	24,716	30,330	27,961	33,198
Transfers	(535)	(517)	(517)	(517)	(517)
Total Governmental Activities	<u>1,351,127</u>	<u>1,046,257</u>	<u>982,425</u>	<u>1,035,922</u>	<u>1,141,244</u>
Business Type Activities					
Interest Income	451	269	199	160	106
Transfers	535	517	517	517	517
Total Business Type Activities Revenues	<u>986</u>	<u>786</u>	<u>716</u>	<u>677</u>	<u>623</u>
TOTAL PRIMARY GOVERNMENT	<u>1,352,113</u>	<u>1,047,043</u>	<u>983,141</u>	<u>1,036,599</u>	<u>1,141,867</u>
Change in Net Position					
Governmental Activities	168,191	58,820	(17,657)	(36,476)	(10,294)
Business Type Activities	2,558	4,910	3,567	4,204	(848)
TOTAL PRIMARY GOVERNMENT	<u>\$ 170,749</u>	<u>\$ 63,730</u>	<u>\$ (14,090)</u>	<u>\$ (32,272)</u>	<u>\$ (11,142)</u>

Continued on next page

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE LAST TEN FISCAL YEARS**
(Amounts expressed in thousands)

	<u>Fiscal Year</u>				
	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>
Net (Expense)/Revenue					
Governmental Activities	(1,155,607)	(1,174,303)	(1,213,302)	(1,341,549)	(1,489,715)
Business Type Activities	(313)	2,964	6,496	3,307	(218)
TOTAL PRIMARY GOVERNMENT NET EXPENSES	<u>(1,155,920)</u>	<u>(1,171,339)</u>	<u>(1,206,806)</u>	<u>(1,338,242)</u>	<u>(1,489,933)</u>
General Revenues and Other Changes in Net Position					
Unrestricted State Appropriations-Operating	696,584	725,253	756,161	793,362	832,192
Unrestricted State Appropriations-Capital	4,691	4,835	1,654	3,805	3,911
Unrestricted Mecklenburg County Appropriations-Operating	356,545	388,237	404,286	413,494	428,745
Unrestricted Mecklenburg County Appropriations-Capital	95,420	108,232	96,538	99,414	88,356
Interest Income	403	491	789	1,278	1,653
Miscellaneous	34,117	32,637	43,416	46,486	24,856
Transfers	(517)	(517)	(347)	(261)	(234)
Total Governmental Activities	<u>1,187,243</u>	<u>1,259,168</u>	<u>1,302,497</u>	<u>1,357,578</u>	<u>1,379,479</u>
Business Type Activities					
Interest Income	118	134	213	360	550
Transfers	517	517	347	261	234
Total Business Type Activities Revenues	<u>635</u>	<u>651</u>	<u>560</u>	<u>621</u>	<u>784</u>
TOTAL PRIMARY GOVERNMENT	<u>1,187,878</u>	<u>1,259,819</u>	<u>1,303,057</u>	<u>1,358,199</u>	<u>1,380,263</u>
Change in Net Position					
Governmental Activities	31,636	84,865	89,195	16,029	(110,236)
Business Type Activities	322	3,615	7,056	3,928	566
TOTAL PRIMARY GOVERNMENT	<u>\$ 31,958</u>	<u>\$ 88,480</u>	<u>\$ 96,251</u>	<u>\$ 19,957</u>	<u>\$ (109,670)</u>

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
GENERAL SCHOOL SYSTEM REVENUES BY SOURCE - GOVERNMENT-WIDE
FOR THE LAST TEN FISCAL YEARS**



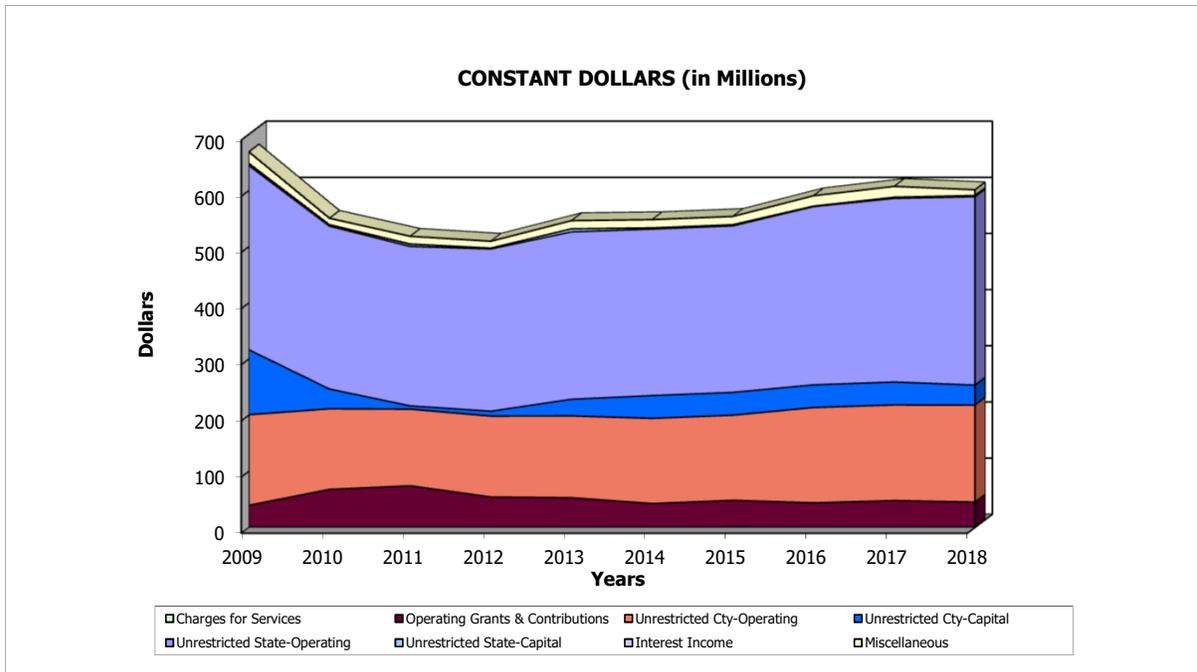
NOMINAL DOLLARS (in Millions)									
Year	Total	Program Revenue		General Revenues					
		Charges for Services	Operating Grants and Contributions	Unrestricted County Appropriations - Operating	Unrestricted County Appropriations - Capital	Unrestricted State Appropriations - Operating	Unrestricted State Appropriations - Capital	Interest Income	Miscellaneous
2009	1,435.8	1.9	82.8	346.4	248.6	704.1	5.8	2.7	43.5
2010	1,193.3	2.0	145.0	311.1	76.5	628.7	4.3	1.5	24.2
2011	1,146.4	2.4	161.6	302.2	13.0	627.6	8.9	0.9	29.8
2012	1,159.5	2.5	121.1	327.9	19.8	657.1	3.0	0.7	27.4
2013	1,264.0	1.8	120.5	337.4	68.7	689.6	12.4	0.4	33.2
2014	1,287.9	1.2	99.0	356.5	95.4	696.6	4.7	0.4	34.1
2015	1,374.0	3.1	111.3	388.2	108.2	725.3	4.8	0.5	32.6
2016	1,407.6	2.3	102.4	404.3	96.5	756.2	1.7	0.8	43.4
2017	1,474.0	2.2	114.0	413.5	99.4	793.3	3.8	1.3	46.5
2018	1,492.0	3.1	109.1	428.7	88.4	832.2	3.9	1.7	24.9

NOTES:

Miscellaneous Revenue includes Miscellaneous and Transfers.

Nominal dollars reflect actual dollars of the period of the transaction.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
GENERAL SCHOOL SYSTEM REVENUES BY SOURCE - GOVERNMENT-WIDE
FOR THE LAST TEN FISCAL YEARS**



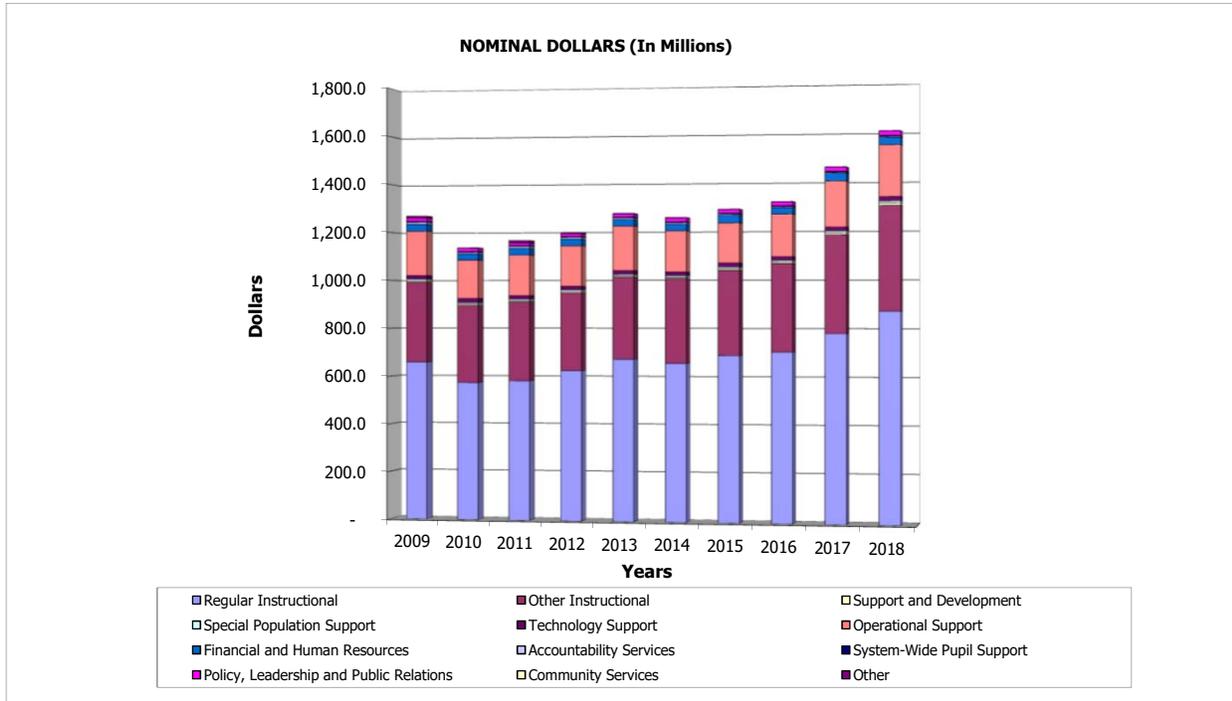
CONSTANT DOLLARS (in Millions)									
Year	Total	Program Revenue		General Revenues					
		Charges for Services	Operating Grants and Contributions	Unrestricted County Appropriations - Operating	Unrestricted County Appropriations - Capital	Unrestricted State Appropriations - Operating	Unrestricted State Appropriations - Capital	Interest Income	Miscellaneous
2009	669.0	0.9	38.6	161.4	115.8	328.0	2.7	1.3	20.3
2010	550.6	0.9	66.9	143.5	35.3	290.1	2.0	0.7	11.2
2011	518.5	1.1	73.1	136.6	5.9	283.9	4.0	0.4	13.5
2012	509.5	1.1	53.2	144.1	8.7	288.8	1.3	0.3	12.0
2013	546.3	0.8	52.1	145.8	29.7	298.0	5.4	0.2	14.3
2014	548.1	0.5	42.1	151.7	40.6	296.5	2.0	0.2	14.5
2015	553.8	1.3	47.0	151.7	40.6	296.5	2.0	0.2	14.5
2016	590.7	1.0	43.0	169.7	40.4	317.4	0.7	0.3	18.2
2017	607.4	0.9	47.0	170.4	40.9	326.9	1.6	0.5	19.2
2018	601.3	1.2	44.0	172.8	35.6	335.4	1.6	0.7	10.0

NOTES:

Miscellaneous Revenue includes Miscellaneous and Transfers.

Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for all Urban Consumers (CPI-U) (Calendar years 1982-1984 = 100).

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
GENERAL SCHOOL SYSTEM EXPENDITURES BY SOURCE - GOVERNMENT-WIDE
FOR THE LAST TEN FISCAL YEARS**



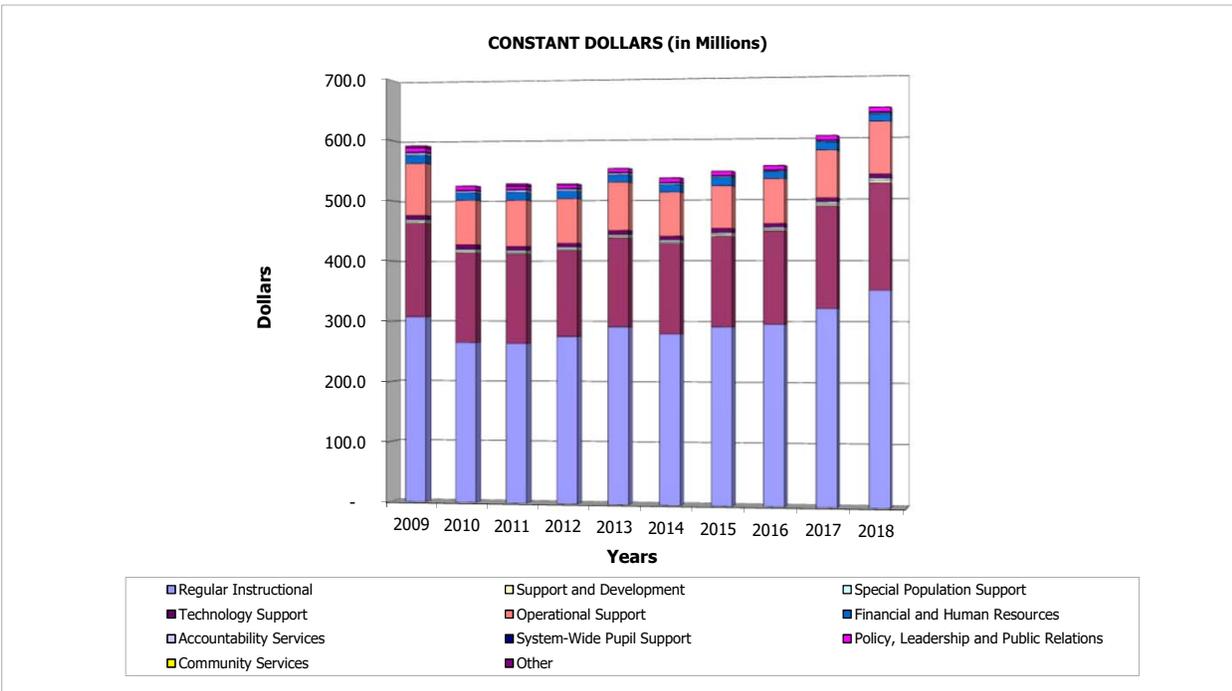
NOMINAL DOLLARS (in Millions)													
Year	Total	Regular Instructional	Other Instructional	Support and Development	Special Population Support	Technology Support	Operational Support	Financial and Human Resources	Accountability Services	System-Wide Pupil Support	Policy, Leadership and Public Relations	Community Services	Other
2009	1,267.6	660.0	332.2	5.9	6.6	15.0	185.1	28.9	8.4	3.5	14.1	1.4	6.5
2010	1,134.5	575.1	320.4	5.7	6.6	16.6	159.0	26.0	6.6	3.1	13.7	1.5	0.2
2011	1,164.0	583.4	325.1	5.7	6.7	15.1	167.8	28.6	7.8	2.9	10.4	1.0	9.5
2012	1,196.0	626.6	321.1	5.3	6.7	14.3	167.3	27.9	7.5	3.2	11.4	1.0	3.7
2013	1,273.8	674.2	337.2	5.5	6.6	15.4	183.0	27.1	6.9	3.2	12.9	1.1	0.7
2014	1,255.8	658.0	346.8	5.5	6.9	15.2	168.9	27.7	6.2	3.1	15.6	1.3	0.6
2015	1,288.7	690.4	348.1	7.0	6.8	16.2	163.8	32.3	4.5	2.9	15.5	0.9	0.3
2016	1,318.1	705.5	360.5	6.7	6.9	14.5	173.3	26.1	4.1	3.8	15.2	1.3	0.2
2017	1,457.8	780.9	400.8	8.5	7.9	15.3	187.2	31.1	4.0	4.1	16.8	1.1	0.1
2018	1,601.9	872.1	427.6	10.8	8.1	17.0	209.7	29.7	4.0	4.1	17.9	0.9	0.0

NOTES:

Other Instructional Expenditures includes Special, School Leadership, Co-Curricular and School-Based Support.

Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for all Urban Consumers (CPI-U) (Calendar years 1982-84=100).

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
GENERAL SCHOOL SYSTEM EXPENDITURES BY SOURCE - GOVERNMENT-WIDE
FOR THE LAST TEN FISCAL YEARS**



CONSTANT DOLLARS (in Millions)

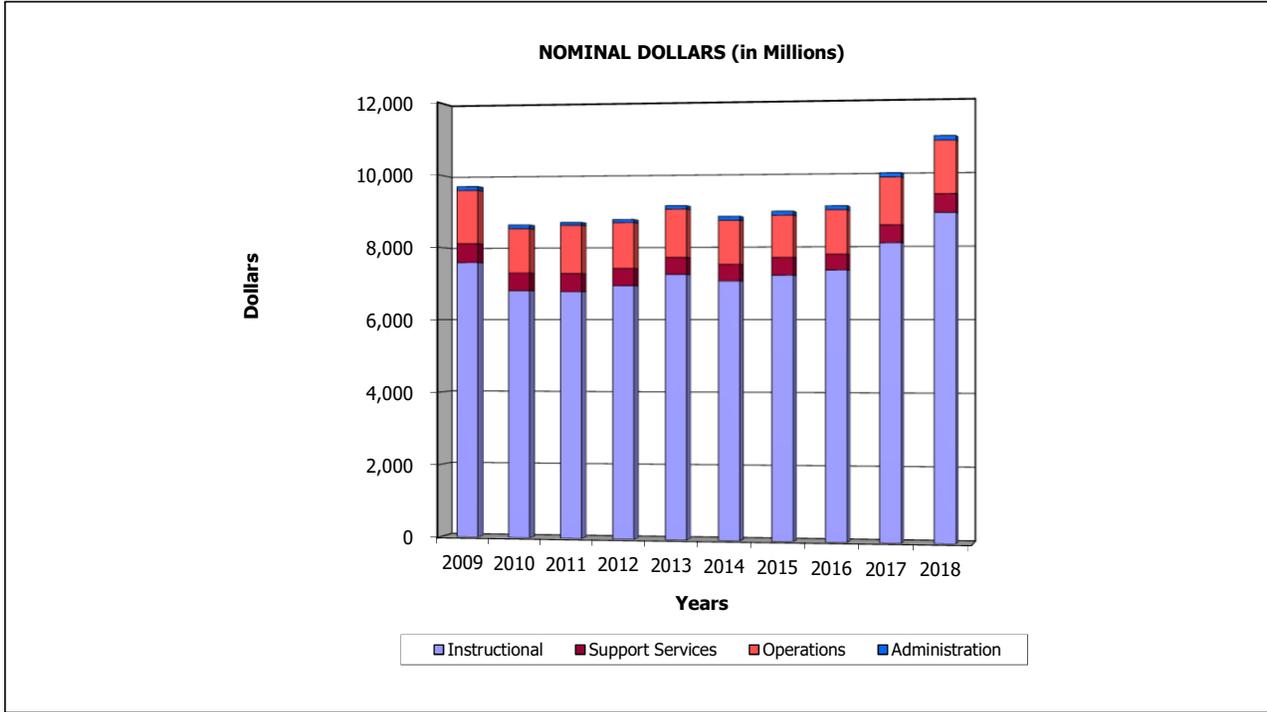
Year	Total	Regular Instructional	Other Instructional	Support and Development	Special Population Support	Technology Support	Operational Support	Financial and Human Resources	Accountability Services	System-Wide Pupil Support	Policy, Leadership and Public Relations	Community Services	Other
2009	590.6	307.5	154.8	2.7	3.1	7.0	86.2	13.5	3.9	1.6	6.6	0.7	3.0
2010	523.4	265.3	147.8	2.6	3.0	7.7	73.4	12.0	3.1	1.4	6.3	0.7	0.1
2011	526.5	263.9	147.1	2.6	3.0	6.8	75.9	12.9	3.5	1.3	4.7	0.5	4.3
2012	525.5	275.4	141.1	2.3	2.9	6.3	73.5	12.3	3.3	1.4	5.0	0.4	1.6
2013	550.5	291.4	145.7	2.4	2.8	6.6	79.1	11.7	3.0	1.4	5.6	0.5	0.3
2014	534.4	280.0	147.6	2.3	2.9	6.5	71.9	11.8	2.6	1.3	6.6	0.6	0.3
2015	544.5	291.7	147.1	3.0	2.9	6.9	69.2	13.6	1.9	1.2	6.5	0.4	0.1
2016	553.2	296.1	151.3	2.8	2.9	6.1	72.7	11.0	1.7	1.6	6.4	0.5	0.1
2017	600.8	321.8	165.2	3.5	3.3	6.3	77.2	12.8	1.6	1.7	6.9	0.5	0.0
2018	645.6	351.4	172.3	4.3	3.3	6.8	84.6	12.0	1.6	1.7	7.2	0.4	0.0

NOTES:

Other Instructional Expenditures includes Special, School Leadership, Co-Curricular and School-Based Support.

Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for all Urban Consumers (CPI-U) (Calendar years 1982-84=100).

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
OPERATIONAL EXPENDITURES GOVERNMENT-WIDE PER PUPIL
FOR THE LAST TEN FISCAL YEARS**



NOMINAL DOLLARS (in Millions)						
Year	Ave. Daily Membership	Expenditures				Total per Pupil
		Instructional	Support Services	Operations	Administration	
2009	130,869	7,582	522	1,474	108	9,686
2010	131,709	6,799	490	1,221	104	8,614
2011	134,175	6,771	498	1,328	78	8,675
2012	136,747	6,930	474	1,258	84	8,746
2013	139,772	7,236	464	1,322	92	9,114
2014	142,466	7,053	454	1,199	109	8,815
2015	144,087	7,207	484	1,145	108	8,944
2016	145,154	7,344	427	1,204	105	9,080
2017	146,394	8,072	485	1,287	115	9,959
2018	146,385	8,879	504	1,438	122	10,943

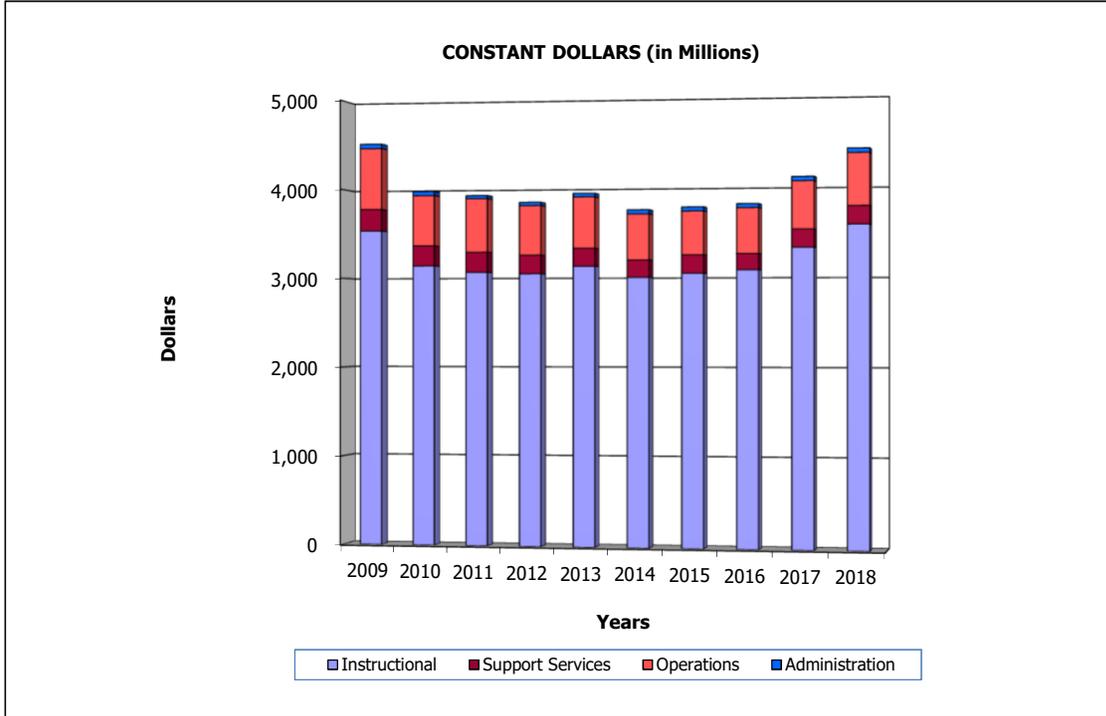
NOTES:

The above operational expenditures per pupil for the Governmental Fund excludes Capital Outlay, Individual Schools and pass-through to Charter Schools. Support Services includes Support and Development, Special Population Support, Technology Support, Financial and Human Resources, Accountability Services and System-Wide Pupil Support.

Average Daily Membership is for the ninth month of the 2017-2018 school year.

Nominal dollars reflect actual dollars of the period of the transaction.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
OPERATIONAL EXPENDITURES GOVERNMENT-WIDE PER PUPIL
FOR THE LAST TEN FISCAL YEARS**



CONSTANT DOLLARS (in Millions)						
Year	Ave. Daily Membership	Expenditures				Total per Pupil
		Instructional	Support Services	Operations	Administration	
2009	130,869	3,532	243	687	50	4,512
2010	131,709	3,137	226	563	48	3,974
2011	134,175	3,063	225	601	35	3,924
2012	136,747	3,045	208	553	37	3,843
2013	139,772	3,127	201	571	40	3,939
2014	142,466	3,002	193	510	46	3,751
2015	144,087	3,045	204	484	46	3,779
2016	145,154	3,082	179	505	44	3,810
2017	146,394	3,327	200	530	47	4,104
2018	146,385	3,578	203	580	49	4,410

NOTES:

The above operational expenditures per pupil for the Governmental Fund excludes Capital Outlay, Individual Schools and pass-through to Charter Schools. Support Services includes Support and Development, Special Population Support, Technology Support, Financial and Human Resources, Accountability Services and System-Wide Pupil Support.

Average Daily Membership is for the ninth month of the 2017-2018 school year.

Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984 = 100).

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
FUND BALANCES, GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in thousands)

	Fiscal Years				
	<u>6/30/2009</u>	<u>6/30/2010</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>
General Fund					
Nonspendable:					
Inventories	\$ 1,562	\$ 1,418	\$ 1,387	\$ 1,226	\$ 1,239
Restricted:					
Stabilization by State Statute	27,552	38,174	59,087	54,941	36,638
Insurance Claims	1,935	3,018	328	2,952	4,955
Assigned:					
Subsequent years expenditures	8,947	15,512	6,452	12,541	7,700
Unassigned:	<u>21,216</u>	<u>18,648</u>	<u>22,443</u>	<u>16,683</u>	<u>17,031</u>
Total General Fund	<u>\$ 61,212</u>	<u>\$ 76,770</u>	<u>\$ 89,697</u>	<u>\$ 88,343</u>	<u>\$ 67,563</u>
All other governmental funds					
Restricted:					
Stabilization by State Statute	\$ -	\$ -	\$ 1,368	\$ 5,617	\$ 9,667
School Capital Projects	2,429	2,779	4,259	2,030	-
Individual Schools	3,945	4,336	4,665	4,623	4,451
Assigned:					
Special Revenue	<u>-</u>	<u>-</u>	<u>2,030</u>	<u>3,990</u>	<u>10,872</u>
Total all other governmental funds	<u>\$ 6,374</u>	<u>\$ 7,115</u>	<u>\$ 12,322</u>	<u>\$ 16,260</u>	<u>\$ 24,990</u>

Continued on next page

Note:

Beginning with fiscal year 2012 we recomputed the fund balance classifications for the prior fiscal years reported here due to the implementation of GASB 54.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
FUND BALANCES, GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in thousands)

	Fiscal Years				
	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>
General Fund					
Nonspendable:					
Inventories	\$ 1,135	\$ 931	\$ 931	\$ 1,062	\$ 1,116
Restricted:					
Stabilization by State Statute	43,511	45,422	51,953	53,361	32,043
Insurance Claims	4,283	4,437	4,117	7,473	9,176
Assigned:					
Subsequent years expenditures	9,082	9,200	8,300	6,404	5,600
Unassigned:	<u>15,768</u>	<u>15,882</u>	<u>17,498</u>	<u>13,698</u>	<u>15,652</u>
Total General Fund	<u>\$ 73,779</u>	<u>\$ 75,872</u>	<u>\$ 82,799</u>	<u>\$ 81,998</u>	<u>\$ 63,587</u>
All other governmental funds					
Restricted:					
Stabilization by State Statute	\$ 5,528	\$ 8,092	\$ 15,052	\$ 27,095	\$ 23,353
School Capital Projects	-	-	-	-	
Individual Schools	4,570	4,724	5,054	5,241	5,550
Assigned:					
Special Revenue	<u>10,368</u>	<u>10,859</u>	<u>4,883</u>	<u>240</u>	<u>6,644</u>
Total all other governmental funds	<u>\$ 20,466</u>	<u>\$ 23,675</u>	<u>\$ 24,989</u>	<u>\$ 32,576</u>	<u>\$ 35,547</u>

Note:

Beginning with fiscal year 2012 we recomputed the fund balance classifications for the prior fiscal years reported here due to the implementation of GASB 54.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in thousands)

	2009	2010	2011	2012	2013
REVENUES:					
State of North Carolina	\$ 716,651	\$ 646,602	\$ 649,106	\$ 670,935	\$ 711,702
Mecklenburg County	594,977	387,586	315,269	347,712	406,181
U.S. Government Agencies	75,971	128,539	136,662	110,186	91,953
Other	38,774	36,519	34,417	33,197	35,489
Total Revenues	<u>1,426,373</u>	<u>1,199,246</u>	<u>1,135,454</u>	<u>1,162,030</u>	<u>1,245,325</u>
EXPENDITURES:					
Current Operating Expenditures:					
Instructional Programs	894,939	840,678	839,729	871,650	900,746
Support and Development	5,881	5,728	5,662	5,304	5,526
Special Population Support	6,574	6,619	6,662	6,655	6,605
Technology Support	14,725	16,299	14,746	13,925	15,075
Operational Support	171,782	159,768	162,650	168,067	173,460
Financial and Human Resources	26,651	23,246	24,472	25,649	25,583
Accountability Services	8,407	6,568	7,791	7,480	6,854
System-Wide Support	3,542	3,054	2,950	3,227	3,248
Policy, Leadership, and Public Relations	14,093	13,699	10,418	11,422	12,835
Ancillary Services	1,376	1,527	1,017	986	1,142
Debt Service					
Principal	6,663	5,306	9,757	4,003	13,400
Interest	204	238	171	165	137
Capital Outlay	260,364	78,614	23,064	19,832	89,871
Intergovernmental Expenditures	15,349	23,883	19,920	20,564	21,138
Total Expenditures	<u>1,430,550</u>	<u>1,185,227</u>	<u>1,129,009</u>	<u>1,158,929</u>	<u>1,275,620</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(4,177)</u>	<u>14,019</u>	<u>6,445</u>	<u>3,101</u>	<u>(30,295)</u>
OTHER FINANCING SOURCES (USES)					
Capitalized Lease	11,741	2,797	12,206	-	18,762
Transfer In (Out)	(535)	(517)	(517)	(517)	(517)
Total Other Financing Sources (Uses)	<u>11,206</u>	<u>2,280</u>	<u>11,689</u>	<u>(517)</u>	<u>18,245</u>
CHANGE IN FUND BALANCE	7,029	16,299	18,134	2,584	(12,050)
FUND BALANCE--Beginning of Year	60,557	67,586	83,885	102,019	104,603
FUND BALANCE--End of Year	<u>\$ 67,586</u>	<u>\$ 83,885</u>	<u>\$ 102,019</u>	<u>\$ 104,603</u>	<u>\$ 92,553</u>
Debt Service as a percent of non-capital expenditures	0.59%	0.50%	0.90%	0.37%	1.14%

Additional fiscal years reported on next page.

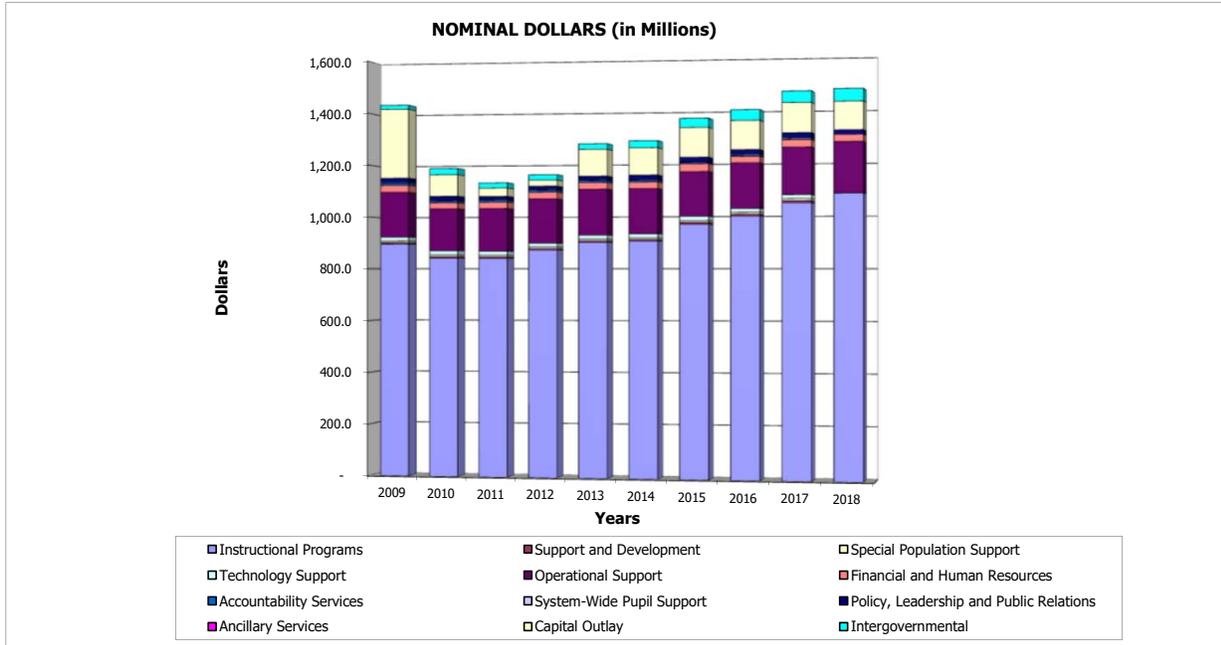
**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in thousands)

	2014	2015	2016	2017	2018
REVENUES:					
State of North Carolina	\$ 710,970	\$ 739,654	\$ 768,542	\$ 807,440	\$ 847,213
Mecklenburg County	451,965	496,469	500,824	512,908	517,101
U.S. Government Agencies	89,205	101,601	87,380	95,810	91,437
Other	35,824	36,904	46,620	50,406	38,987
Total Revenues	<u>1,287,964</u>	<u>1,374,628</u>	<u>1,403,366</u>	<u>1,466,564</u>	<u>1,494,738</u>
EXPENDITURES:					
Current Operating Expenditures:					
Instructional Programs	905,323	967,992	998,589	1,047,583	1,083,105
Support and Development	5,515	7,223	6,990	8,346	10,023
Special Population Support	6,944	7,028	7,248	7,726	7,493
Technology Support	14,797	16,162	14,515	14,738	15,853
Operational Support	170,086	167,735	170,831	177,510	192,956
Financial and Human Resources	25,226	29,626	24,385	28,347	26,815
Accountability Services	6,164	4,607	4,244	3,971	3,804
System-Wide Support	3,145	3,018	3,924	4,052	3,770
Policy, Leadership, and Public Relations	15,567	15,981	15,735	16,495	16,721
Ancillary Services	1,262	905	1,340	1,066	788
Debt Service					
Principal	5,659	5,619	2,300	4,403	4,478
Interest	107	80	56	35	15
Capital Outlay	99,109	107,981	108,536	109,777	102,806
Intergovernmental Expenditures	26,851	34,852	40,385	43,325	47,821
Total Expenditures	<u>1,285,755</u>	<u>1,368,809</u>	<u>1,399,078</u>	<u>1,467,374</u>	<u>1,516,448</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,209</u>	<u>5,819</u>	<u>4,288</u>	<u>(810)</u>	<u>(21,710)</u>
OTHER FINANCING SOURCES (USES)					
Capitalized Lease	-	-	4,300	7,857	6,504
Transfer In (Out)	(517)	(517)	(347)	(261)	(234)
Total Other Financing Sources (Uses)	<u>(517)</u>	<u>(517)</u>	<u>3,953</u>	<u>7,596</u>	<u>6,270</u>
CHANGE IN FUND BALANCE	1,692	5,302	8,241	6,786	(15,440)
FUND BALANCE--Beginning of Year	<u>92,553</u>	<u>94,245</u>	<u>99,547</u>	<u>107,788</u>	<u>114,574</u>
FUND BALANCE--End of Year	<u>\$ 94,245</u>	<u>\$ 99,547</u>	<u>\$ 107,788</u>	<u>\$ 114,574</u>	<u>\$ 99,134</u>
Debt Service as a percent of non-capital expenditures	0.49%	0.45%	0.18%	0.33%	0.31%

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
GOVERNMENTAL EXPENDITURES BY FUNCTION
FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in millions)



Fiscal Year Ended June 30	Instructional Programs	Support and Development	Special Population Support	Technology Support	Operational Support	Financial and Human Resources
<i>Expressed in Nominal Dollars</i>						
2009	894.9	5.9	6.6	14.7	172.8	26.7
2010	840.7	5.7	6.6	16.3	161.0	23.2
2011	839.7	5.7	6.7	14.8	163.7	24.5
2012	871.7	5.3	6.6	13.9	169.2	25.6
2013	900.8	5.5	6.6	15.1	174.6	25.6
2014	905.3	5.5	6.9	14.8	171.2	25.2
2015	968.0	7.2	7.0	16.2	168.6	29.6
2016	998.6	7.0	7.3	14.5	171.5	24.4
2017	1,047.6	8.3	7.7	14.7	178.1	28.4
2018	1,083.1	10.0	7.5	15.9	193.0	26.8
<i>Expressed in Constant Dollars</i>						
2009	416.9	2.7	3.1	6.8	80.5	12.4
2010	387.9	2.6	3.0	7.5	74.3	10.7
2011	379.8	2.6	3.0	6.7	74.0	11.1
2012	383.0	2.3	2.9	6.1	74.4	11.2
2013	389.3	2.4	2.8	6.5	75.5	11.1
2014	385.3	2.3	2.9	6.3	72.9	10.7
2015	409.0	3.0	3.0	6.8	71.2	12.5
2016	419.1	2.9	3.1	6.1	72.0	10.2
2017	431.7	3.4	3.2	6.1	73.4	11.7
2018	436.5	4.0	3.0	6.4	77.8	10.8

NOTES:

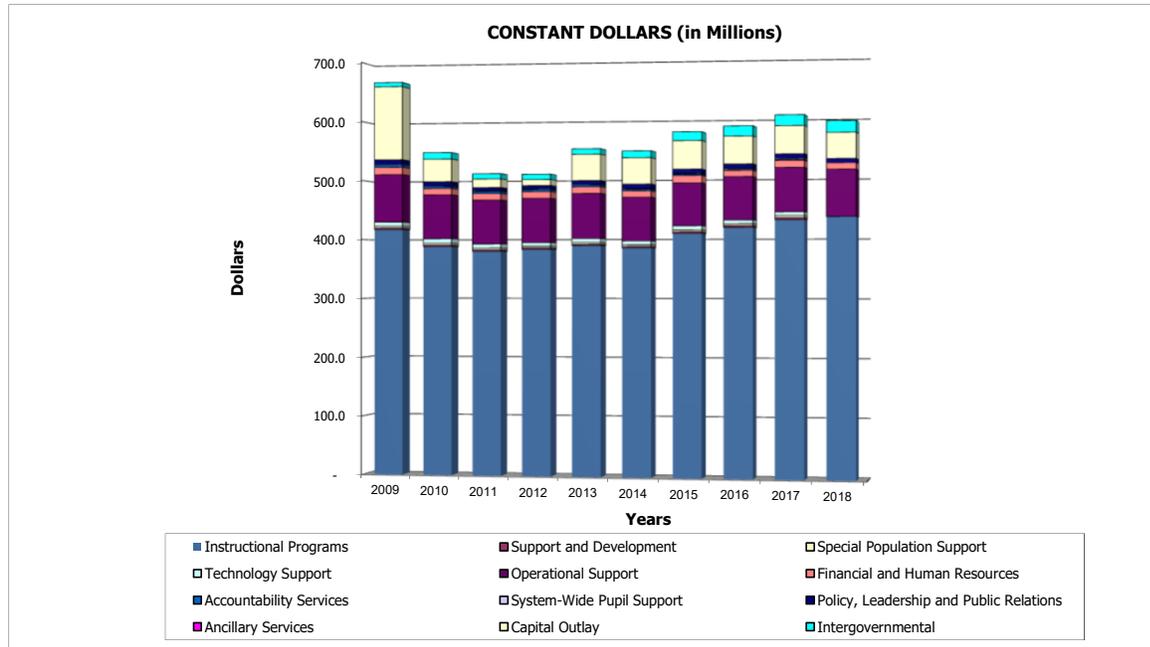
The Governmental fund type includes the general fund (local current expense fund), the state public school fund, the federal grants fund, capital outlay fund and the capital projects fund.

Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for all Urban Consumers (CPI-U) (Calendar years 1982-84=100)

Continued on next page

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
GOVERNMENTAL EXPENDITURES BY FUNCTION
FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in millions)



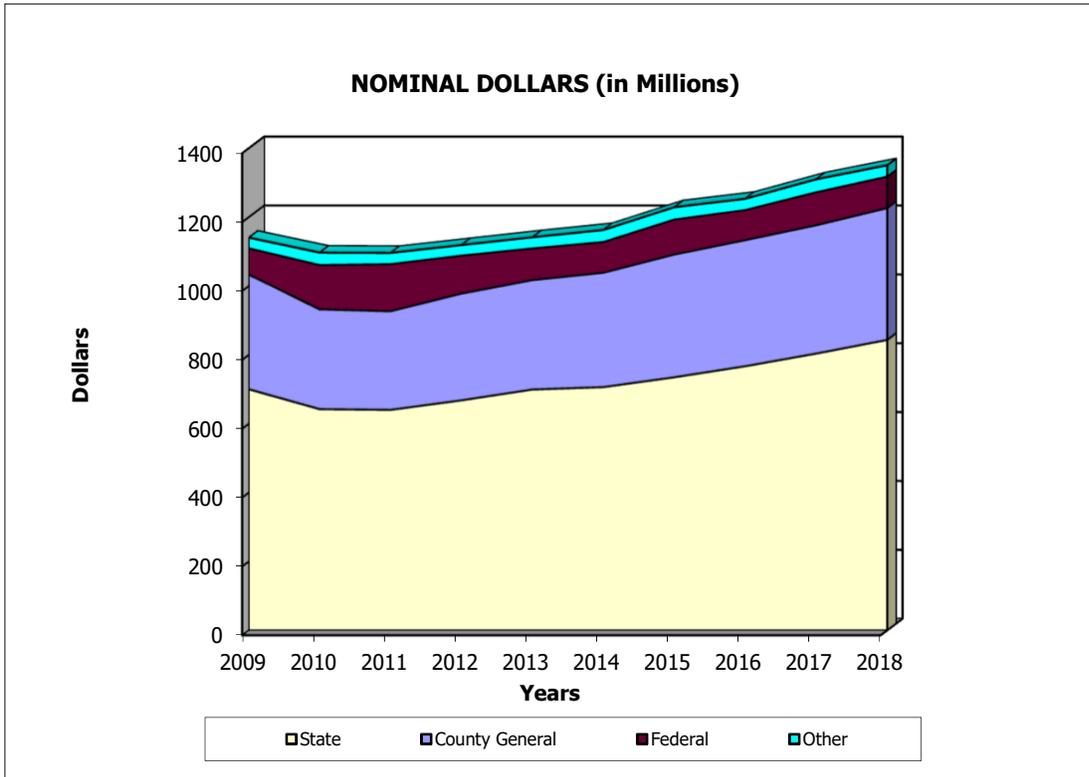
Accountability Services	System-Wide Pupil Support	Policy, Leadership and Public Relations	Ancillary Services	Capital Outlay	Intergovernmental	Totals
8.4	3.5	14.1	1.4	266.2	15.4	1,430.6
6.6	3.1	13.7	1.5	82.9	23.9	1,185.2
7.8	2.9	10.4	1.0	31.9	19.9	1,129.0
7.5	3.2	11.4	1.0	22.9	20.6	1,158.9
6.9	3.2	12.8	1.1	102.3	21.1	1,275.6
6.2	3.1	15.6	1.3	103.8	26.9	1,285.8
4.7	3.0	16.0	0.9	112.8	34.8	1,368.8
4.3	3.9	15.7	1.3	110.2	40.4	1,399.1
4.0	4.1	16.5	1.1	113.6	43.3	1,467.4
3.8	3.8	16.7	0.8	107.2	47.8	1,516.4
3.9	1.6	6.6	0.7	124.0	7.2	666.4
3.1	1.4	6.3	0.7	38.2	11.0	546.7
3.5	1.3	4.7	0.5	14.4	9.0	510.6
3.3	1.4	5.0	0.4	10.1	9.1	509.2
3.0	1.4	5.5	0.5	44.2	9.1	551.2
2.6	1.3	6.6	0.6	44.2	11.4	547.1
2.0	1.3	6.8	0.4	47.6	14.7	578.3
1.8	1.6	6.6	0.5	46.2	17.0	587.1
1.6	1.7	6.8	0.5	46.8	17.8	604.7
1.5	1.5	6.7	0.3	43.2	19.3	611.0

NOTES:

The Governmental fund type includes the general fund (local current expense fund), the state public school fund, the federal grants fund, capital outlay fund and the capital projects fund.

Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for all Urban Consumers (CPI-U) (Calendar years 1982-84=100)

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
 SOURCES OF REVENUES (ALL FUNDS EXCEPT CAPITAL PROJECTS)
 FOR THE LAST TEN FISCAL YEARS**



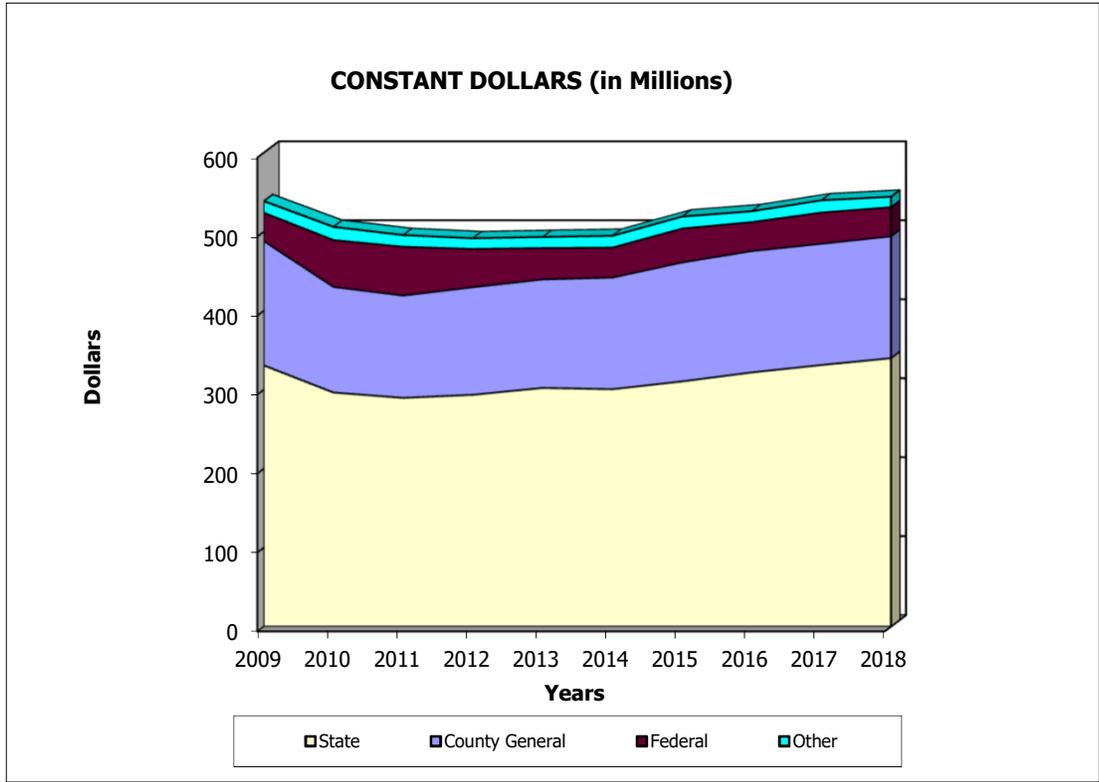
NOMINAL DOLLARS (in Millions)					
Year	Total	County			
		State	General	Federal	Other
2009	1,140.40	700.10	333.30	76.00	31.00
2010	1,096.80	642.30	289.90	128.50	36.10
2011	1,095.90	640.20	286.50	136.70	32.50
2012	1,118.80	667.90	310.00	110.20	30.70
2013	1,141.42	699.29	317.85	91.95	32.33
2014	1,162.46	706.28	332.15	89.21	34.82
2015	1,228.65	734.82	356.49	101.60	35.74
2016	1,253.10	766.89	366.12	87.38	32.71
2017	1,309.60	803.64	372.69	95.81	37.46
2018	1,350.40	843.30	382.83	91.44	32.83

NOTES:

County General revenue excludes the pass through funds for the charter schools.

Nominal dollars reflect actual dollars of the period of the transaction.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
 SOURCES OF REVENUES (ALL FUNDS EXCEPT CAPITAL PROJECTS)
 FOR THE LAST TEN FISCAL YEARS**



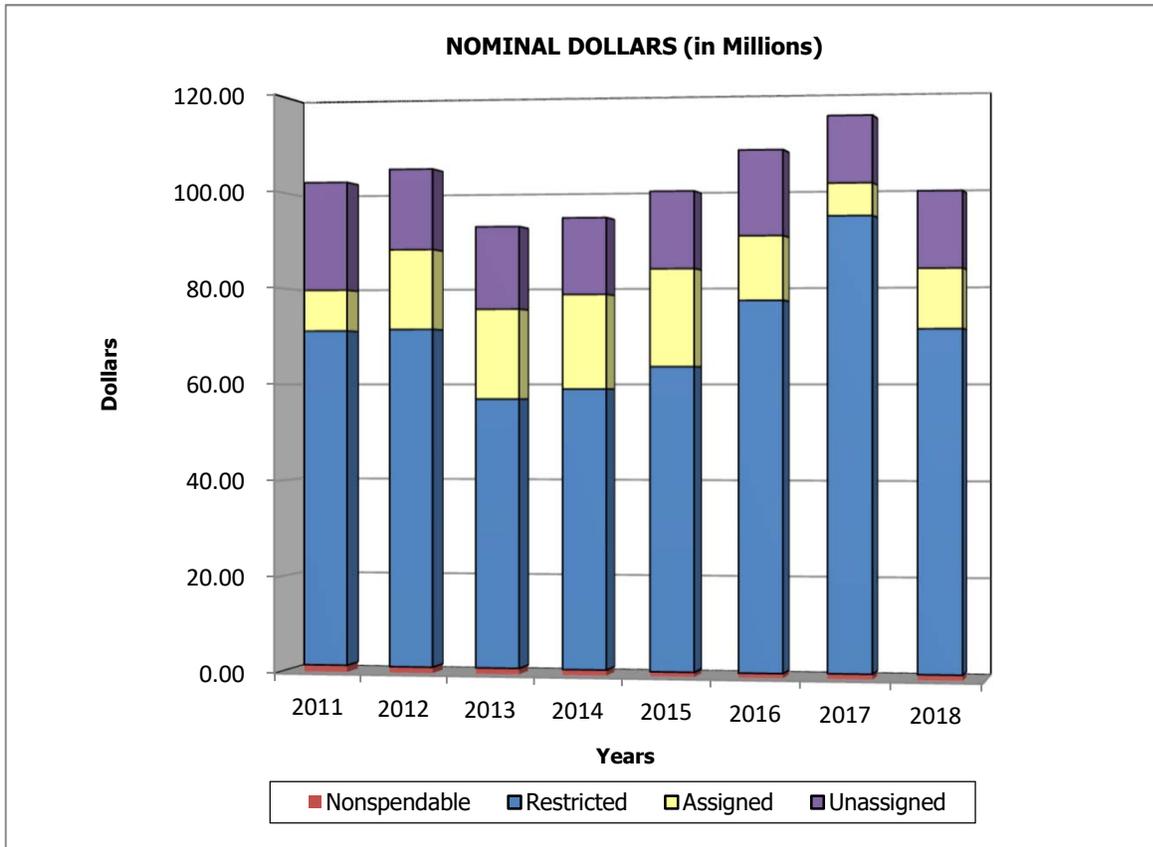
CONSTANT DOLLARS (in Millions)					
Year	Total	County			
		State	General	Federal	Other
2009	538.68	330.70	157.44	35.90	14.64
2010	506.05	296.35	133.75	59.29	16.66
2011	495.68	289.56	129.59	61.83	14.70
2012	491.63	293.49	136.22	48.43	13.49
2013	493.29	302.21	137.37	39.74	13.97
2014	494.73	300.58	141.36	37.97	14.82
2015	519.12	310.47	150.62	42.93	15.10
2016	525.89	321.84	153.65	36.67	13.73
2017	539.68	331.18	153.58	39.48	15.44
2018	544.23	339.86	154.29	36.85	13.23

NOTES:

County General revenue excludes the pass through funds for the charter schools.

Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for all Urban Consumers (CPI-U) (Calendar years 1982-1984 = 100).

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
FUND BALANCE EQUITY
FOR THE LAST EIGHT FISCAL YEARS**



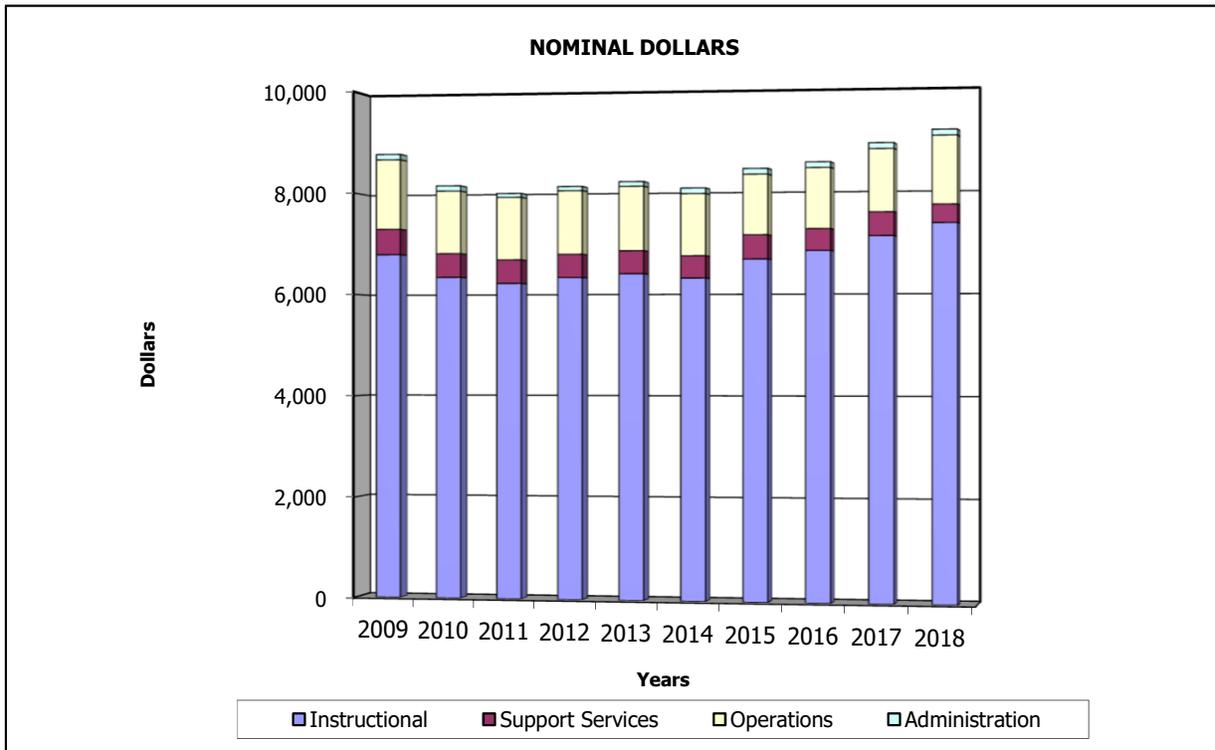
NOMINAL DOLLARS (in Millions)							
Year	Fund Balance				Total	Expenditures	Fund Balance as a % of Expenditures
	Nonspendable	Restricted	Assigned	Unassigned			
2011	1.39	69.71	8.48	22.44	102.02	1,129.01	9.0%
2012	1.23	70.16	16.53	16.68	104.60	1,158.93	9.0%
2013	1.24	55.71	18.57	17.03	92.55	1,275.62	7.3%
2014	1.14	57.89	19.45	15.77	94.25	1,285.76	7.3%
2015	0.93	62.68	20.06	15.88	99.55	1,368.81	7.3%
2016	0.93	76.18	13.18	17.50	107.79	1,399.08	7.7%
2017	1.06	93.17	6.64	13.70	114.57	1,467.37	7.8%
2018	1.12	70.12	12.24	15.65	99.13	1,516.45	6.5%

NOTE:

Due to significant changes in Fund Balance classification resulting from the implementation of GASB 54 comparisons cannot be made for the years ended prior to June 30, 2011.

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**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
GOVERNMENTAL OPERATIONAL EXPENDITURES PER PUPIL
FOR THE LAST TEN FISCAL YEARS**



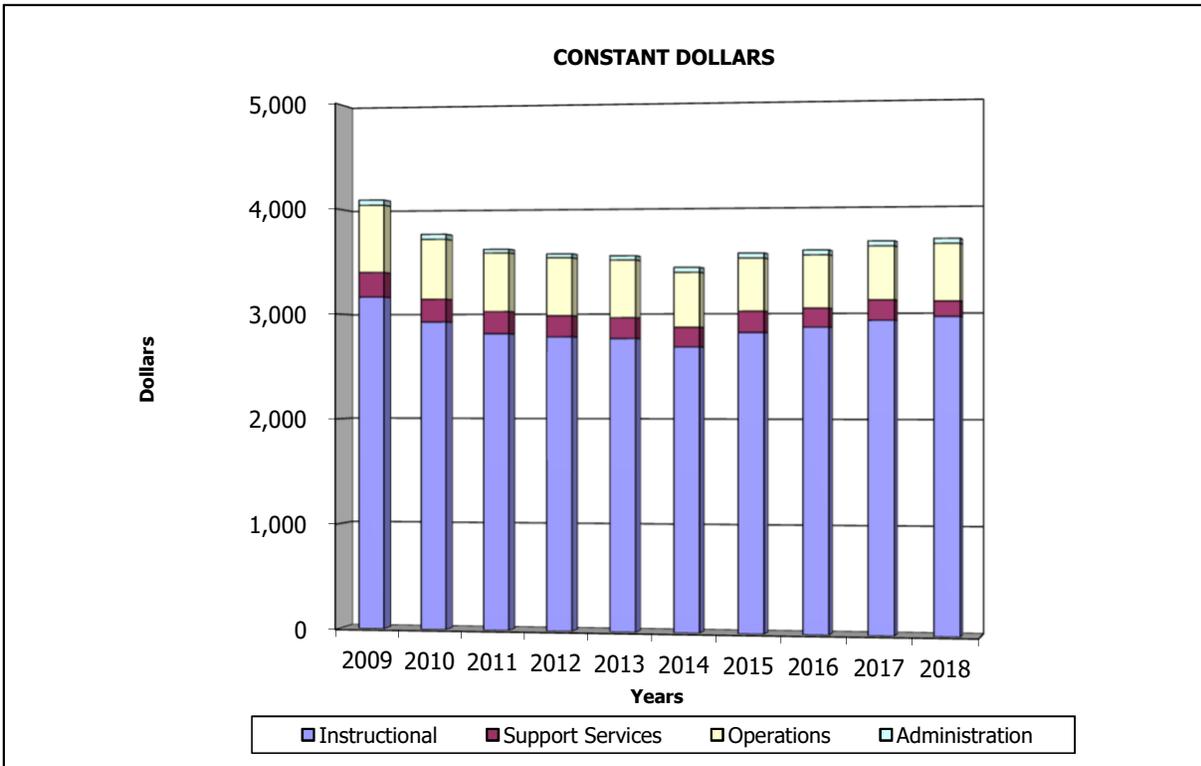
NOMINAL DOLLARS						
Year	Ave. Daily Membership	Expenditures				Total per Pupil
		Instructional	Support Services	Operations	Administration	
2009	130,869	6,786	503	1,376	107	8,772
2010	131,709	6,334	467	1,234	104	8,139
2011	134,175	6,210	464	1,228	78	7,980
2012	136,747	6,323	455	1,245	84	8,107
2013	139,772	6,392	450	1,257	92	8,191
2014	142,466	6,303	434	1,210	109	8,056
2015	144,087	6,668	470	1,176	111	8,425
2016	145,154	6,828	422	1,182	108	8,540
2017	146,394	7,107	459	1,217	113	8,896
2018	146,385	7,351	355	1,322	114	9,142

NOTES:

The above operational expenditures per pupil for the Governmental Fund excludes Capital Outlay, Individual Schools and pass-through to Charter Schools. Support Services includes Support and Development, Special Population Support, Technology Support, Financial and Human Resources, Accountability Services and System-Wide Pupil Support.

Nominal dollars reflect actual dollars of the period of the transaction.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
GOVERNMENTAL OPERATIONAL EXPENDITURES PER PUPIL
FOR THE LAST TEN FISCAL YEARS**



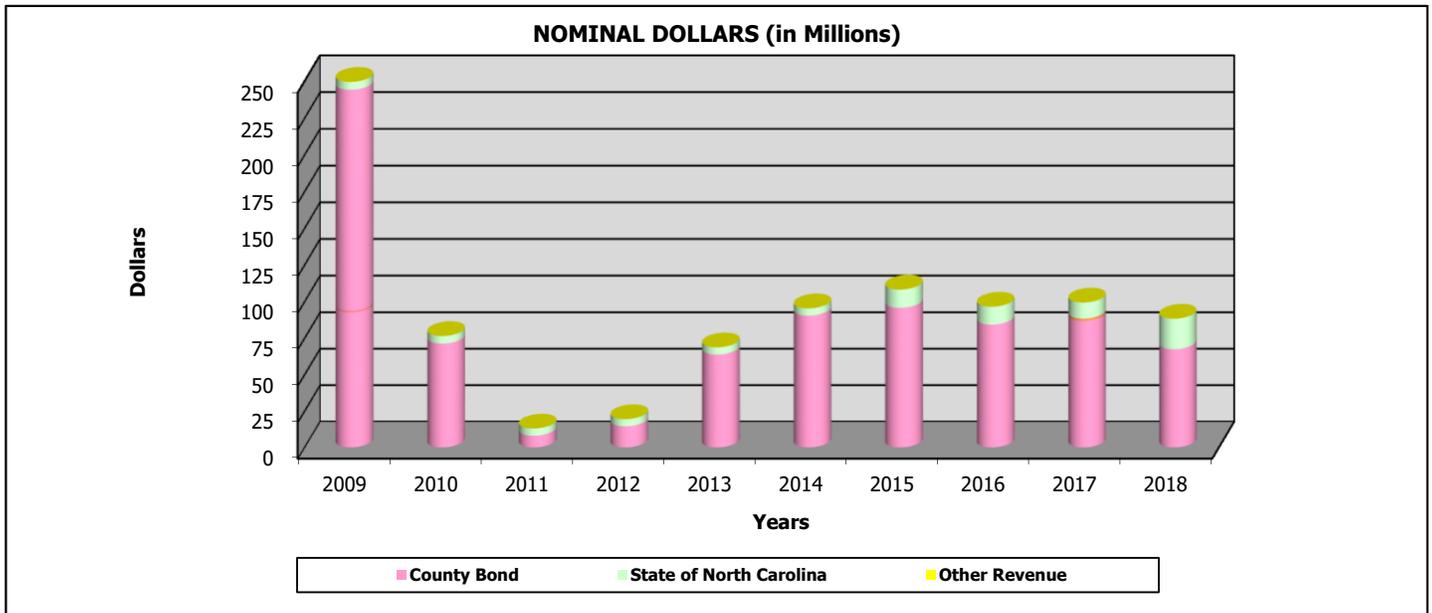
CONSTANT DOLLARS						
Year	Ave. Daily Membership	Expenditures				Total per Pupil
		Instructional	Support Services	Operations	Administration	
2009	130,869	3,161	234	641	50	4,086
2010	131,709	2,922	215	569	48	3,754
2011	134,175	2,809	210	555	35	3,609
2012	136,747	2,778	200	547	37	3,562
2013	139,772	2,762	195	543	40	3,540
2014	142,466	2,682	185	515	46	3,428
2015	144,087	2,817	199	497	47	3,560
2016	145,154	2,866	177	496	45	3,584
2017	146,394	2,929	189	501	47	3,666
2018	146,385	2,963	143	533	46	3,685

NOTES:

The above operational expenditures per pupil for the Governmental Fund excludes Capital Outlay, Individual Schools and pass-through to Charter Schools. Support Services includes Support and Development, Special Population Support, Technology Support, Financial and Human Resources, Accountability Services and System-Wide Pupil Support.

Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984 = 100).

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SOURCES OF CAPITAL PROJECT REVENUES
FOR THE LAST TEN FISCAL YEARS**



NOMINAL DOLLARS (in Millions)										
Year Ended June 30,	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
County Bond - Certificates of Participation	\$ 92.72	\$ 7.10	\$ 1.95	\$ 1.48	\$ 0.60	\$ 0.04	-	-	-	-
1993 (\$192.0) referendum	-	-	-	-	-	-	-	-	-	-
1995 (\$217.0) referendum	-	-	-	-	-	-	-	-	-	-
1997 (\$415.0) referendum	1.48	0.76	1.28	-	-	-	-	-	-	-
2000 (\$275.5) referendum	0.36	0.44	-	0.86	0.91	-	-	-	-	-
2002 (\$224.0) referendum	6.16	0.10	0.54	(0.09)	1.43	2.96	-	-	-	-
2007 (\$516.0) referendum	142.66	62.92	4.29	12.16	60.85	87.28	83.67	21.49	9.76	1.06
2013 (\$295.2) referendum	-	-	-	-	-	0.18	12.08	62.83	77.23	60.38
2017 (\$33.3) referendum	-	-	-	-	-	-	-	-	1.46	6.05
State of North Carolina	5.20	5.20	4.96	4.96	4.96	4.96	12.48	12.22	10.96	20.87
Other Revenues	0.18	-	-	-	-	-	-	-	-	-
Total	\$ 248.76	\$ 76.52	\$ 13.02	\$ 19.37	\$ 68.75	\$ 95.42	\$ 108.23	\$ 96.54	\$ 99.41	\$ 88.36
CONSTANT DOLLARS (in Millions)										
County Bond - All Referendum Years	\$114.96	\$32.91	\$3.65	\$ 6.33	\$ 27.57	\$ 38.50	\$ 40.46	\$ 35.39	\$ 35.85	\$ 24.76
State of North Carolina	2.46	2.40	2.24	2.20	2.14	2.11	5.27	5.13	4.52	8.41
Other Revenues	0.09	-	-	-	-	-	-	-	-	-
Total	\$ 117.51	\$ 35.31	\$ 5.89	\$ 8.53	\$ 29.71	\$ 40.61	\$ 45.73	\$ 40.52	\$ 40.37	\$ 33.17

NOTES:

Other revenue includes proceeds from sale of surplus property and miscellaneous income.

Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-84 = 100).

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**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
CAPITAL ASSETS ADDITIONS STATISTICS BY FUNCTION
FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in thousands)

	<u>Fiscal Year</u>				
	<u>6/30/2009</u>	<u>6/30/2010</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>
Co-curricular	\$ 165	\$ 348	\$ 189	\$ 11	\$ 137
Instructional	119,885	253,347	137,077	8,089	23,533
Operational	5,961	12,596	6,815	402	2,691
Policy Operational	25	54	29	2	8
Special Instruction	25	54	29	2	14
Technology	<u>761</u>	<u>1,608</u>	<u>870</u>	<u>51</u>	<u>2,244</u>
Total Capital Asset Additions	<u>\$ 126,822</u>	<u>\$ 268,007</u>	<u>\$ 145,009</u>	<u>\$ 8,557</u>	<u>\$ 28,627</u>

NOTES:

Functions Defined

- Co-curricular CMS programs that are outside of the traditional instructional programs.
- Instructional Equipment and facilities used to supplement the education process.
- Operational Departments that provide support for all physical maintenance of the Charlotte Mecklenburg School System.
- Policy Operational Support systems that provide a means of communication to the public.
- Special Instructional Programs that assist in the education and instruction of special needs children.
- Technology Departments that provide computer support for the Charlotte Mecklenburg School System.

NOTES:

Capital Asset additions exclude Land.

Source: Charlotte-Mecklenburg School year-end balances per purpose code.

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**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
CAPITAL ASSETS ADDITIONS STATISTICS BY FUNCTION
FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in thousands)

	<u>Fiscal Year</u>				
	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>
Co-curricular	\$ 546	\$ 20,775	\$ 2,431	\$ 272	\$ 1,017
Instructional	88,139	75,525	87,110	86,442	99,980
Operational	576	3,463	182	373	18,302
Policy Operational	-	4,125	411	610	30
Special Instruction	-	85	37	15	12
Technology	<u>907</u>	<u>2,964</u>	<u>1,464</u>	<u>497</u>	<u>2,576</u>
Total Capital Asset Additions	<u>\$ 90,168</u>	<u>\$ 106,937</u>	<u>\$ 91,635</u>	<u>\$ 88,209</u>	<u>\$ 121,917</u>

NOTES:

Functions Defined

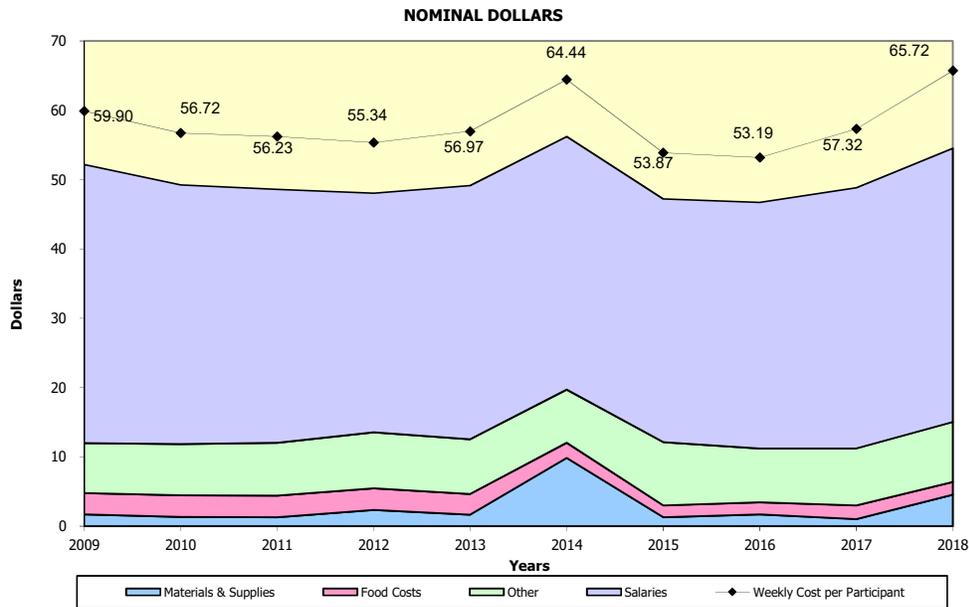
Co-curricular	CMS programs that are outside of the traditional instructional programs.
Instructional	Equipment and facilities used to supplement the education process.
Operational	Departments that provide support for all physical maintenance of the Charlotte Mecklenburg School System.
Policy Operational	Support systems that provide a means of communication to the public.
Special Instructional	Programs that assist in the education and instruction of special needs children.
Technology	Departments that provide computer support for the Charlotte Mecklenburg School System.

NOTES:

Capital Asset additions exclude Land.

Source: Charlotte-Mecklenburg School year-end balances per purpose code.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
AFTER SCHOOL ENRICHMENT PROGRAM COST PER PARTICIPANT PER WEEK
FOR THE LAST TEN FISCAL YEARS**



NOMINAL DOLLARS								
Year	Number of Sites	Participants per Week	Expenditures					Total per Participant per Week
			Food Cost	Salaries	Employee Benefits	Materials & Supplies	Other	
2009	109	6,669	3.11	40.19	7.71	1.70	7.19	59.90
2010	108	6,382	3.09	37.40	7.48	1.36	7.39	56.72
2011	105	6,490	3.14	36.52	7.66	1.29	7.62	56.23
2012	103	5,561	3.09	34.45	7.31	2.37	8.12	55.34
2013	97	5,664	2.99	36.61	7.83	1.66	7.88	56.97
2014	94	5,601	2.19	36.51	8.24	9.83	7.67	64.44
2015	91	5,762	1.70	35.08	6.67	1.31	9.11	53.87
2016	93	5,899	1.74	35.49	6.49	1.70	7.77	53.19
2017	93	6,030	1.97	37.57	8.52	1.04	8.22	57.32
2018	95	5,850	1.83	39.46	11.23	4.58	8.62	65.72

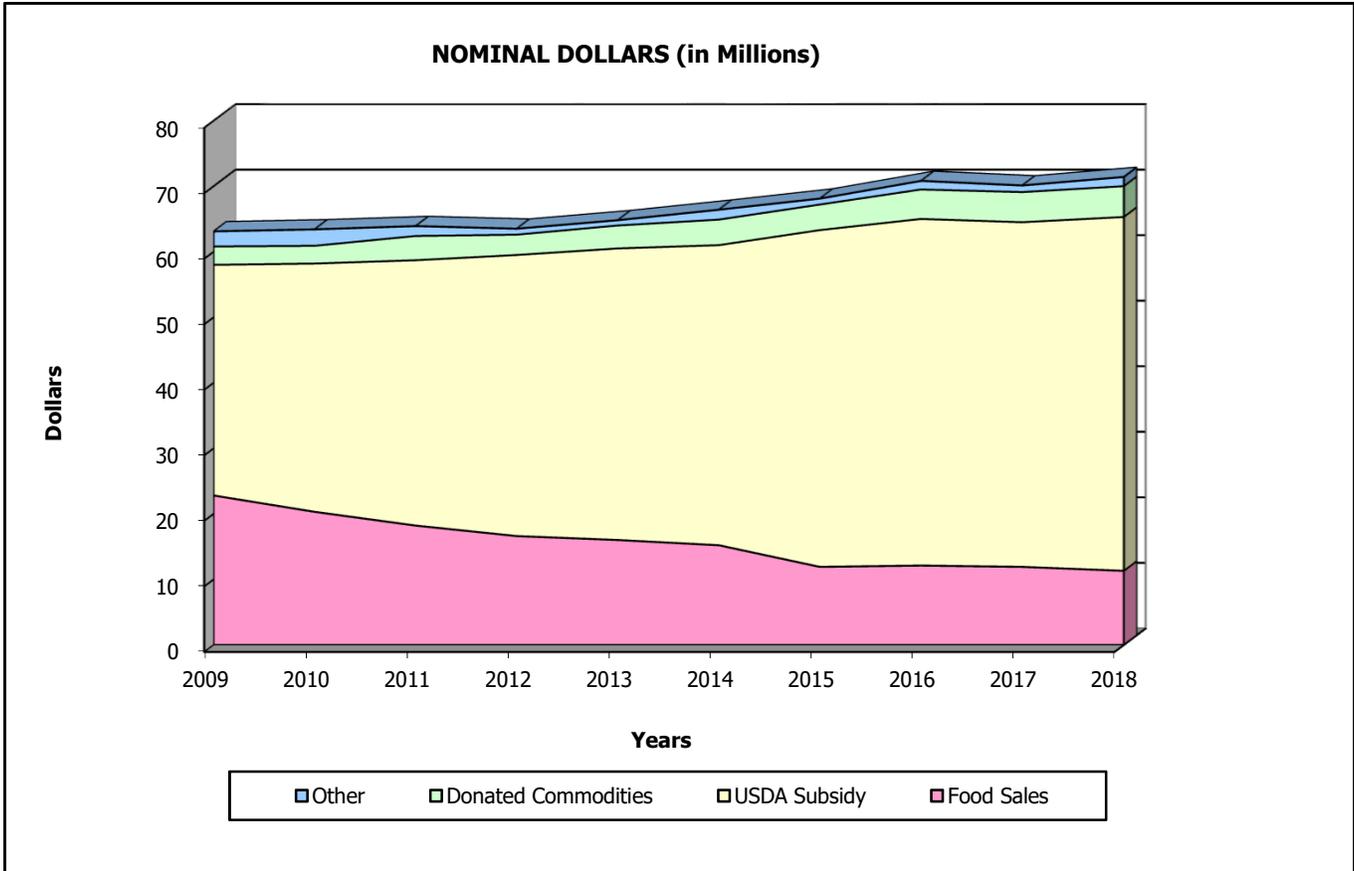
CONSTANT DOLLARS								
Year	Number of Sites	Participants per Week	Expenditures					Total per Participant per Week
			Food Cost	Salaries	Employee Benefits	Materials & Supplies	Other	
2009	109	6,669	1.47	18.99	3.64	0.80	3.40	28.30
2010	108	6,382	1.42	17.25	3.45	0.63	3.41	26.16
2011	105	6,490	1.42	16.52	3.46	0.58	3.45	25.43
2012	103	5,561	1.31	16.09	3.44	0.73	3.46	25.03
2013	97	5,664	1.29	15.82	3.39	0.72	3.41	24.63
2014	94	5,601	0.93	15.54	3.51	4.18	3.26	27.42
2015	91	5,762	0.72	14.82	2.82	0.55	3.85	22.76
2016	93	5,899	0.73	14.90	2.72	0.72	3.26	22.33
2017	93	6,030	0.81	15.48	3.51	0.43	3.39	23.62
2018	95	5,850	0.74	15.90	4.53	1.84	3.47	26.48

NOTE:
Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-84 = 100).

Source: After School Enrichment Program

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**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
 SOURCES OF CHILD NUTRITION PROGRAM REVENUES
 FOR THE LAST TEN FISCAL YEARS**

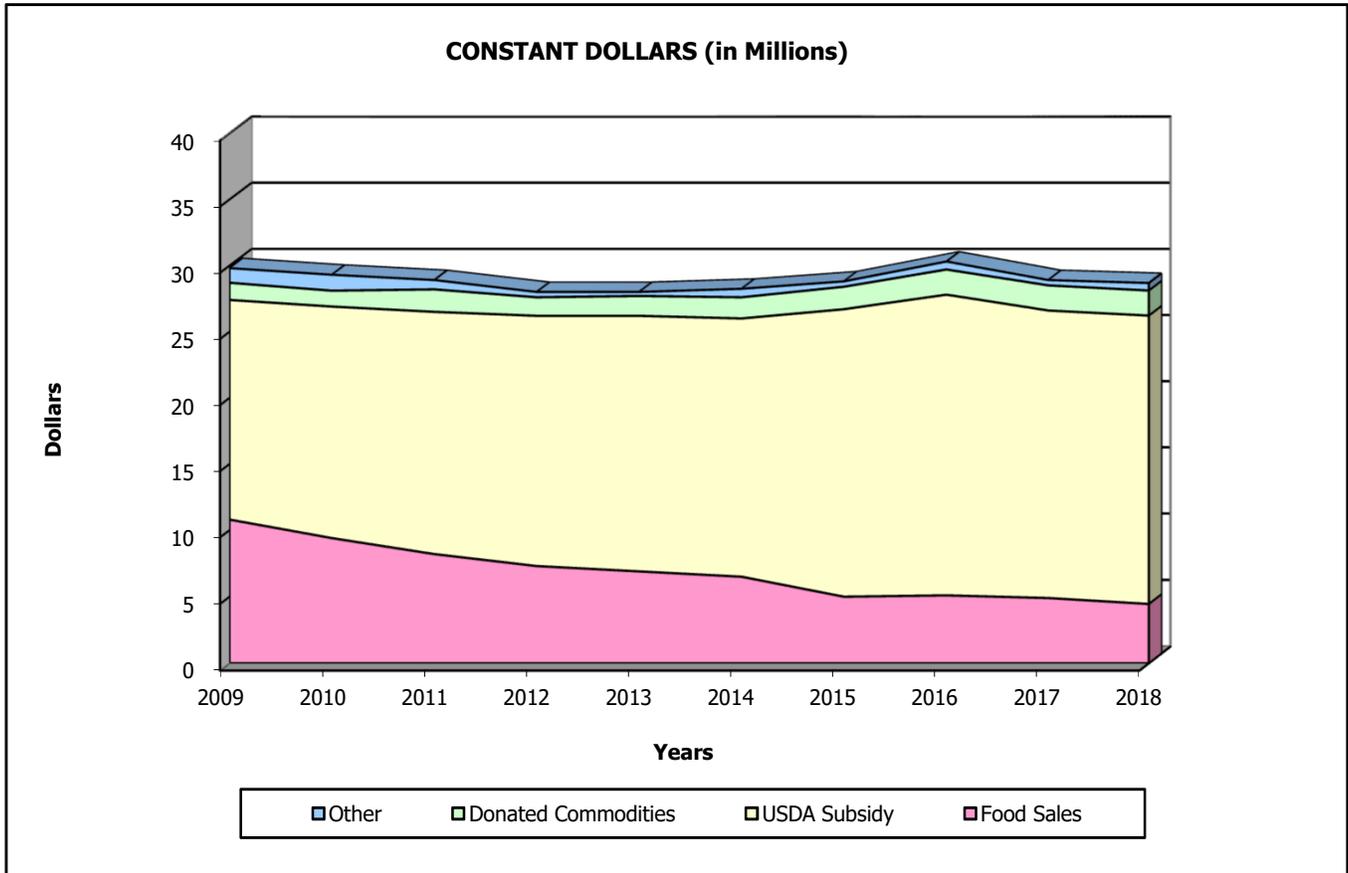


NOMINAL DOLLARS (in Millions)					
Year	Revenues				Total
	Food Sales	USDA Subsidy	Donated Commodities	Other	
2009	22.8	35.2	2.8	2.3	63.1
2010	20.3	37.9	2.7	2.5	63.4
2011	18.2	40.5	3.7	1.5	63.9
2012	16.6	42.9	3.1	0.9	63.5
2013	16.0	44.5	3.5	0.8	64.8
2014	15.2	45.8	3.9	1.5	66.4
2015	11.9	51.4	3.9	0.9	68.1
2016	12.1	52.9	4.5	1.3	70.8
2017	11.9	52.6	4.6	1.0	70.1
2018	11.3	54.0	4.7	1.4	71.4

NOTES:

Other revenue includes transfers from other funds and interest income. Nominal dollars reflect actual dollars of the period of the transaction.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SOURCES OF CHILD NUTRITION PROGRAM REVENUES
FOR THE LAST TEN FISCAL YEARS**

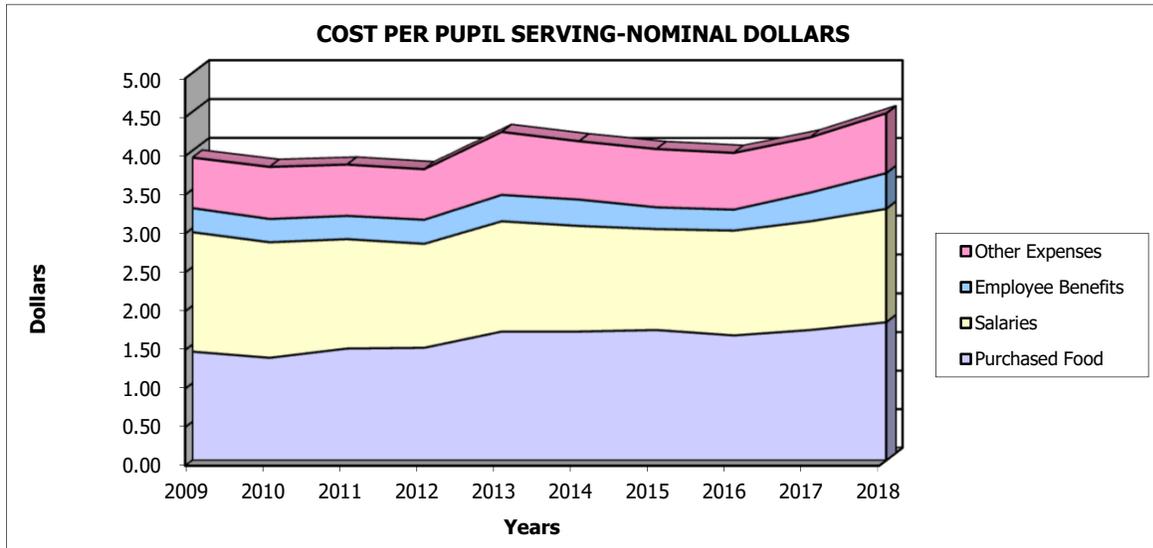


CONSTANT DOLLARS (in Millions)					
Year	Revenues				Total
	Food Sales	USDA Subsidy	Donated Commodities	Other	
2009	10.8	16.6	1.3	1.1	29.8
2010	9.4	17.5	1.2	1.2	29.3
2011	8.2	18.3	1.7	0.7	28.9
2012	7.3	18.9	1.4	0.4	28.0
2013	6.9	19.3	1.5	0.3	28.0
2014	6.5	19.5	1.6	0.6	28.2
2015	5.0	21.7	1.7	0.4	28.8
2016	5.1	22.7	1.9	0.6	30.3
2017	4.9	21.7	1.9	0.4	28.9
2018	4.5	21.8	1.9	0.6	28.8

NOTES:

Other revenue includes transfers from other funds and interest income. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-84 = 100).

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
CHILD NUTRITION PROGRAM COST PER PUPIL SERVING
FOR THE LAST TEN FISCAL YEARS**



NOMINAL DOLLARS						
Year	Daily Avg. Served	Purchased Food	Salaries	Employee Benefits	Other Expenses	Total Per Pupil Served
2009	86,177	1.41	1.54	0.31	0.65	3.91
2010	86,450	1.33	1.49	0.30	0.67	3.79
2011	88,495	1.45	1.41	0.30	0.66	3.82
2012	89,278	1.46	1.34	0.31	0.65	3.76
2013	87,119	1.67	1.42	0.34	0.81	4.24
2014	88,529	1.67	1.36	0.34	0.75	4.12
2015	91,217	1.69	1.30	0.28	0.75	4.02
2016	91,172	1.62	1.35	0.27	0.73	3.97
2017	90,840	1.69	1.40	0.37	0.71	4.17
2018	89,535	1.79	1.46	0.46	0.77	4.48

CONSTANT DOLLARS						
Year	Daily Avg. Served	Purchased Food	Salaries	Employee Benefits	Other Expenses	Total Per Pupil Served
2009	86,177	0.67	0.73	0.15	0.31	1.86
2010	86,450	0.61	0.69	0.14	0.31	1.75
2011	88,495	0.66	0.64	0.14	0.30	1.74
2012	89,278	0.64	0.59	0.14	0.29	1.66
2013	87,119	0.72	0.61	0.15	0.35	1.83
2014	88,529	0.71	0.58	0.14	0.32	1.75
2015	91,217	0.71	0.55	0.12	0.32	1.70
2016	91,172	0.68	0.57	0.12	0.31	1.68
2017	90,840	0.70	0.58	0.15	0.29	1.72
2018	89,535	0.72	0.59	0.18	0.31	1.80

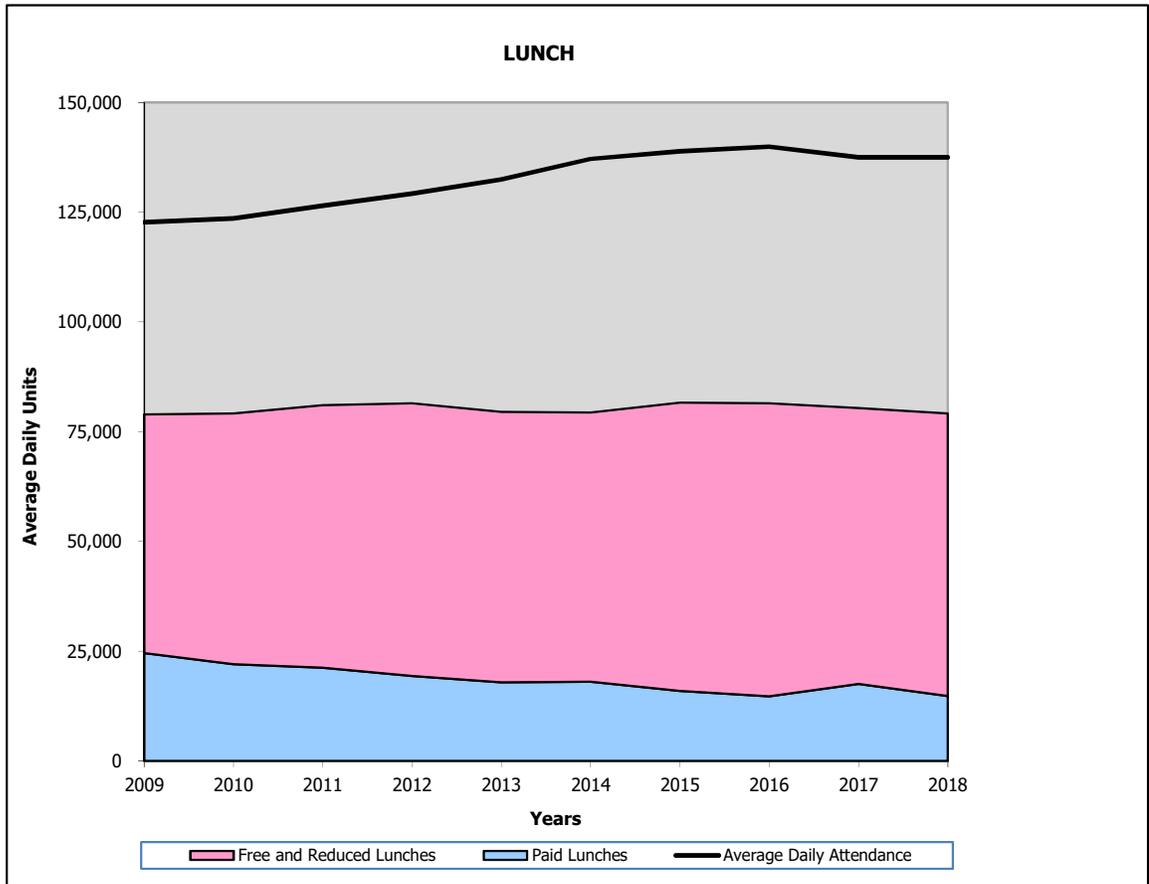
NOTES:

A breakfast serving is counted as equivalent to 25% of lunch service; adult meals and a la carte servings are excluded from serving counts.

Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for all Urban Consumers (CPI-U) (Calendar years 1982-84 = 100).

Source: Child Nutrition Department

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
CHILD NUTRITION PROGRAM SERVINGS
FOR THE LAST TEN FISCAL YEARS**



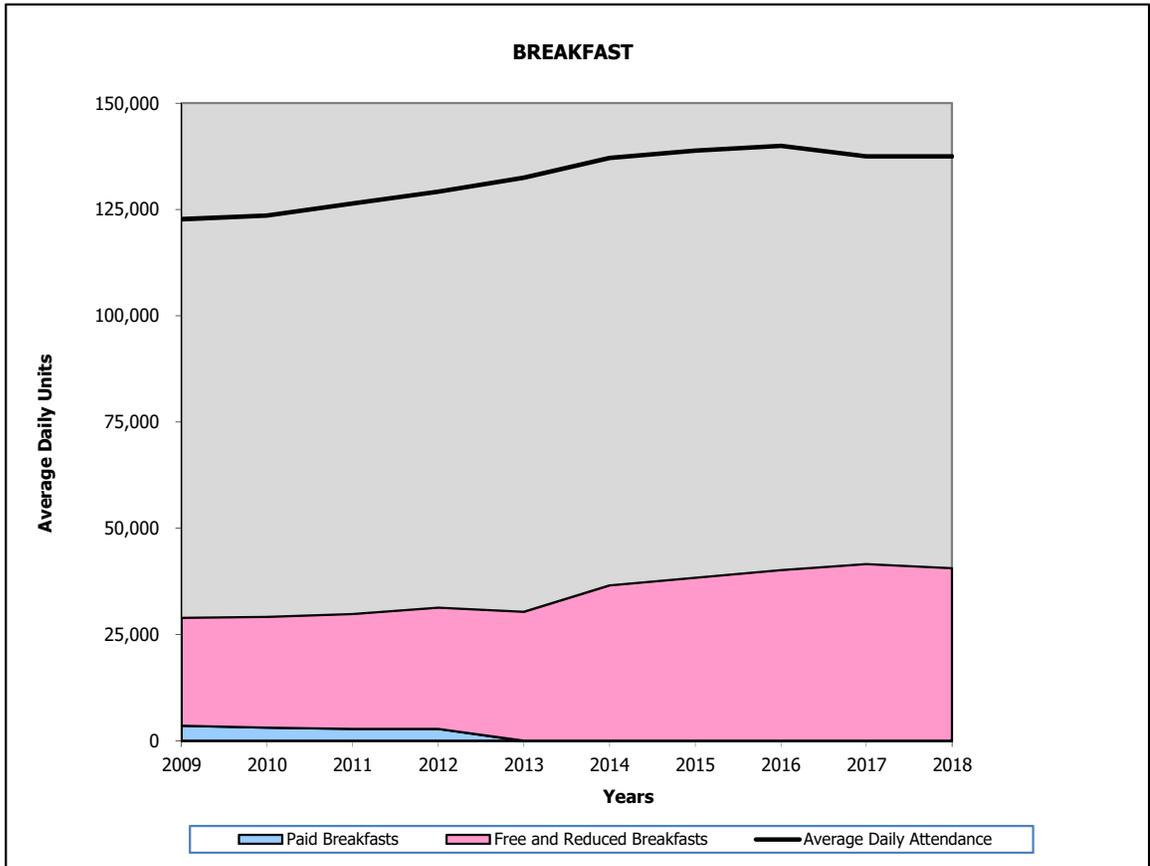
LUNCH									
Year	Average Daily Servings						Average Daily		
	Paid	%	Free	%	Reduced	%	Total	Attendance	Percent Served
2009	24,550	31.1	46,949	59.5	7,449	9.4	78,948	122,715	64.3
2010	22,045	27.9	50,351	63.6	6,762	8.5	79,158	123,606	64.0
2011	21,252	26.2	54,386	67.1	5,403	6.7	81,041	126,450	64.1
2012	19,360	23.8	56,502	69.3	5,597	6.9	81,459	129,234	63.0
2013	17,894	22.5	55,952	70.2	5,694	7.2	79,540	132,498	60.0
2014	18,034	22.7	55,885	70.3	5,482	6.9	79,401	137,148	57.9
2015	15,971	19.6	63,081	77.2	2,572	3.2	81,624	138,870	58.8
2016	14,693	18.0	64,401	78.9	2,403	2.9	81,497	139,957	56.6
2017	17,519	21.8	60,361	75.0	2,524	3.1	80,404	137,501	58.5
2018	14,821	18.7	61,961	78.2	2,389	3.0	79,171	137,531	57.6

NOTES:

The above data represents meals served to students only and thus excludes any servings to adults and staff.

Source: Child Nutrition Department

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
CHILD NUTRITION PROGRAM SERVINGS
FOR THE LAST TEN FISCAL YEARS**



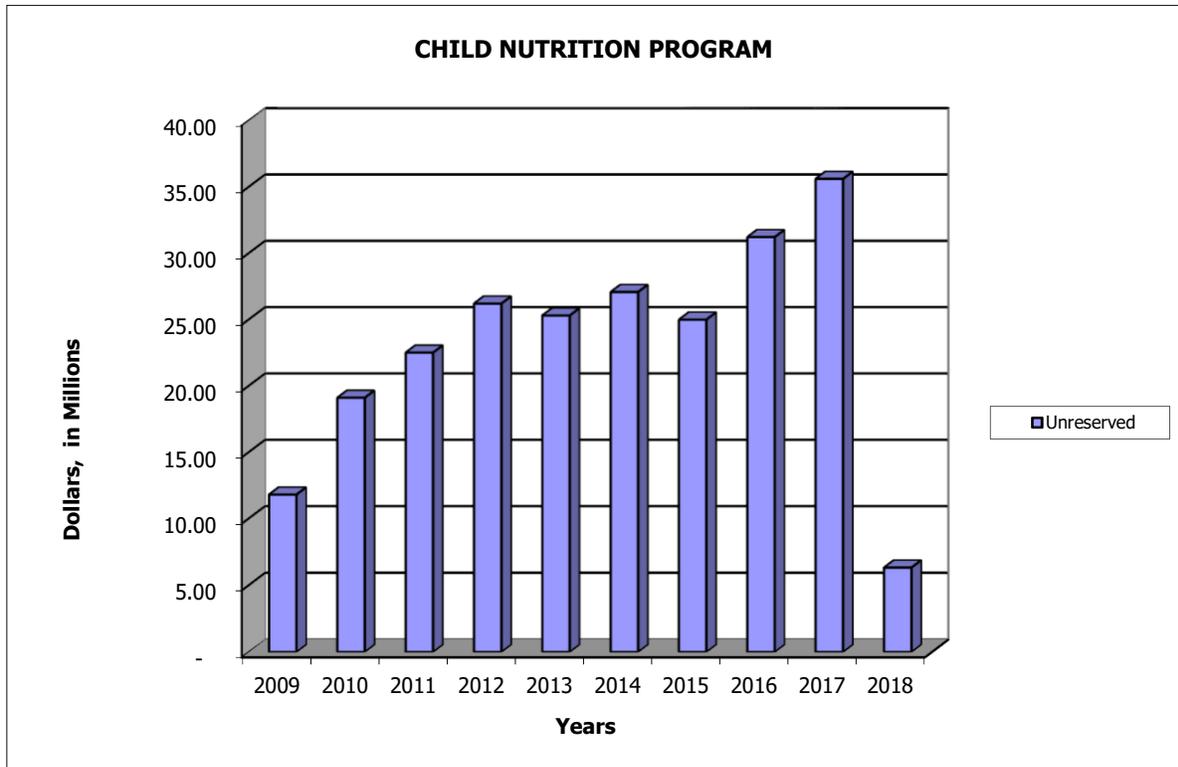
BREAKFAST									
Year	Average Daily Servings						Average Daily		
	Paid	%	Free	%	Reduced	%	Total	Attendance	Percent Served
2009	3,533	12.2	22,855	79.0	2,532	8.8	28,920	122,715	23.6
2010	3,097	10.6	23,843	81.8	2,228	7.6	29,168	123,606	23.6
2011	2,807	9.4	25,331	85.0	1,677	5.6	29,815	126,450	23.6
2012	2,771	8.9	26,452	84.6	2,054	6.5	31,277	129,234	24.2
2013	-	-	30,317	100.0	-	-	30,317	132,498	22.9
2014	-	-	36,513	100.0	-	-	36,513	137,148	26.6
2015	-	-	38,368	100.0	-	-	38,368	138,870	28.7
2016	-	-	40,123	100.0	-	-	40,123	139,957	27.8
2017	-	-	41,557	100.0	-	-	41,557	137,501	30.2
2018	-	-	40,570	100.0	-	-	40,570	137,531	29.5

NOTES:

The above data represents meals served to students only and thus excludes any servings to adults and staff. Beginning in the 2012-2013 school year free breakfast was available to all students.

Source: Child Nutrition Department

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
 UNRESERVED FUND EQUITY - CHILD NUTRITION PROGRAM
 FOR THE LAST TEN FISCAL YEARS**



CHILD NUTRITION PROGRAM IN NOMINAL DOLLARS (in Millions)				
Year	Unreserved Fund Equity	Retained Earnings	Expenditures	Fund Balance to Expenditures
2009	11.80		60.70	19.4%
2010	19.10		59.00	32.4%
2011	22.50		60.80	37.0%
2012	26.20		60.50	43.3%
2013	25.30		66.60	38.0%
2014	27.07		65.00	41.6%
2015	24.99		65.53	38.1%
2016	31.21		64.89	48.1%
2017	35.60		66.71	53.4%
2018	6.32		69.81	9.1%

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
ESTIMATED POPULATION, ASSESSED VALUE AND GENERAL REVENUES BY SOURCE
FOR MECKLENBURG COUNTY
FOR THE LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Population Estimate	Assessed Value (in Millions)	General Revenues by Source (in Millions)			Totals
			Taxes and Assessments	Inter- Governmental	Other	
<i>Expressed in Nominal Dollars</i>						
2017	1,077,874	\$ 123,921.5	\$ 1,310.4	\$ 182.7	\$ 127.6	\$ 1,620.7
2016	1,085,353	122,557.6	1,297.0	178.8	127.8	1,603.6
2015	1,055,791	118,633.2	1,176.4	171.4	121.3	1,469.1
2014	1,027,034	112,934.1	1,192.7	165.3	127.6	1,485.6
2013	999,060	113,936.6	1,152.4	170.8	110.0	1,433.2
2012	966,160	115,745.2	1,150.1	187.0	106.8	1,443.9
2011	938,020	100,237.9	1,045.7	208.0	101.3	1,355.0
2010	919,628	99,891.8	1,041.9	198.5	107.1	1,347.5
2009	893,892	97,813.6	1,035.8	208.3	127.6	1,371.7
2008	869,954	95,099.7	1,053.1	202.8	167.1	1,423.0
<i>Expressed in Constant Dollars</i>						
2017	1,077,874	\$ 49,942.2	\$ 528.1	\$ 73.6	\$ 51.4	\$ 653.2
2016	1,085,353	50,505.9	534.5	73.7	52.6	660.8
2015	1,055,791	49,787.3	493.7	71.9	50.9	616.4
2014	1,027,034	47,715.9	503.9	69.9	53.9	627.7
2013	999,060	48,063.2	507.6	70.3	54.3	632.2
2012	966,160	49,240.1	498.0	73.8	47.5	619.4
2011	938,020	44,060.2	459.5	91.4	44.5	595.4
2010	919,628	45,351.6	473.0	94.1	45.8	612.9
2009	893,892	46,088.3	480.7	91.6	49.4	621.7
2008	869,954	46,206.1	489.3	98.4	60.3	648.0

Source: Mecklenburg County, North Carolina, Comprehensive Annual Financial Report for the Year Ended June 30, 2017 (most current information available).

The above data is provided for information as the Charlotte-Mecklenburg Board of Education has no direct taxing authority and Mecklenburg County levies no specific taxes solely for the Board of Education. Mecklenburg County transfers funds accruing to the Board of Education under Article IX, Section 7 of the North Carolina Constitution.

Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for all Urban Consumers (CPI-U) (Calendar years 1982-84=100).

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 FOR MECKLENBURG COUNTY
 FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in millions)

MECKLENBURG COUNTY								
Year	Real Property	Personal Property	State Certification	Less Elderly Exemption		Total Assesed Valuation	Direct Tax Rate	
2017	100,015.2	19,282.8	4,623.5	\$ -	(A)	123,921.5	0.8157	
2016	99,102.3	18,741.0	4,714.3	-	(A)	122,557.6	0.8157	
2015	96,725.4	17,979.0	3,928.8	-	(A)	118,633.2	0.8157	
2014	95,379.3	13,985.4	3,569.4	-	(A)	112,934.1	0.8157	
2013	95,935.5	14,570.7	3,430.4	-	(A)	113,936.6	0.7922	
2012	96,421.2	16,001.8	3,322.2	-	(A)	115,745.2	0.8166	
2011	82,522.5	14,501.7	3,213.7	-	(A)	100,237.9	0.8387	
2010	81,628.2	14,990.3	3,273.2	-	(A)	99,891.7	0.8387	
2009	78,995.3	15,461.7	3,356.6	-	(A)	97,813.6	0.8387	
2008	76,671.4	15,312.1	3,287.1	(170.9)		95,099.7	0.8387	

Note (A): Elderly Exemption is net of Real Property beginning fiscal year 2009.

Source: Mecklenburg County, North Carolina Comprehensive Annual Financial Report for the Year Ended June 30, 2017 (most current information available).

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
TEN HIGHEST TAXPAYERS FOR MECKLENBURG COUNTY
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Fiscal Year 2017			Fiscal Year 2008		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy	\$ 2,564,472,425	1	2.07 %	\$ 1,784,713,879	1	1.88 %
Wells Fargo Bank	1,416,953,948	2	1.14	1,011,797,513	2	1.06
Bank of America	1,212,635,476	3	0.98	500,299,249	4	0.53
American Airlines/US Airways	955,118,966	4	0.77	260,302,098	7	0.27
Spectrum	418,890,199	5	0.34	-	-	-
AT&T	370,958,651	6	0.30	551,299,942	3	0.58
Piedmont Natural Gas Co	332,444,629	7	0.27	304,417,756	6	0.32
South Park Mall	328,174,923	8	0.26	216,012,400	9	0.23
Teachers Insurance	247,457,627	9	0.20	314,707,031	5	0.33
Parkway 214 N Tryon LLC	210,118,400	10	0.17	-	-	-
C/O Colonial Realty LTD	-	-	-	252,406,691	8	0.27
Bellsouth Telecommunications	-	-	-	209,496,221	10	0.22
Total	\$ <u>8,057,225,244</u>		<u>6.50 %</u>	\$ <u>5,405,452,780</u>		<u>5.69 %</u>

Source: Mecklenburg County Office of Tax Collector

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT FOR MECKLENBURG COUNTY
GENERAL OBLIGATION BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Mecklenburg County:	Assessed Valuation (1)	Percent of Countywide Total	Pro Rata Share of Governmental Activities Debt	Municipalities Debt (2)	Total Overlapping Debt
Charlotte	\$ 93,700,455,925	75.61%	\$ 1,188,106,993	\$ 631,530,000	\$ 1,819,636,993
Cornelius	5,242,251,478	4.23	66,468,623	8,865,000	75,333,623
Davidson	1,801,024,596	1.45	22,784,753	-	22,784,753
Huntersville	6,630,515,791	5.35	84,067,880	25,751,000	109,818,880
Matthews	3,403,363,763	2.75	43,212,462	5,120,000	48,332,462
Mint Hill	2,509,564,108	2.03	31,898,654	1,100,000	32,998,654
Pineville	1,671,748,436	1.35	21,213,390	-	21,213,390
Unincorporated Areas	8,962,609,352	7.23	113,609,489	-	113,609,489
	<u>\$ 123,921,533,449</u>	<u>100.00%</u>	<u>\$ 1,571,362,244</u>	<u>\$ 672,366,000</u>	<u>\$ 2,243,728,244</u>

Note : The District itself does not issue debt, but all debt is issued by the County on their behalf, resulting in no direct debt.

Source: Mecklenburg County (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 2015, net of releases made by that date.
(2) Provided by Department of State Treasurer.

Source: Mecklenburg County, North Carolina Comprehensive Annual Financial Report for the Year Ended June 30, 2017 (most current information available).

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
 DEMOGRAPHIC STATISTICS FOR MECKLENBURG COUNTY
 FOR THE LAST TEN FISCAL YEARS**

Year	Population	Total Personal Income	Per Capita Income	Median Age	Unemployment Rate
2017	1,077,874	\$ N/A	\$ N/A	N/A	4.0%
2016	1,085,353	27,738,165,000	25,557	N/A	4.8
2015	1,055,791	26,268,690,000	24,881	35.4	5.7
2014	1,027,034	23,708,977,500	23,085	34.4	6.8
2013	999,060	22,270,607,500	22,292	34.0	9.4
2012	966,160	22,605,735,000	23,398	33.9	9.9
2011	938,020	23,109,445,000	24,636	35.2	11.1
2010	919,628	23,046,007,500	25,060	35.2	11.2
2009	893,892	22,365,015,000	25,020	35.1	11.5
2008	869,954	21,920,959,643	25,198	35.1	6.1

N/A: Data not available

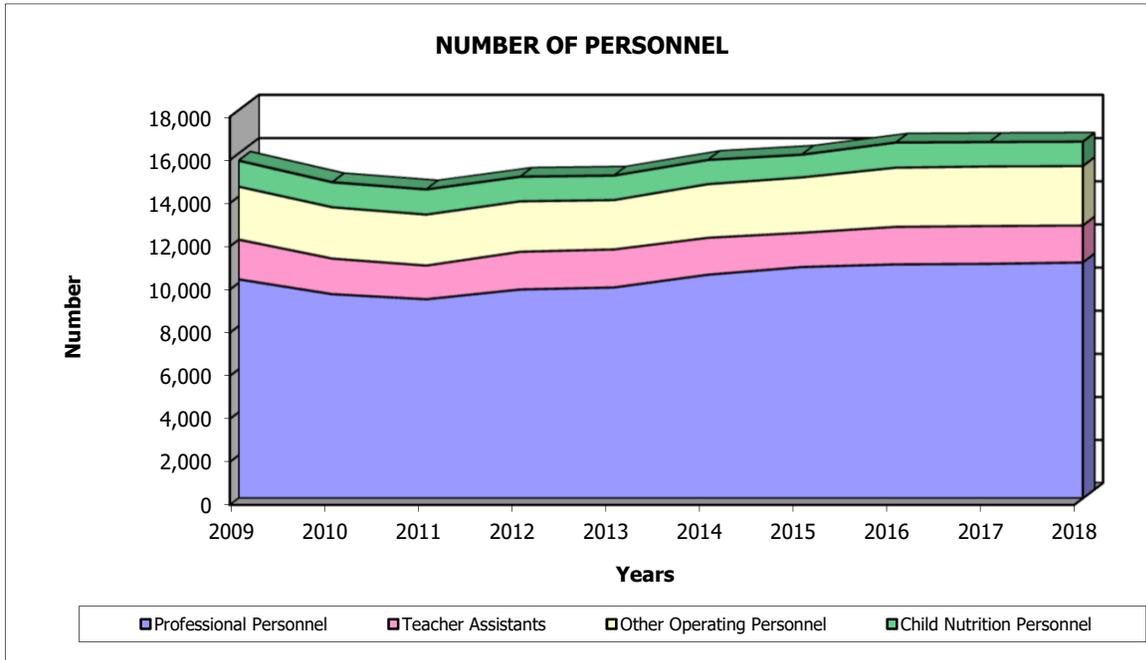
Source: Mecklenburg County, North Carolina Comprehensive Annual Financial Report for the Year Ended June 30, 2017 (most current information available).

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
 PRINCIPAL EMPLOYERS FOR MECKLENBURG COUNTY
 CURRENT YEAR AND NINE YEARS AGO**

Employer	2017			2008		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Carolina HealthCare System	35,700	1	6.42 %	26,283	1	6.22 %
Wells Fargo Bank	23,500	2	4.23	20,000	2	4.73
Charlotte-Mecklenburg Schools	18,495	3	3.33	7,500	8	1.77
Walmart Stores, Inc.	17,100	4	3.08	12,918	4	3.06
Bank of America Corporation	15,000	5	2.70	13,960	3	3.30
Novant Health/Presbyterian Hospital	11,698	6	2.11	7,800	6	1.85
American Airlines	11,000	7	1.98	-	-	-
Delhaize America, Inc./Food Lion	9,078	8	1.63	8,658	5	2.00
Harris Teeter	8,239	9	1.48	-	-	-
Lowe's Companies, Inc.	7,801	10	1.40	-	-	-
Duke Energy	-	-	-	7,500	7	1.77
State of North Carolina	-	-	-	7,479	9	1.76
City of Charlotte	-	-	-	5,896	10	1.39
Total	157,611			117,994		

Source: Mecklenburg County, North Carolina Comprehensive Annual Financial Report for the Year Ended June 30, 2017 (most current information available).

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
PERSONNEL SUMMARY
FOR THE LAST TEN FISCAL YEARS**



NUMBER OF PERSONNEL					
Year	Professional Personnel	Teacher Assistants	Other Operating Personnel	Child Nutrition Personnel	Total Personnel
2009	10,170	1,842	2,453	1,202	15,667
2010	9,481	1,649	2,376	1,157	14,663
2011	9,247	1,560	2,360	1,163	14,330
2012	9,700	1,746	2,335	1,139	14,920
2013	9,793	1,762	2,284	1,134	14,973
2014	10,384	1,710	2,484	1,120	15,698
2015	10,740	1,585	2,565	1,051	15,941
2016	10,862	1,739	2,740	1,161	16,502
2017	10,887	1,751	2,760	1,129	16,527
2018	10,950	1,712	2,753	1,129	16,544

NOTES:

Professional personnel includes all administrative and certified personnel, including teachers, librarians, counselors, principals and assistant principals.

Other operating personnel includes maintenance, secretarial, clerical and custodial employees. Bus drivers are not included in the above tabulations. Personnel composition is taken from the North Carolina Public Schools Statistical Profile.

Source: Charlotte-Mecklenburg Schools Human Resource Department

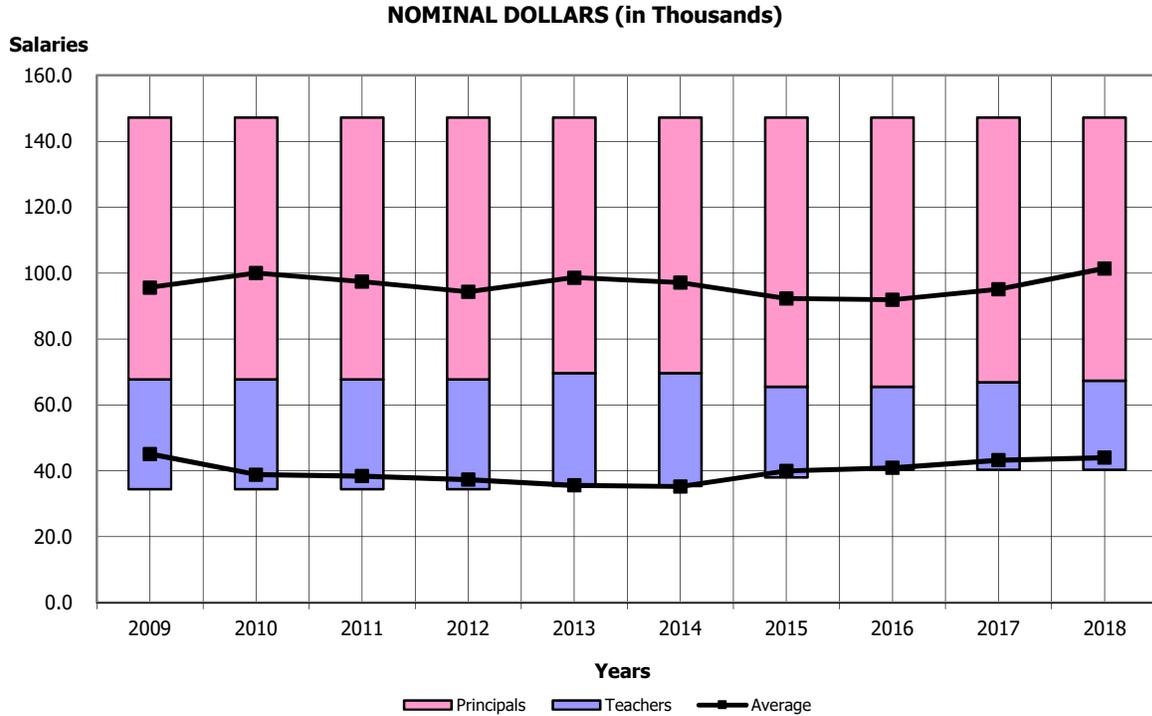
**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
PERSONNEL SUMMARY
FOR THE LAST TEN FISCAL YEARS**

PUPIL TO PERSONNEL RATIO			
<u>Year</u>	Average	Ratio Pupil to <u>Professional</u>	Ratio Pupil to
	Daily <u>Membership</u>		Other <u>Personnel</u>
2009	130,869	12.9	23.8
2010	131,709	13.9	25.4
2011	134,175	14.5	26.4
2012	136,747	14.1	26.2
2013	139,772	14.3	27.0
2014	142,466	13.7	26.8
2015	144,087	13.4	27.7
2016	145,154	13.4	25.7
2017	146,394	13.4	25.9
2018	146,385	13.4	26.2

PERSONNEL COMPOSITION					
<u>Year</u>	<u>Percent Male</u>	<u>Percent Female</u>	<u>Percent White</u>	<u>Percent Black</u>	<u>Percent Other Race</u>
2009	20.5	79.5	57.4	37.1	5.5
2010	20.6	79.4	57.7	34.7	7.6
2011	19.7	80.3	57.3	35.0	7.7
2012	20.4	79.6	56.9	35.6	7.5
2013	20.5	79.5	53.9	35.4	10.7
2014	21.9	78.1	56.7	35.7	7.6
2015	20.8	79.2	55.8	37.0	7.2
2016	20.6	79.4	54.5	37.8	7.7
2017	20.8	79.2	53.8	38.5	7.7
2018	20.7	79.3	53.0	39.2	7.8

Source: Charlotte-Mecklenburg Schools Human Resource Department

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
PROFESSIONAL SALARIES
FOR THE LAST TEN FISCAL YEARS**



NOMINAL DOLLARS (in Thousands)						
Year	Teachers			Principals		
	MIN	MAX	AVE	MIN	MAX	AVE
2009	34.4	67.7	45.1	67.0	147.2	95.6
2010	34.4	67.7	38.8	67.0	147.2	100.0
2011	34.4	67.7	38.4	67.0	147.2	97.4
2012	34.4	67.7	37.3	67.0	147.2	94.3
2013	35.4	69.7	35.6	67.0	147.2	98.6
2014	35.4	69.7	35.2	67.0	147.2	97.1
2015	38.0	65.6	39.9	67.0	147.2	92.3
2016	40.3	65.6	40.9	67.0	147.2	91.9
2017	40.3	66.9	43.2	67.0	147.2	95.1
2018	40.3	67.3	44.0	67.0	147.2	101.4

NOTES:

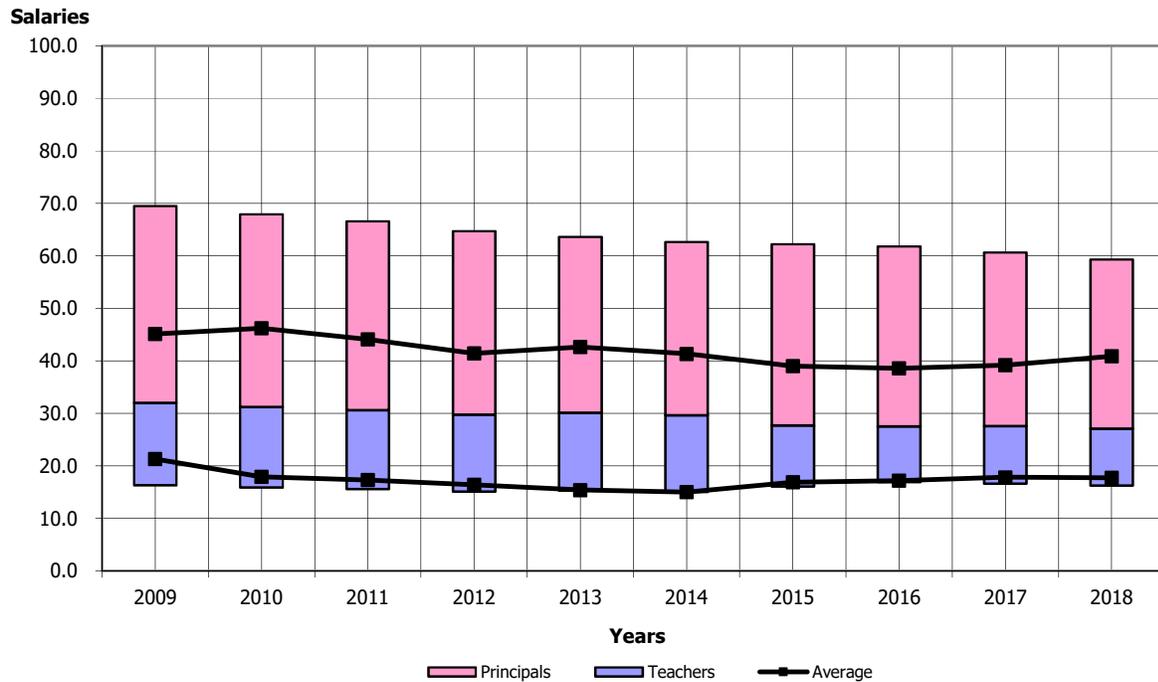
The above tabulation represents total salaries including both the state base salary and the local supplement, but does not include the following:

- a) Longevity payments ranging from 1.5 to 4.5 percent of the annual salary, paid to employees with 10 or more years of state service.
- b) If eligible, payments of \$126 per month for advanced teaching certificates and \$253 per month for doctorates.

Nominal dollars reflect actual dollars of the period of transaction.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
PROFESSIONAL SALARIES
FOR THE LAST TEN FISCAL YEARS**

CONSTANT DOLLARS (in Thousands)



CONSTANT DOLLARS (in Thousands)						
Year	Teachers			Principals		
	MIN	MAX	AVE	MIN	MAX	AVE
2009	16.3	32.0	21.3	31.7	69.5	45.1
2010	15.9	31.2	17.9	30.9	67.9	46.2
2011	15.6	30.6	17.3	30.3	66.6	44.1
2012	15.1	29.7	16.4	29.4	64.7	41.4
2013	15.3	30.1	15.4	29.0	63.6	42.6
2014	15.1	29.7	15.0	28.5	62.6	41.3
2015	16.1	27.7	16.9	28.3	62.2	39.0
2016	16.9	27.5	17.2	28.1	61.8	38.6
2017	16.6	27.6	17.8	27.6	60.7	39.2
2018	16.2	27.1	17.7	27.0	59.3	40.9

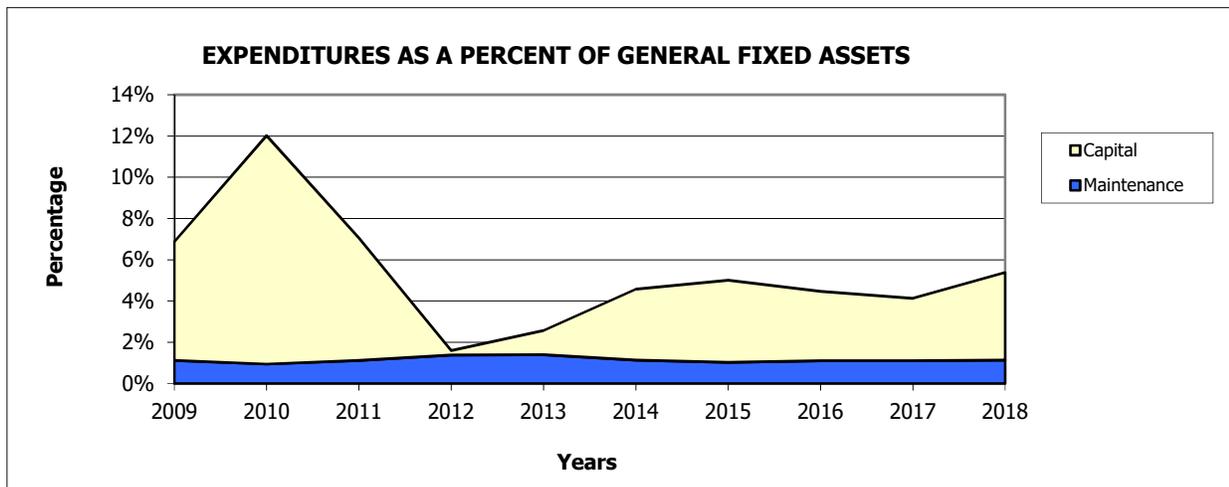
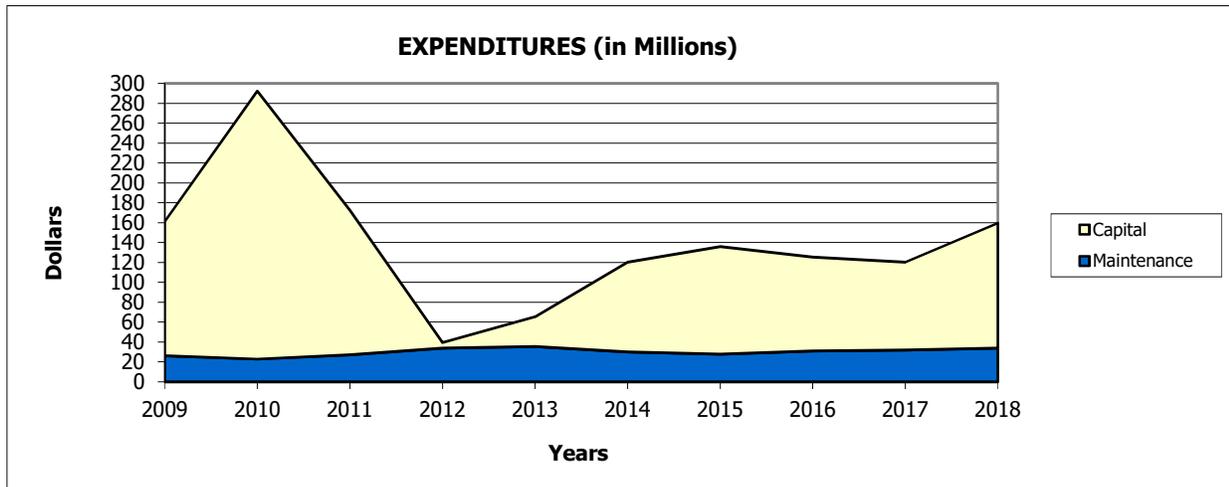
NOTES:

The above tabulation represents total salaries including both the state base salary and the local supplement, but does not include the following:

- a) Longevity payments ranging from 1.5 to 4.5 percent of the annual salary, paid to employees with 10 or more years of state service.
- b) If eligible, payments of \$126 per month for advanced teaching certificates and \$253 per month for doctorates.

Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-84 = 100).

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
EXPENDITURES FOR MAINTENANCE OF FACILITIES
FOR THE LAST TEN FISCAL YEARS**



NOMINAL DOLLARS (in Millions)								
Year	General Fixed Assets Historical Dollars	Maintenance Expenditures		Capital Expenditures				
		Total Expenditures	% of Assets	Land & Building	Furniture & Equipment	Vehicles & Other	Total Expenditures	% of Assets
2009	2,346.0	26.3	1.1%	117.0	2.6	15.3	134.9	5.8%
2010	2,430.9	22.9	0.9%	261.6	4.8	2.9	269.3	11.1%
2011	2,441.9	27.3	1.1%	125.8	8.4	11.0	145.2	5.9%
2012	2,451.9	33.9	1.4%	0.2	1.3	3.9	5.4	0.2%
2013	2,542.5	35.5	1.4%	2.4	6.3	21.2	29.9	1.2%
2014	2,629.4	30.0	1.1%	86.9	3.4	0.1	90.4	3.4%
2015	2,713.1	27.9	1.0%	90.9	14.8	2.3	108.0	4.0%
2016	2,806.9	31.1	1.1%	79.4	9.5	5.5	94.4	3.4%
2017	2,908.0	32.0	1.1%	76.0	3.2	9.0	88.2	3.0%
2018	2,962.6	33.8	1.1%	110.8	5.4	9.5	125.7	4.2%

NOTE:
Capital Expenditures include capital outlay and capital projects.

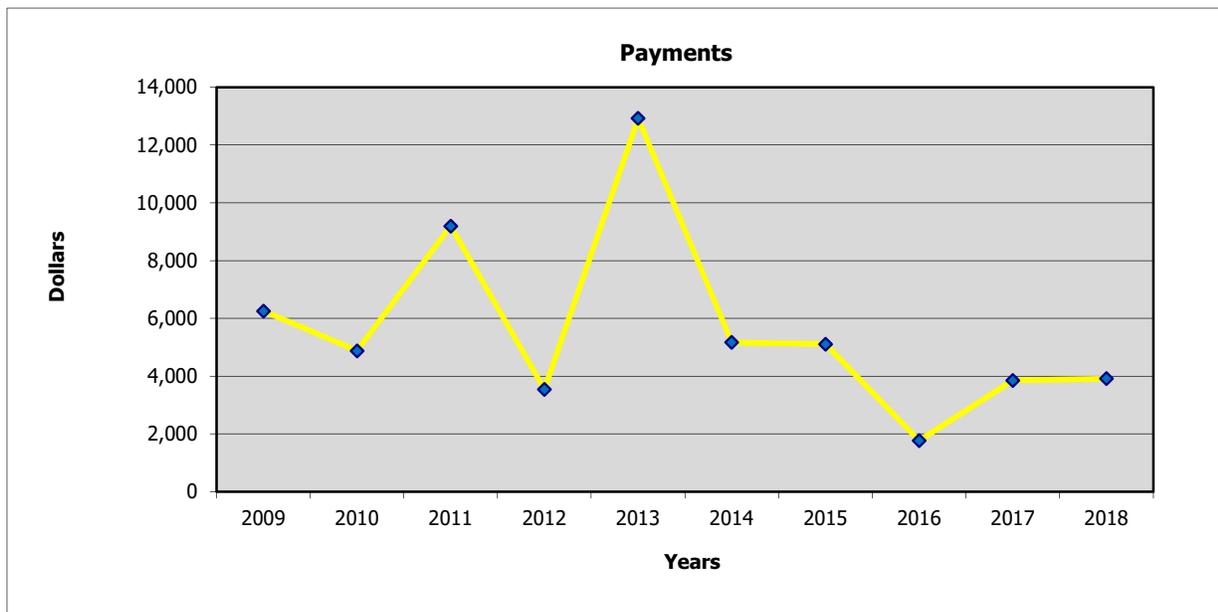
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**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
CAPITAL LEASE AND INSTALLMENT PURCHASE PAYMENTS
FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in thousands)

Department	2009	2010	2011	2012	2013
Data Processing - Equipment	28	-	-	-	-
Graphic Productions - Equipment	397	611	335	516	516
Transportation - School Buses	5,825	4,267	8,859	3,028	12,409
Total Payments	6,250	4,878	9,194	3,544	12,925

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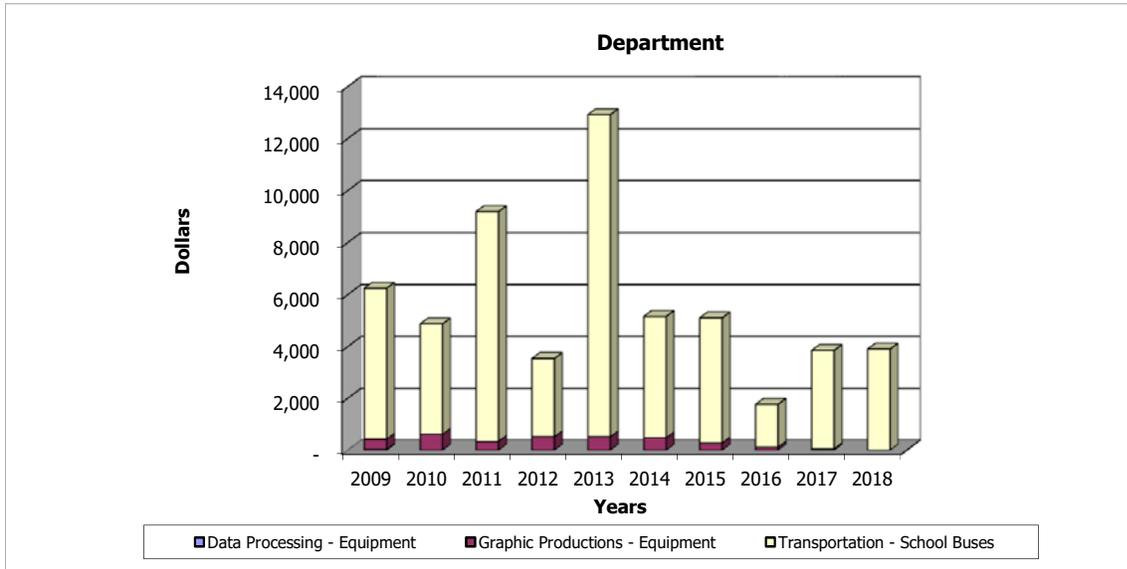


Source: Charlotte Mecklenburg School Schedule of Capital Lease Payments

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
CAPITAL LEASE AND INSTALLMENT PURCHASE PAYMENTS
FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in thousands)

Department	2014	2015	2016	2017	2018
Data Processing - Equipment	-	-	-	-	-
Graphic Productions - Equipment	475	274	116	50	-
Transportation - School Buses	4,691	4,835	1,655	3,805	3,911
Total Payments	5,166	5,109	1,771	3,855	3,911



Source: Charlotte Mecklenburg School Schedule of Capital Lease Payments

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHOOL BUILDINGS
FOR THE YEAR ENDED JUNE 30, 2018**

SCHOOL NAME	Grades	Site Size (Acres)	Square Footage	Year First Occupied	Building Classrooms	ADM 9th Month
<i>ELEMENTARY SCHOOLS</i>						
Albemarle Road	PK-5	15.0	86,227	1968	34	1,089
Allenbrook	K-5	18.4	51,904	1966	21	518
Bain	K-5	15.8	87,452	2013	39	946
Ballantyne	K-5	6.8	77,850	2008	39	872
Barnette	K-5	42.1	85,896	2008	39	776
Barringer	K-5	29.0	92,376	2002	36	527
Berewick	PK-5	**	96,459	2009	39	782
Beverly Woods	PK-5	15.3	78,371	1969	38	762
Billingsville	PK-5	6.4	97,614	1927	35	317
Blythe	PK-5	45.9	121,292	1998	50	1,138
Briarwood	K-5	15.0	63,279	1956	32	789
Chantilly Montessori	PK-6	16.2	90,680	1948	18	292
Clear Creek	PK-5	12.8	44,886	1960	30	523
Cornelius	K-5	19.5	80,505	1930	39	631
Cotswold	K-5	11.0	80,887	1956	32	772
Croft Community	K-5	25.8	77,881	2008	39	524
Crown Point	PK-5	43.0	71,953	1993	37	654
David Cox Road	PK-5	18.0	82,370	1994	37	583
Davidson	K-5	19.5	92,119	1994	35	716
Devonshire	K-5	21.0	83,846	1964	32	627
Dilworth	K-5	4.6	100,992	1966	28	676
Eastover	PK-5	4.0	64,407	1935	24	439
Elizabeth Lane	K-5	27.0	81,400	1996	35	1,084
Elizabeth Traditional	K-5	0.9	94,836	1925	26	512
Elon Park	K-5	**	79,278	2007	39	1,142
Endhaven	K-5	15.4	91,728	2003	35	746
First Ward	K-5	7.3	93,525	1967	34	570
Grand Oak	K-5	73.9	83,835	2013	39	598
Greenway Park	PK-5	17.0	83,480	1995	37	494
Hawk Ridge	K-5	17.9	84,237	1951	34	885
Hickory Grove	PK-5	24.1	166,089	1966/2009	68	601
Hidden Valley	K-5	15.0	90,400	1967	39	930
Highland Creek	K-5	26.6	91,098	2006	39	608
Highland Mill Montessori	PK-6	4.9	48,410	1954	15	234
Highland Renaissance	PK-5	17.3	90,858	2001	36	435
Hornets Nest	K-5	22.9	72,115	1991	36	696
Huntersville	K-5	28.6	93,766	1938	37	801
Huntingtowne Farms	K-5	19.0	83,429	1964	26	783
Idlewild	PK-5	16.2	75,030	1957	39	1,011
Irwin Academic Center	K-5	14.6	104,597	1935	36	418
J.H. Gunn	K-5	14.0	102,455	2002	35	775
J.V. Washam	PS-5	20.8	96,128	2006	39	1,100
Joseph W. Grier	PK-5	21.9	89,116	2001	35	775
Lake Wylie	PK-5	20.0	79,410	1992	39	651
Lansdowne	K-5	16.3	65,757	1959	32	562
Lawrence Orr	K-5	46.5	109,873	2015	55	694
Lebanon Road	PK-5	29.5	71,917	1990	36	766
Long Creek	PK-5	22.0	155,893	1932/2010	67	454
Mallard Creek	K-5	28.3	84,096	1987	40	644
Matthews	PK-5	18.4	95,323	1954	46	962

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHOOL BUILDINGS
FOR THE YEAR ENDED JUNE 30, 2018**

SCHOOL NAME	Grades	Site Size (Acres)	Square Footage	Year First Occupied	Building Classrooms	ADM 9th Month
McAlpine	PK-5	15.3	67,362	1986	35	537
McKee Road	K-5	17.0	63,847	1989	31	523
Merry Oaks	PK-5	23.9	96,454	2002	42	620
Montclair	PK-5	14.7	49,888	1958	24	439
Myers Park Traditional	K-5	10.0	105,537	1928	37	645
Nathaniel Alexander	PK-5	204.6	114,229	1996	54	791
Nations Ford	PK-5	46.0	84,663	2016	39	818
Newell	K-5	21.5	88,145	2015	39	804
Oakdale	K-5	9.0	90,652	2006	35	614
Oakhurst STEAM	PK-5	13.2	95,875	2015	36	660
Olde Providence	K-5	40.0	63,417	1968	32	718
Palisades Park	K-5	116.2	84,795	2014	39	747
Park Road Montessori	PK-6	24.0	49,499	1949	19	438
Parkside	PK-5	11.2	84,663	2015	39	376
Paw Creek	PK-5	26.7	80,809	1954	37	674
Pineville	K-5	17.9	83,847	2013	39	782
Pinewood	PK-5	20.0	85,517	1953	35	494
Piney Grove	PK-5	14.7	70,887	1977	36	794
Polo Ridge	K-5	8.0	79,278	2007	39	1,009
Providence Spring	K-5	23.5	88,947	2002	36	958
Rama Road	PK-5	15.0	87,454	1964	37	579
Reedy Creek	PK-5	26.0	65,865	1981	30	812
Renaissance West STEAM	PK-5	8.6	127,632	2017	54	411
River Gate	K-5	18.1	83,632	2009	39	789
River Oaks	PK-5	26.0	81,470	2009	39	592
Sedgefield	PK-5	14.8	85,109	1954	36	328
Selwyn	K-5	12.4	77,274	1958	25	822
Shamrock Gardens	PK-5	12.3	71,781	1954	30	492
Sharon	K-5	14.8	65,894	1977	28	862
Smithfield	PK-5	16.8	83,480	1994	37	634
Starmount	PK-5	16.0	55,884	2015	28	424
Statesville Road	PK-5	13.7	89,503	2016	39	577
Steele Creek	K-5	15.0	65,753	1968	33	758
Sterling	PK-5	29.8	92,500	2002	36	623
Stoney Creek	K-5	13.3	83,424	2009	39	770
Torrence Creek	K-5	18.2	92,029	2005	35	600
Trillium Springs Montessori	PK-6	22.0	57,305	2014	20	135
Tuckaseegee	K-5	15.0	93,044	1957	28	713
University Meadows	PK-5	17.5	76,880	1992	40	681
University Park Creative Arts	K-5	15.0	69,101	1957	34	428
Vaughan Academy of Technology	K-5	21.5	88,145	2015	39	366
Whitewater	PK-5	50.0	79,278	2007	39	769
Winding Springs	PK-5	38.7	83,480	1995	36	886
Windsor Park	PK-5	15.0	151,058	2004	35	719
Winget Park	K-5	20.0	100,319	2006	39	658
Winterfield	PK-5	17.7	82,931	1964	35	617
<i>PreK-8 SCHOOLS</i>						
Ashley Park	PK-8	12.7	72,469	1951	28	538
Berryhill	PK-8	15.0	62,782	1978	20	527
Druid Hills	PK-8	19.7	92,833	2004	35	491
Mountain Island Lake	PK-8	15.9	91,158	2002	35	876

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHOOL BUILDINGS
FOR THE YEAR ENDED JUNE 30, 2018**

SCHOOL NAME	Grades	Site Size (Acres)	Square Footage	Year First Occupied	Building Classrooms	ADM 9th Month
Reid Park	PK-8	36.7	83,500	1994	36	728
Walter G. Byers	PK-8	15.0	90,860	2001	35	406
<i>K-8 SCHOOLS</i>						
Bruns	K-8	13.2	138,917	1969	37	694
Collinswood Language	K-8	15.0	74,292	1959	22	793
E.E. Waddell Language	K-8	130.0	234,731	2001	75	1,367
John M. Morehead STEM	K-8	*	132,231	1998	53	1,016
Marie G. Davis	K-8	35.5	63,052	2007	36	486
Oaklawn Language	K-8	8.6	74,905	1963	26	555
Thomasboro	K-8	15.5	65,791	1941	32	677
Westerly Hills	K-8	11.5	74,224	1969	36	499
<i>6-12 SCHOOLS</i>						
Cochrane Collegiate	6-12	30.4	121,692	1961	47	903
Northwest School of the Arts	6-12	9.5	186,223	1937	49	1,044
<i>7-12 SCHOOLS</i>						
J.T. Williams Secondary Montessori	7-12	27.6	96,647	1962	39	166
<i>MIDDLE SCHOOLS</i>						
Albemarle Road	6-8	25.8	138,088	1966	51	1,139
Alexander Graham	6-8	38.4	108,484	1958	37	1,460
Bailey	6-8	25.0	152,960	2006	57	1,614
Carmel	6-8	40.3	127,910	1996	52	1,079
Community House	6-8	65.4	148,996	2005	58	1,843
Coulwood STEM	6-8	30.5	108,627	1960	45	746
Crestdale	6-8	48.7	145,777	1997	54	778
Eastway	6-8	31.6	153,285	2005	54	839
Francis Bradley	6-8	61.4	145,777	1998	54	1,041
J.M. Alexander	6-8	27.1	131,196	2017	54	891
James Martin	6-8	*	174,000	1998	67	1,055
Jay M. Robinson	6-8	45.9	148,996	2002	54	1,185
Kennedy	6-8	32.1	105,633	1989	38	983
Martin Luther King, Jr.	6-8	54.8	152,452	2003	58	941
McClintock	6-8	30.3	133,792	2013	54	1,091
Mint Hill	6-8	64.3	159,230	2003	48	1,211
Northeast	6-8	30.0	132,485	1976	54	636
Northridge	6-8	32.0	133,000	1996	40	729
Piedmont	6-8	10.8	145,861	1925	42	1,054
Quail Hollow	6-8	30.1	120,902	1964	50	965
Randolph	6-8	25.0	120,643	1967	46	1,114
Ranson	6-8	30.0	140,028	1964	52	906
Ridge Road	6-8	26.2	130,156	2009	54	1,243
Sedgefield	6-8	23.4	108,865	1955	41	579
South Charlotte	6-8	33.1	132,500	1992	40	968
Southwest	6-8	41.2	156,132	2003	54	1,406
Whitewater	6-8	50.0	130,156	2009	54	767
<i>HIGH SCHOOLS</i>						
Ardrey Kell	9-12	59.2	310,970	2006	96	3,165
Butler	9-12	74.6	273,440	1997	75	2,058

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHOOL BUILDINGS
FOR THE YEAR ENDED JUNE 30, 2018**

SCHOOL NAME	Grades	Site Size (Acres)	Square Footage	Year First Occupied	Building Classrooms	ADM 9th Month
Cato Middle College	<i>Classes held on CPCC Cato Campus</i>					241
Charlotte Engineering Early College	9	1.1	11,041	2014	10	295
Charlotte Teacher Early College	<i>Classes held on UNC Charlotte Campus</i>					46
East Mecklenburg	9-12	45.5	275,608	1949	82	1,985
eLearning	9-12	5.2	40,869	1974	12	253
Garinger	9-12	63.4	236,546	1959	89	1,617
Harding University	9-12	51.4	167,889	1961	55	1,452
Harper Middle College	<i>Classes held on CPCC Harper Campus</i>					169
Hawthorne Academy of Health Sciences	9-12	14.4	104,567	1922	30	237
Hopewell	9-12	78.0	274,931	2001	75	1,561
Independence	9-12	53.7	293,730	1966	100	2,189
Levine Middle College	11-12	47.0	9,360	2014	8	238
Mallard Creek	9-12	**	306,950	2007	101	2,529
Merancas Middle College	<i>Classes held on CPCC Merancas Campus</i>					109
Military and Global Leadership Academy	9-12	14.4	104,567	1922	30	154
Myers Park	9-12	72.3	310,024	1951	148	3,102
North Mecklenburg	9-12	53.8	207,420	1951	81	2,311
Olympic	9-12	51.6	275,577	1965	102	
Olympic, Biotechnology, Health and Public Administration	<i>See Olympic</i>					612
Olympic, Executive Leadership & Entrepreneurial Dev	<i>See Olympic</i>					389
Olympic, Math, Engineering, Technology and Science	<i>See Olympic</i>					588
Olympic, Renaissance School of Arts and Technology	<i>See Olympic</i>					596
Olympic, Tech Entrepreneurship & Adv Manufacturing	<i>See Olympic</i>					348
Performance Learning Center	9-12	4.2	13,078	1926	7	152
Phillip O. Berry Academy of Technology	9-12	51.0	321,996	2002	80	1,596
Providence	9-12	58.7	270,965	1989	88	2,007
Rocky River	9-12	64.0	258,191	2010	100	1,452
South Mecklenburg	9-12	52.0	286,939	1958	91	2,946
West Charlotte	9-12	50.0	240,470	1950	96	1,274
West Mecklenburg	9-12	53.7	244,439	1951	102	1,483
William Amos Hough	9-12	88.3	258,191	2010	100	2,582
Zebulon B. Vance	9-12	*	236,196	1997	77	1,628
<i>ALTERNATIVE SCHOOLS</i>						
Lincoln Heights	K-12	10.8	91,728	2002	35	86
Metro School	K-12	10.7	156,727	2006	32	231
Turning Point	K-12	9.2	61,861	1927	30	305

* - Nathaniel Alexander, John M. Morehead STEM, James Martin, and Zebulon B. Vance are on one campus.

** - Land owned by Mecklenburg County Parks and Recreation

Source: Charlotte-Mecklenburg Schools Auxiliary Services

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